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1. Overview of FY16 Interim Results

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

1. Overview of FY16 Interim Results

(1) Performance Figures

- ◆ Both orders received and net sales up YOY due to strong NTT Group orders
- ◆ Operating income up from both YOY and plan due to improved efficiency

■ Overview of FY16 interim results (consolidated)

(¥bn)

	FY15 Interim actual	FY16 Interim plan	FY16 Interim actual	YOY	Plan accuracy
	A	B	C	C/A	C/B
Orders received	140.8	140.0	154.6	110%	110%
Net sales	107.7	118.0	116.2	108%	98%
Gross profit	(12.4%) 13.3	(12.3%) 14.5	(12.3%) 14.3	107%	99%
SG&A expenses	(7.9%) 8.5	(7.6%) 9.0	(7.2%) 8.3	98%	93%
Operating income	(4.5%) 4.8	(4.7%) 5.5	(5.2%) 5.9	124%	109%
Ordinary income	(4.4%) 4.7	(4.7%) 5.6	(5.0%) 5.7	121%	103%
Net income attributable to owners of parent	(2.7%) 2.9	(3.0%) 3.5	(2.1%) 2.4	83%	69%

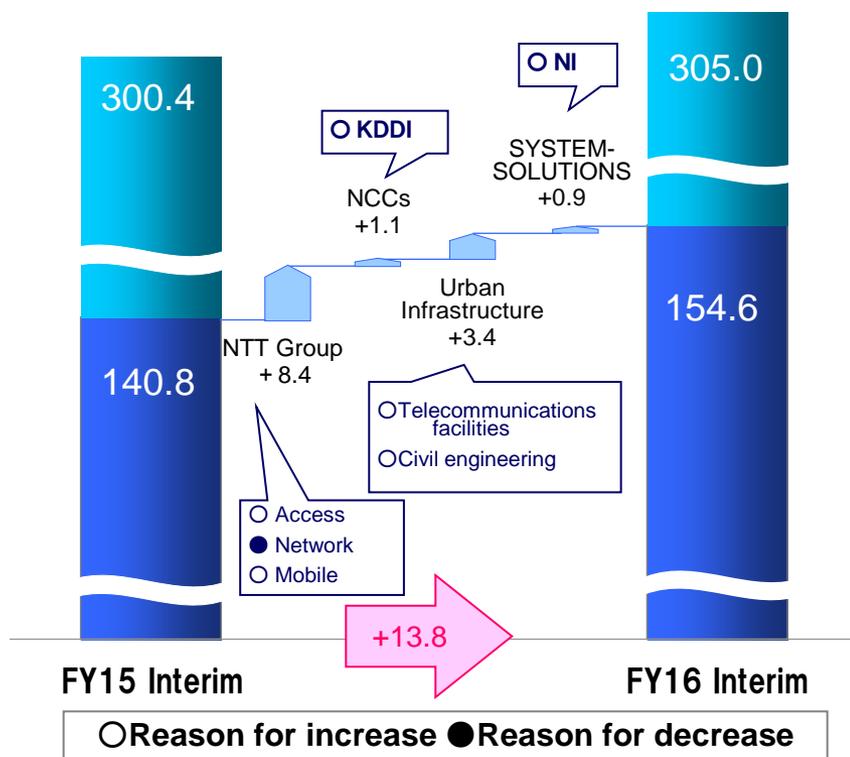
Notes: All amounts less than ¥100m are disregarded. Figures in parentheses are ratio to net sales.

1. Overview of FY16 Interim Results

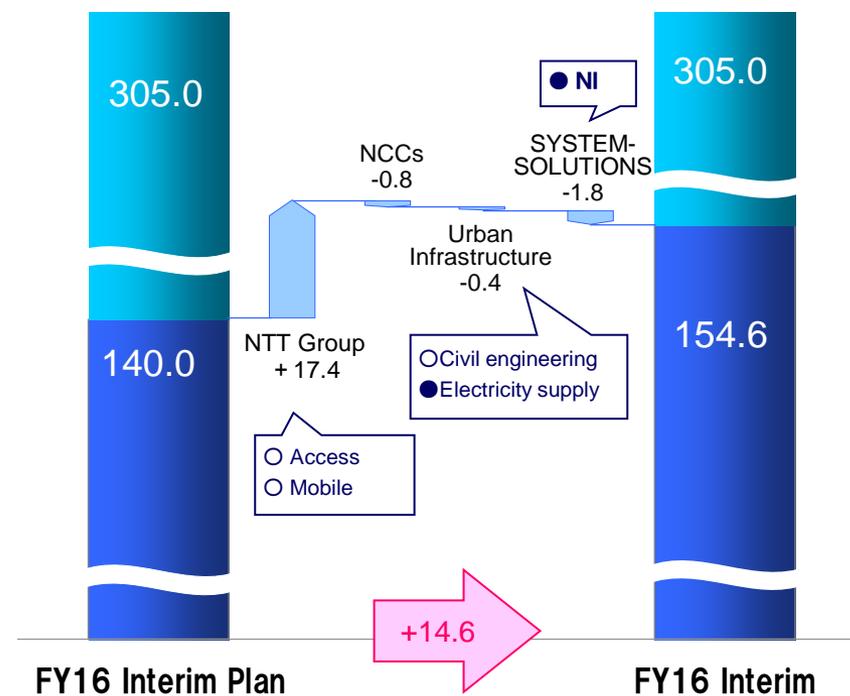
(2) Orders Received

- ◆ Exceeded the previous year due to strong NTT Group and Urban Infrastructure orders
- ◆ Overachieved plan with NTT Group orders boosting overall orders

■ YOY (consolidated)



■ Compared to plan (consolidated) (¥bn)



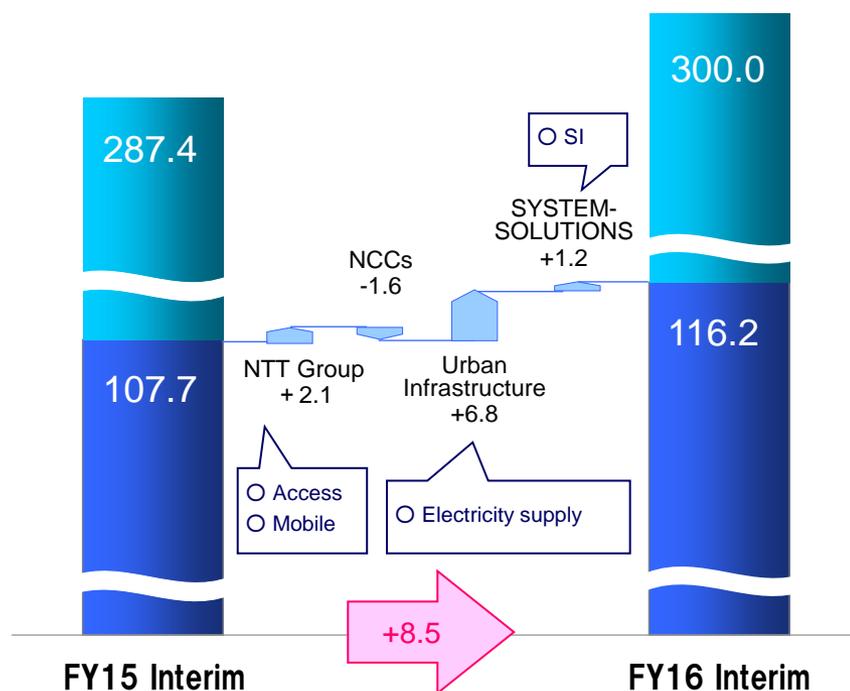
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1. Overview of FY16 Interim Results

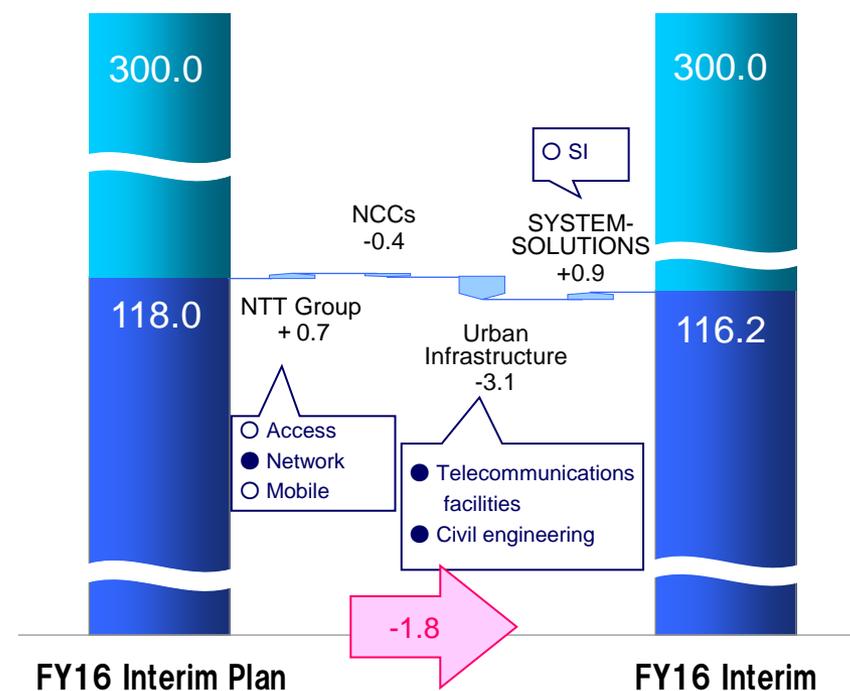
(3) Net Sales

- ◆ Up YOY due to completion of work carried over from previous fiscal half and strong orders
- ◆ Down from plan because completion of part of construction jobs was carried over to next fiscal half

