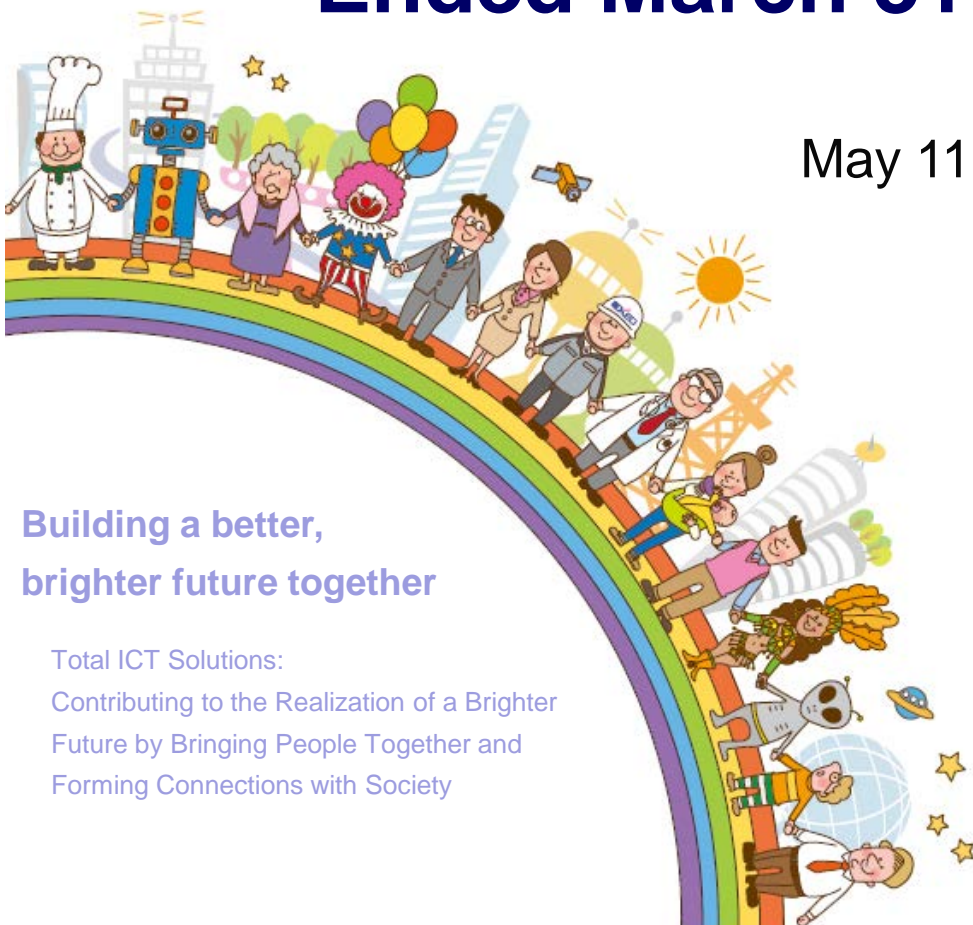


Annual Results for the Fiscal Year Ended March 31, 2018 (FY 2017)

May 11, 2018



Building a better,
brighter future together

Total ICT Solutions:
Contributing to the Realization of a Brighter
Future by Bringing People Together and
Forming Connections with Society

KYOWA EXEO CORPORATION
URL: <http://www.exeo.co.jp/overseas/index.html>

1. Overview of FY17 Results	...	2	(6) NCCs	...	20
(1) Performance Figures	...	3	(7) Urban Infrastructure	...	21
(2) Orders Received	...	4	(8) System-Solutions	...	25
(3) Net Sales	...	5	(9) Measures for greater efficiency	...	31
(4) Operating Income	...	6	(Improved Productivity)		
(5) Cash Flow	...	8	4. Raising Shareholders' Value	...	34
2. Management Integration	...	9	(1) Payment of Higher Dividends	...	35
(1) Performance Figures	...	10	(2) Dividend Payment Plan, etc. for FY18	...	36
(2) Overview of FY17 Results of Each Company	...	11	5. Topics	...	37
(3) Business Scale after Management Integration	...	11	(1) Visit to Overseas Subsidiary by Minister of		
3. Plans for FY18	...	12	Internal Affairs and Communications	...	38
(1) Performance Figures	...	13			
(2) Orders Received and Net Sales	...	14			
(3) Operating Income	...	16			
(4) NTT Group (Access/Network)	...	18			
(5) NTT Group (Mobile)	...	19			

1. Overview of FY17 Results

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

1. Overview of FY17 Results

(1) Performance Figures

- ◆ Net sales increased due to strong orders from telecom carriers and growth of orders received and sales of Urban Infrastructure
- ◆ Operating income reached a new high due to the effects of more efficient construction and the like

■ Overview of FY17 results (consolidated)

(¥bn)

	FY16 Actual A	FY17			
		Plan B	Actual C	YOY C / A	Plan accuracy C / B
Orders received	324.1	330.0	325.0	100%	98%
Net sales	298.8	320.0	312.6	105%	98%
Gross profit	(12.9%) 38.4	(12.9%) 41.3	(13.9%) 43.3	113%	105%
SG&A expenses	(5.9%) 17.6	(5.7%) 18.3	(5.7%) 17.7	101%	97%
Operating income	(7.0%) 20.8	(7.2%) 23.0	(8.2%) 25.6	123%	111%
Ordinary income	(7.2%) 21.4	(7.4%) 23.6	(8.5%) 26.4	124%	112%
Net income attributable to owners of parent	(4.6%) 13.7	(4.9%) 15.7	(5.8%) 17.9	130%	115%

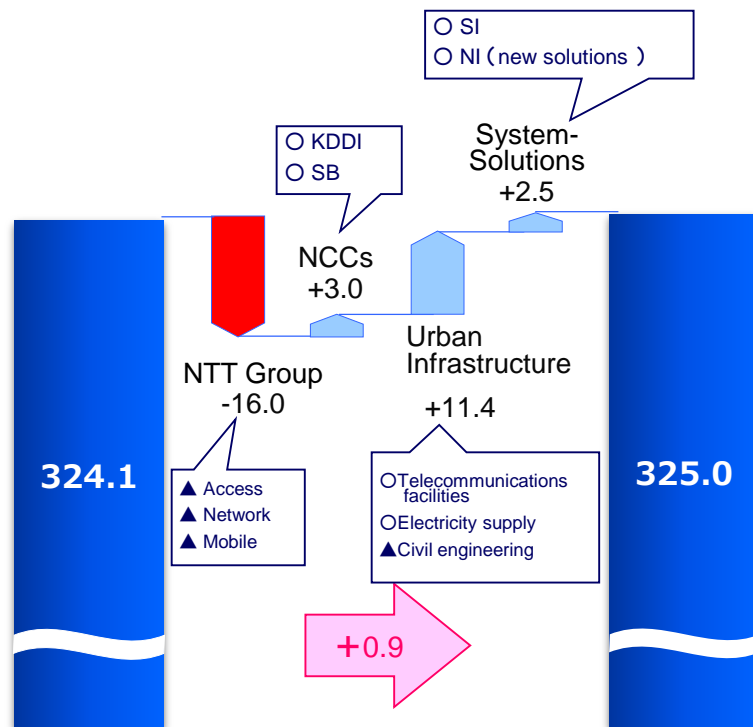
Notes: All amounts less than ¥100m are disregarded. Figures in parentheses are ratio to net sales.

1. Overview of FY17 Results

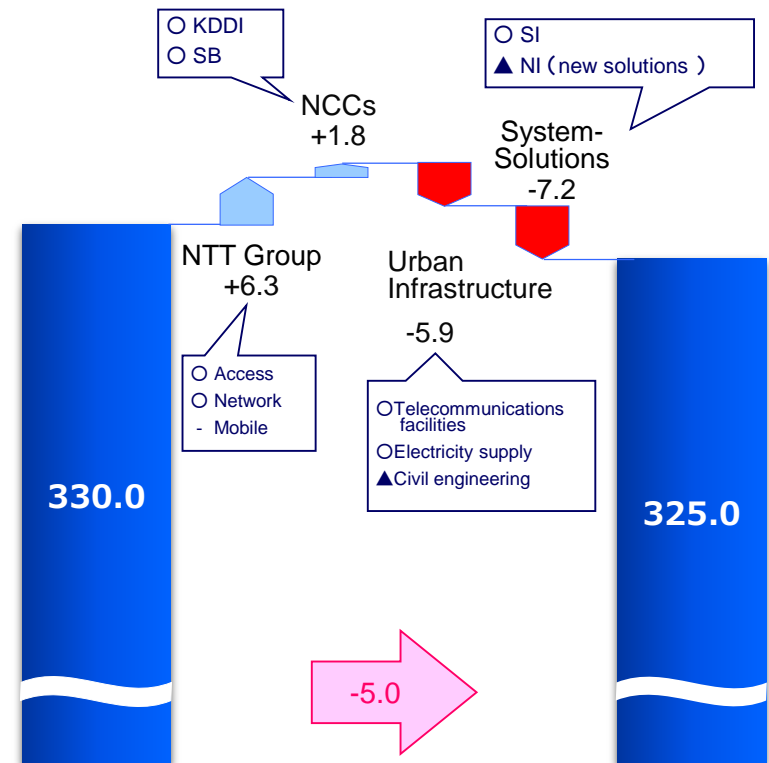
(2) Orders Received

- ◆ Exceeded the previous year due to strong Urban Infrastructure orders
- ◆ Decreased compared to the plan because orders received for SYSTEM-SOLUTIONS (new solutions) did not grow

■ YOY (consolidated)



■ Compared to plan (consolidated) (¥bn)



FY16 Actual

FY17 Actual

FY17 Plan

FY17 Actual

○ Reason for increase ▲ Reason for decrease – No increase/decrease

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

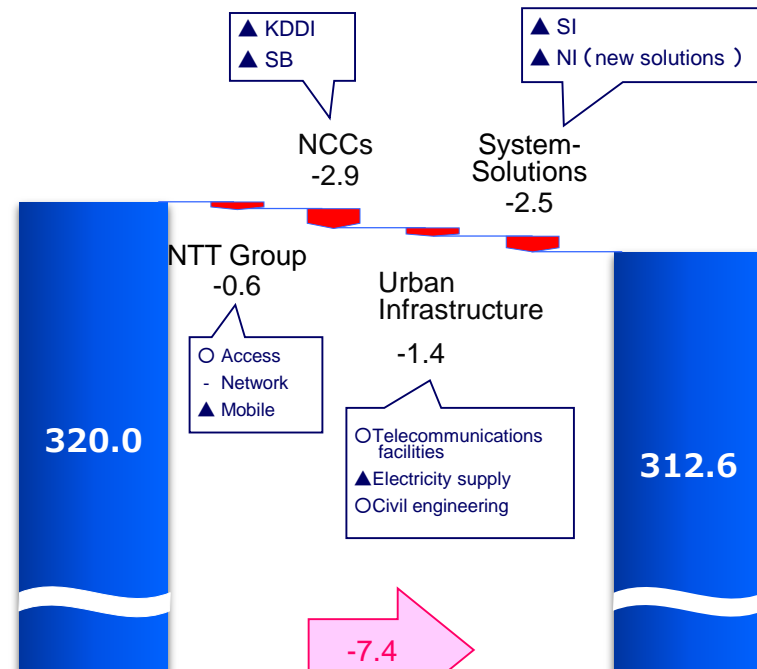
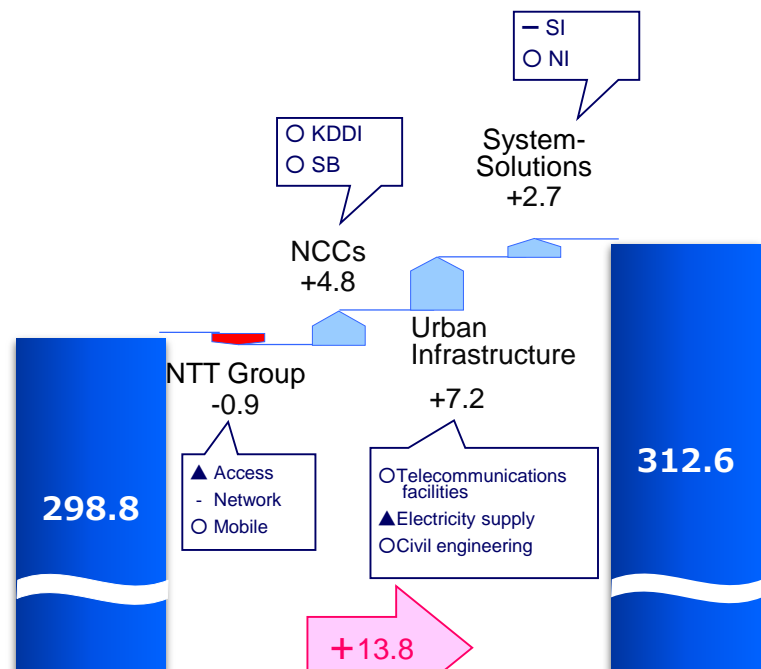
1. Overview of FY17 Results

(3) Net Sales

- ◆ Increased YOY by consuming a large number of carried-over projects in each segment
- ◆ Decreased compared to the plan, due in part to the extension of work in NCCs and Urban Infrastructure

■ YOY (consolidated)

■ Compared to plan (consolidated) (¥bn)



