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1. Overview of FY14 Results

- (1) Performance Figures
- (2) Orders Received
- (3) Net Sales
- (4) Operating Income
- (5) Cash Flow

1. Overview of FY14 Results

(1) Performance Figures

- ◆ Orders received and sales both down due to effects of reduced investment by telecom carriers, etc.
- ◆ Decrease in profits despite continued efficiency measures due to reduced sales, deterioration in profits from some construction, etc.

■ Overview of FY14 results (consolidated)

(¥bn)

	FY13	FY14	FY14		
	Actual	Plan	Actual	YOY	Compared to plan
	A	B	C	C/A	C/B
Orders received	304.2	320.0	301.4	99%	94%
Net sales	318.5	320.0	300.9	94%	94%
Gross profit	(12.1%) 38.5	(12.3%) 39.5	(11.9%) 35.7	93%	90%
SG&A expenses	(5.6%) 17.8	(5.5%) 17.5	(5.8%) 17.3	98%	99%
Operating income	(6.5%) 20.7	(6.9%) 22.0	(6.1%) 18.3	89%	83%
Ordinary income	(6.5%) 20.6	(6.9%) 22.2	(6.2%) 18.5	90%	84%
Net income	(4.7%) 14.9	(4.4%) 14.1	(4.1%) 12.2	82%	87%

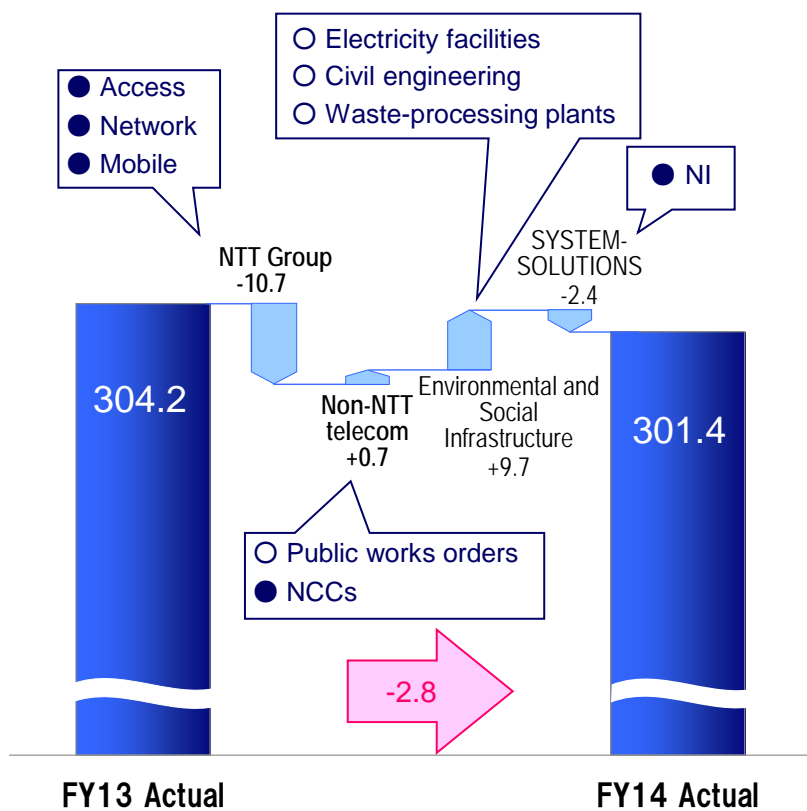
Notes: All amounts less than ¥100m are disregarded. Figures in parentheses are ratio to net sales.

1. Overview of FY14 Results

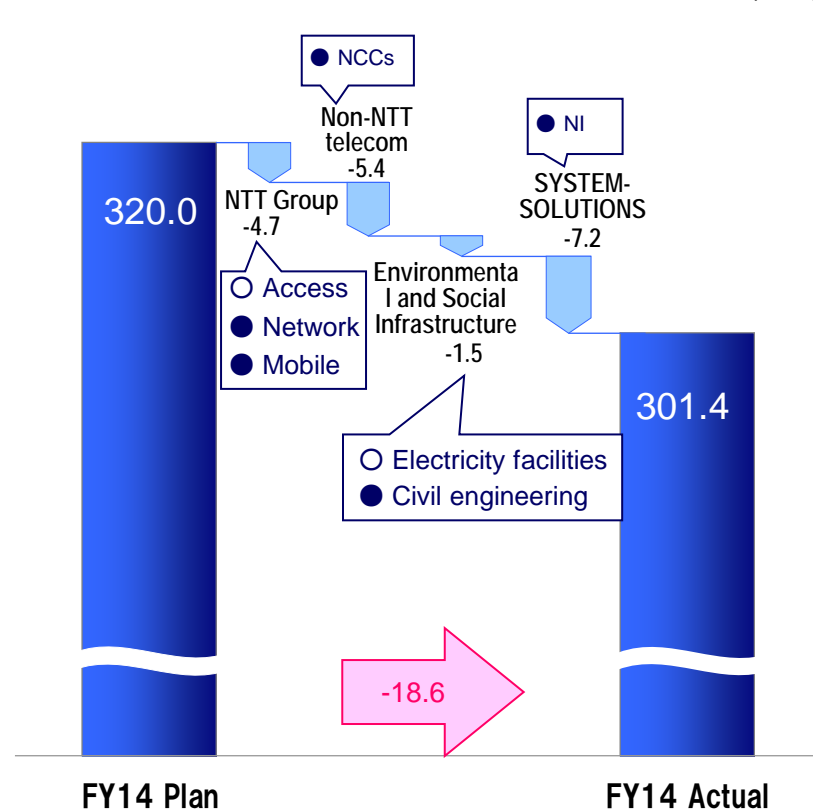
(2) Orders Received

- ◆ Down YOY due to reduction in NTT Group orders, despite substantial growth in Environmental and Social Infrastructure
- ◆ Down compared to plan due to effects of reduced investment by telecom carriers, etc.

■ YOY (consolidated)



■ Compared to plan (consolidated) (¥bn)



○ Reason for increase ● Reason for decrease

Note: All amounts less than ¥100m are disregarded.

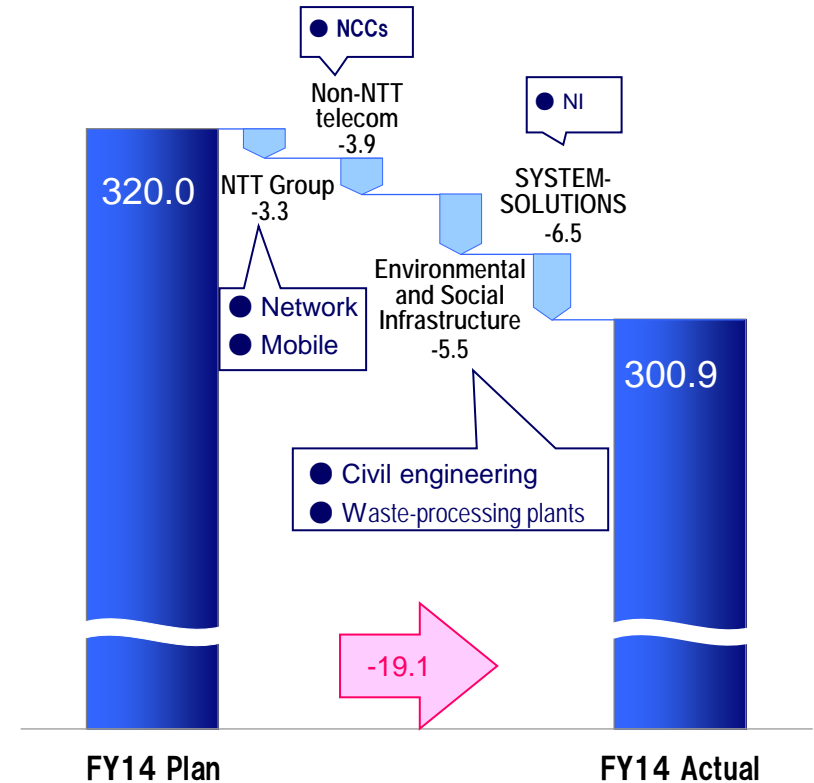
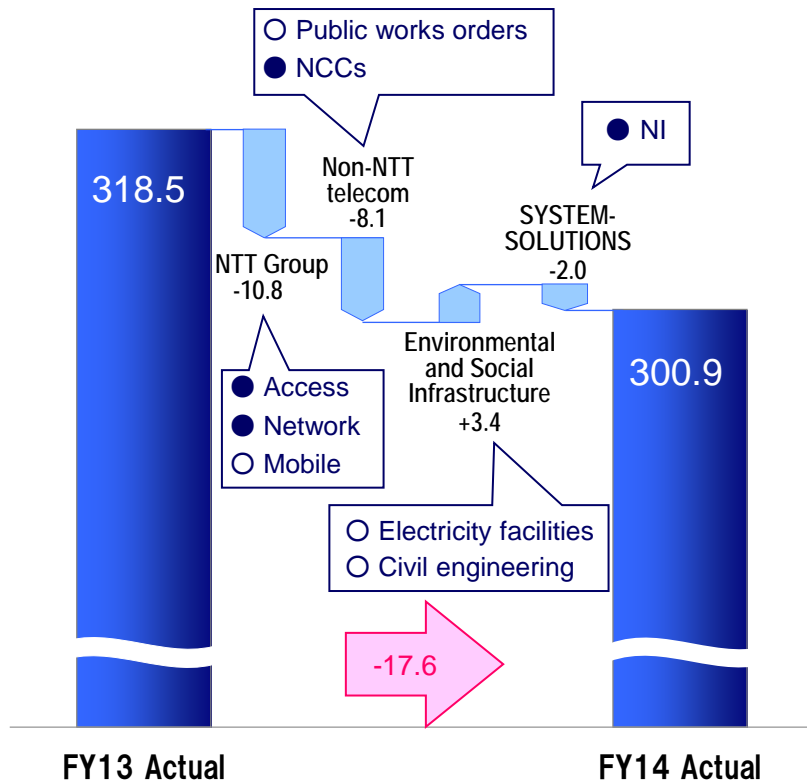
1. Overview of FY14 Results

(3) Net Sales

- ◆ Down YOY due to reduction in NTT Group, etc., despite increase in Environmental and Social Infrastructure
- ◆ Down compared to plan because of stagnation in orders received

■ YOY (consolidated)

■ Compared to plan (consolidated) (¥bn)



○Reason for increase ●Reason for decrease

Note: All amounts less than ¥100m are disregarded.

