

EXEO Group Corporate Profile

Jun. 2024



1. About Us

(1) Corporate Profile (As of March 31, 2024)

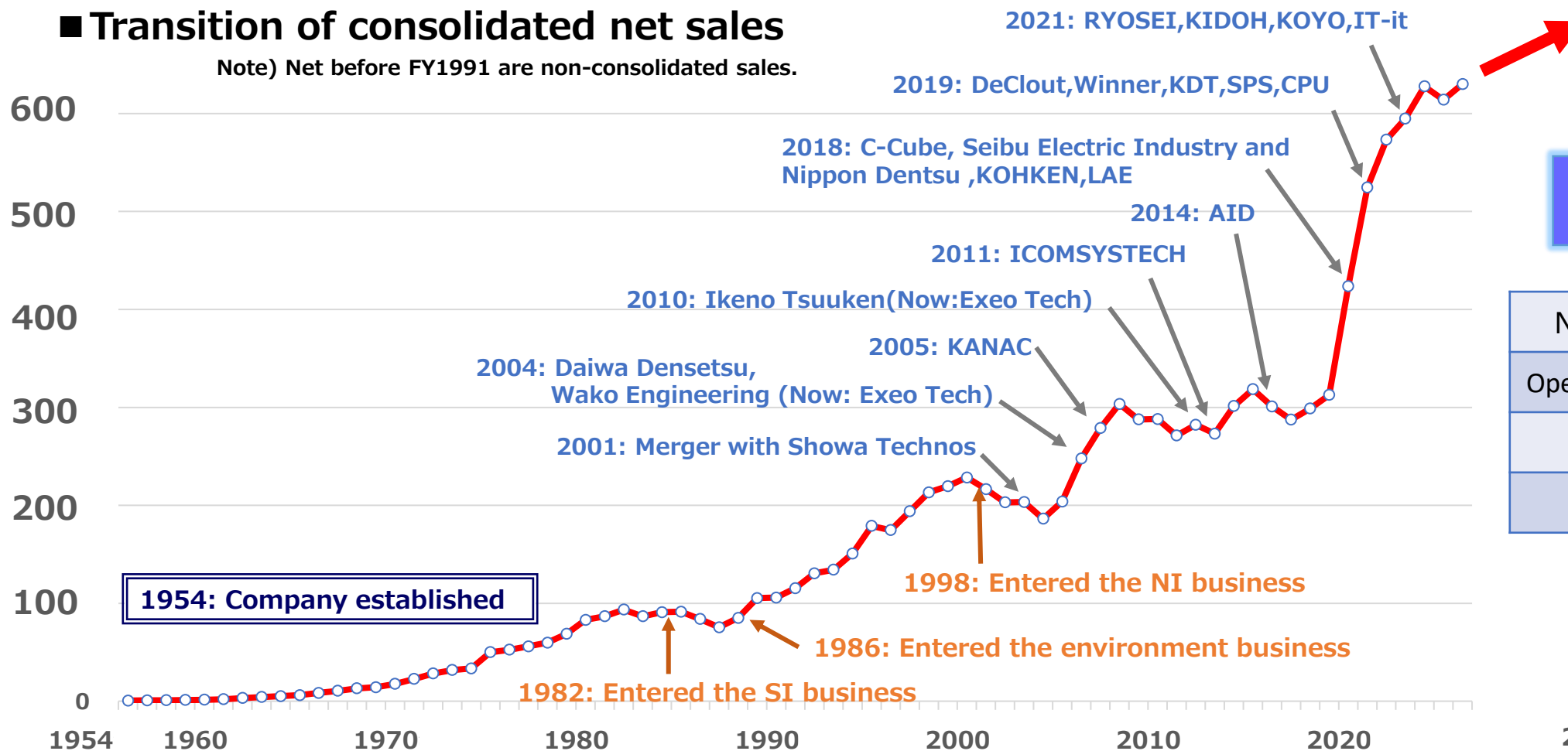
Established	May 17, 1954
Representatives	President and CEO: Tetsuya Funabashi
Paid-in capital	¥6,888 million
listed exchange	Listed on TSE Prime (Code: 1951) Trading unit: 100 shares
Stocks	Total number of issued shares 106,812,419 shares Number of shareholders 45,458 (Increase to 213,624,838 shares due to stock split on April 1, 2024)
Consolidated net sales	¥614.0 billion
Rating	Japan Credit Rating Agency, Ltd. (JCR) A + (stable)
Number of employees	Consolidated total: 17,056
Head office	3-29-20 Shibuya, Shibuya-ku, Tokyo 150-0002, Japan
Number of business offices	Branch offices: 12 Sales offices: 23
Consolidated subsidiaries	142
Fiscal year-end	March 31