FY16 Actual

FY17 Actual

FY17 Plan

FY17 Actual

○ Reason for increase ▲ Reason for decrease – No increase/decrease

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

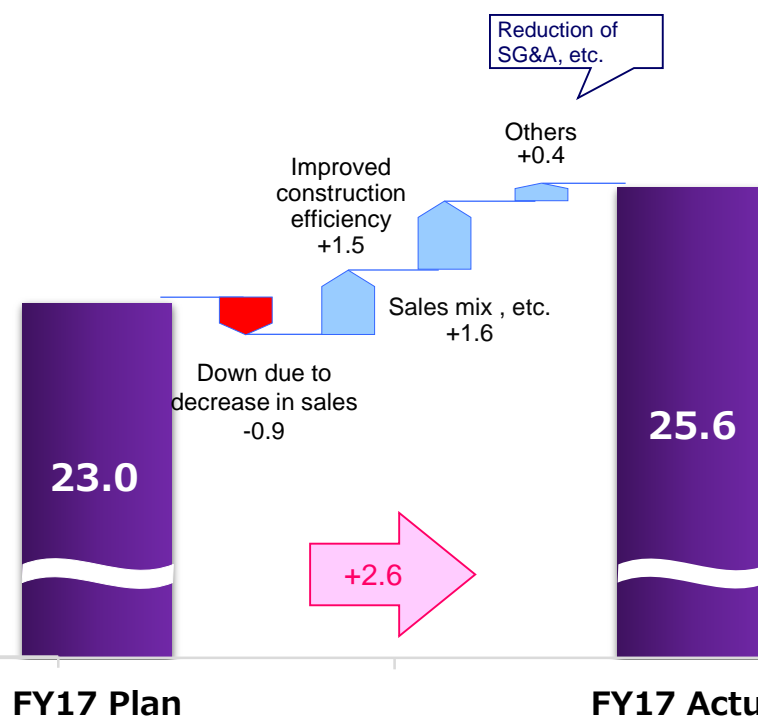
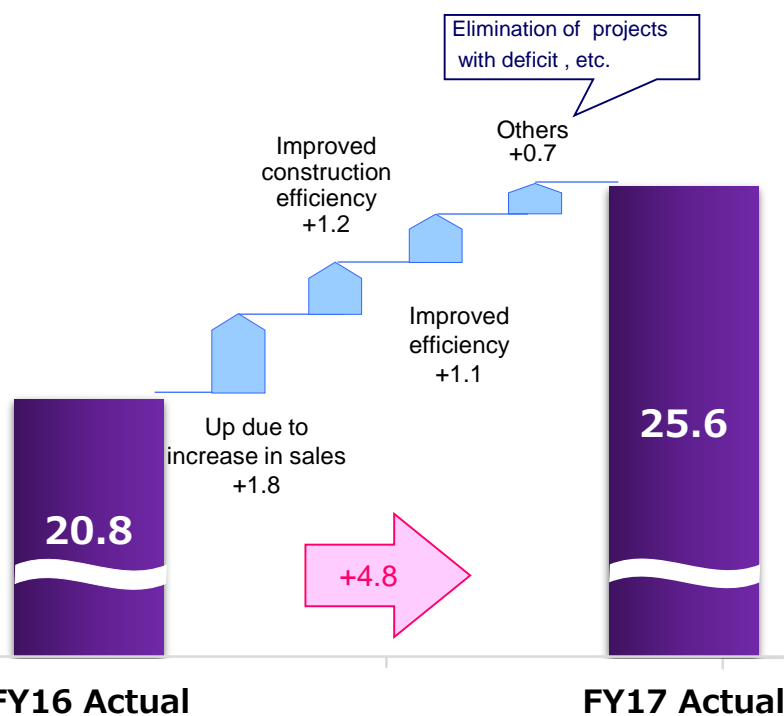
1. Overview of FY17 Results

(4) Operating Income

◆ Reached a new high due to the effects of the greater efficiency of construction and the like

■ YOY (consolidated)

■ Compared to plan (consolidated) (¥bn)



○ Reason for increase ▲ Reason for decrease

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

1. Overview of FY17 Results

Reference: Trends in Group company profitability

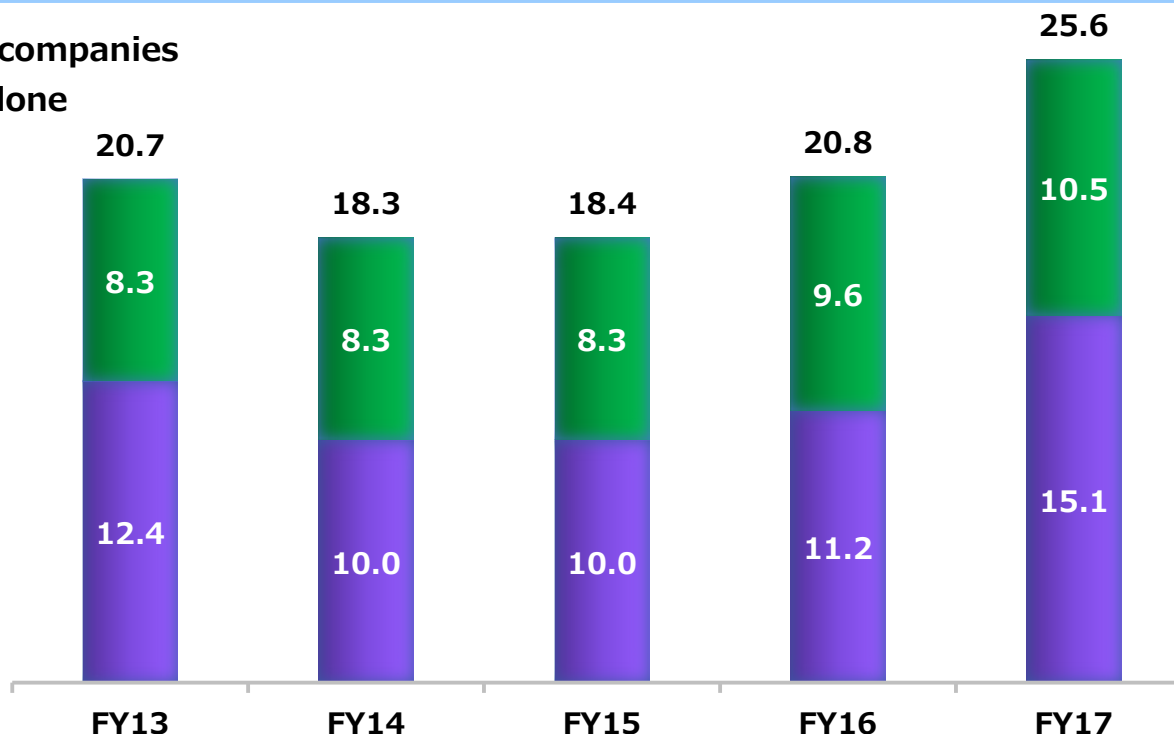
◆ Profits also reached a record high in Group companies

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

(¥bn)

(Ratio of consolidated to non-consolidated profits) (1.7) (1.8) (1.8) (1.9) (1.7)

■ Group companies
■ Exeo alone



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 FY17 Results

(5) Cash Flow

◆ Stable cash flow

■ Cash flow (consolidated)

(¥bn)

	FY15	FY16	FY17
Cash at beginning of FY	24.2	16.0	15.2
Operating activities	5.3	15.5	24.8
Investing activities	-13.9	-6.0	-4.5
Financing activities	0.3	-10.2	-5.1
Cash at end of FY	16.0	15.2	30.3

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

2. Management Integration

- (1) Performance Figures
- (2) Overview of FY17 Results of Each Company
- (3) Business Scale after Management Integration

2. Management Integration




(1) Performance Figures

◆ Management integration with C-Cube, Seibu Electric Industry, and Nippon Dentsu is planned to take place as of October 1, 2018.

■ Purpose of Management Integration

Further reinforcing the system for providing one-stop construction services all over Japan and producing synergetic effects by making efficient use of the management resources, customer bases, etc. of each company so as to further improve our corporate value

■ Profile of Each Company

Company name	 C-CUBE C-Cube	 西部電気工業株式会社 Seibu Electric Industry	 日本電通株式会社 でんわ&コンピュータ Nippon Dentsu
Established	14 May,1954	3 Jul,1947	22 Oct,1947
Paid-in capital	¥4,100 million	¥1,600 million	¥1,493.93 million
Representatives	President: Wataru Hashimoto	Chairman : Kazumi Miyakawa President: Toshihiko Kumamoto	Chairman and President: Toshiro Ue
Head Office (Lot numbers omitted)	Monzen-cho, Naka-ku, Nagoya-shi, Aichi	Hakataekihigashi, Hakata-ku, Fukuoka-shi, Fukuoka	Isoji, Minato-ku, Osaka-shi, Osaka
Business details	<ul style="list-style-type: none"> ・Telecommunications construction business ・Information service business 	<ul style="list-style-type: none"> ・Telecommunications engineering business ・Solution business ・Others 	<ul style="list-style-type: none"> ・Telecommunications facilities engineering business ・ICT solution business
Net sales(FY17)	¥59.8 billion	¥54.1 billion	¥37.8 billion
Number of employees (as of March 31, 2018)	1,916	1,268	909

2. Management Integration

(2) Overview of FY17 Results of Each Company Note: Fiscal year ended March 31, 2018 (¥bn)

All amounts less than ¥100m are disregarded. Figures in () indicate the ratio to net sales calculated by disregarding amounts less than ¥ 1 million.

Item	C-Cube	Seibu Electric Industry	Nippon Dentsu
Net sales	59.8	54.1	37.8
Gross profit	7.3 (12.3%)	4.2 (7.8%)	4.8 (12.8%)
SG&A expenses	4.1 (7.0%)	2.7 (5.1%)	3.8 (10.1%)
Operating income	3.1 (5.2%)	1.4 (2.7%)	1.0 (2.7%)
Ordinary income	3.4 (5.8%)	1.7 (3.2%)	1.1 (3.0%)
Net income attributable to owners of parent	2.2 (3.7%)	1.0 (1.9%)	0.7 (1.9%)

(3) Business Scale after Management Integration Note: Total values for results for the fiscal year ended March 31, 2018 (¥bn)

All amounts less than ¥100m are disregarded. Figures in () indicate the ratio to net sales calculated by disregarding amounts less than ¥ 1 million.

Item	① KYOWA EXEO	② Total for the three companies	[Simple sum of the figures for the four companies] ① + ②
Net sales	312.6	151.9	464.5
Operating income	25.6 (8.2%)	5.6 (3.7%)	31.2 (6.7%)
Ordinary income	26.4 (8.5%)	6.3 (4.2%)	32.8 (7.1%)
Net income attributable to owners of parent	17.9 (5.8%)	3.9 (2.6%)	21.9 (4.7%)
Number of employees (People)	8,331	4,093	12,424

3. Plans for FY18

- (1) Performance Figures
- (2) Orders Received and Net Sales
- (3) Operating Income
- (4) NTT Group (Access/Network)
- (5) NTT Group (Mobile)
- (6) NCCs
- (7) Urban Infrastructure
- (8) System-Solutions
- (9) Measures for greater efficiency (Improved Productivity)

3. Plans for FY18

(1) Performance Figures (Consolidated Plan of the Current EXEO Group)

- ◆ Both orders received and net sales are planned to exceed the previous year
- ◆ Operating income is planned to reach a new high by consuming a large number of carried-over projects and promoting measures for greater efficiency

■ Plans for FY18 (consolidated)

(¥bn)

	FY17	FY18	
	Actual A	Plan B	YOY B / A
Orders received	325.0	340.0	105%
Net sales	312.6	335.0	107%
Gross profit	(13.9%) 43.3	(13.9%) 46.5	107%
SG&A expenses	(5.7%) 17.7	(5.7%) 19.0	107%
Operating income	(8.2%) 25.6	(8.2%) 27.5	107%
Ordinary income	(8.5%) 26.4	(8.4%) 28.1	106%
Net income attributable to owners of parent	(5.8%) 17.9	(5.6%) 18.8	104%

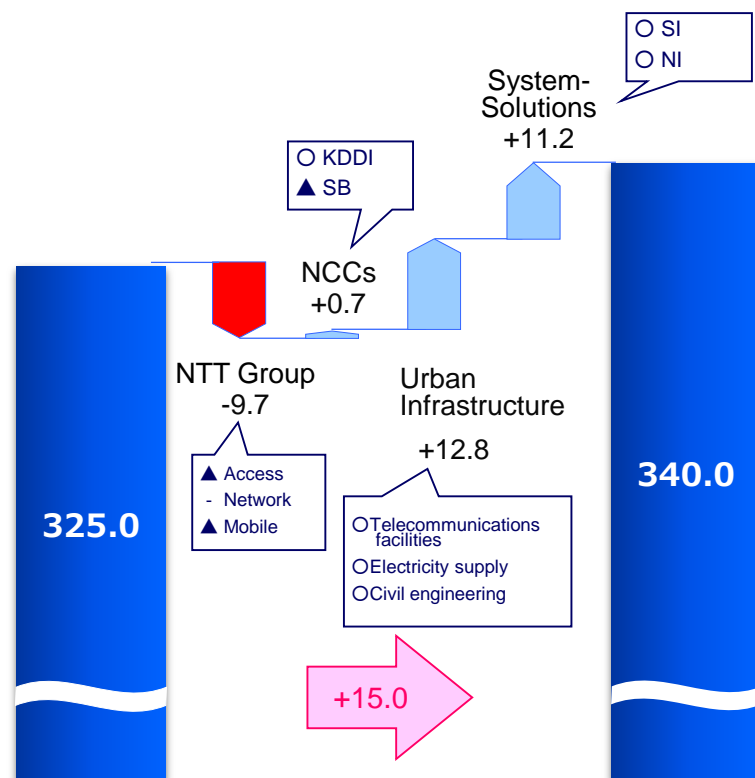
Notes: All amounts less than ¥100m are disregarded. Figures in parentheses are ratio to net sales.