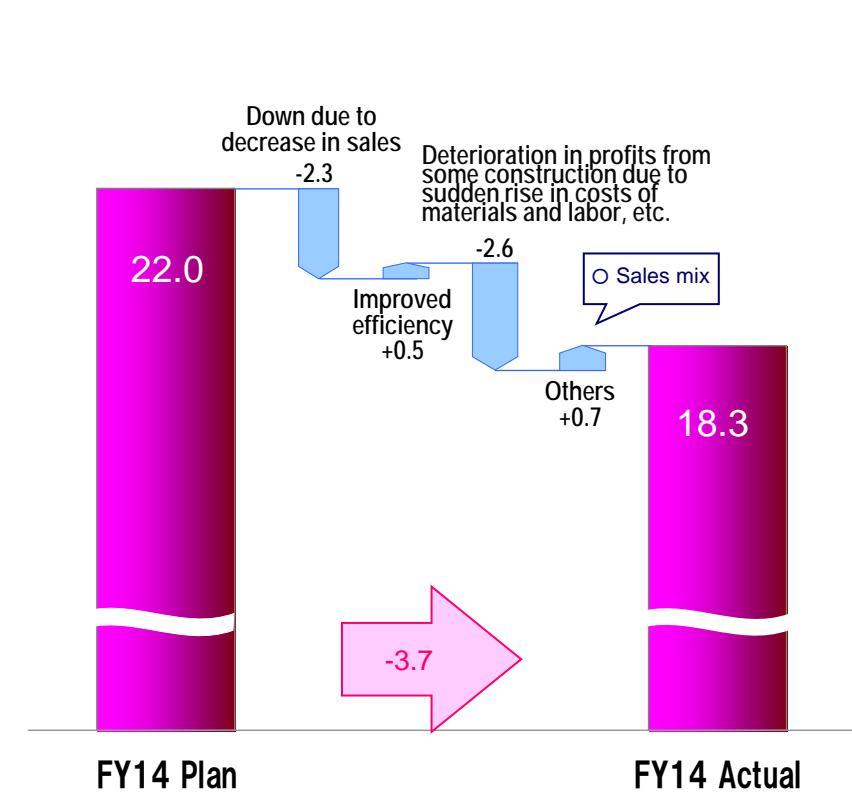
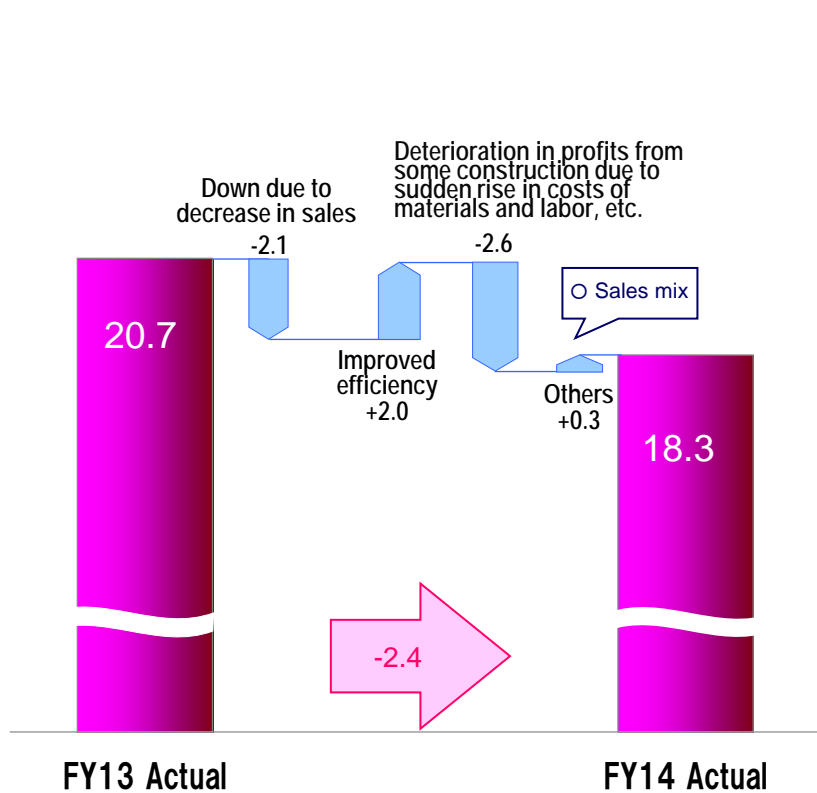
1. Overview of FY14 Results

(4) Operating Income

◆ Reduction due to reduced sales and deterioration in profits from some construction, etc., despite results of increased efficiency becoming visible

■ YOY (consolidated)

■ Compared to plan (consolidated) (¥bn)



○Reason for increase ●Reason for decrease

Note: All amounts less than ¥100m are disregarded.

1. Overview of FY14 Results

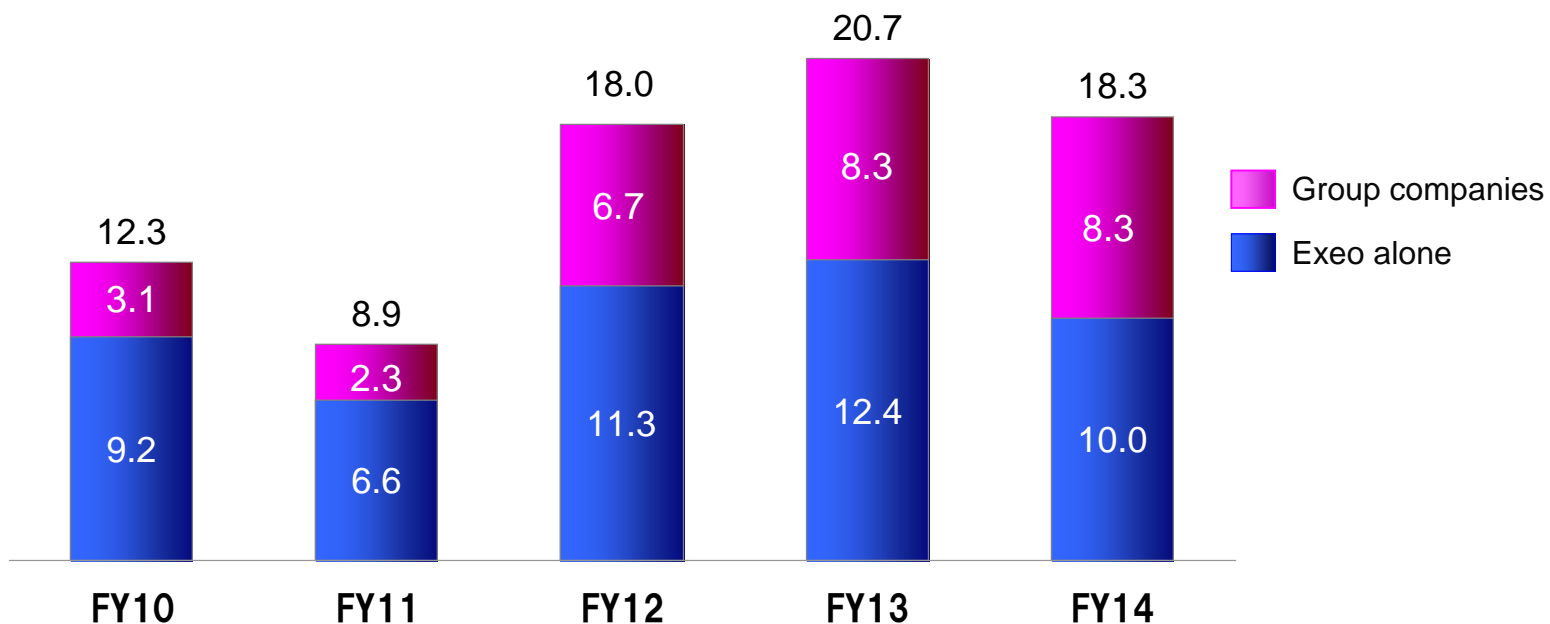
Reference: Trends in Group company profitability

◆ Group company profits at high level despite reduction in non-consolidated profits

■ Trends in operating profits over the past five years (consolidated/non-consolidated) (¥bn)

(Ratio of consolidated to non-consolidated profits)

(1.3) (1.3) (1.6) (1.7) (1.8)



Notes: Ratio of consolidated to non-consolidated profits = operating profits from consolidated projects ÷ operating profits from non-consolidated projects. All amounts less than ¥100m are disregarded.

