

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 11, 2022

Company name: EXEO Group, Inc.
 Stock exchange listing: Tokyo
 Stock code: 1951 URL <https://www.exeo.co.jp/>
 Representative: President and CEO Tetsuya Funabashi
 Operating Officer
 General Manager of Accounts & Finance
 Inquiries: Division Shigeki Hayashi TEL 03-5778-1105
 Chief Financial Officer
 Scheduled date to file Quarterly Securities Report: November 11, 2022
 Scheduled date to commence dividend payments: November 29, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	265,185	1.6	8,550	(49.8)	11,542	(35.7)	6,610	(40.8)
Six months ended September 30, 2021	260,939	16.0	17,028	52.0	17,958	46.7	11,166	49.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	60.48		60.46	
Six months ended September 30, 2021	100.72		100.64	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	520,854	305,266	57.7	2,765.47
As of March 31, 2022	535,617	307,053	56.6	2,748.21

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	44.00	–	52.00	96.00
Year ending March 31, 2023	–	51.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	51.00	102.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	600,000	0.9	38,500	(9.2)	39,400	(12.9)	25,600	(7.8)	236.02

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2022	116,812,419 shares	As of March 31, 2022	116,812,419 shares
--------------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of September 30, 2022	8,220,402 shares	As of March 31, 2022	6,424,185 shares
--------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	109,303,504 shares	Six months ended September 30, 2021	110,868,095 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	54,860	51,222
Notes receivable, accounts receivable from completed construction contracts and other	217,644	167,560
Securities	750	270
Costs on construction contracts in progress	46,194	68,010
Other	7,279	11,487
Allowance for doubtful accounts	(68)	(132)
Total current assets	326,660	298,419
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,884	40,781
Land	61,633	61,831
Other, net	25,382	28,911
Total property, plant and equipment	126,900	131,524
Intangible assets		
Goodwill	9,207	16,294
Other	4,538	7,347
Total intangible assets	13,745	23,642
Investments and other assets		
Other	68,929	67,917
Allowance for doubtful accounts	(618)	(650)
Total investments and other assets	68,311	67,267
Total non-current assets	208,957	222,434
Total assets	535,617	520,854

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	69,579	53,556
Short-term borrowings	30,756	32,727
Income taxes payable	10,706	3,390
Advances received on construction contracts in progress	9,404	15,184
Provisions	4,679	4,682
Other	32,636	22,715
Total current liabilities	157,764	132,257
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	18,006	29,363
Provisions	762	724
Retirement benefit liability	9,548	9,831
Other	12,483	13,411
Total non-current liabilities	70,800	83,330
Total liabilities	228,564	215,587
Net assets		
Shareholders' equity		
Share capital	6,888	6,888
Capital surplus	48,546	45,524
Retained earnings	244,892	245,887
Treasury shares	(13,063)	(16,923)
Total shareholders' equity	287,263	281,376
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,937	7,995
Foreign currency translation adjustment	(985)	1,812
Remeasurements of defined benefit plans	10,154	9,122
Total accumulated other comprehensive income	16,106	18,931
Share acquisition rights	185	163
Non-controlling interests	3,497	4,794
Total net assets	307,053	305,266
Total liabilities and net assets	535,617	520,854

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	260,939	265,185
Cost of sales	224,523	233,473
Gross profit	36,415	31,712
Selling, general and administrative expenses	19,387	23,161
Operating profit	17,028	8,550
Non-operating income		
Interest income	12	27
Dividend income	468	448
Foreign exchange gains	–	2,101
Other	948	1,120
Total non-operating income	1,430	3,698
Non-operating expenses		
Interest expenses	83	223
Other	417	483
Total non-operating expenses	500	706
Ordinary profit	17,958	11,542
Extraordinary income		
Gain on step acquisitions	–	467
Total extraordinary income	–	467
Profit before income taxes	17,958	12,009
Income taxes	6,572	5,137
Profit	11,386	6,871
Profit attributable to non-controlling interests	219	260
Profit attributable to owners of parent	11,166	6,610

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	11,386	6,871
Other comprehensive income		
Valuation difference on available-for-sale securities	1,152	1,057
Foreign currency translation adjustment	382	2,890
Remeasurements of defined benefit plans, net of tax	(305)	(1,031)
Total other comprehensive income	1,230	2,916
Comprehensive income	12,616	9,787
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,392	9,435
Comprehensive income attributable to non-controlling interests	224	352