3. Plans for FY18

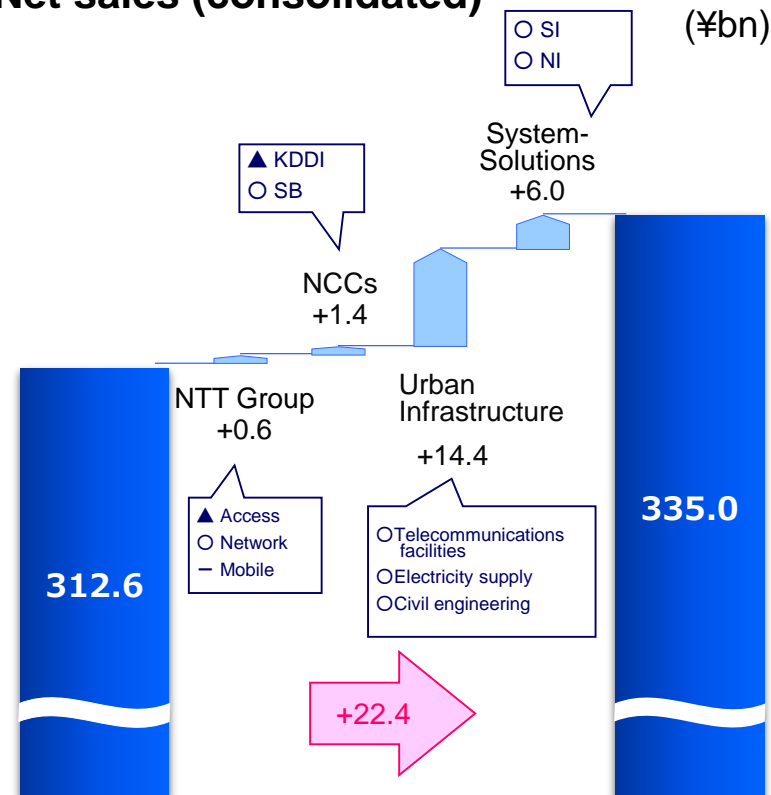
(2) Orders Received and Net Sales

- ◆ Orders received from the NTT Group will decline, but Urban Infrastructures and System-Solutions orders are expected to increase
- ◆ Aim to increase net sales significantly by promoting the consumption of a large number of carried-over projects and an increase in orders received

■ Orders received (consolidated)



■ Net sales (consolidated)



FY17 Actual

FY18 Plan

FY17 Actual

FY18 Plan

○ Reason for increase ▲ Reason for decrease – No increase/decrease

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

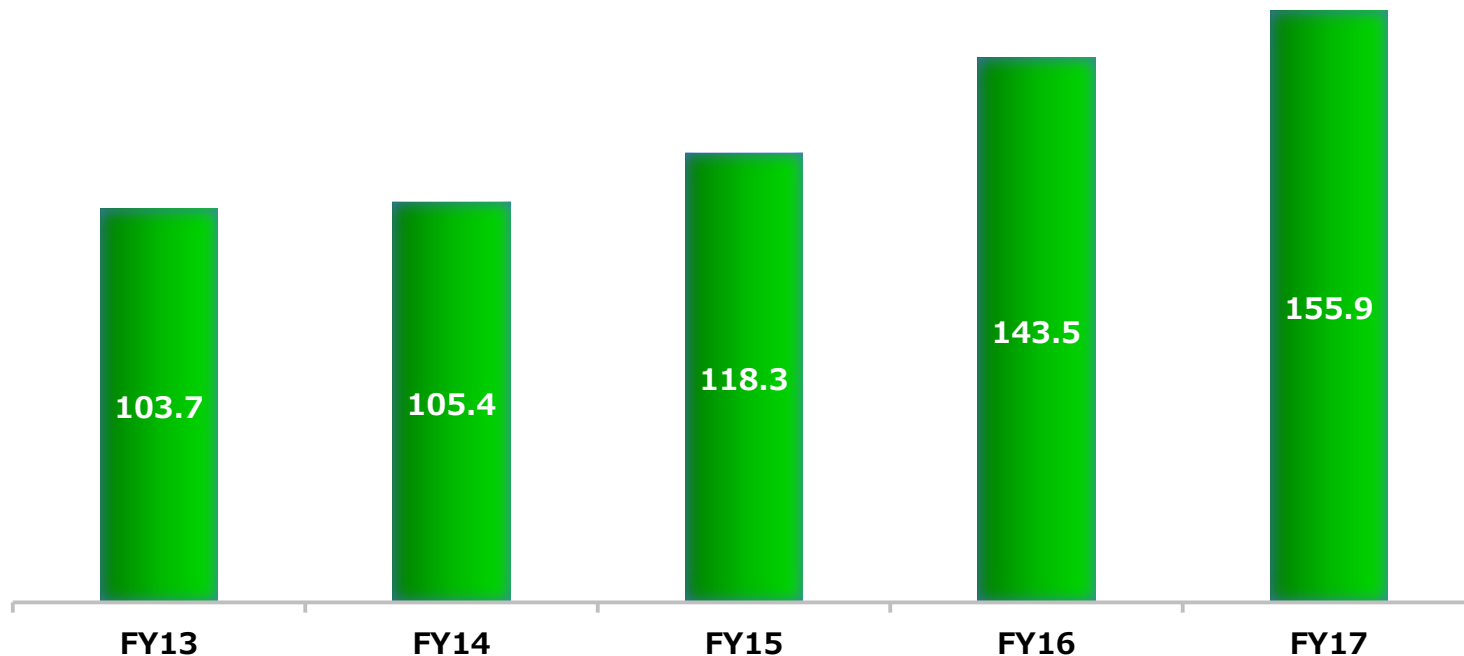
3. Plans for FY18

Reference: Status of projects carried over

◆ Projects carried over increase significantly and reach an all-time high

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

(¥bn)



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

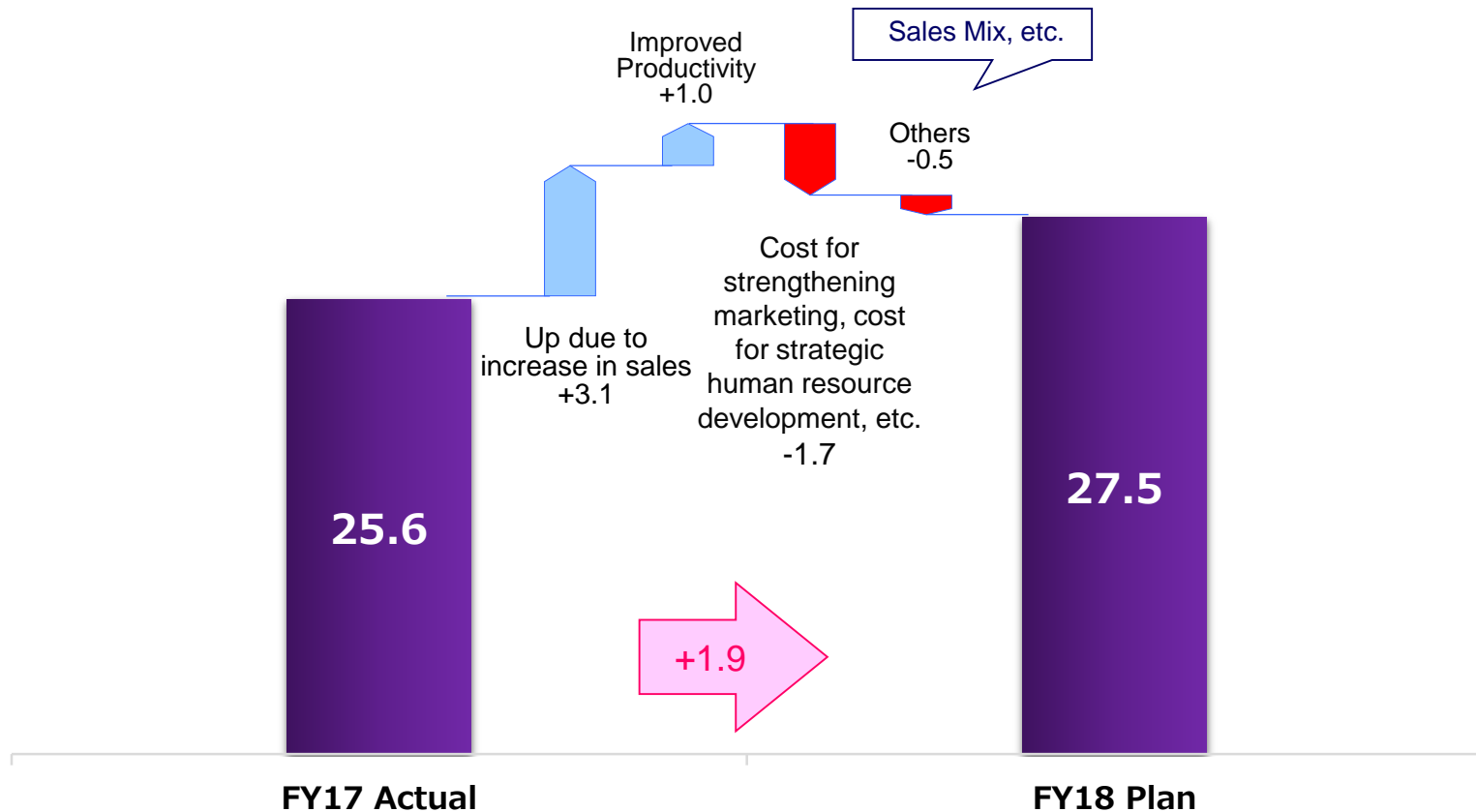
3. Plans for FY18

(3) Operating Income

◆ Plan to post record operating income by increasing net sales and promoting measures for greater efficiency

■ Operating income (consolidated)

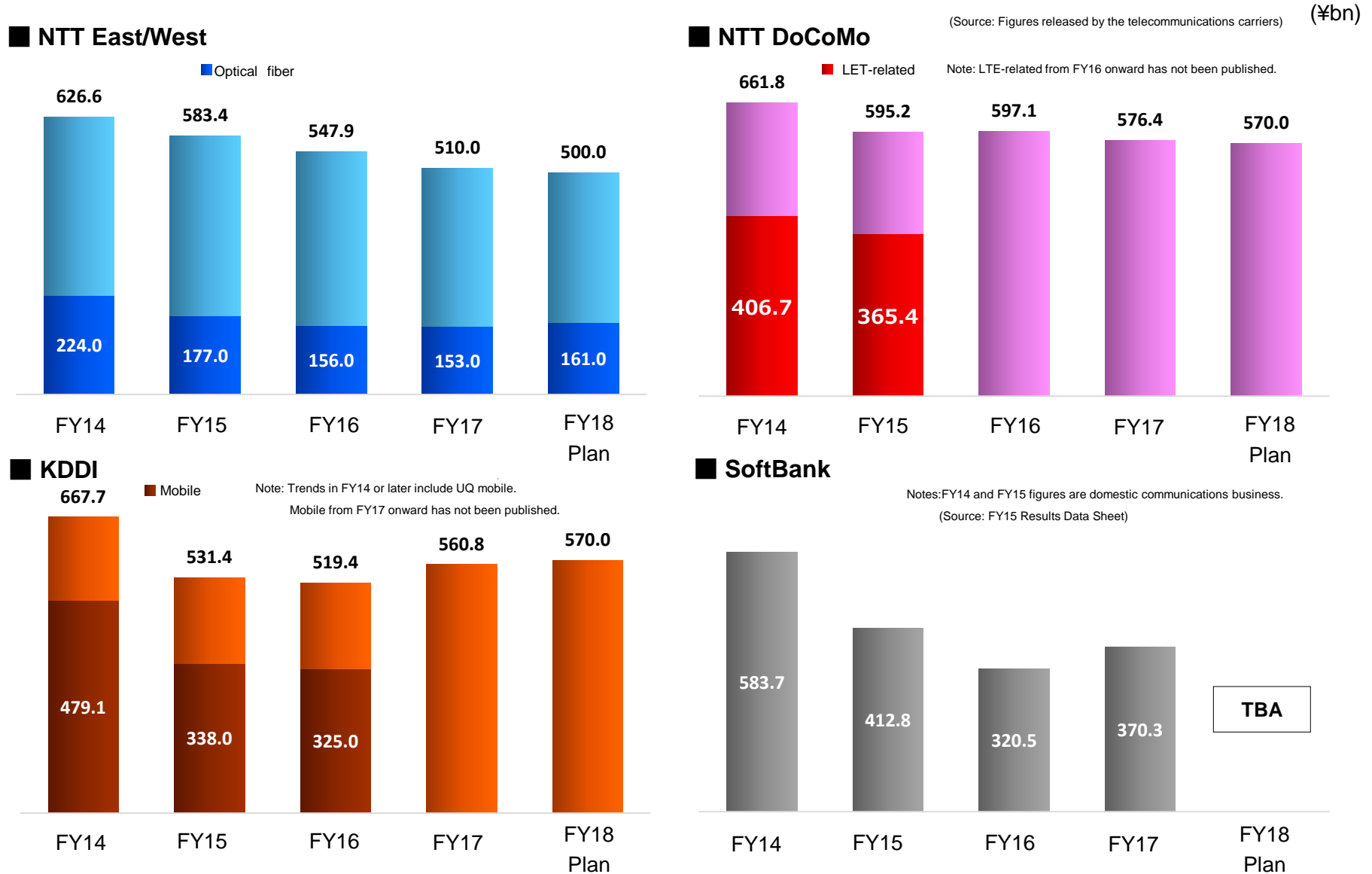
(¥bn)