1. Overview of FY14 Results

(5) Cash Flow

◆ Stable cash flow

■ Cash flow (consolidated)

(¥bn)

	FY12	FY13	FY14
Cash at beginning of FY	12.3	14.6	16.2
Operating activities	7.1	9.8	23.1
Investing activities	-2.1	-7.4	-2.8
Financing activities	-3.0	-0.9	-12.3
Cash at end of FY	14.6	16.2	24.2

Note: All amounts less than ¥100m are disregarded.

2. Plans for FY15

- (1) Medium-Term Management Plan (FY13–FY15)
- (2) Performance Figures
- (3) Orders Received and Net Sales
- (4) Operating Income
- (5) Investment Trends of Major Telecom Carriers
- (6) NTT Group (Access/Network)
- (7) NTT Group (Mobile)
- (8) Non-NTT New Common Carriers (NCCs)
- (9) Environmental and Social Infrastructure
- (10) SYSTEM-SOLUTIONS
- (11) Improved Productivity

2. Plans for FY15

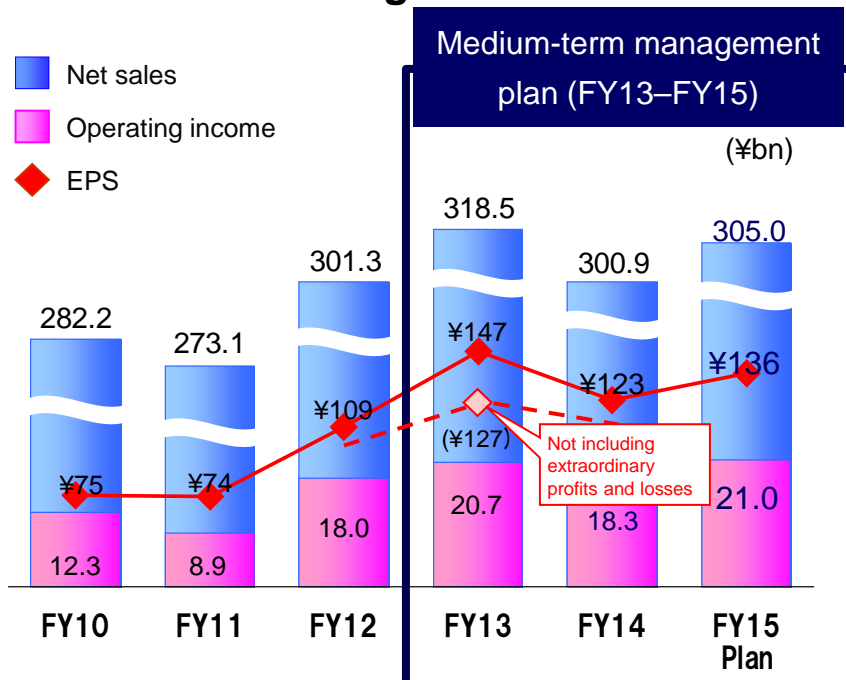
(1) Medium-Term Management Plan (FY13–FY15)

◆ Return to increased income and increased profits through expansion of non-NTT projects and promotion of efficiency measures

■ Medium-term vision

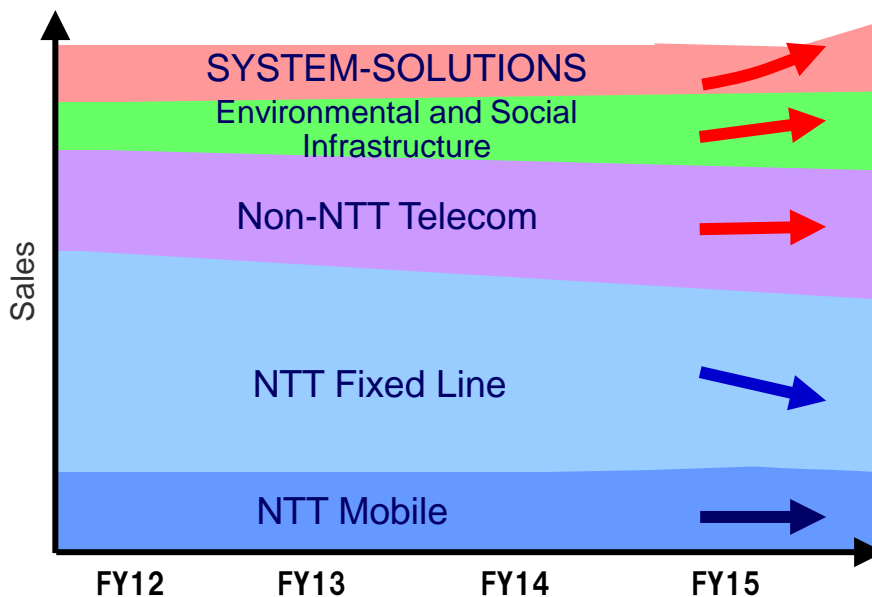
Developing total ICT solutions on a Group-wide basis to create value and build a solid base for growth

■ Results and targets



Note: All amounts less than ¥100m are disregarded.

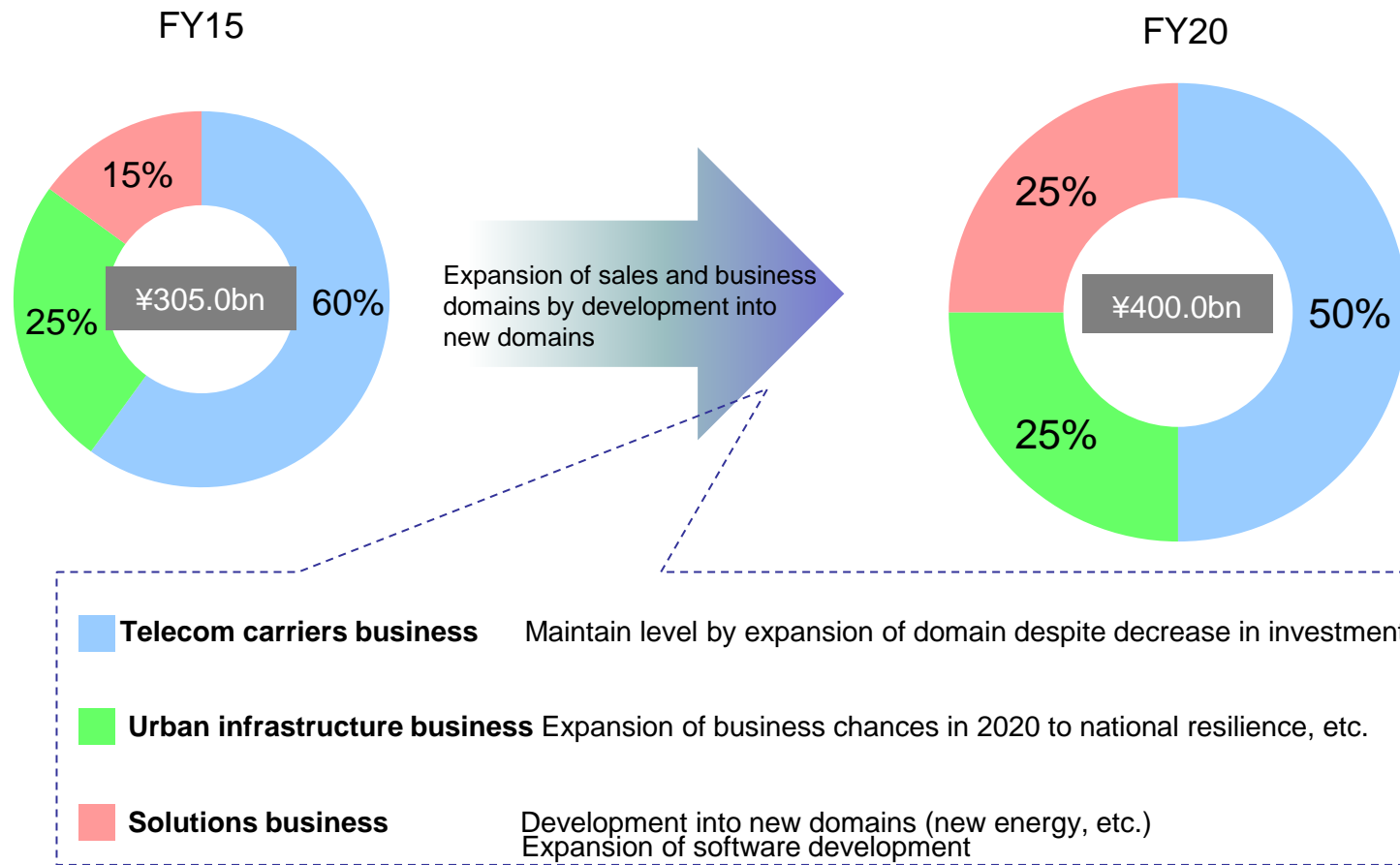
■ Overall direction of business



2. Plans for FY15

Reference: FY20 outlook

- ◆ To become a ¥400 billion company in FY20
- ◆ To promote reconstruction of the business portfolio and grow the solutions business into a second pillar