■ YOY (consolidated)



■ Compared to plan (consolidated) (¥bn)



○Reason for increase ●Reason for decrease

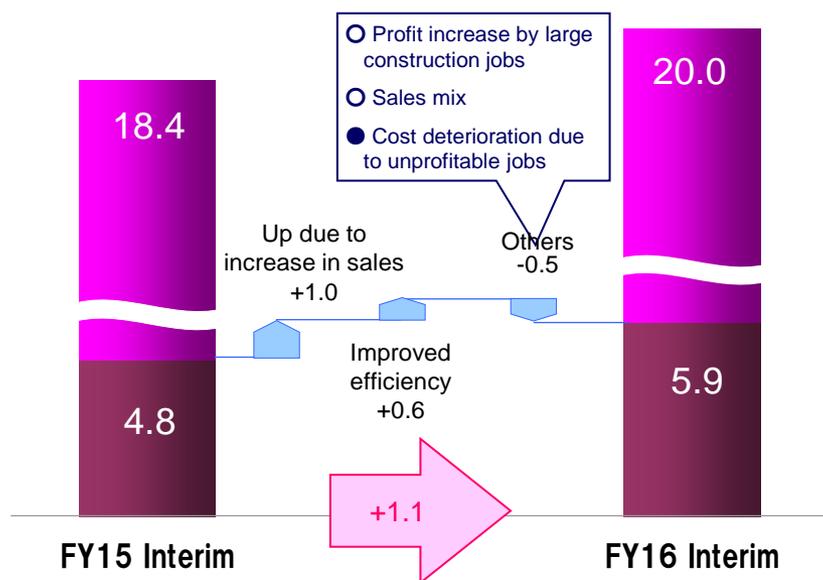
Note: All amounts less than ¥100m are disregarded.

1. Overview of FY16 Interim Results

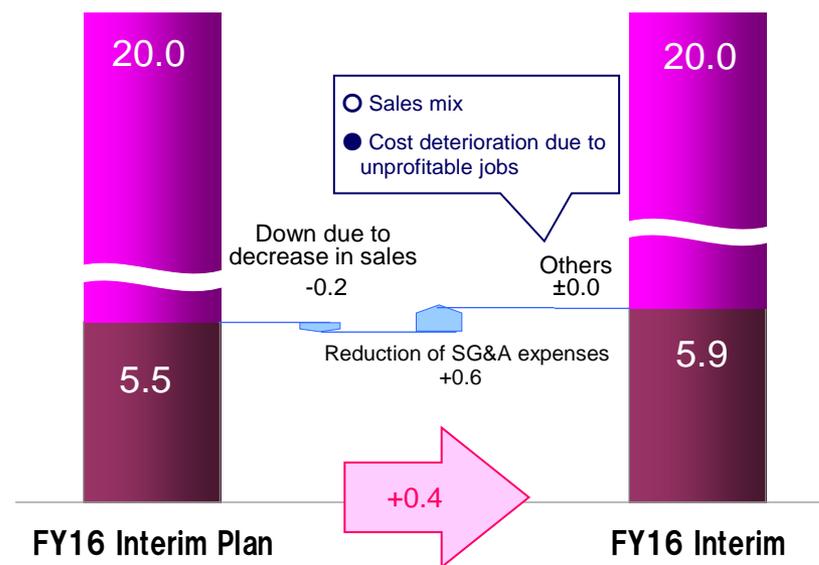
(4) Operating Income

◆ Up YoY and from plan due to cost reduction by improved efficiency

■ YOY (consolidated)



■ Compared to plan (consolidated) (¥bn)



○Reason for increase ●Reason for decrease

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

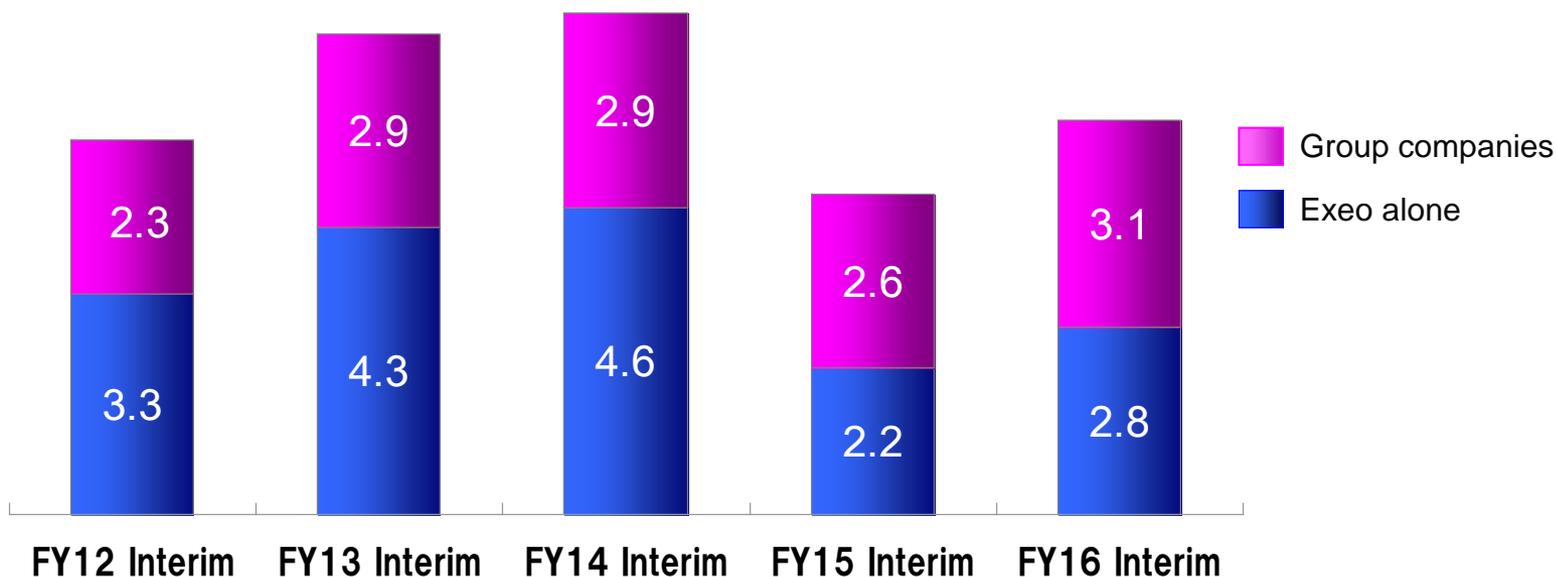
1. Overview of FY16 Interim Results

Reference: Trends in Group company profitability

◆ **Continued high level of profits 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) (1.7) (1.6) (2.1) (2.1)



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 FY16 Interim Results



(5) Cash Flow

◆ Stable cash flow

■ Cash flow (consolidated)

(¥bn)

	FY13	FY14	FY15 Interim	FY15 Full	FY16 Interim
Cash at beginning of FY	14.6	16.2	24.2	24.2	16.0
Operating activities	9.8	23.1	9.9	5.3	17.9
Investing activities	-7.4	-2.8	-3.3	-13.9	-2.0
Financing activities	-0.9	-12.3	-5.0	0.3	-12.5
Cash at end of FY	16.2	24.2	25.8	16.0	19.3

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

2. Expectations for the Rest of FY16

- (1) Performance Figures
- (2) Medium-Term Management Plan(FY16-FY20)
- (3) Investment Trends of Major Telecom Carriers
- (4) NTT Group (Access/Network)
- (5) NTT Group (Mobile)
- (6) NCCs
- (7) Urban Infrastructure
- (8) SYSTEM-SOLUTIONS
- (9) Improved Productivity

2. Expectations for the Rest of FY16

(1) Performance Figures

- ◆ Will remain firm in 2Q
- ◆ Aim to achieve annual plan on the back of record-high work carried over and strong orders

■ Plans for FY16 (consolidated)

(¥bn)

	FY15		FY16		YOY D/B
	Interim A	Full B	Interim C	Plan D	
Orders received	140.8	300.4	154.6	305.0	102%
Net sales	107.7	287.4	116.2	300.0	104%
Gross profit	(12.4%) 13.3	(12.5%) 35.7	(12.3%) 14.3	(12.5%) 37.6	105%
SG&A expenses	(7.9%) 8.5	(6.0%) 17.3	(7.2%) 8.3	(5.9%) 17.6	101%
Operating income	(4.5%) 4.8	(6.4%) 18.4	(5.2%) 5.9	(6.7%) 20.0	109%
Ordinary income	(4.4%) 4.7	(6.4%) 18.5	(5.0%) 5.7	(6.7%) 20.2	109%
Net income attributable to owners of parent	(2.7%) 2.9	(4.2%) 12.1	(2.1%) 2.4	(6.4%) 13.3	109%