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

3. Plans for FY18

Reference: Investment Trends of Major Telecom Carriers

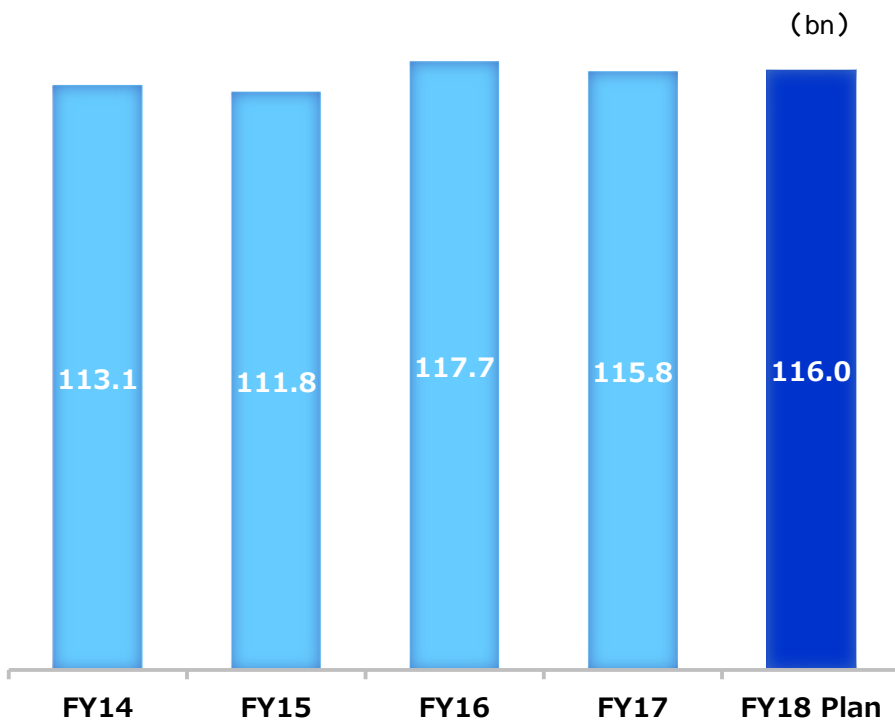


3. Plans for FY18

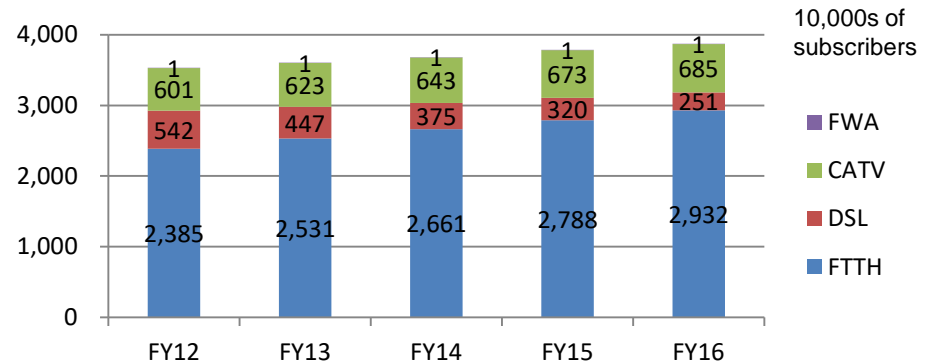
(4) NTT Group (Access/Network)

- ◆ Solid performance despite emergence of trend toward slight slowdown in growth of optical access engineering work
- ◆ Steady demand is also expected for the renewal work of indoor network equipment and power supply works

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

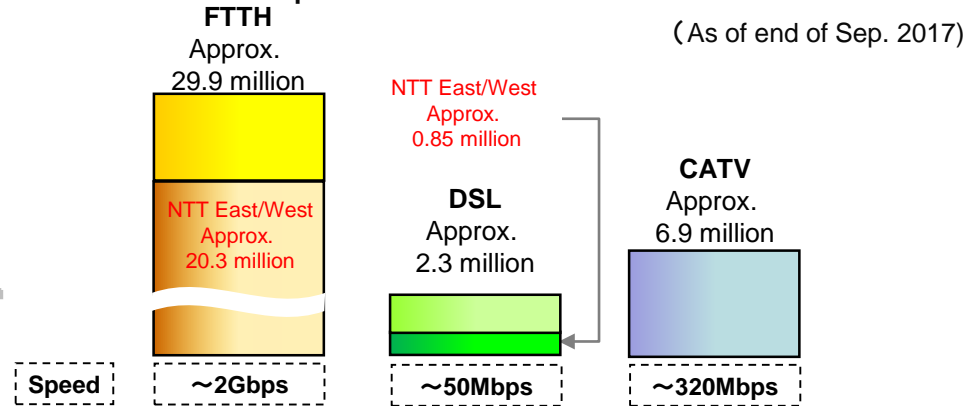


■ Trend of number of subscribers to fixed-line broadband



Note: FWA: Fixed Wireless Access
 (Source: Created by us based on WHITE PAPER Information and Communications in Japan 2017 of the Telecommunications Bureau of the Ministry of Internal Affairs and Communications)

■ NTT Group's Share of Fixed-Line Broadband



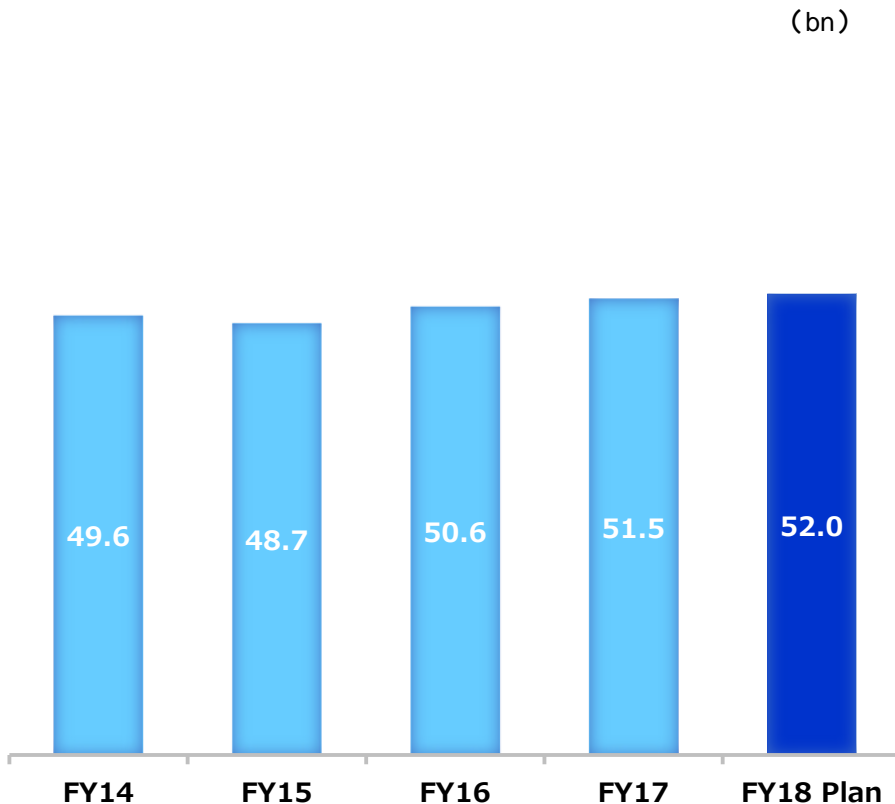
(Source: Created by Kyowa Exeo, based on NTT presentation material)

3. Plans for FY18

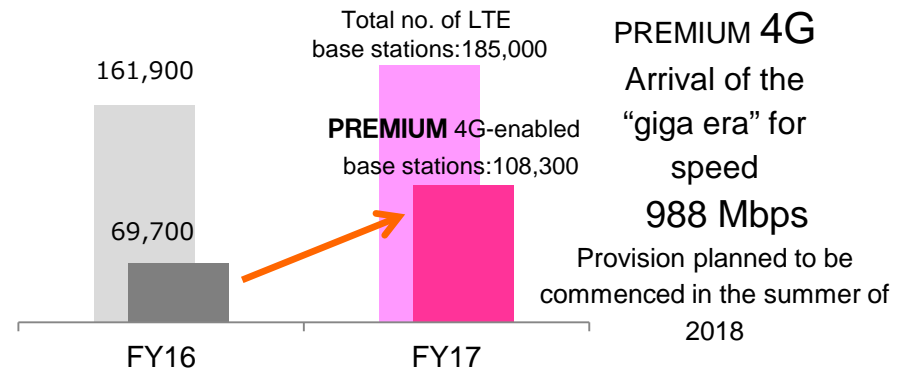
(5) NTT Group (Mobile)

- ◆ Construction of the LTE-Advanced radio base station for 4G will remain strong
- ◆ Establishing and reinforcing construction systems for receiving orders for construction work for 5G

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



■ NTT DOCOMO LTE Base Stations



■ NTT DOCOMO's 5G Open Partner Program

Expansion of collaborative creation with partners for the generation of new scenarios for using 5G

As of Jan. 25
Participation of more than 500 companies

Including us

Provision of latest information about 5G
From Feb. 2018

Participation in partner workshops
From Feb. 2018

Provision of 5G environment
From Apr. 2018

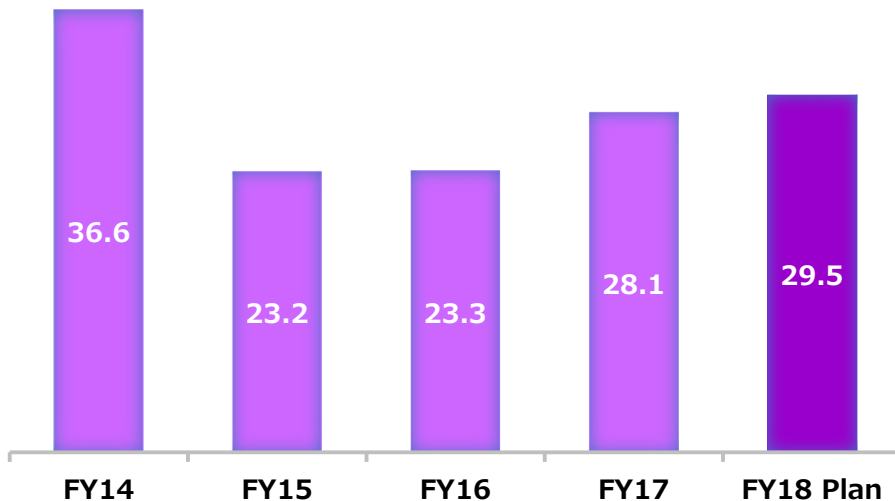
(Source: Created by us based on NTT DoCoMo presentation material.)

3. Plans for FY18

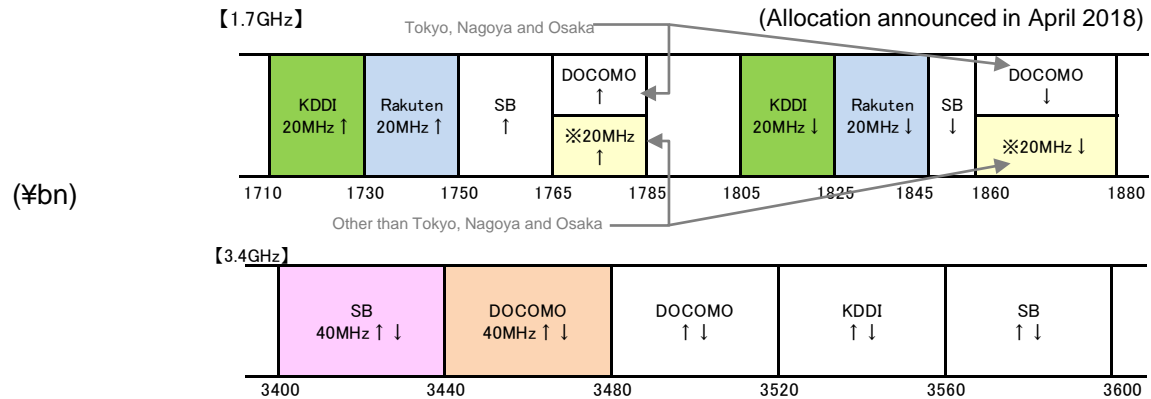
(6) NCCs

- ◆ Both orders received and net sales have been on track to recovery since FY17
- ◆ Orders are expected to be received for radio base station construction in the new frequency bands for 4G from the 2nd quarter onward

Net sales of NCCs (consolidated)



Allocation of new frequency bands (1.7 GHz and 3.4 GHz) for 4G



Number of 1.7GHz/3.4GHz radio base stations that are planned to be opened

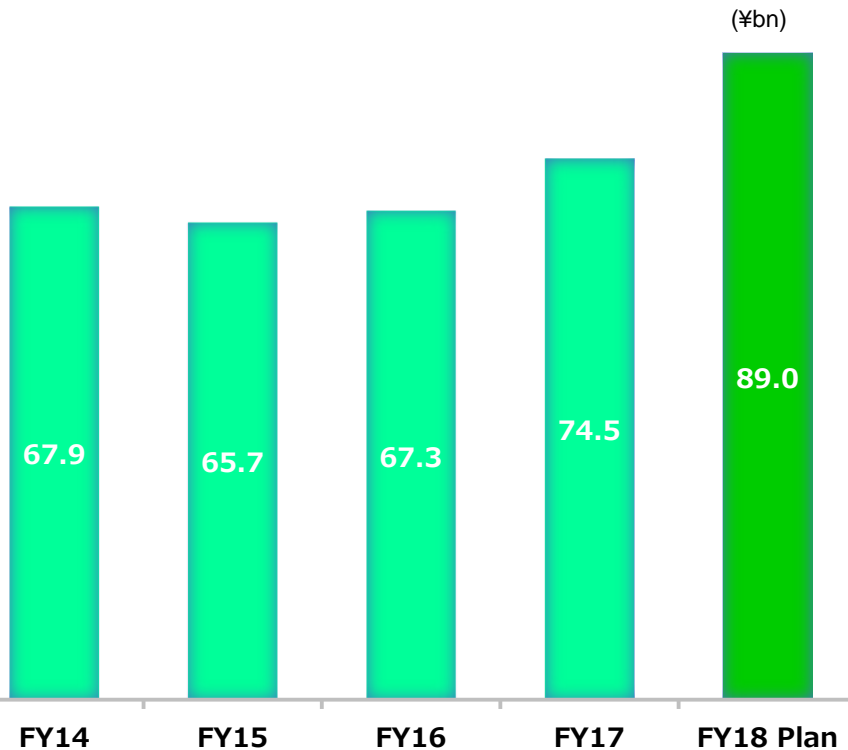
KDDI 28,660	Service to be launched at the end of March 2019 Number of stations planned to be opened by the end of FY25
SoftBank 23,167	Service to be launched at the end of March 2020 Number of stations planned to be opened by the end of FY22
Rakuten 27,397	Service to be launched in October 2019 Number of stations planned to be opened by the end of FY25