2. Plans for FY15

Reference: FY20 outlook

◆ Increase corporate value through sustained expansion of sales/creation of profits and improved capital efficiency

■ Achievements and targets

	FY14 Actual	FY15 Plan	FY20 Target
Net sales	¥300.9bn	¥305.0bn	¥400.0bn
Operating income	¥18.3bn	¥21.0bn	¥30.0bn
Operating income margin	6.1%	6.9%	7.5%
ROE	8.7%	8.9%	10.0%
EPS	¥123	¥136	¥200

ROE: Return on equity EPS: Earnings per share

2. Plans for FY15

(2) Performance Figures

◆ Completed processing of projects with deficit and return to increased income and profits

■ Plans for FY15 (consolidated)

(¥bn)

	FY14 Actual A	FY15 Plan B	YOY B/A
Orders received	301.4	310.0	103%
Net sales	300.9	305.0	101%
Gross profit	(11.9%) 35.7	(12.7%) 38.6	108%
SG&A expenses	(5.8%) 17.3	(5.8%) 17.6	101%
Operating income	(6.1%) 18.3	(6.9%) 21.0	114%
Ordinary income	(6.2%) 18.5	(6.9%) 21.0	113%
Net income	(4.1%) 12.2	(4.3%) 13.2	108%

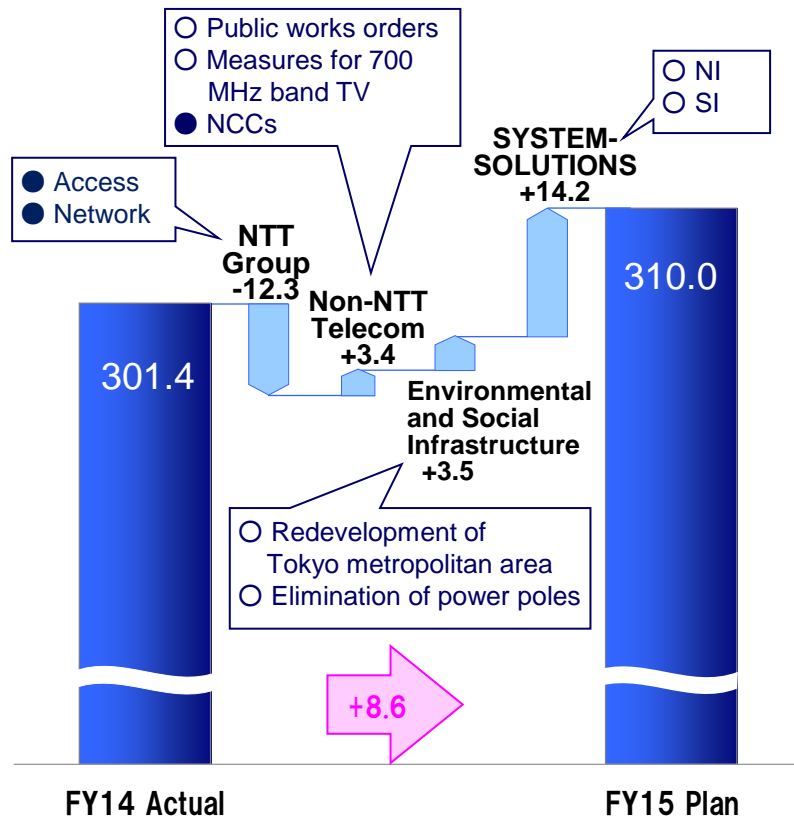
Notes: All amounts less than ¥100m are disregarded. Figures in parentheses are ratio to net sales.

2. Plans for FY15

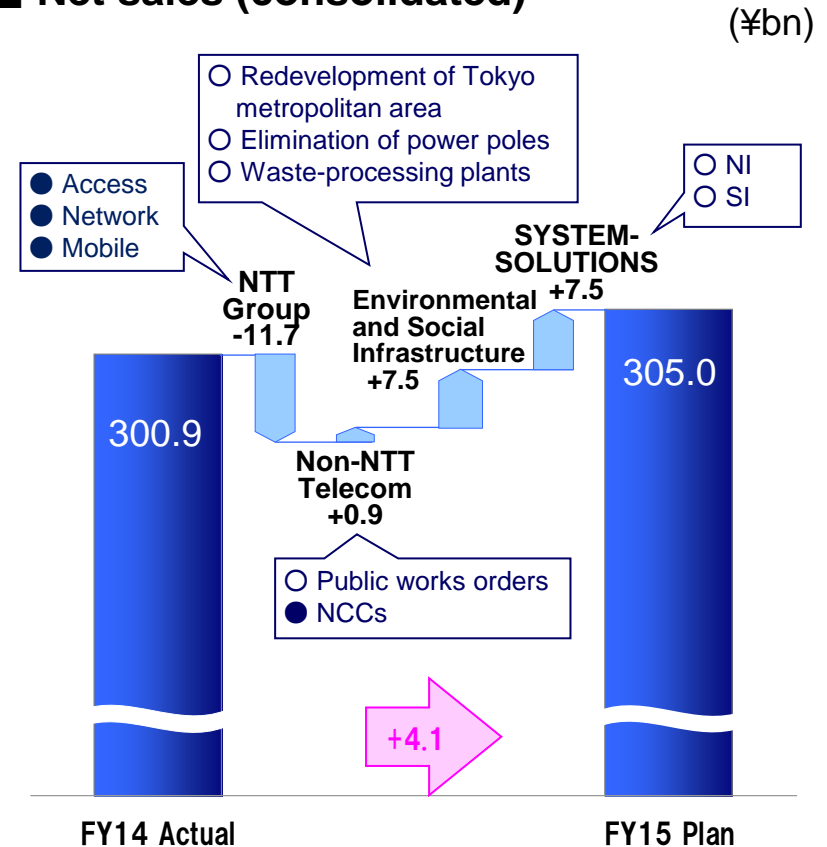
(3) Orders Received and Net Sales

- ◆ Expansion of solutions business, including new energy, cloud, security, etc.
- ◆ Return to increased income against a backdrop of vigorous investment in environmental/social infrastructure and IT

Orders received (consolidated)



Net sales (consolidated)



○ Reason for increase ● Reason for decrease

Note: All amounts less than ¥100m are disregarded.

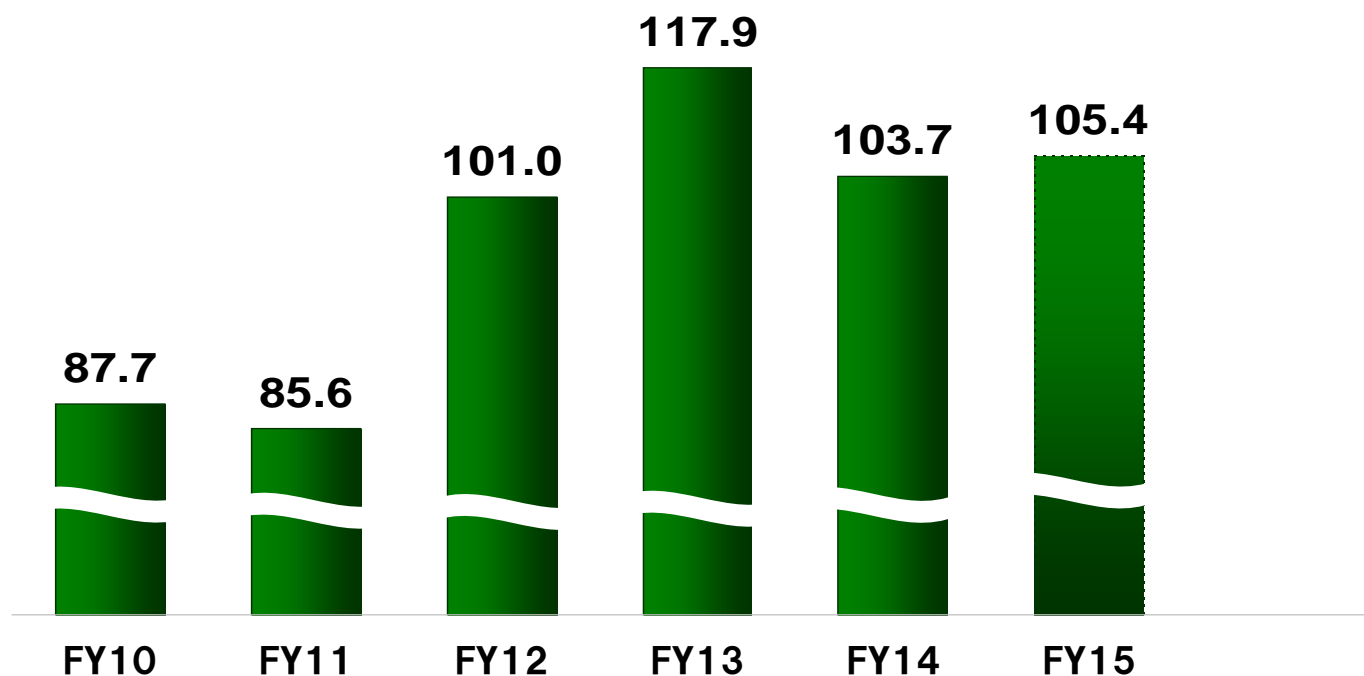
2. Plans for FY15

Reference: Status of projects carried over

◆ Maintain high level on a par with previous term

■ Balance of projects carried over to next period by fiscal year (consolidated)

(¥bn)



Note: All amounts less than ¥100m are disregarded.