(2) Corporate History

(billion yen)

■ Transition of consolidated net sales

Note) Net before FY1991 are non-consolidated sales.



the Medium-Term Management Plan (FY21-FY25)

Net Sales	¥ 630.0 billion
Operating profit	¥ 47.0 billion (7.5%)
ROE	9.0% or more
EPS	280 yen or more

Kyowa Densetsu (37 years)

(Foundation period) Building telecommunications facilities was a priority mission. Strengthened the foundation for building telecommunications facilities and expanded business domains gradually.
★ Established a brand for **Kyowa as a builder of telecom facilities**

Kyowa Exeo Corporation (30 years)

(Business expansion) Expanded business, establishing a telecommunications construction group and developing solutions
★ Established a brand for **Exeo as an engineering company**.

EXEO Group

(DX, innovation and Group management) Will promote global expansion and accelerate growth, responding to the digital shift.
★ **EXEO Group will enter a new stage.**

1. About Us

(3) Vision and Purpose

2030 Vision

Engineering for Fusion

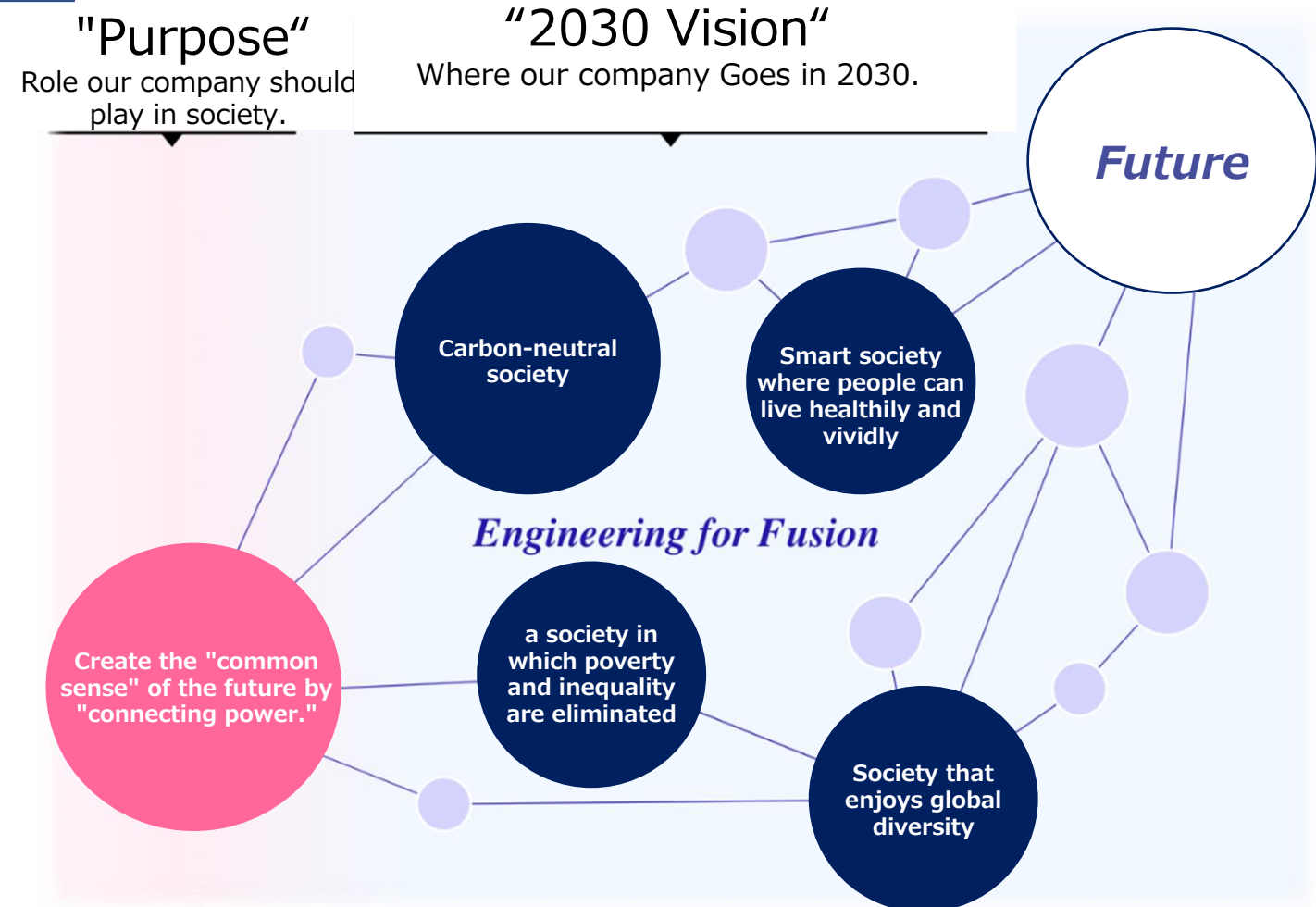
~Connecting our world – to all our tomorrows~