3. Plans for FY18

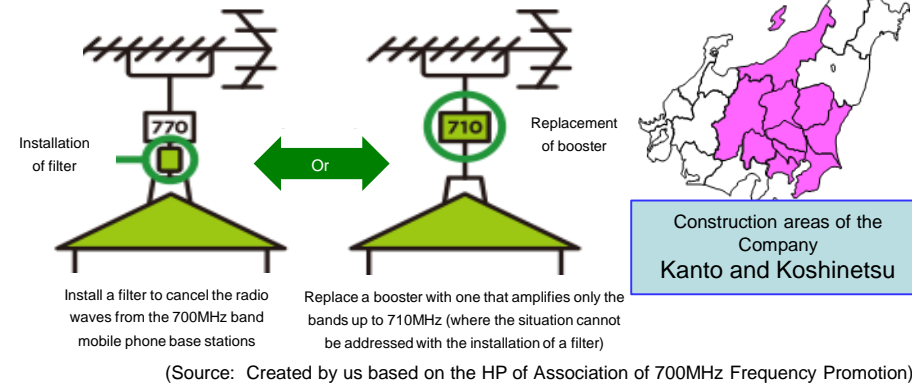
(7) Urban Infrastructure

- ◆ Construction jobs for 700MHz TV reception will be proceeding at full pace towards FY19
- ◆ We will focus our efforts on increasing orders for large-scale electrical construction in the Tokyo metropolitan area, and the expansion of investment in power pole elimination projects is also expected in the future

Urban Infrastructure net sales (consolidated)



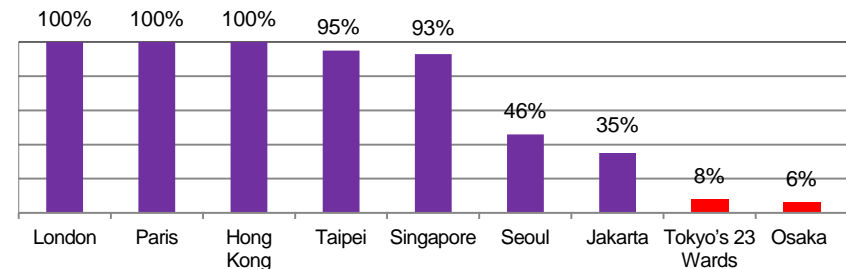
700 MHz Band TV reception measures



Power pole elimination projects

Future expansion of investment expected given the announcement of new initiatives by governments to promote projects

Current status of power pole elimination in major cities in Europe and Asia

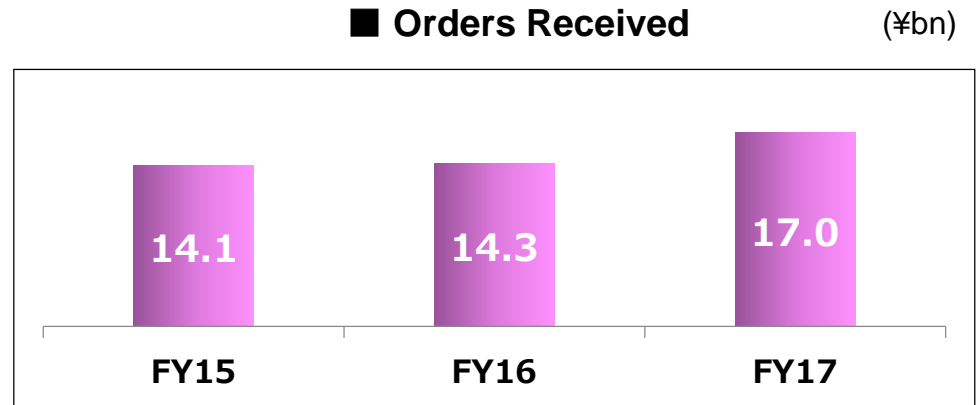


(Source: Created by us based on data released by Ministry of Land, Infrastructure, Transport and Tourism)

3. Plans for FY18

Reference: Other Major Construction Projects in the Urban Infrastructure Business

(1) Construction of electrical facilities

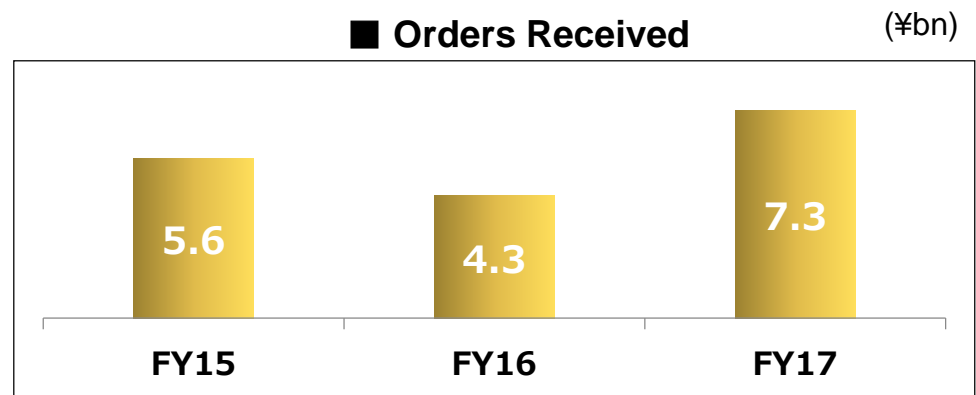


◆ Order received in the current fiscal year

Note) The above photograph shows a different property.

Dec. 2017 Electrical construction for a major company R&D Center Around ¥3.8 bn

(2) Solar power plant construction



◆ Order received in the current fiscal year

Note) The above photograph shows a different property.

Jun. 2017 Construction of mega solar system in Kagoshima Prefecture Around ¥5.5 bn

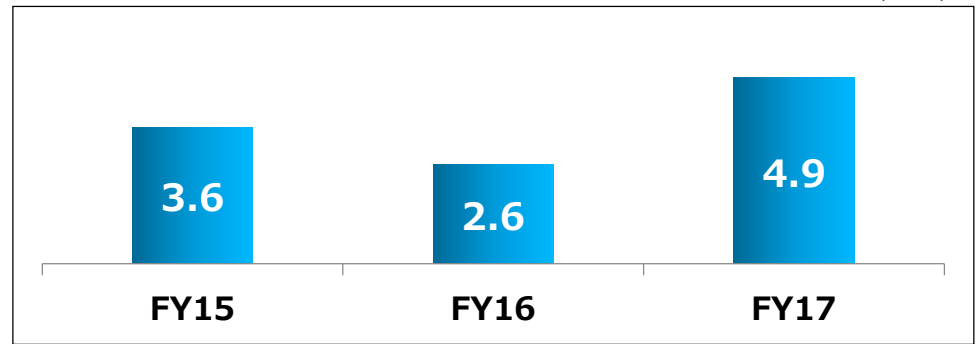
3. Plans for FY18

Reference: Other Major Construction Projects in the Urban Infrastructure Business

(3) Expressway communications



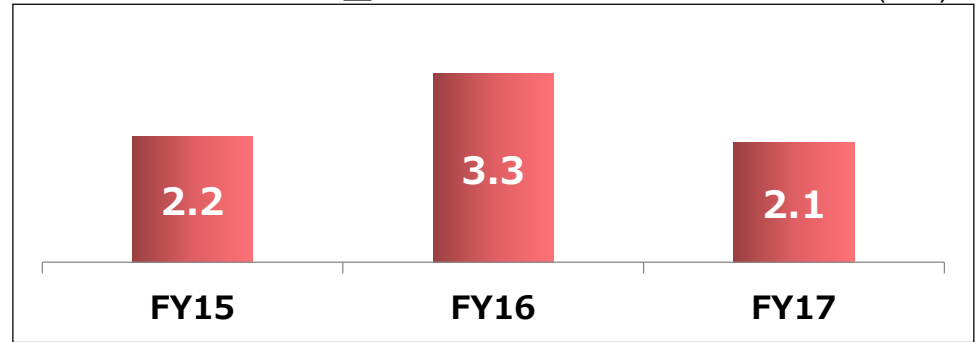
■ Orders Received (¥bn)



(4) Disaster prevention radio communications



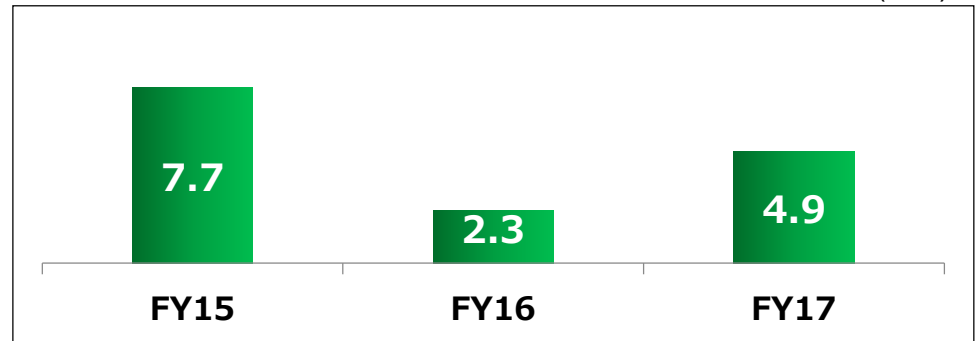
■ Orders Received (¥bn)



(5) Construction and operation of environmental plant



■ Orders Received (¥bn)



3. Plans for FY18

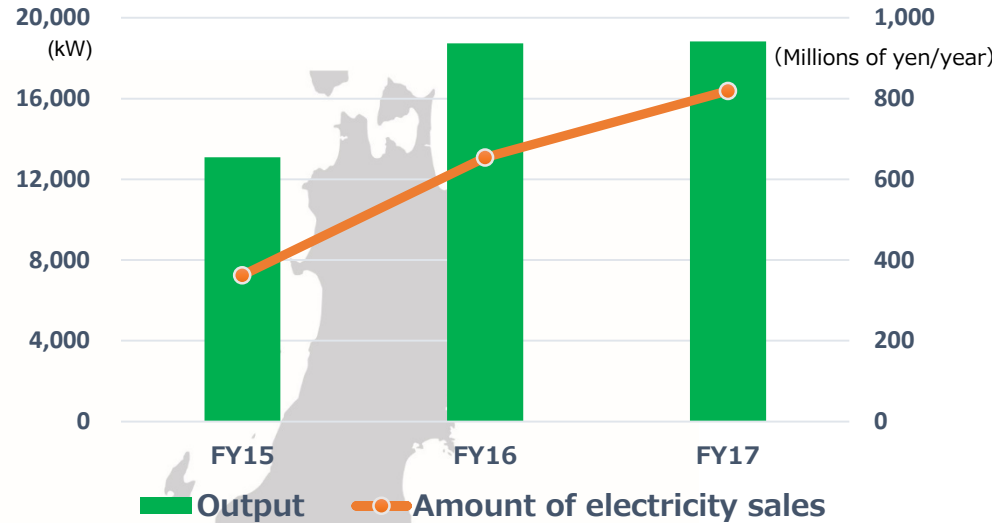
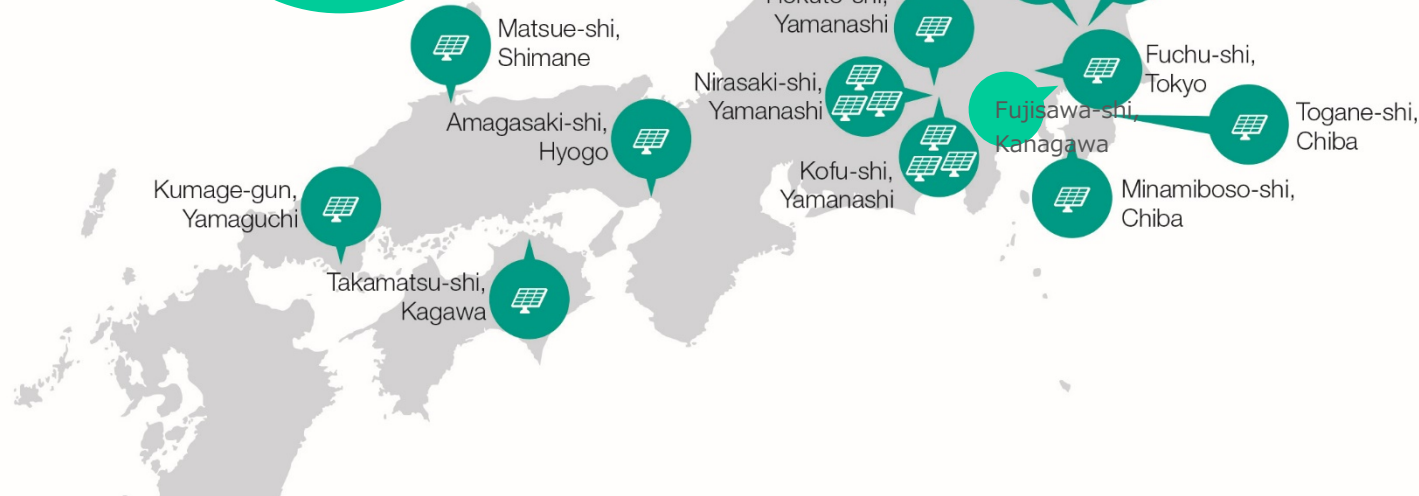
Reference: Involvement in Solar Power Generation Business

► Use of Green Energy

● Development of the solar power generation business

To promote the use of green energy, the Company has been involved in the solar power generation business and will continue to do so.