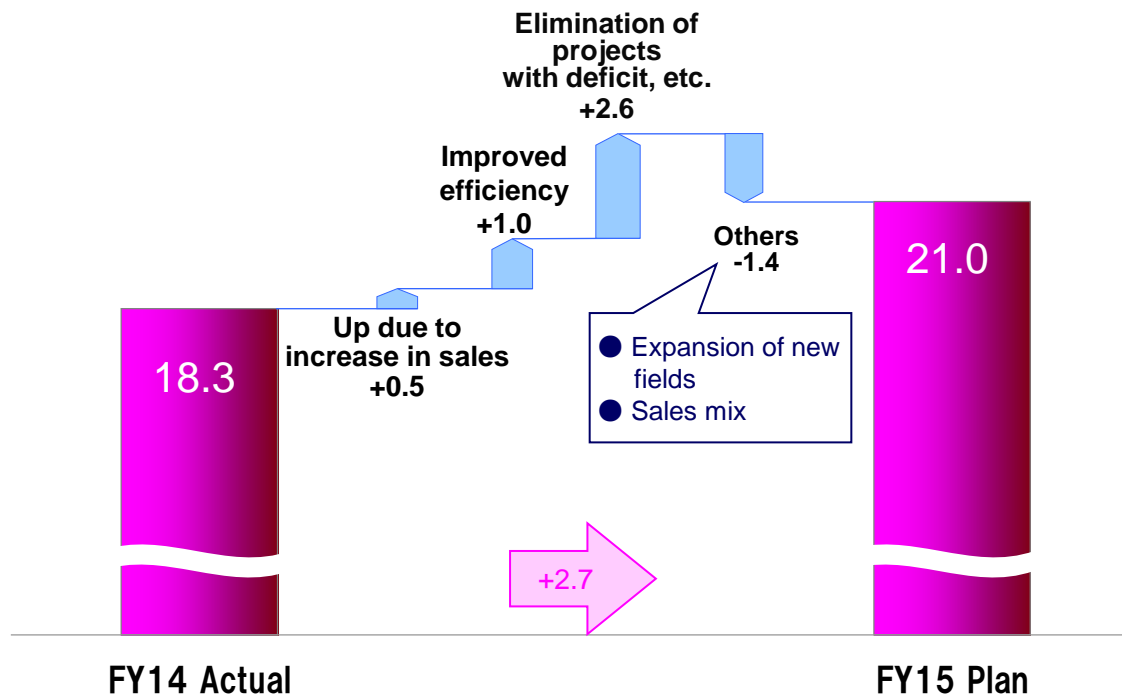
2. Plans for FY15

(4) Operating Income

◆ Record profits through elimination of projects with deficit and promotion of efficiency measures

■ Operating income (consolidated)

(¥bn)

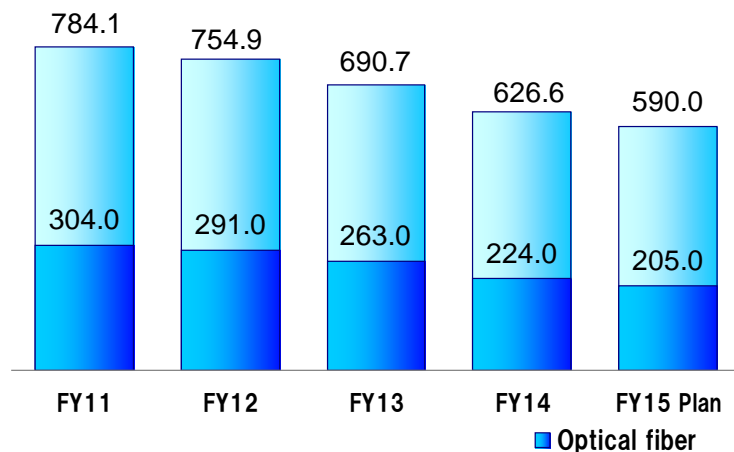


Note: All amounts less than ¥100m are disregarded.

2. Plans for FY15

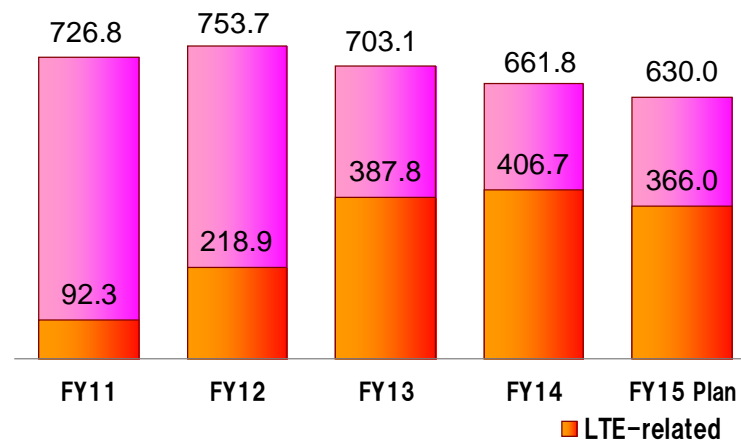
(5) Investment Trends of Major Telecom Carriers

■ NTT East/West

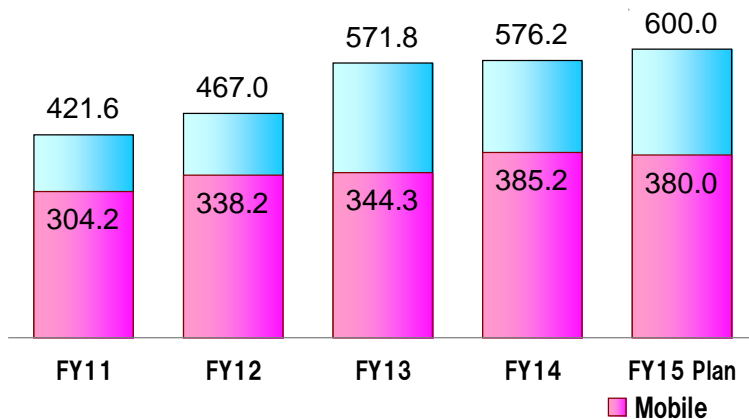


■ NTT DoCoMo

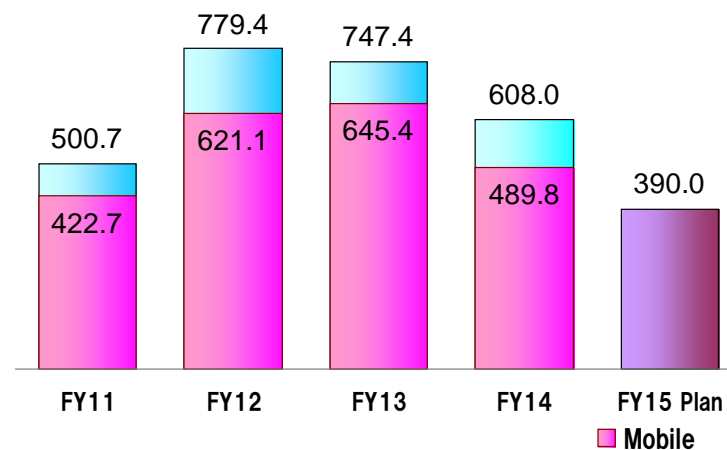
(¥bn)



■ KDDI



■ SoftBank



Note: Trends in FY15 plan include UQ mobile.

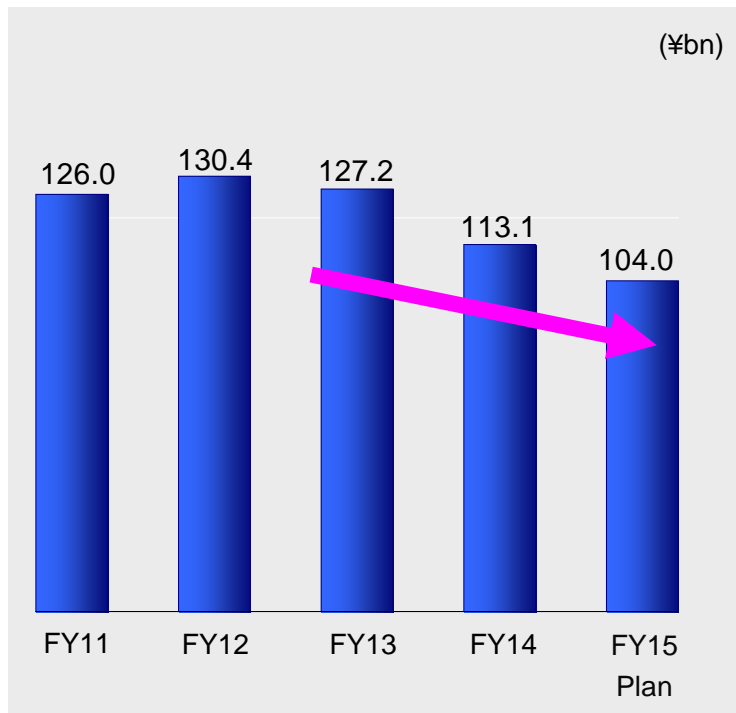
(Source: Figures released by the telecommunications carriers)