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

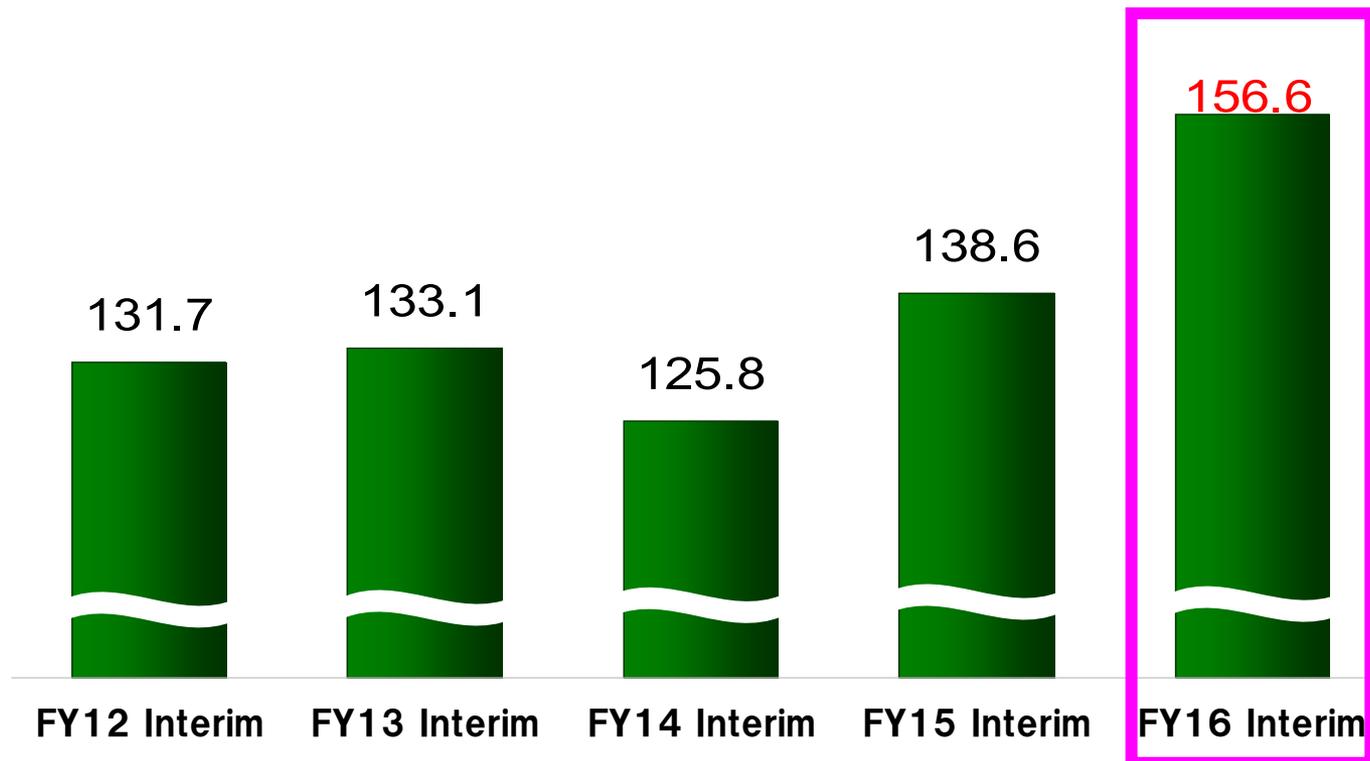
2. Expectations for the Rest of FY16

Reference: Construction work carried over from 2Q of FY16

◆ Work carried over into next fiscal half at all-time high

■ Trends for value of work carried over into second half of fiscal year (from 2Q to 3Q) (consolidated)

(¥bn)



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

2. Expectations for the Rest of FY16

(2) Medium-Term Management Plan (FY16–FY20)

■ Medium-Term Vision

Focus Group strengths to take total solutions to a new growth stage

■ Basic Policies

1. Reorganize business portfolio, fostering solutions into second core business
2. Expand engineering peripheral businesses by combining existing technologies and services
3. Expand business through M&A and alliances
4. Bolster profitability by increasing productivity through business improvement and implementing thorough efficiency measures
5. Increase shareholder value by boosting capital efficiency

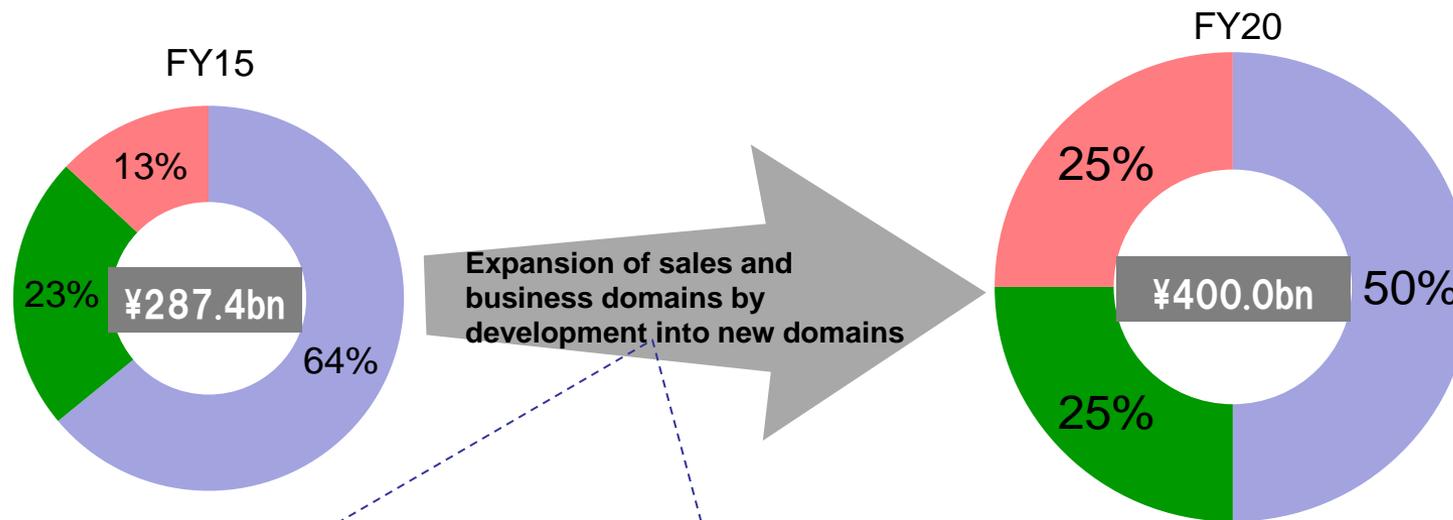
■ Achievements and Targets

Net sales	¥400.0bn
Operating income	¥30.0bn (Operating income margin 7.5%)
ROE	10%
EPS	Over ¥200

ROE: return on equity EPS: earnings per share

2. Expectations for the Rest of FY16

(2) Medium-Term Management Plan (FY16–FY20): Business environment and target portfolio



Expansion of sales and business domains by development into new domains

Telecom carriers business

Increased traffic despite reduced fixed-line investment and slowing of mobile investment
Advances in high-speed, high-capacity communications (LTE→LTE-Advanced→5G)
NTT maintenance expansion; start of order trial for KDDI synchro
Increase in fiber-optic cable demand expected due to 4K/8K, "Hikari collaboration," etc.

Urban infrastructure business

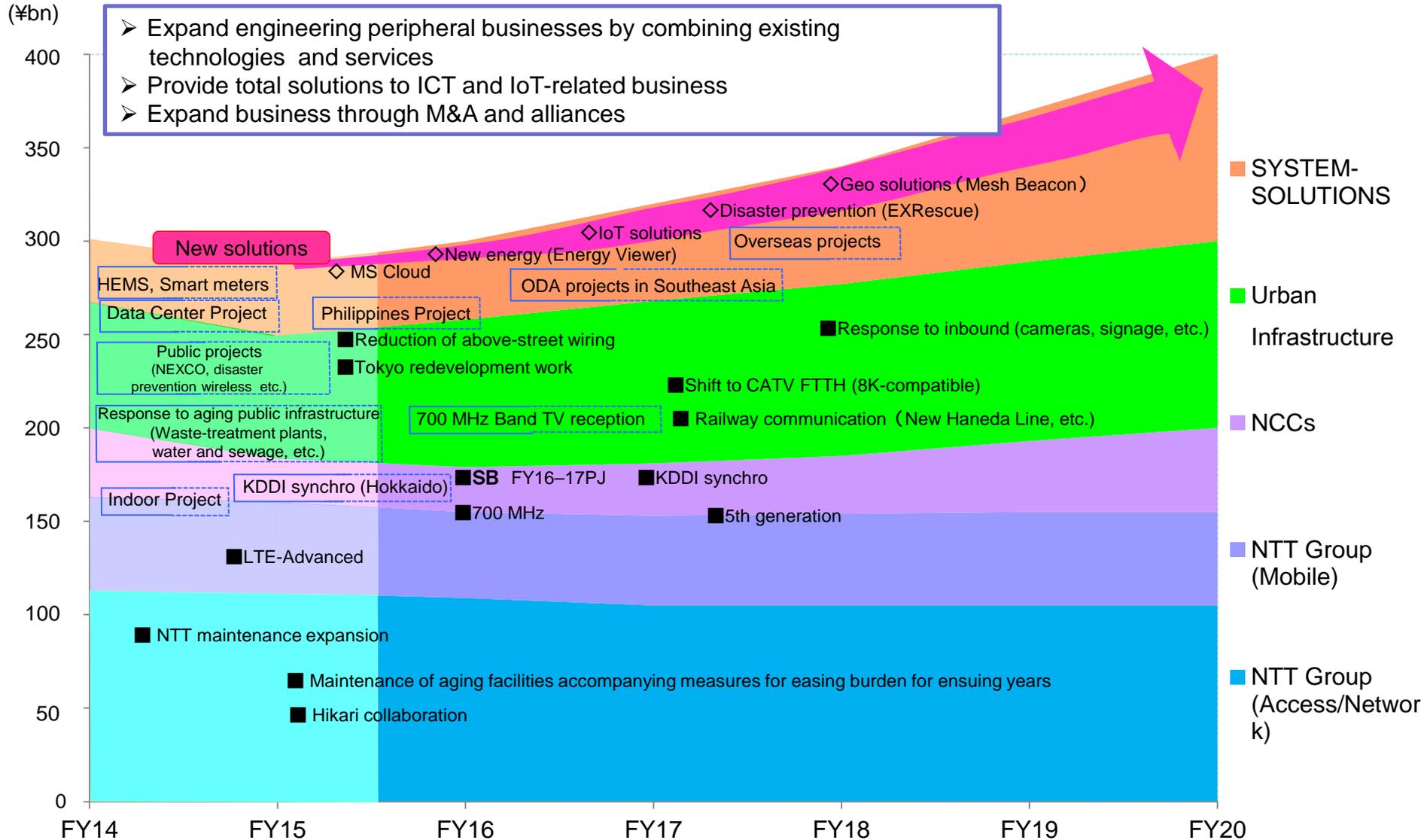
Increased Tokyo redevelopment work and undergrounding of cables before 2020
Public investment to build national resilience (surveillance cameras, expressways, etc.)
Increased renewal demand due to aging of waste-treatment plants
Expanding renewable energy (biomass, etc.) demand, etc.