Group Purpose

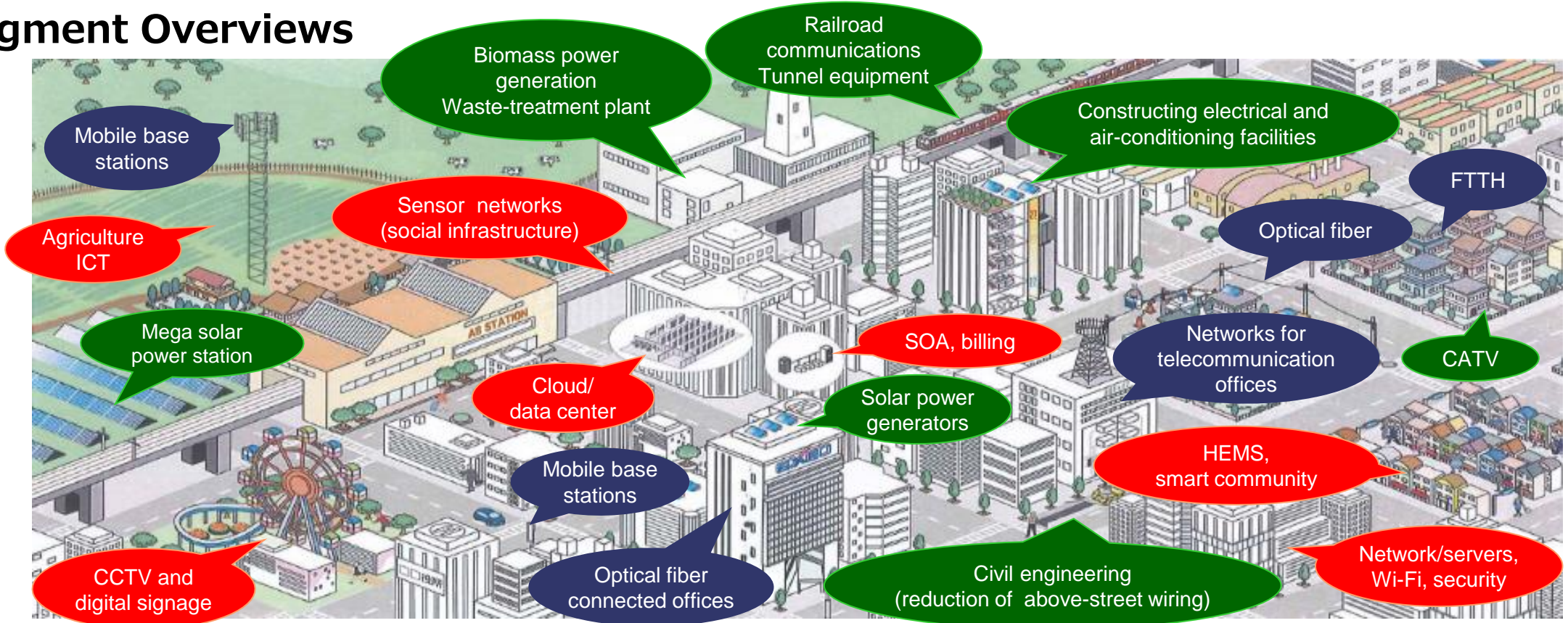
Create the "common sense" of the future by "connecting power."

All people, regardless of region or generation, can use the infrastructure that supports their lives as a matter of course and pursue happiness freely. That is the rich world that the EXEO Group aims for.