2. Plans for FY15

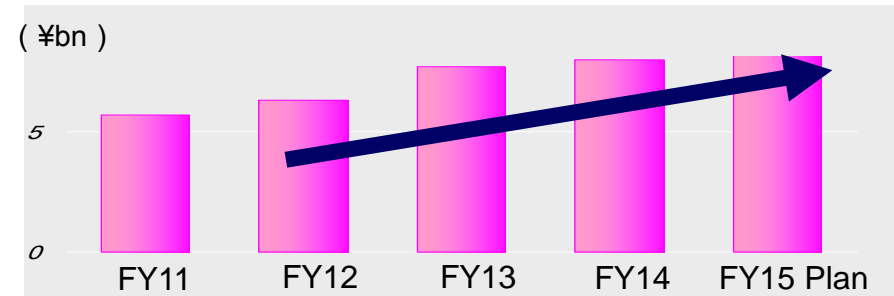
(6) NTT Group (Access/Network)

- ◆ Continuing downward trend for fixed-line network
- ◆ Profits secured by streamlining business

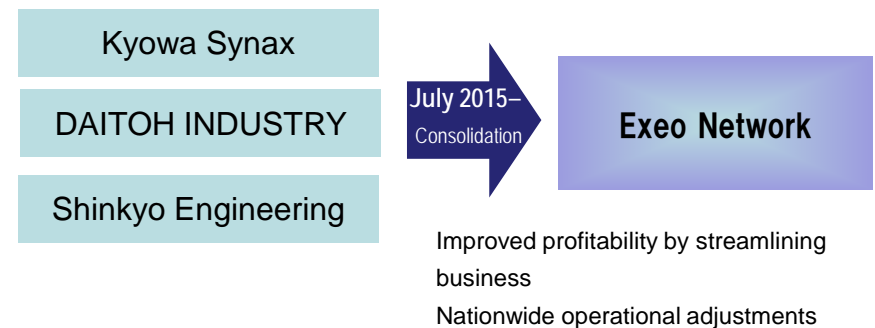
■ Net sales of NTT Group (fixed-line network, consolidated)



■ NTT facilities management (fixed-line related) [Net sales (consolidated)]



■ Consolidation of subsidiary network companies

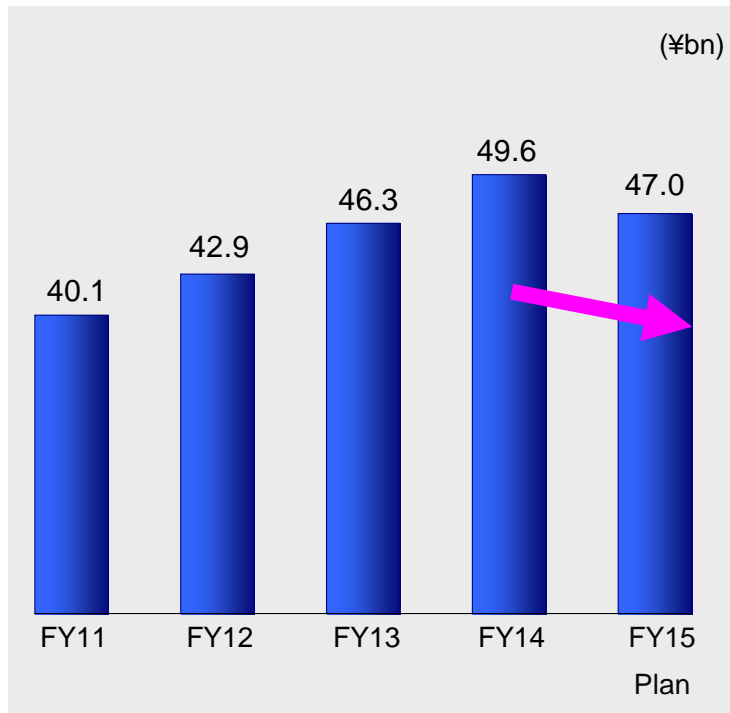


2. Plans for FY15

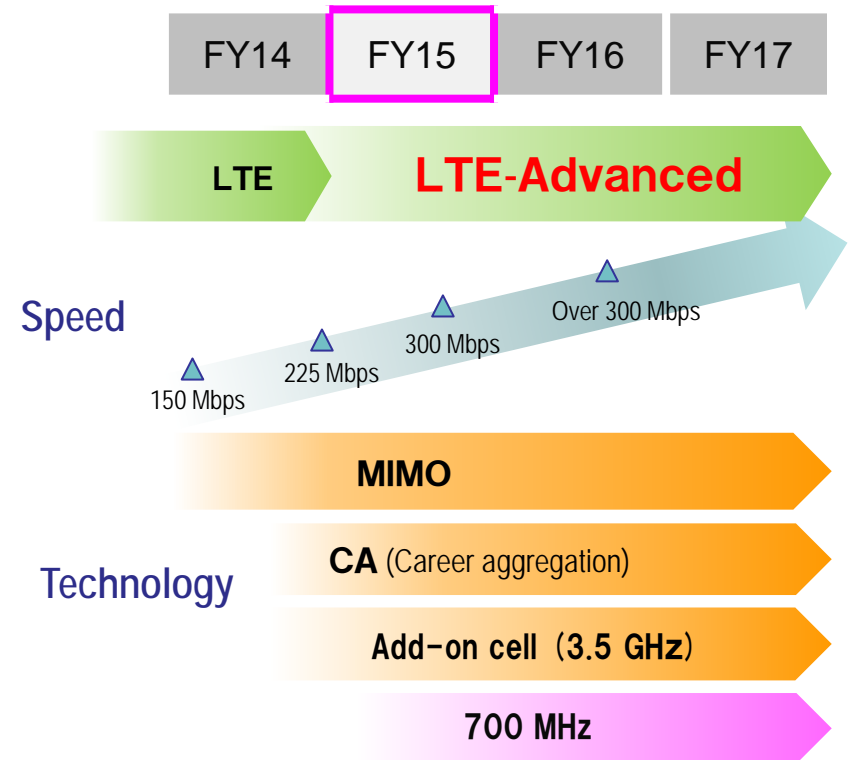
(7) NTT Group (Mobile)

- ◆ LTE-Advanced construction work at full pace
- ◆ Downgrading of project scale, noticeable trend toward concentration in large cities

■ Net sales of NTT Group
(mobile network, consolidated)



■ NTT DOCOMO network development

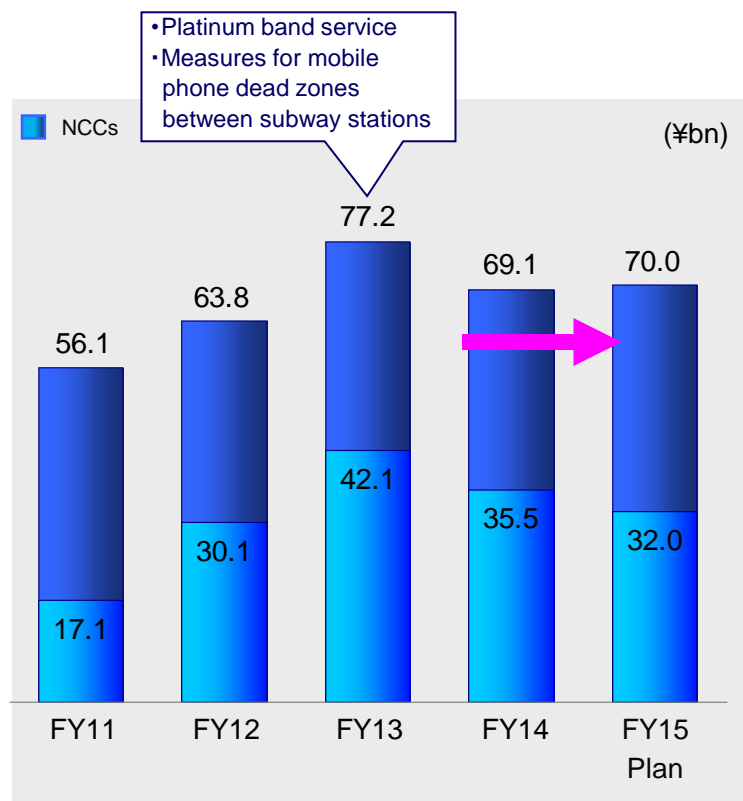


2. Plans for FY15

(8) Non-NTT New Common Carriers (NCCs)

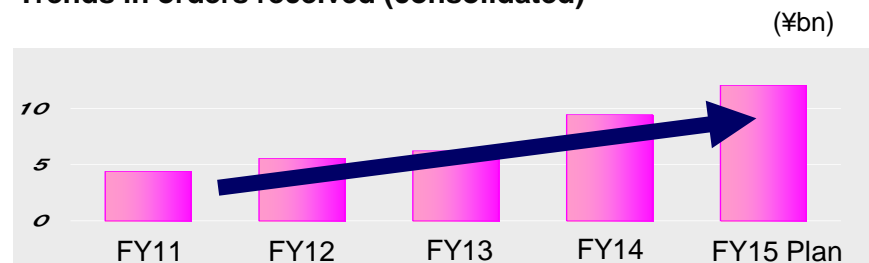
- ◆ Further expansion of share of projects aimed at NCCs
- ◆ Public project targets narrowed down and proactive development of business

■ Non-NTT Telecom Engineering net sales (consolidated)



■ Government-sector telecom projects

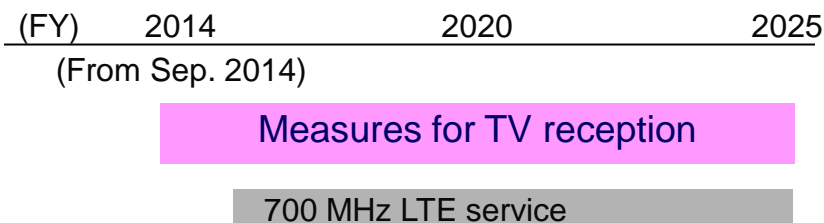
Trends in orders received (consolidated)



◇ Main targets

- Fire-fighting/disaster prevention wireless
- National resilience (CCTV, road telecommunications, etc.)