SYSTEM-SOLUTIONS

Changing industrial structure due to the cloud, IoT, big data, etc.
Growing advanced security needs, such as related to My Number
Expanding investment in boosting efficiency through IT, looking ahead to drop in working population
Increased ODA-related projects accompanying economic growth in SE Asia, etc.

2. Expectations for the Rest of FY16

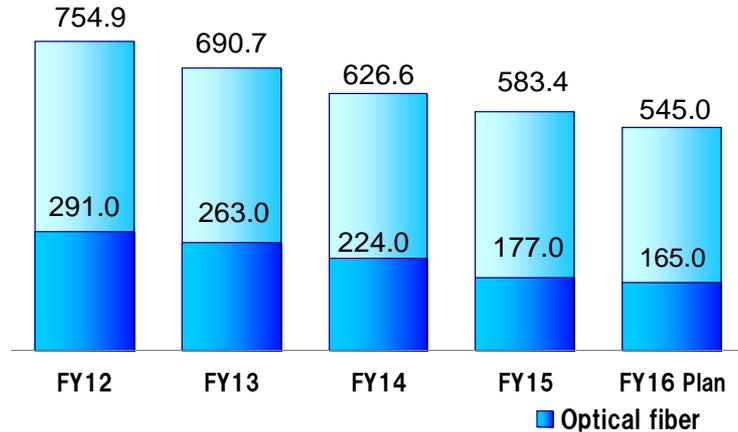
(2) Medium-Term Management Plan (FY16–FY20) : Concept of Growth



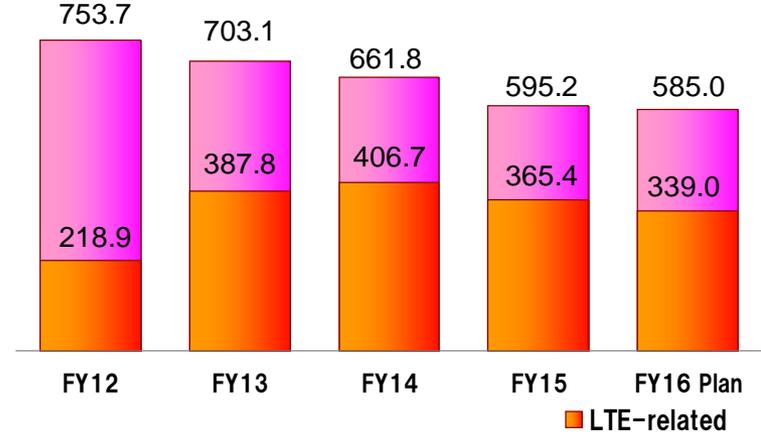
2. Expectations for the Rest of FY16

(3) Investment Trends of Major Telecom Carriers

■ NTT East/West

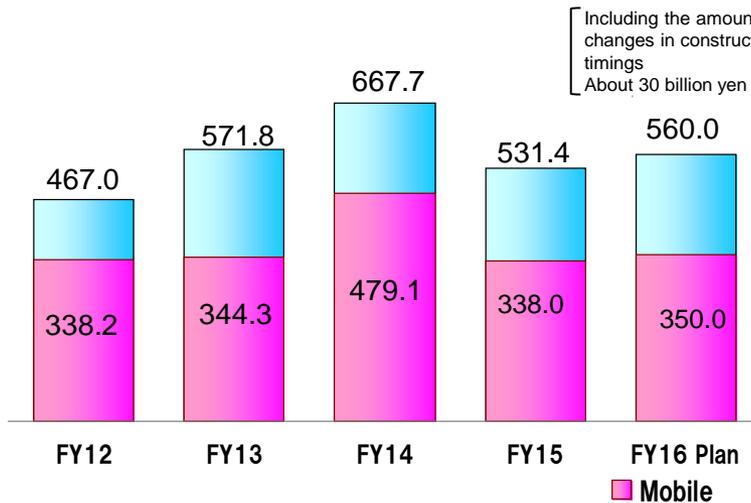


■ NTT DoCoMo



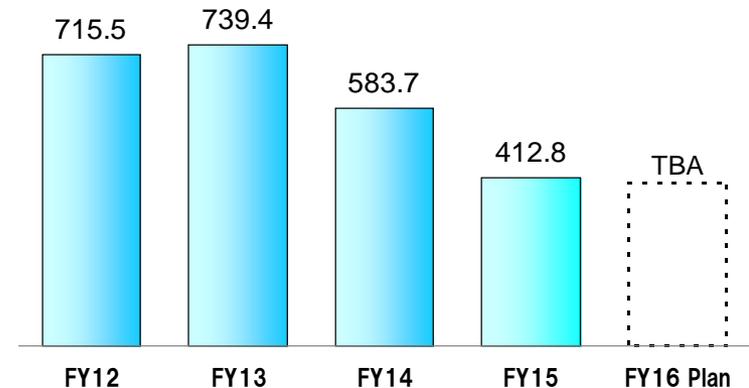
(¥bn)

■ KDDI



Note: Trends in FY15 plan include UQ mobile.

■ SoftBank



Notes: FY12 and FY13 figures are totals for mobile and fixed-line communications. (Source: FY13 Results Data Sheet)

FY14 and FY15 give figures for domestic communications business. (Source: FY15 Results Data Sheet)

On Japanese standards in FY12, and on IFRS in the years after FY13.

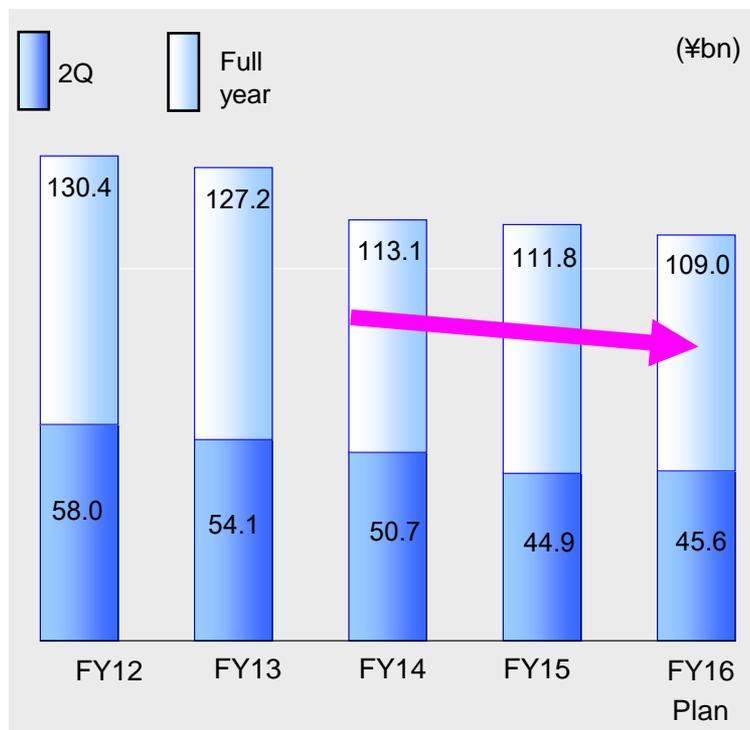
(Source: Figures released by the telecommunications carriers)

2. Expectations for the Rest of FY16

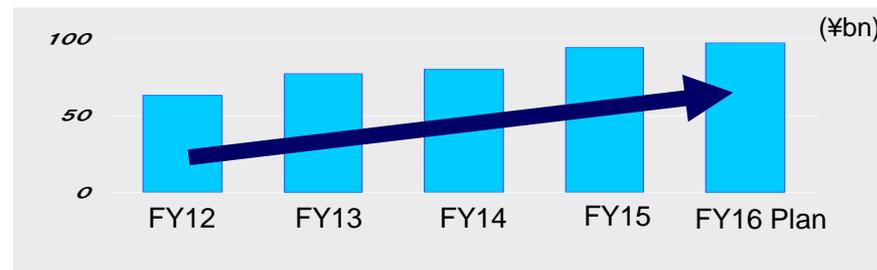
(4) NTT Group (Access/Network)

- ◆ Hikari collaboration has highlighted new demand for FTTH
- ◆ Maintenance jobs of aging facilities have increased due to NTT's measures to ease burden for ensuing years

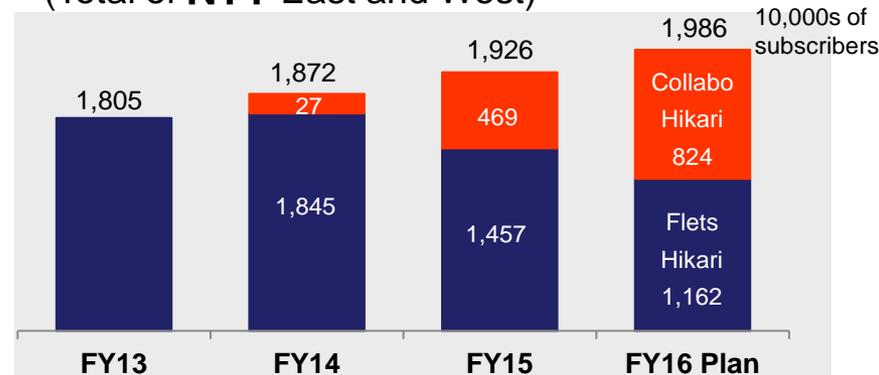
■ Net sales of NTT Group (fixed-line network, consolidated)