17 plants in operation across Japan with a capacity of approximately 19 MW (as of March 31, 2018)

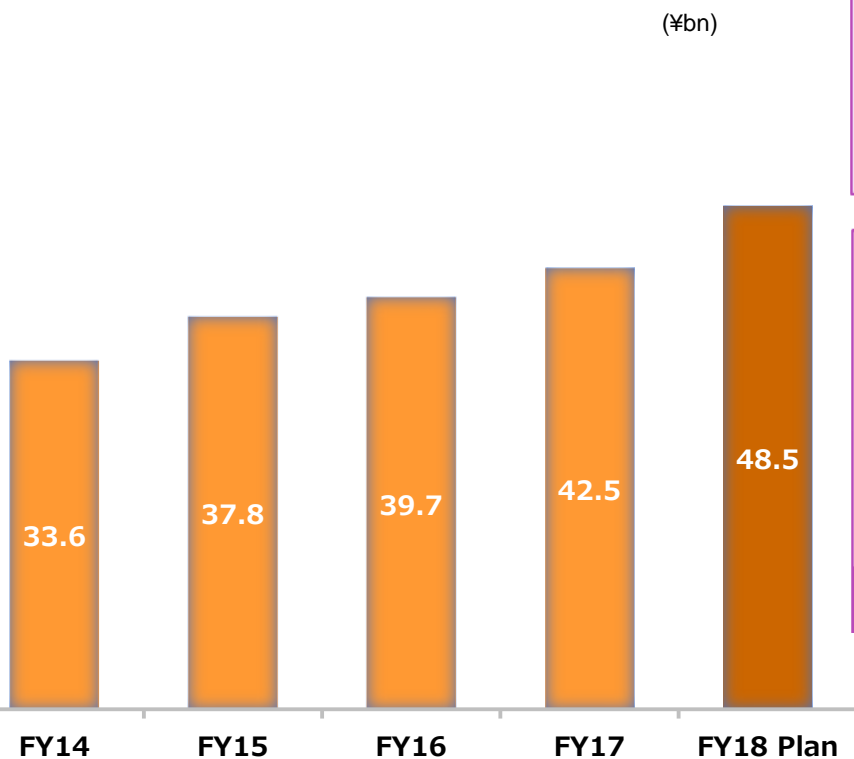


3. Plans for FY18

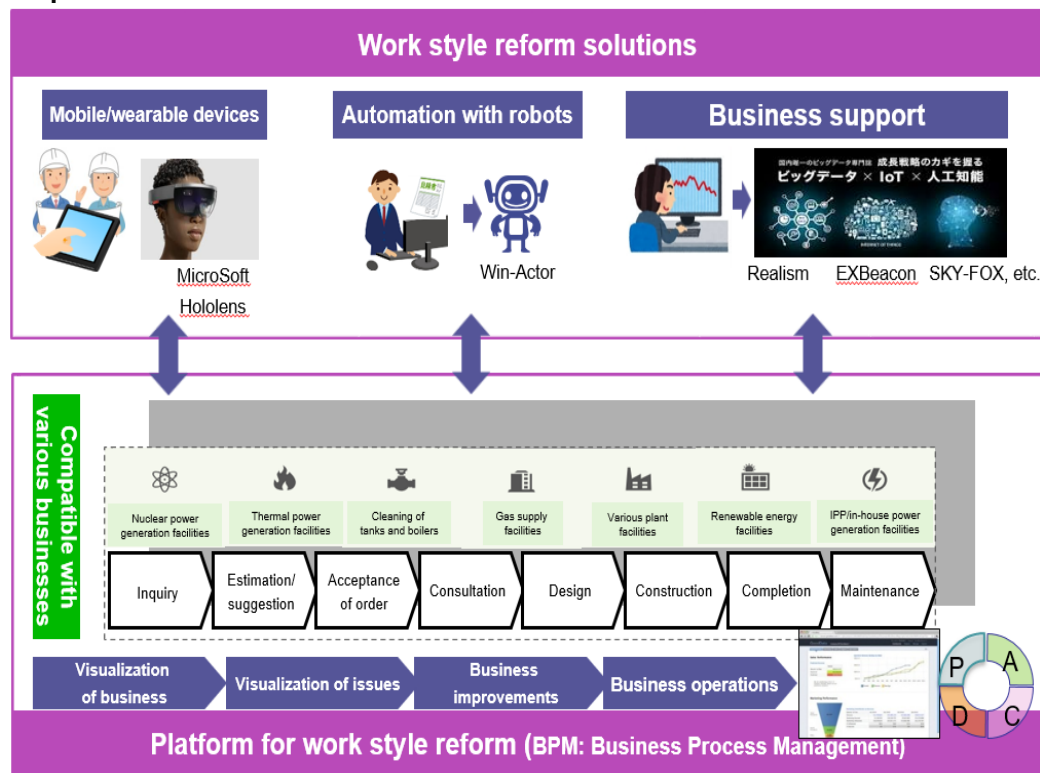
(8) System-Solutions

- ◆ Fuse BPM solutions with leading-edge technologies, such as mobile and robot technologies, to improve their added value
- ◆ Focus efforts on expanding new solutions such as cloud and geo solutions

■ System-Solutions net sales (consolidated)

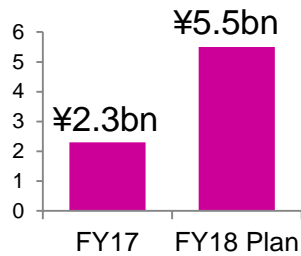


■ Expand the added value of the BPM solution business



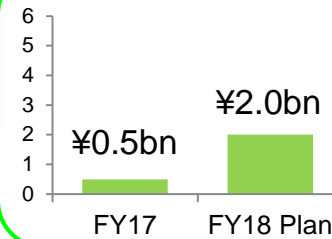
3. Plans for FY18

Reference: Results of orders received for new solutions and activities going forward



New energy field

- Energy management service
- Transportable lithium battery
- Smart meter

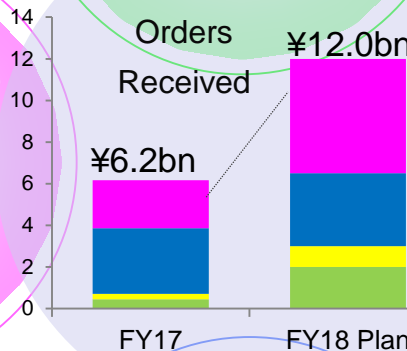


Energy Viewer , Survival Power Supply, Utility cloud for new electric power companies , HEMS, etc.

- Expand business in the Philippines
- Participate in business in Vietnam
- Participate in business in Thailand (Establishment of EXEO Asia, a joint venture)

Global, other

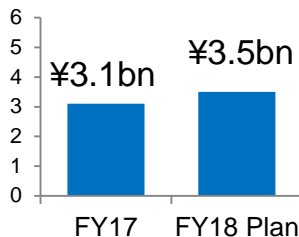
- Global projects
- Global project investment, etc.



Geo Solutions field

- Beacon (indoor positioning infrastructure/sensor network)
- Guide application (tourism/disaster)

EXBeacon: (Next-generation beacon equipped with mesh network function) ⇒ Provision of indoor positioning infrastructure and formation of sensor network

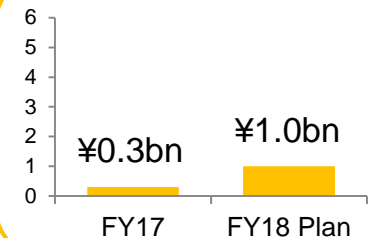


Cloud/security field

- Thin client/virtual field
- Security infrastructure
- Educational apps

• Cloud integration engineering in partnership with Microsoft
 – Enrichment of lineup of solutions in corporate communication and IoT fields, **Capital and business tie-up with Phone Appli Inc.**

Computerized parking space certification system



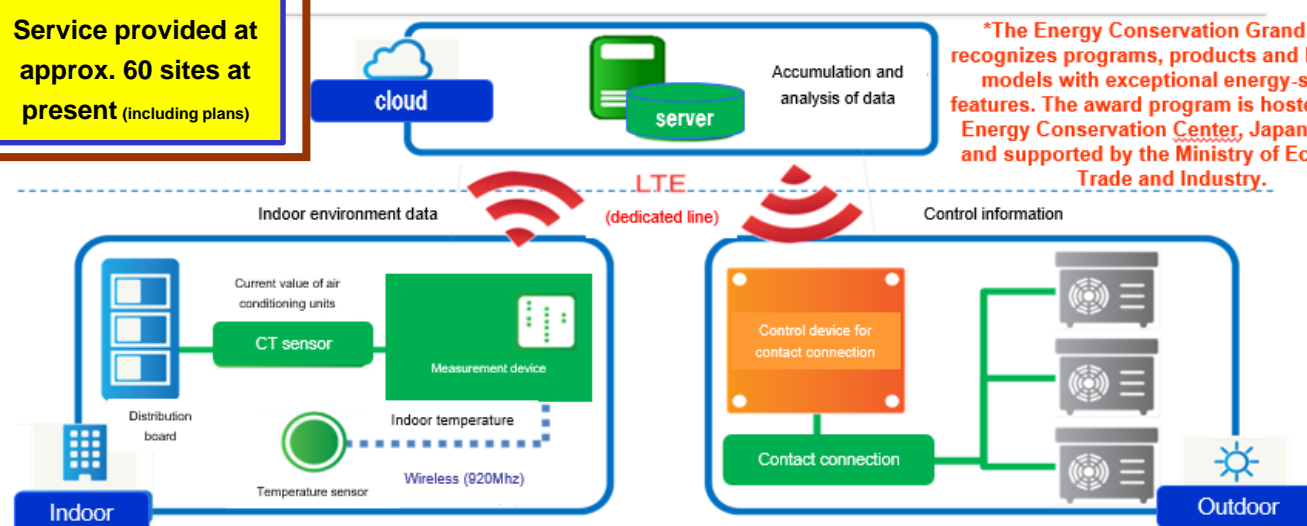
3. Plans for FY18

Reference: Energy Viewer

- ◆ Deregulation of electric power and energy saving trend provide an opportunity to enter into the market in the new energy field
- ◆ “Energy Viewer” is a B2B2X business model through **collaboration with the local electric power companies Won 2017 Energy Conservation Grand Prize* for provision of services in collaboration with Tepco Customer Service Corporation**
- ◆ Developed as a tool to reduce power usage through the control of air conditioning and to acquire customers and prevent withdrawal for the local electric power companies

Service provided at approx. 60 sites at present (including plans)

Solutions for air conditioning units utilizing IoT



*The Energy Conservation Grand Prize recognizes programs, products and business models with exceptional energy-saving features. The award program is hosted by the Energy Conservation Center, Japan (ECCJ) and supported by the Ministry of Economy, Trade and Industry.

Monitor the indoor environment 24 hours a day, 365 days a year by utilizing the IoT devices
 Automated control of air conditioning units connected to the network from a remote location



President Kozono and President Nagasaki of Tepco Customer Service Corporation after the presentation ceremony

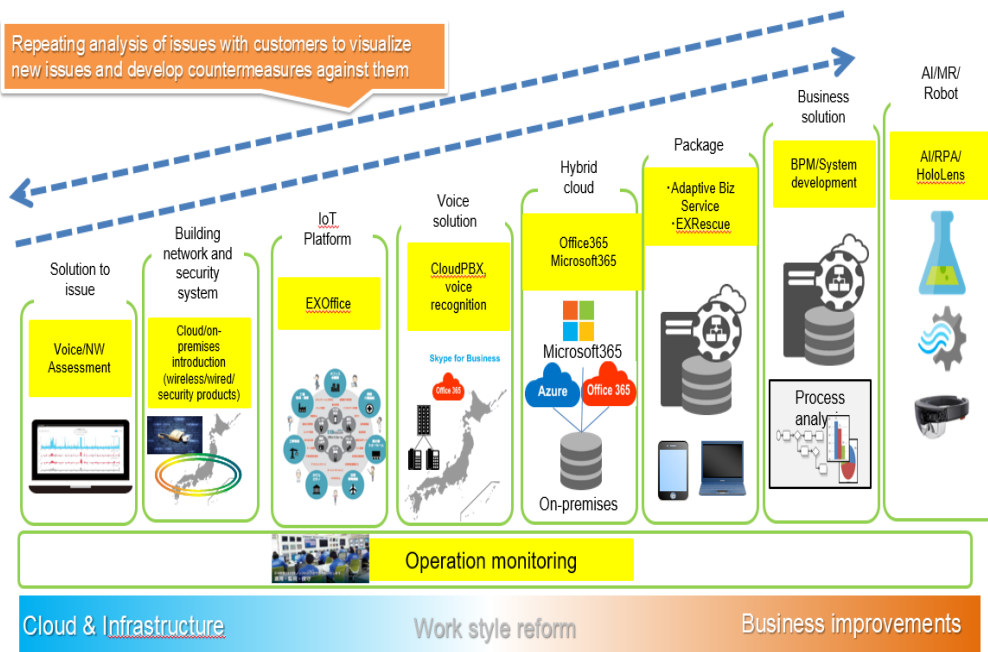
3. Plans for FY18

Reference: Cloud Integration Engineering*

Development of the market for sound solutions for enterprises and the expansion of the IoT solutions lineup

◆ Concept of business development of cloud integration engineering

Recurring business model leading to various solutions
[Being a long-term, comprehensive partner of customers]



*Offer nationwide, unified, one-stop engineering, including cloud implementation alongside existing network engineering

(1) State of activities[FY 2017]

- ✓ Efforts for cloud integration engineering in collaboration with Microsoft Japan
 - Approx. 50 orders received, approx. 130 business deals in progress.
 - Actual results: Cloud migration of office communication, introduction and assessment of cloud PBX and cloud video conferencing,
- ✓ IoT
 - Began cooperation with NTT East/West over agriculture IoT using non-electric source sensor network solutions

(2) Train cloud engineers.