■ Measures for 700 MHz Band TV Reception



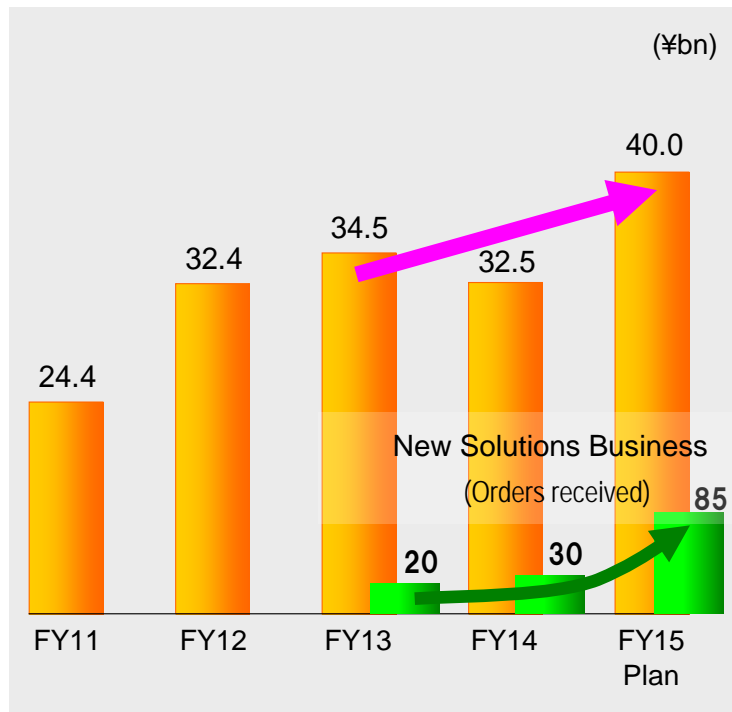
Note: May change due to progress in migration of FPU, specified radio microphones.

2. Plans for FY15

(10) SYSTEM-SOLUTIONS

- ◆ Making full use of high technological strength and plentiful human resources to expand SI business
- ◆ New solutions to become new business pillar

■ SYSTEM-SOLUTIONS net sales (consolidated)



■ SI (systems integration) business

Further business expansion with high ratings from customers and an SE system of 1,500 persons

Top-ranking partners from among main customers

NTT DATA	Core business partner
NTT COMWARE	Premium excellent partner
NEC	Platinum
<small>Note: Converged Network Division</small>	

■ NI (network integration) business

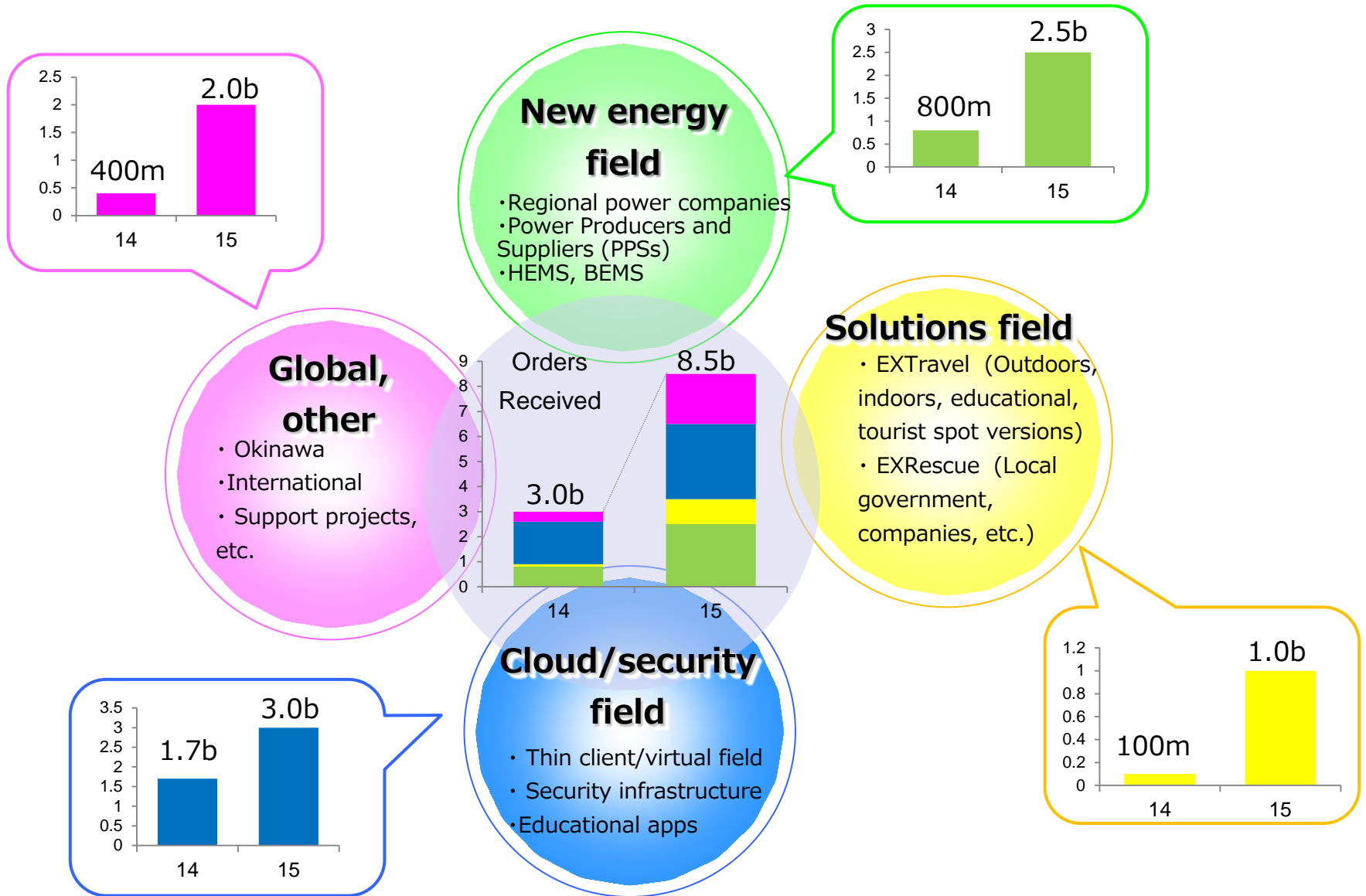
Creation of a new business pillar through technical integration based on network construction technology such as LAN/WAN, etc.

New solutions as a new pillar

- New energy: Smart meters, EMS
- Geo solutions: EXTravel, Daigo Temple sightseeing guide
- Cloud security: Thin client, local medical coordination
- Global, other: SE Asia airports ICT, Okinawa promotion

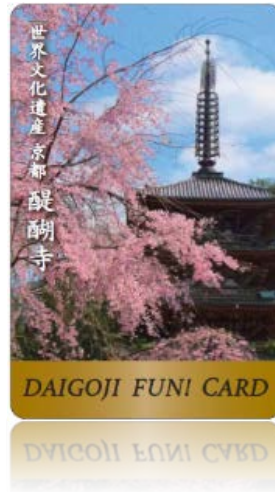
2. Plans for FY15

Reference: New solutions business performance and future initiatives



2. Plans for FY15

Reference: Guide to Daigo Temple, Kyoto ■ Multilingual guide for visitors to Japan
Hospitality using Wi-Fi, GPS, and AR functions



■ Automatic voice guide on smartphone screen



■ Introduction to the temple's hidden contents



■ Directions to temple emergency shelter in case of natural disaster



The first of Kyoto's temples to use a smartphone app

Service started 6 April

2. Plans for FY15

Reference: Global business initiatives



Comprehensive service project in two Manila suburbs

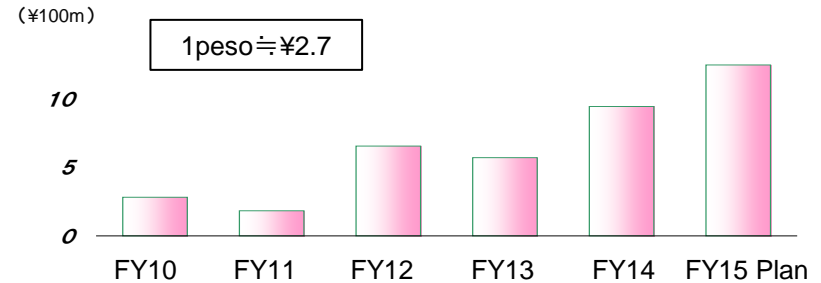
¥600m/yr for three years (May 2014–April 2017)



Construction of ICT in airports in the Philippines

Terrestrial digital construction
(Adoption of Japanese system)

MG Exeo sales trends



MG Exeo (Philippines) as a base for development across SE Asia

Development of ICT technology educators in the Philippines → spread to other SE Asian countries



SE Asia

Targeting ODA projects

- Airport ICT
- Industrial complex ITC
- Data centers ITC etc.