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



■ Trend in Number of FTTH Subscribers (Total of NTT East and West)



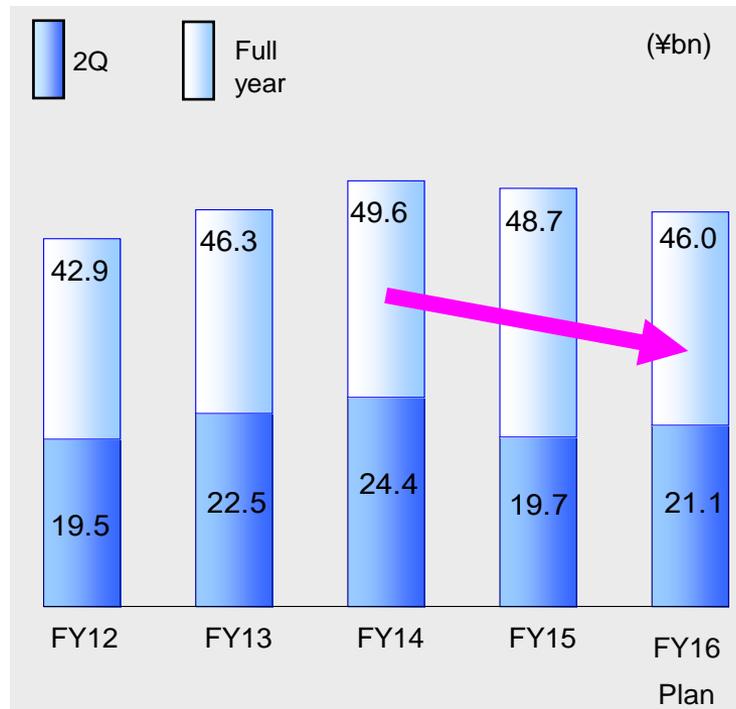
(Source: Created by Kyowa Exeo, based on NTT presentation material)

2. Expectations for the Rest of FY16

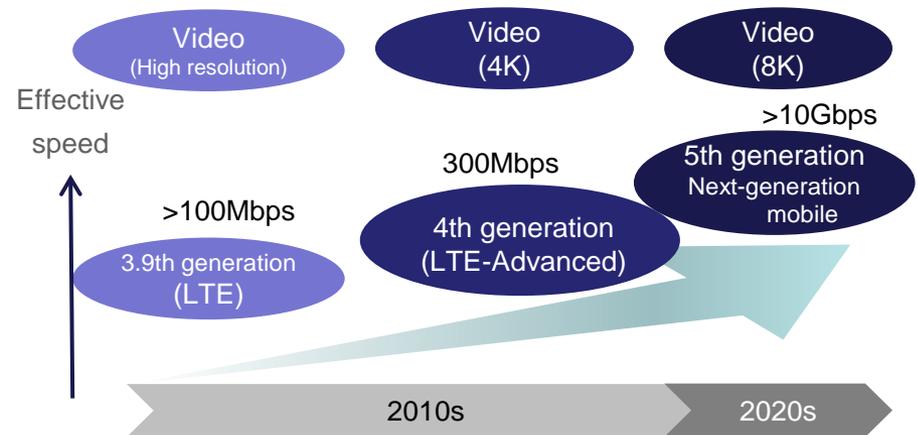
(5) NTT Group (Mobile)

- ◆ LTE-Advanced construction work at full pace
- ◆ Orders received exceed target due to frontloaded orders for negotiations and consulting work

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



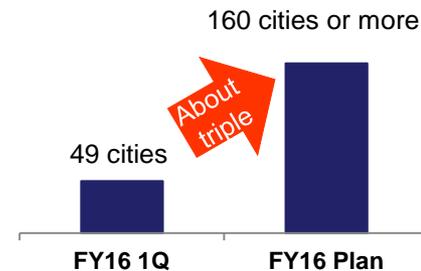
■ NTT DoCoMo Network Development



■ LTE-Advanced



<3.5 GHz-Band Area>



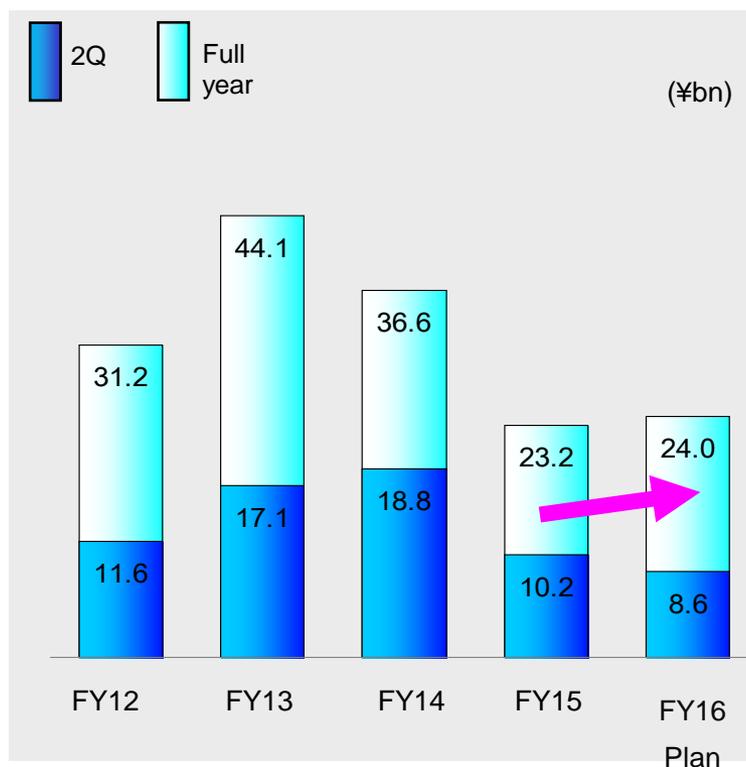
Note: Created by us based on NTT DoCoMo presentation material.

2. Expectations for the Rest of FY16

(6) NCCs

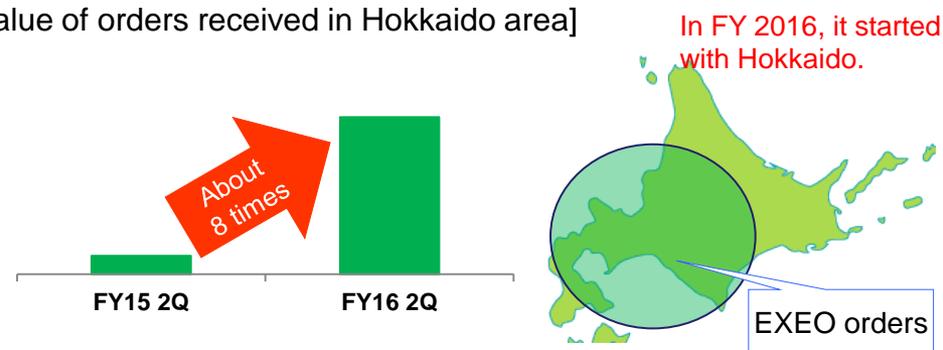
- ◆ Orders received in Hokkaido area surge by winning orders for a combination of construction and maintenance of KDDI facilities
- ◆ Construction jobs for traffic are likely to increase in second fiscal half

■ Net sales of NCCs (consolidated)



■ Trial consolidation of KDDI construction and maintenance orders

[Value of orders received in Hokkaido area]



- ◆ With an eye to nationwide deployment, strengthen a construction and maintenance system
- ◆ Aim at expanding the share in the future

■ Softbank FY16–17 Project

- A mega project involving about 80,000 ground stations
- No reverse auction

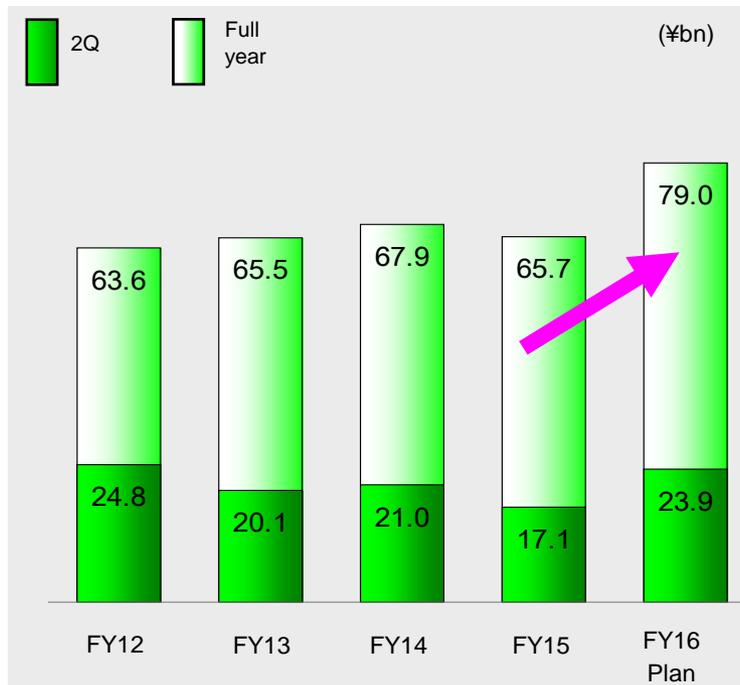
- ◆ Build systems and expand share in established areas