- ✓ IoT
 - Achieved training of 2,000 Microsoft cloud engineers 1 year ahead of schedule (Initial plan: end of 2018 ; as of end of March: 2,032 engineers)

(3) Gained approval from Microsoft Japan

- ✓ 17.12 Microsoft365 Business Partner
- ✓ 17.12 Cloud Productivity Silver Partner
- ✓ 17.12 Surface Hub authorized reseller
- ✓ Participation in MRPP(Mixed Reality Partner Program)

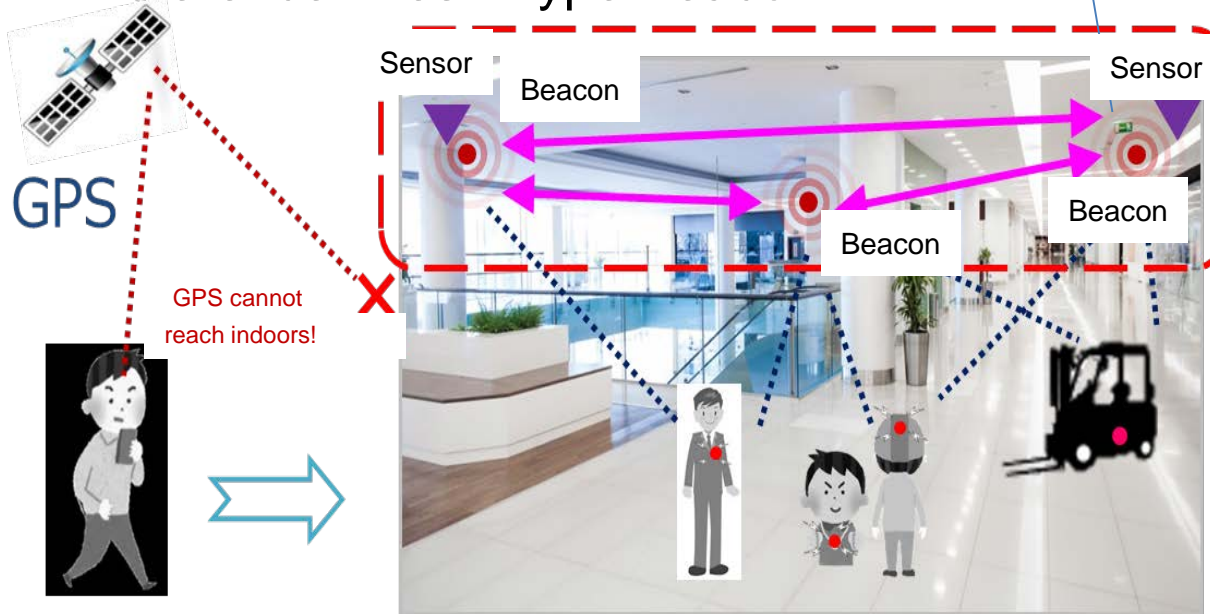


(4) Provision of new solution in cooperation with Nextgen

- ✓ 17.11 Began provision of solution using voice recognition service (U3COGNI)

3. Plans for FY18

Reference: Mesh-Type Beacon



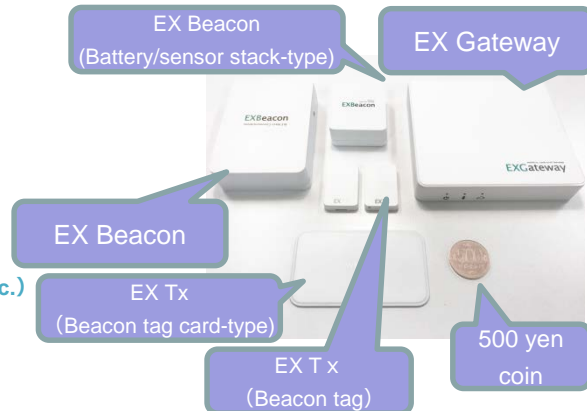
**Advantages of Mesh-Type Beacon
(Enables easy creation of “GPS space” indoors)**

- (i) Enables indoor positioning (space navigation)
- (ii) Supports sensors, etc.
 - Temperature sensor, motion detector, etc.
- (iii) High redundancy
 - Even if one beacon breaks, another takes its place
- (iv) Simple installation
 - No cabling required

Use Scenarios

[Introduced or going to be introduced] 8 projects (plant, railway, office, construction site, etc.)
 [POC*] 25 projects in progress, 31 projects planned (plant, office, construction site, etc.)
 [Competing for contract] 4 projects (manufacturer, real estate consultancy, large-scale office, etc.)
 [Solutions] EXOffice, Ibasho-Wakuru-kun (PhoneAppli) [as of Jan. 2018]

*POC stands for Proof of Concept



Plant/warehouse , etc.

- ◆ Management of storage place for packages
- ◆ Visualization of employees' behavior
- ◆ Control of room environment
- ◆ Collection of sensor information of machines, etc.

<Visualization of situation>

Construction site, etc.

- ◆ Management of workers' whereabouts
- ◆ Management of gate entrance and exit/ Authentication management
- ◆ Management of the location/taking out of goods
- ◆ Management system of operation reports, etc.

<Visualization of worksite>

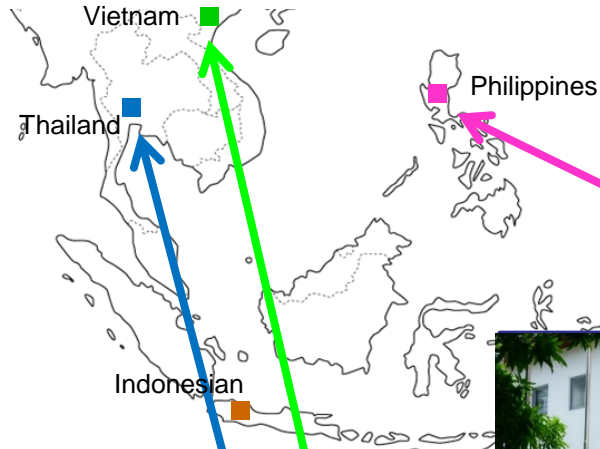
Office , etc.

- ◆ Management of employees' positions/traffic lines
- ◆ Management of building entrance and exit/Authentication of employees
- ◆ Control of office space environment
- ◆ Work style reforms

<Visualization of work style>

3. Plans for FY18

Reference: Global business initiatives

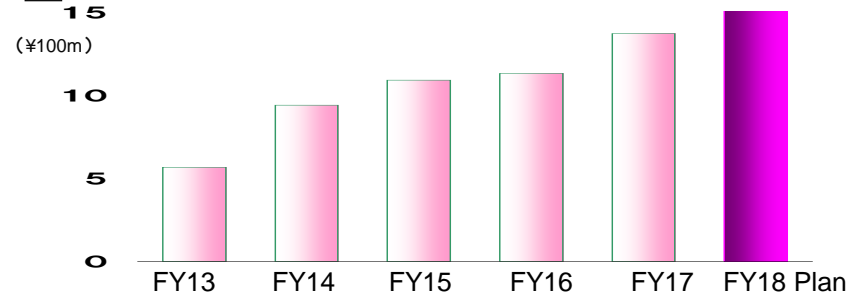


Concluded an agreement to acquire shares of a new company of the IBS (In-Building System) Business in Vietnam in April 2017.



Establishment of EXEO ASIA, a new joint venture in Thailand in Jan. 2018

MG Exeo sales trends



MG Exeo (Philippines) as a base for development in Asia including ASEAN
 <around 850 employees as of Dec. 2017>

- Development of ICT technology educators in the Philippines → Spread to other SE Asian countries
- Train global staff in the Philippines (One-year local stay) Send trainees from Japan (First group sent in Oct. 2015 (completed); second group in Oct. 2016 (completed) ; Third group in Oct. 2017 (In process))



Trial implementation of Indonesian FTTH project

- Targeting various projects using government ODA
- Airport ICT
 - Industrial complex ICT
 - Data center ICT
 - Expressway communication
 - Railway communication
 - ICT business investment



N a m e	EXEO ASIA COMPANY LIMITED
Location	Bangkok, Thailand
Business Activities	Planning, marketing, design, construction, development, sales and maintenance services in relation to ICT solutions, communication equipment and IP/Internet
Capital	6,000,000 THB
Ownership Ratios	KYOWA EXEO 40%, Net Chart 9%, S.E.C.T. 16%, KDTs 10%, Millennium Plus One 25%
Date of Establishment	January 3, 2018

3. Plans for FY18

(9) Measures for greater efficiency (Improved Productivity)

- ◆ Measures for greater efficiency have produced a greater impact than planned in past years
- ◆ Continued groupwide promotion of improved productivity, cost improvements and workstyle reform

Enhanced profitability through cost reductions

	FY	FY2015	FY2016	FY2017	FY2018
Improvement	Aims	¥1.0bn	¥1.0bn	¥1.0bn	¥1.0bn (cumulative ¥11.6bn)
	Results	¥1.0bn (cumulative ¥8.0bn)	¥1.5bn (cumulative ¥9.5bn)	¥1.1bn (cumulative ¥10.6bn)	

Recent principal measures

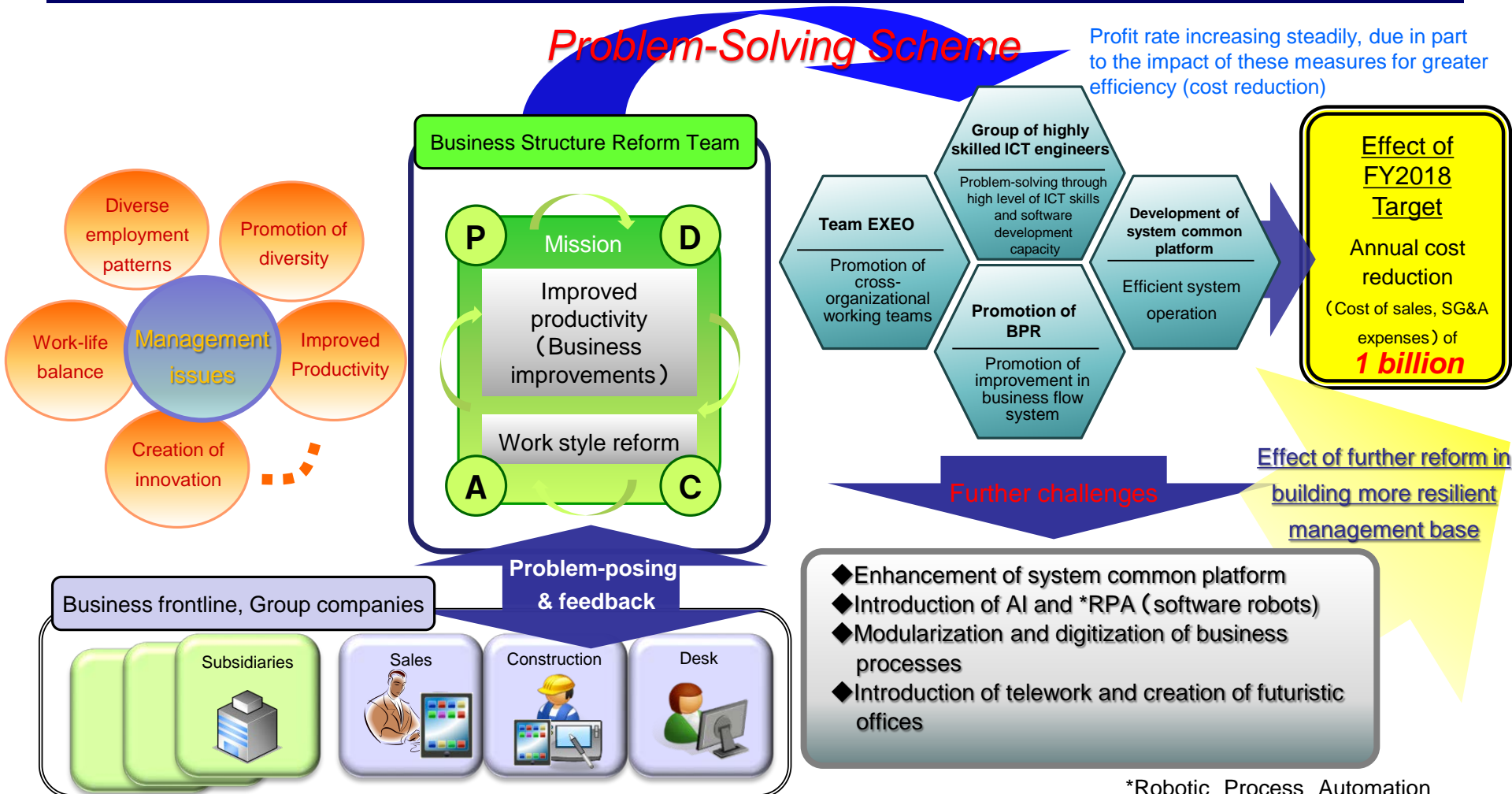
Note: Amount of improvement represents cost reductions relative to FY10.