2. Plans for FY15

(11) Improved Productivity

◆ FY14 targets achieved

◆ Continued measures to improve profits

Enhanced profitability through cost reductions

FY		2012	2013	2014	2015
Improvement	Aims	¥1.0bn (cumulative ¥2.0bn)	¥1.5bn (cumulative ¥2.0bn)	¥1.5bn (cumulative ¥5.0bn)	¥1.0bn (cumulative ¥6.0bn)
	Results	¥2.0bn (cumulative ¥3.0bn)	¥2.0bn (cumulative ¥5.0bn)	¥2.0bn (cumulative ¥7.0bn)	—

Note: Amount of improvement represents cost reductions relative to FY10.

Recent principal measures

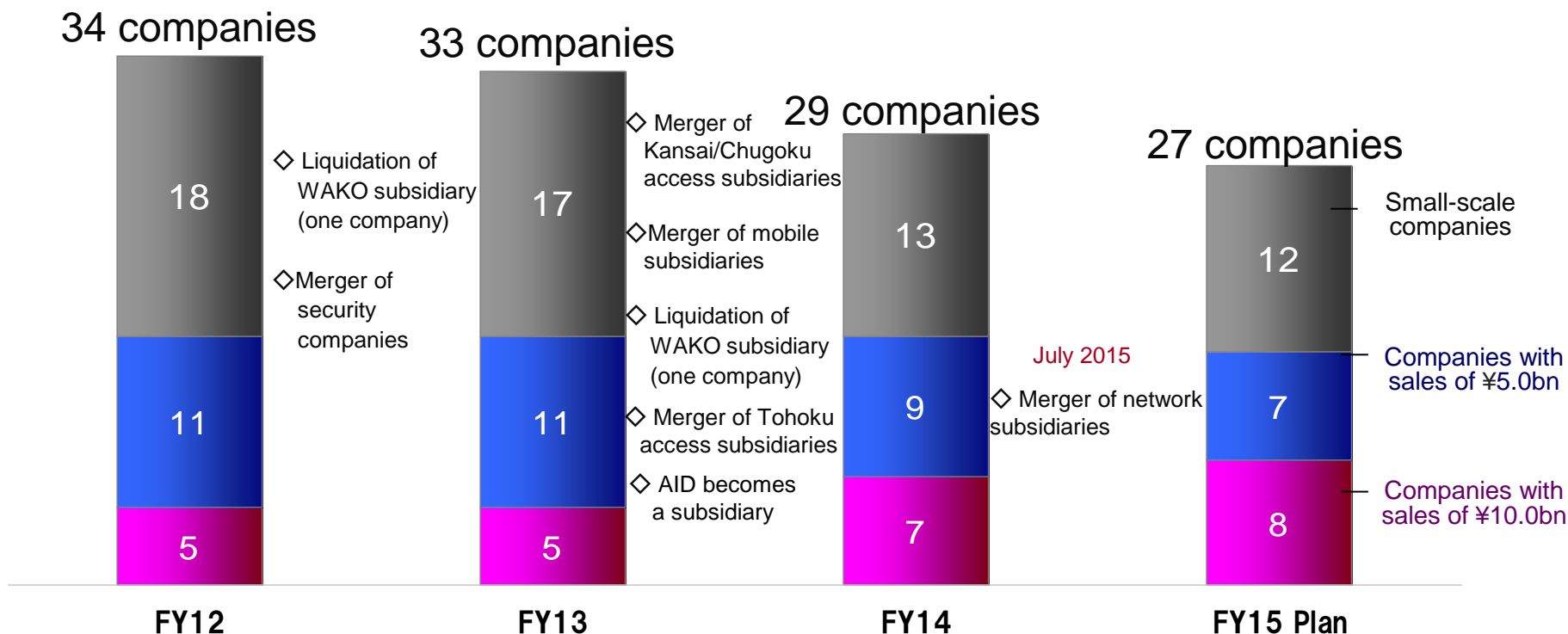
Area	Measures
Functional integration	<ul style="list-style-type: none"> ◇ Review of access, network, and engineering construction systems ◇ Expansion of shared company work consignments ◇ Group-wide unification of audits, MS tasks ◇ Reorganization of Group access companies in Kanto area
Reorganization of Group companies	<ul style="list-style-type: none"> ◇ Cross-departmental systems integration through business improvement project ◇ Merger of subsidiary security companies ◇ Merger of subsidiary access companies in Kansai/Chugoku regions ◇ Merger of subsidiary mobile companies ◇ Merger of subsidiary access companies in Tohoku region
Consolidation of bases	<ul style="list-style-type: none"> ◇ Sendai General Engineering Center (9 bases → 1) ◇ Kagawa Technical Center (5 bases → 1) ◇ Iishioka General Technical Center (4 bases → 1) ◇ Koshin branches (5 bases → 1) ◇ Hyogo General Technical Center (5 bases → 1) (planned for July 2015)
Resource sharing	<ul style="list-style-type: none"> ◇ Resource shift to mobile/solutions area (approx. 200 people) ◇ Group-wide cross-sectional projects (mobile, 700 MHz TV reception measures, EV charging, etc.)

2. Plans for FY15

Reference: Reorganization of Group companies

◆ Accelerated reorganization of Group companies aimed at improved streamlining and optimization of resources

■ Trends in number of subsidiaries (excluding WAKO ENGINEERING, Ikeno Tsuken, and Daiwa Densetsu)



3. Raising Shareholders' Value

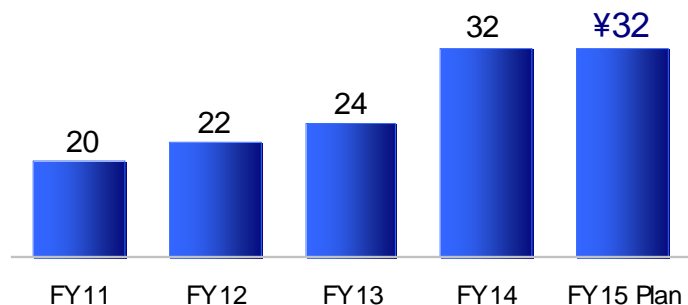
(1) Payment of Dividends

3. Raising Shareholders' Value

(1) Payment of Dividends

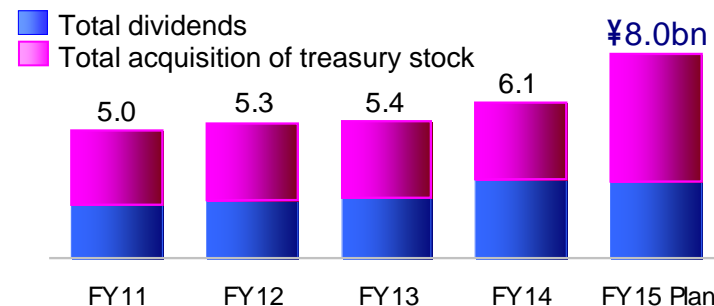
- ◆ Continuing proactive payment of dividends
- ◆ Acquisition of ¥500m of treasury stock, aiming for continued improvement of EPS

■ Dividend history (per share)

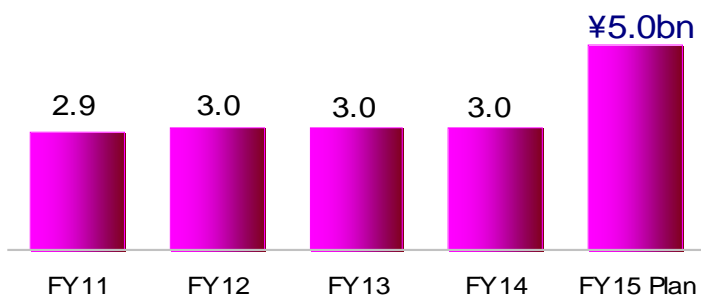


■ Total shareholder return

(Total dividends + total acquisition of treasury stock)

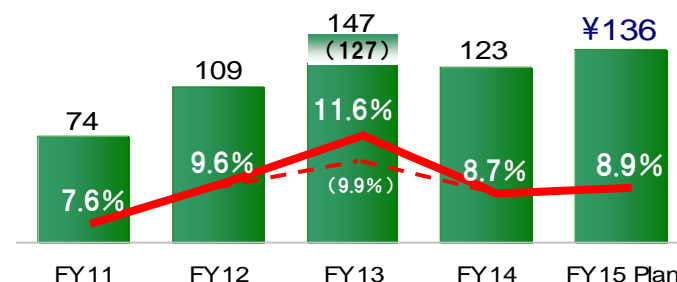


■ Acquisition of treasury stock



■ EPS/ROE

■ EPS — ROE



Disclaimer Regarding Forward-Looking Statements

Management of the Company has made estimates and assumptions relating to financial forecasts based on information available as of the reporting date. Actual results could differ from those estimates.

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A variety of IR materials is available for
consultation on our company website.