2. Expectations for the Rest of FY16

(7) Urban Infrastructure

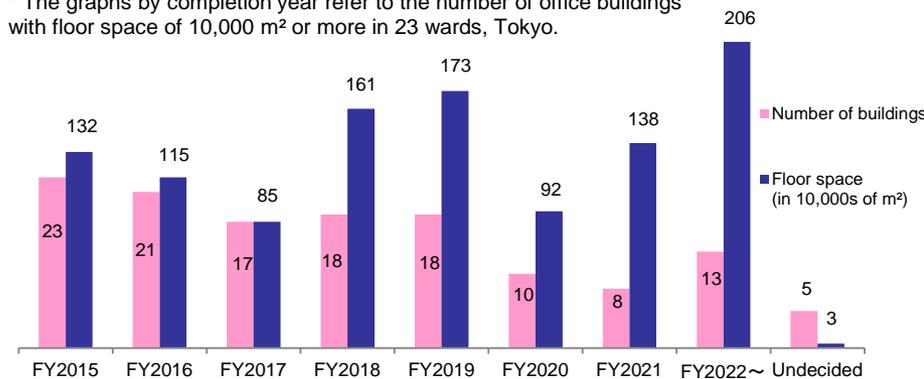
- ◆ Electrical construction and power pole elimination related to Tokyo metropolitan area redevelopment remain strong
- ◆ Expand government communication construction through disaster wireless, road telecommunications, etc.

■ Urban Infrastructure net sales (consolidated)



■ Status of Large Redevelopment

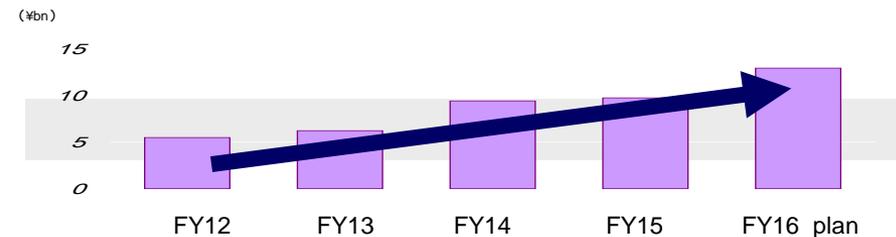
* The graphs by completion year refer to the number of office buildings with floor space of 10,000 m² or more in 23 wards, Tokyo.



Source: Created by Kyowa Exeo, based on "Nikkei Real Estate Market Report" June 2016 issue.

■ Government-sector telecom projects

Trends in orders received (consolidated)



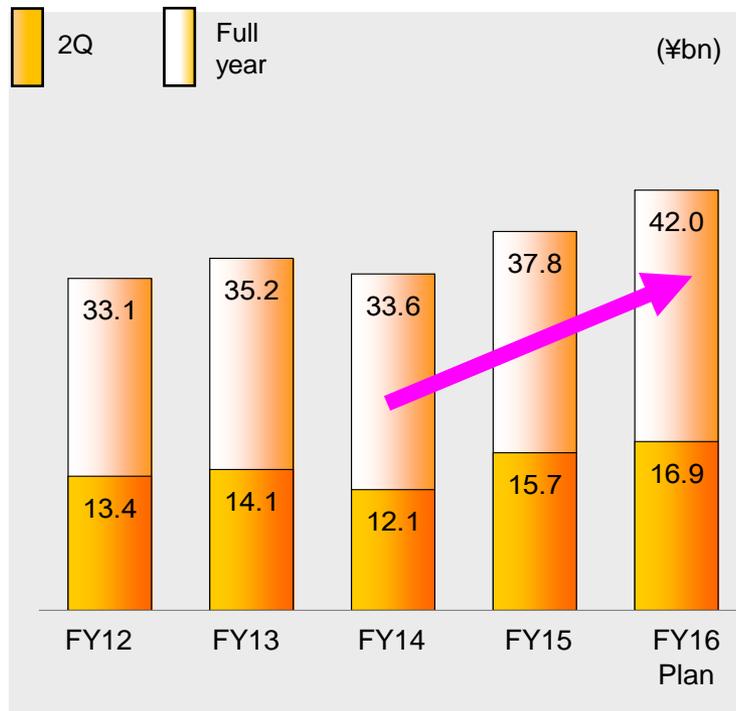
- ◆ Targeting disaster wireless, road telecommunications and CCTV projects
- ◆ Boost sales estimate skills and train construction engineers

2. Expectations for the Rest of FY16

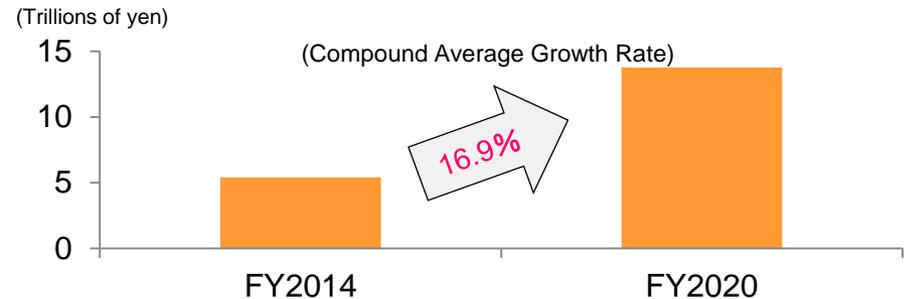
(8) SYSTEM-SOLUTIONS

- ◆ The IoT and cloud fields are markets that are expected to rapidly grow
- ◆ Expand new solutions toward further growth

■ SYSTEM-SOLUTIONS net sales (consolidated)

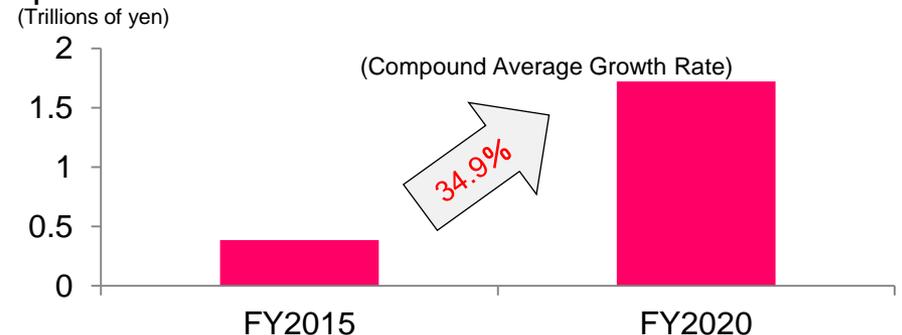


■ Forecast of IoT Market in Japan



Source: Created by Kyowa Exeo, based on IDC Japan press release "Domestic IoT Market by Usage and by Industrial Field" (February 23, 2016).

■ Forecast of IT Service Market for Cloud Services in Japan



Source: Created by Kyowa Exeo, based on IDC Japan press release "Market Forecast of IT Services for Japan 3rd Platform" (August 4, 2016).

2. Expectations for the Rest of FY16

Reference: Performance and future initiatives of new solutions



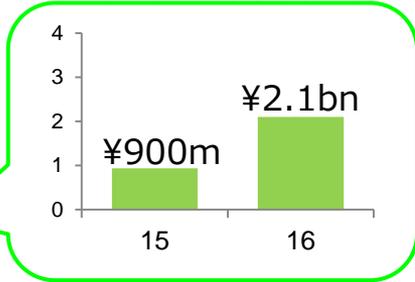
Expand business in the Philippines
Phase 2 of Indonesia project: consider starting business

Global, other

- Okinawa
- International, etc.

New energy field

- Regional power companies
- Power Producers and Suppliers (PPSs)
- Smart meter



Launched survival power supply (March)
Started supplying cloud services to new power businesses (July)



Solutions field

- EXTravel (outdoors, indoors, educational, tourist spot versions)
- Beacon positioning

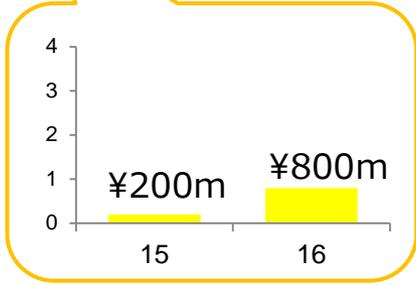
Expand EXTravel to 23 municipalities, etc., including Koya and Eiheiji
• WHERE made a Group company
Expand to geospatial business (Development of EXBeacon)



Cloud/security field

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

• Cloud integration engineering in partnership with Microsoft
• Education/public works field (school networks, local government servers, etc.)