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 ◇ Integrated cross-departmental systems ◇ Improved business flow and systems through BPR
Reorganization of Group companies	<ul style="list-style-type: none"> ◇ Introduction of a new telework style ◇ Modularization and digitization of business processes ◇ Development of a common platform for internal systems and automatization of the systems (continued)
Consolidation of bases	<ul style="list-style-type: none"> ◇ 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 ◇ Merger of major subsidiaries (WAKO and Ikeno) ◇ Merger of subsidiary network companies
Resource sharing	<ul style="list-style-type: none"> ◇ Sendai General Engineering Center (9 bases → 1) ◇ Kagawa Technical Center (5 bases → 1) ◇ Ishioka General Technical Center (4 bases → 1) ◇ Koshin branches (5 bases → 1) ◇ Hyogo General Technical Center (5 bases → 1) ◇ Kansai branches (7 bases → 1) ◇ Shonan Technical Center (2 bases → 1) ◇ Resource shift to mobile/solutions area ◇ Group-wide cross-sectional projects (mobile, 700 MHz TV reception measures, Data Centers, etc.)
	<ul style="list-style-type: none"> ◇ Management integration with C-Cube, Seibu Electric Industry, and Nippon Dentsu. (planned in October 2018) ◇ Establishing and reinforcing construction systems for construction work for 5G ◇ Reemployment of the Company's veteran employees, etc. across organizations. (continued)

3. Plans for FY18

Reference: Image of Promotion of Business Structure Reform

◆ Achieving and implementing business improvements and work style reform as the Team EXEO (overall EXEO Group), thereby promoting transformation into a more resilient management base

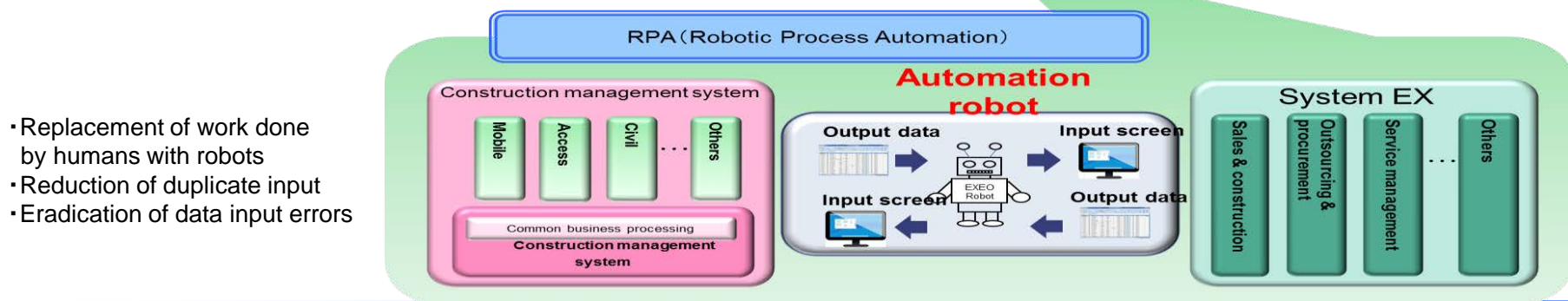
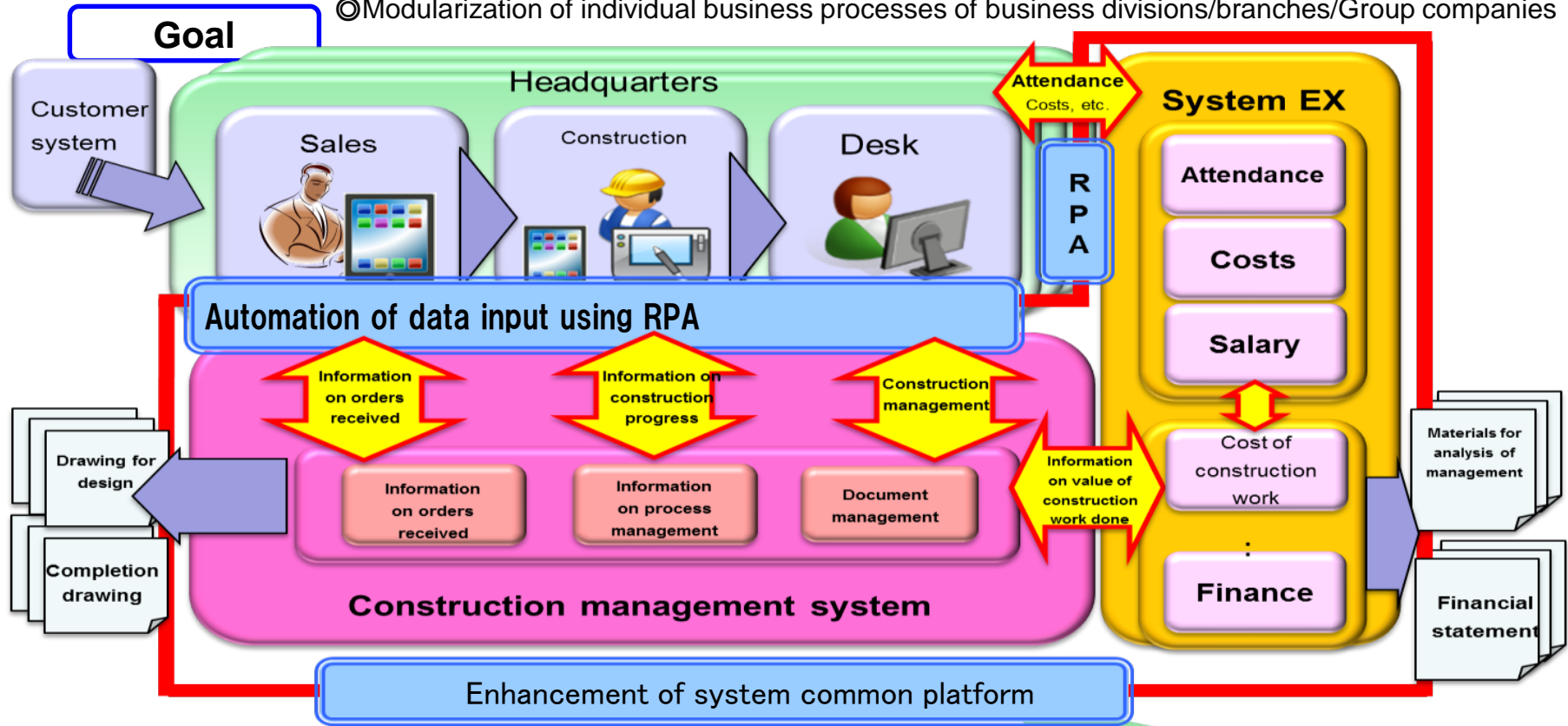


*Robotic Process Automation

3. Plans for FY18

Reference: Examples of improvement measures ◎ Enhancement of system common platform - Automation of data input using RPA

◎ Modularization of individual business processes of business divisions/branches/Group companies



- Replacement of work done by humans with robots
- Reduction of duplicate input
- Eradication of data input errors

4. Raising Shareholders' Value

- (1) Payment of More Dividends
- (2) Dividend Payment Plan for FY18, etc.

4. Raising Shareholders' Value

(1) Payment of More Dividends

- ◆ Increasing the targeted DOE from 3% to 3.5% to pay more dividends
- ◆ Acquiring treasury stock in the first half of FY18 with an upper limit of 3.0 billion yen

■ Outline of changes to dividend policy <Targeted DOE at 3% → 3.5%>

Purpose of the change

Striving to distribute even more returns to shareholders by considering the future performance outlook, financial status, and other elements comprehensively while maintaining our existing basic policy of “continuing to pay dividends proactively and stably based on a firm financial base and medium- and long-term growth scenario”

Forecast amount of annual dividends for FY18 and amounts paid in past years	Item	FY14	DOE at 3% since the end of FY15	FY16 with DOE at 3%	FY17 with DOE at 3%	FY18 forecast		*The impact of management integration is not reflected in the forecast amount of annual dividends for FY18.
						DOE at 3.5%	(Reference: DOE at 3%)	
	Annual dividends per share	¥32	¥38	¥46	¥50	¥64*	(¥55*)	
	Total annual dividends	¥3.16 billion	¥3.7 billion	¥4.38 billion	¥4.78 billion	¥6.06 billion*	(¥5.21 billion*)	
	Payout ratio	25.8%	30.2%	31.7%	26.4%	32.3%*	(29.3%*)	

Annual dividends for FY18: ¥64 (Interim: ¥32/Year-end: ¥32*)

*The amount of the year-end dividend, which will be paid after the management integration, will be announced at the time of the announcement of the results for the six months ending September 30, 2018.

(The amount of the year-end dividend will reflect the total amount of equity capital of the four companies.)

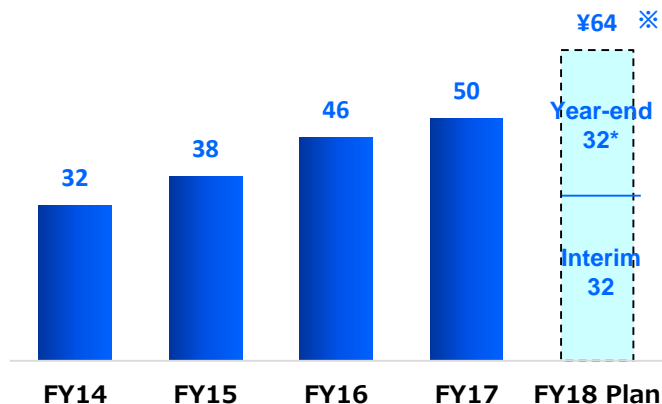
■ Outline of the acquisition of treasury stock

- (1) Purposes of the acquisition: Flexible implementation of capital policy and improvement of capital efficiency
- (2) Total acquisition: ¥3.0 billion (upper limit)
- (3) Total number of shares of treasury stock to be acquired: 1.2 million shares (upper limit)
- (4) Acquisition period: May 10, 2018 to September 30, 2018

4. Raising Shareholders' Value

(2) Dividend Payment Plan, etc. for FY18

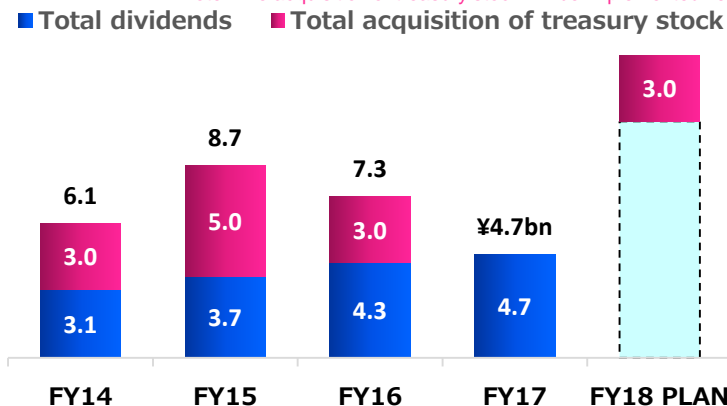
■ Dividend history (per share)



■ Total shareholder return

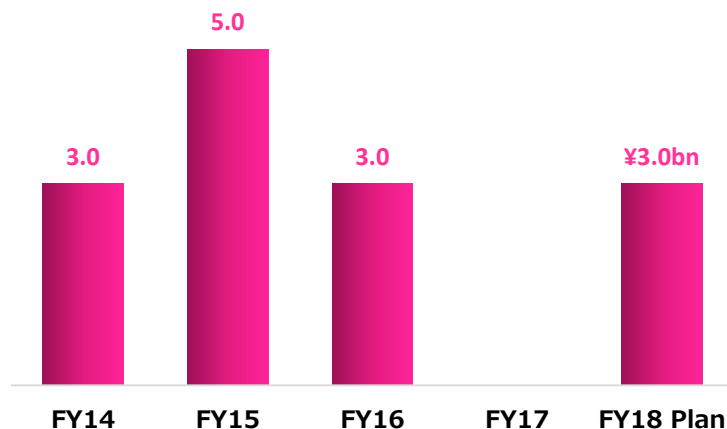
(Total dividends + total acquisition of treasury stock)

Note: The acquisition of treasury stock will be implemented flexibly.



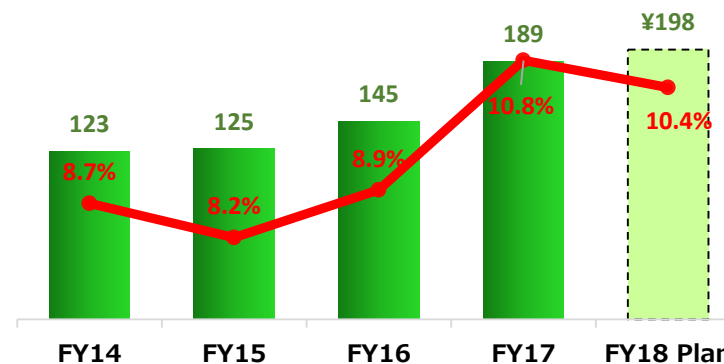
*The amount of the year-end dividend, which will be paid after the management integration, will be announced at the time of the announcement of the results for the six months ending September 30, 2018. (The amount of the year-end dividend will reflect the total amount of equity capital of the four companies.)

■ Acquisition of treasury stock



■ EPS/ROE

■ EPS ● ROE



5. Topics

- (1) Visit to Overseas Subsidiary by Minister of Internal Affairs and Communications

5. Topics

(1) Visit to Overseas Subsidiary by Minister of Internal Affairs and Communications

◆ Seiko Noda, Minister of Internal Affairs and Communications, visited the training center of our consolidated subsidiary in the suburbs of Manilla in the Philippines

■ In January 2018, Minister Noda visited the training center of our consolidated subsidiary MG EXEO NETWORK, Inc. opened in May last year in the suburbs of Manila to inspect the training of local engineers.



From left to right: MG EXEO Chairman Michael Tantoco, Minister Noda, our president Fuminori Kozono, MG EXEO President Eiichi Matsuda

Inspection of training of local employees

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.

KYOWA EXEO CORPORATION

3-29-20 Shibuya, Shibuya-ku,
Tokyo 150-0002 JAPAN

<http://www.exeo.co.jp/overseas/index.html>

TEL: (81)3-5778-1073

FAX: (81)3-5778-1228

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