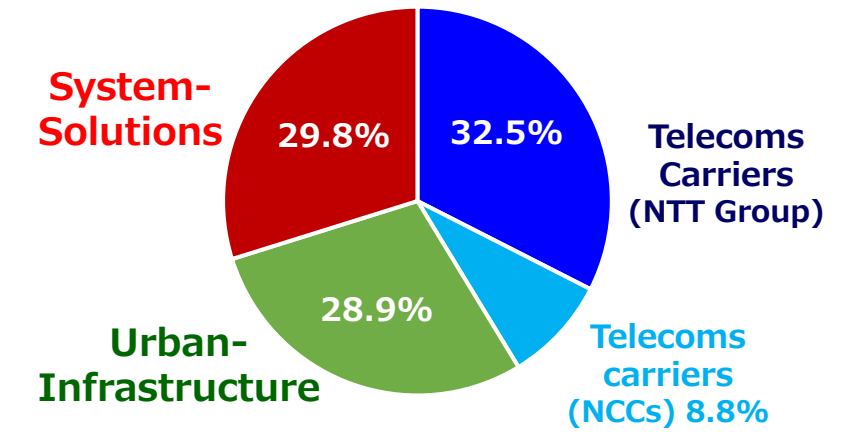
Our company will continue to refine its technology and connect all aspects of knowledge, from hardware to digital, to create new "common sense" with its partners in a rapidly changing society.



(4) Segment Overviews



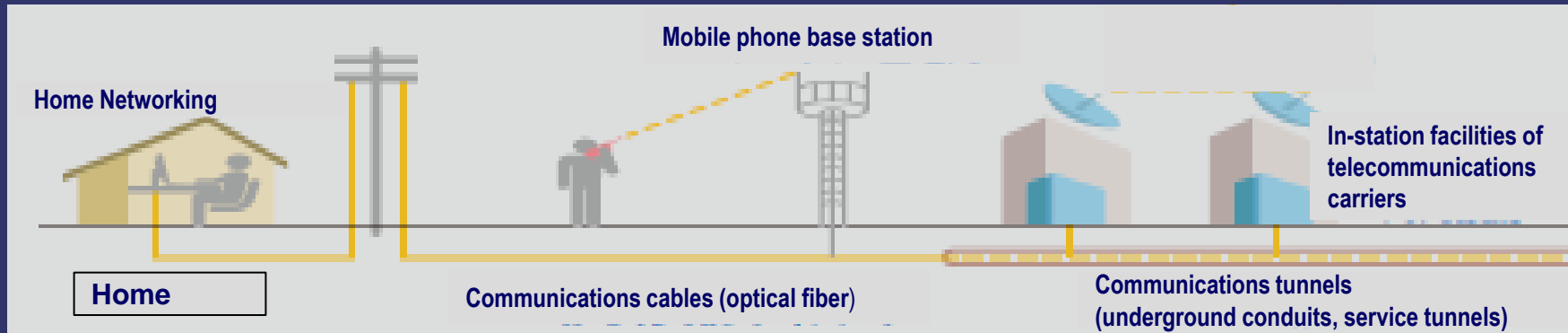
Segment			Net Sales FY23 (¥ bn)
ENGINEERING -SOLUTIONS	Telecoms Carriers	NTT Group	199.4
		NCCs	54.0
	Urban Infrastructure		177.2
System-Solutions			183.3
Total			614.0



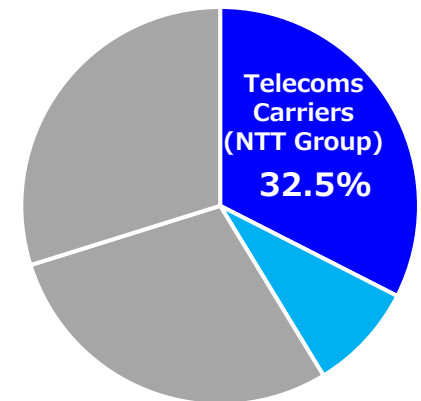
(4) Segment Overviews — Telecoms Carriers

◆ EXEO Group's core business, nurtured since the company was founded more than 60 years ago

- **NTT Group** We build and maintain telecommunications facilities for NTT Group companies.
- **NCCs** We design, construct, and maintain telecommunications facilities for KDDI, Softbank, Rakuten, and other customers.