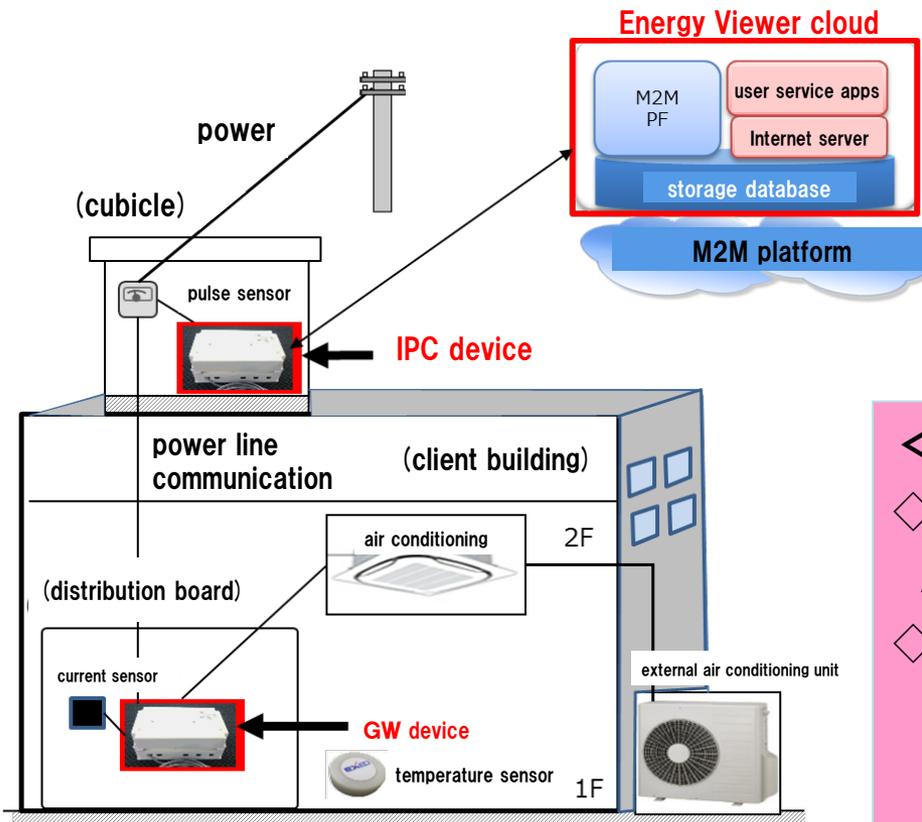


2. Expectations for the Rest of FY16

Reference: Energy Viewer

July launch

- ◆ Energy management system for small and midsize companies (low volume, high voltage / low voltage, non-residential)
- ◆ Business model based on supplying to power producers with service fees as revenue source



【Energy Viewer features】

- Ensures energy saving
- Includes automatic AC control (for multiple models)
- Makes possible thorough cost-cutting through construction company know-how

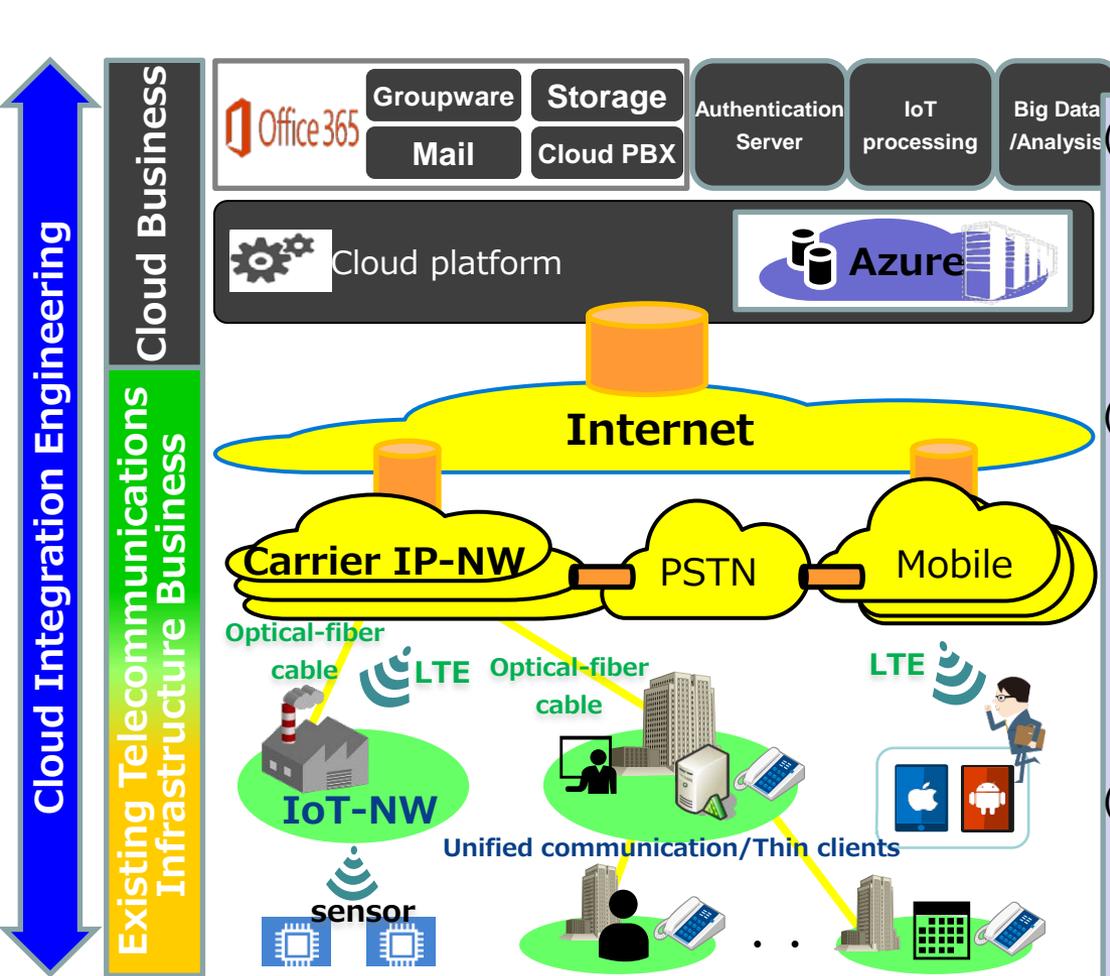
<Advantages of Adoption>

- ◆ Small and midsize companies
AC control reduces energy usage → lower power bills
- ◆ Power producers
Reduced peak-time power use → lower power supply costs
Effective tool for securing customers after electricity deregulation

2. Expectations for the Rest of FY16

Reference: Cloud Integration Engineering*

Bolster partnership with Microsoft in corporate communication and IoT fields



- (1) Conduct joint promotion with Microsoft Japan
 - ✓ Started corporate communication service on April 1
 - ✓ IoT Suite real-time visualization and analysis (July: Microsoft Worldwide Partner Conference, Toronto, Canada)
 - ✓ Exhibited latest Microsoft Cloud Voice solutions (August: Microsoft Japan Partner Conference, Tokyo, Japan)
- (2) Train cloud engineers
 - ✓ Train 2,000 Microsoft cloud engineers by 2018 (50 to advanced and 500 to intermediate qualifications)
 - ✓ 90 people have already successfully completed the advanced MCSE Communication and MCSA Office365 qualifications (Through partnership with Microsoft Japan, targeting largest-scale training in Japan during 2016)
- (3) State of activities
 - ✓ Corporate communication
Offer latest Microsoft Cloud Voice solutions from September (Cloud Connector Edition + Cloud PBX)
 - ✓ IoT
Field engineering real-time visualization and analysis

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

2. Expectations for the Rest of FY16

Reference: Geospatial Business Development

- ◆ Integrating management with WHERE to accelerate geospatial pioneering business using beacon (transmitters that can be placed anywhere) and other technologies.
- ◆ Develop mesh-network EXBeacon and plan beacon management platform.
- ◆ Supply beacon infrastructure and positioning engine for MLIT high-accuracy positioning society project (NTT Data).

Geo services to meet different user needs



Develop specialized solutions for different fields

Tourism industry

Seamless tourism guides in areas with poor GPS signal.

*Experiment planned with Tachikawa, Tokyo (August–October 2016)



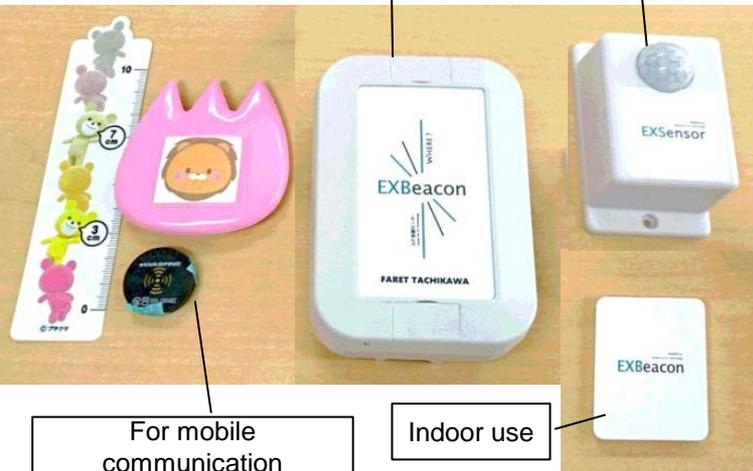
Construction industry

Process management to meet needs of construction sites.

* Experiment planned with X general contractor (October–December 2016)



Outside use With sensor



For mobile communication Indoor use

2. Expectations for the Rest of FY16

Reference: Geospatial Business Development: Participation in Exhibition EXBeacon

■ CEATEC JAPAN 2016

October 4 (Tue.) to 7 (Fri.) at Makuhari Messe

Products by WHERE were displayed in the booth of Bluetooth SIG, Inc.

- ◆ EXBeacon Product Debut
- ◆ People from various industries visited the booth
Automobile, housing, manufacturing, commerce, etc.
- ◆ Keynote speech and new product seminars were held
- ◆ Received many product inquiries after the exhibition



■ IoT/M2M Exhibition Autumn (2016 Japan IT Week Autumn)

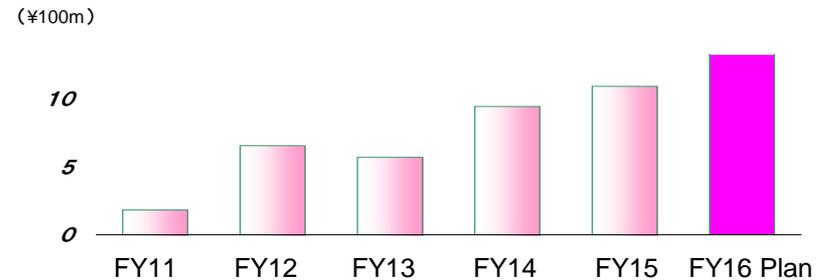
October 26 (Wed.) to 28 (Fri.) at Makuhari Messe
Booth exclusive to WHERE and Kyowa Exeo

- ◆ Received over 200 inquiries through a prior appointment system
- ◆ There are a number of needs to **improve work processes with IoT in manufacturing**, in particular



2. Expectations for the Rest of FY16

Reference: Global business initiatives ■ 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
- 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 (in progress))

Comprehensive service project in two Manila suburbs

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

- FTTH from PLDT (¥170m)
- Optical-fiber access from SMART (¥60m)
- Mobile signal survey from NTT DoCoMo (¥60m)
- Entry/exit management system at new Bohol airport (¥20m)
- Win projects of building SMART Wi-Fi (several thousand access points)



- Construction of ICT in airports in the Philippines
- Terrestrial digital construction (adoption of Japanese system)
- Comprehensive service project area expansion
- Carrier network consulting
- Carrier data center ICT
- Setup of the ICT business

Trial implementation of Indonesian FTTH project PH2 (Mar.–Oct. 2016)

Targeting SE Asian ODA projects

- Airport ICT
- Industrial complex ICT
- Data center ICT etc.

2. Expectations for the Rest of FY16

(9) Improved Productivity

◆ FY15 targets achieved

◆ Continued measures to improve profits

Enhanced profitability through cost reductions

FY		2013	2014	2015	2016
Improvement	Aims	¥1.5bn (cumulative ¥3.5bn)	¥1.5bn (cumulative ¥5.0bn)	¥1.0bn (cumulative ¥6.0bn)	¥1.0bn (cumulative ¥7.0bn)
	Results	¥2.0bn (cumulative ¥5.0bn)	¥2.0bn (cumulative ¥7.0bn)	¥1.0bn (cumulative ¥8.0bn)	¥0.6bn (cumulative ¥8.6bn)

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 ◇Integrated cross-departmental systems ◇Improved business flow and systems through BPR
Reorganization of Group companies	<ul style="list-style-type: none"> ◇Construct common bases for system ◇Continue to improve business flow and systems through BPR * Improve safety Cremas, etc.
Consolidation of bases	<ul style="list-style-type: none"> ◇Liquidation of network subsidiaries ◇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 (11 bases → 1) *(planned for Oct. 2017) ◇Fujisawa Technical Center (2 bases → 1) *(planned for Nov. 2017)
Resource sharing	<ul style="list-style-type: none"> ◇Resource shift to mobile/solutions area ◇Group-wide cross-sectional projects (mobile, 700 MHz TV reception measures, Data Centers, etc.)

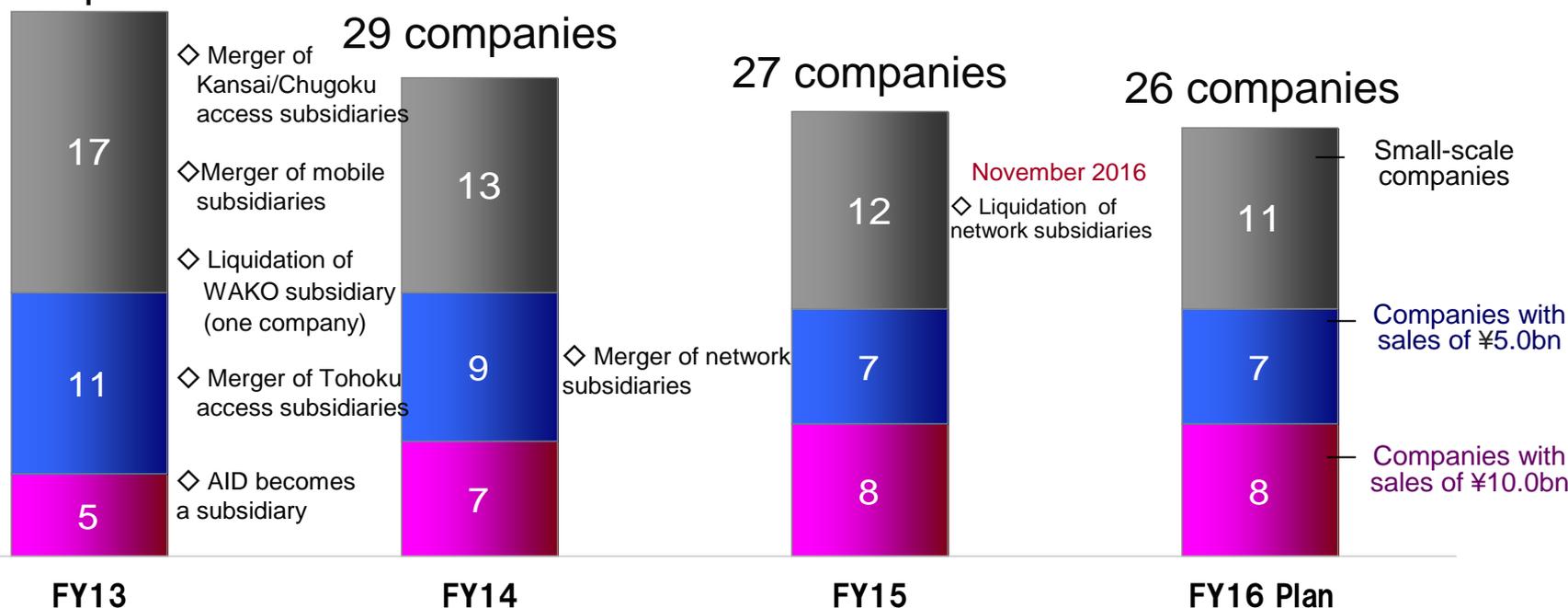
2. Expectations for the Rest of FY16

Reference: Reorganization of Group companies

- ◆ Accelerated reorganization of Group companies aimed at improved streamlining and optimization of resources
- ◆ Deployed a flexible personnel shift to the Tokyo Metropolitan Area

■ Trends in number of subsidiaries (excluding Exeo Tech, Daiwa Densetsu, AID-HD)

33 companies



3. Raising Shareholders' Value

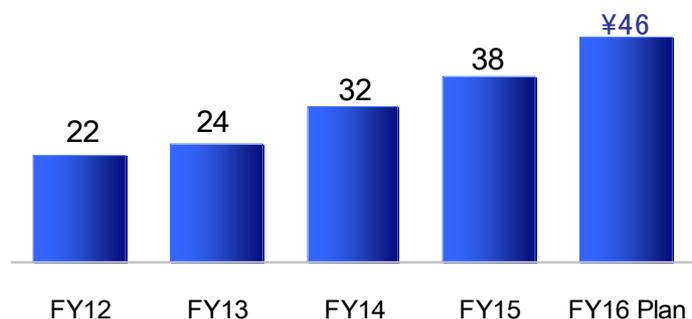
(1) Payment of Dividends

3. Raising Shareholders' Value

(1) Payment of Dividends

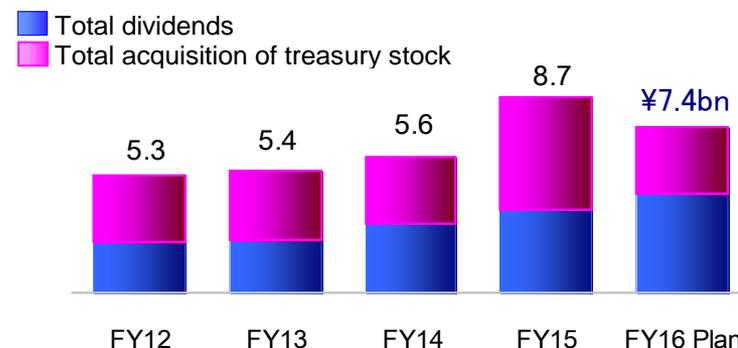
- ◆ Annual dividend up ¥8 YoY to ¥46, acquisition of ¥300m of treasury stock
- ◆ Targeting 3% DOE and continued stable mid- to long-term dividend rise

■ Dividend history (per share)



■ Total shareholder return

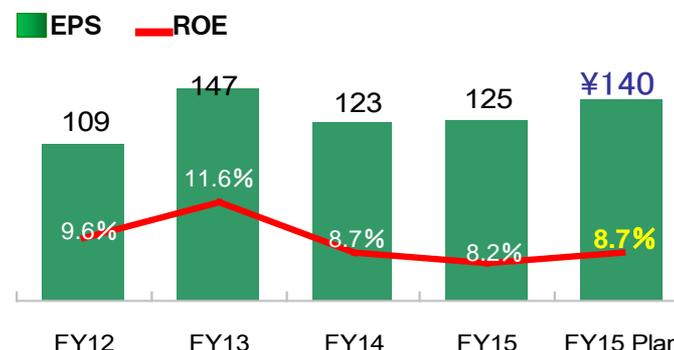
(Total dividends + total acquisition of treasury stock)



■ Acquisition of treasury stock



■ EPS/ROE



4. Topics

(1) The National Skills Competition (Information Network Cabling)

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(1) The National Skills Competition (Information Network Cabling)

- ◆ Won the gold medal in the national competition in October 2016
 - ◆ Scheduled to attend the WorldSkills Competition that is due next year in Abu Dhabi, UAE, as representatives of Japan
-
- This was our sixth gold medal in the national competition
 - Have participated in the international competition four times (won gold medals in all the competitions) and aim to capture the fifth gold medal



(A scene during the competition
: Competitor Yoshiaki Shimizu)



Gold-medalist Yoshiaki Shimizu
(second from left)

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.