Total 41.3%

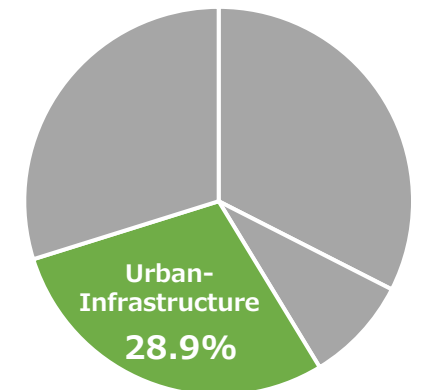
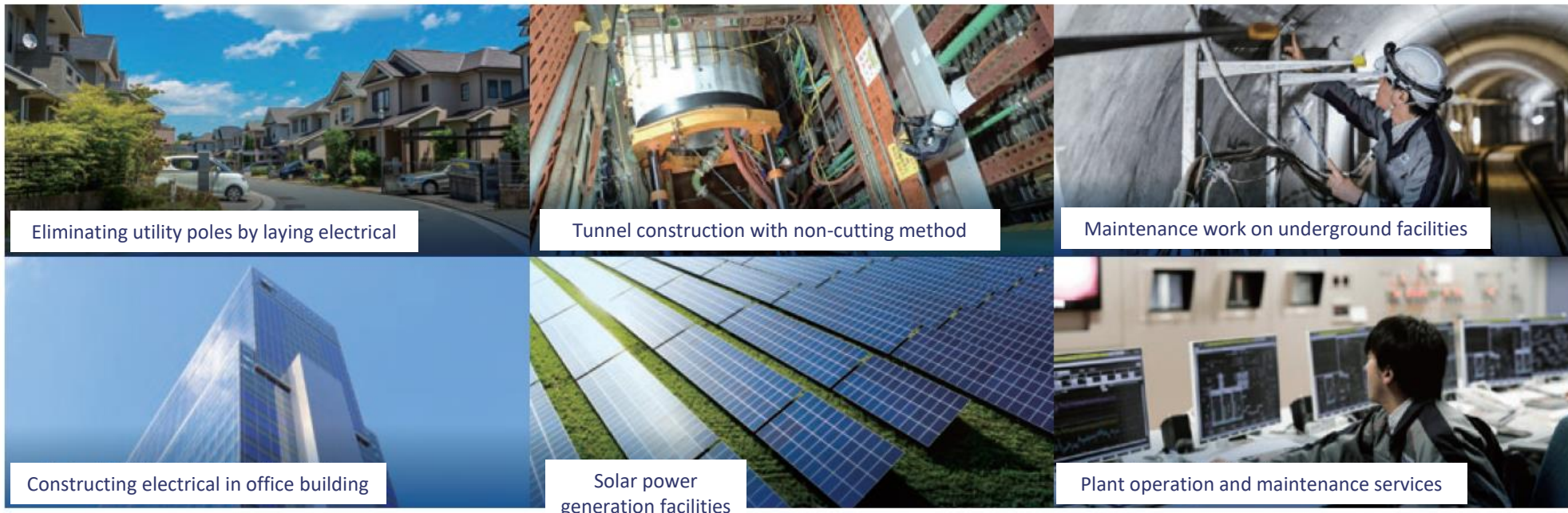


Telecoms Carriers (NCCs) 8.8%

(4) Segment Overviews — Urban Infrastructure

◆ Using the electrical and civil engineering skills developed in our telecommunications infrastructure business to build a more convenient society

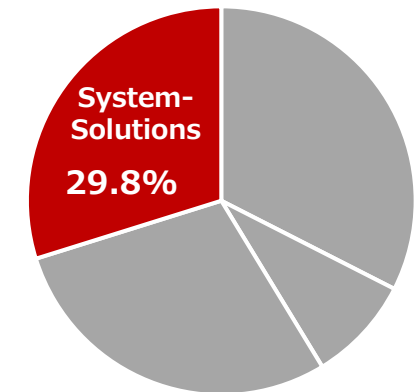
- Urban civil engineering works involving to eliminate utility poles by laying electrical and to construct tunnel with non-cutting method
- Construction and maintenance of various telecommunications infrastructure facilities for municipalities, government agencies, CATV companies, railway companies and private companies
- Constructing electrical and air-conditioning facilities for office buildings, data centers, and apartments
- Renewable energy-related works such as solar power generation and biomass boilers
- Designing, constructing, operating, and maintaining water and waste-treatment plants



(4) Segment Overviews — System Solutions

◆ Using information and communications technology to provide total solutions in the SI and NI fields

- System Integration (SI) Provision of large-scale entrusted development for the public sector, telecommunications, manufacturing, and the financial industry and provision of a solution to business process reform and operation support
- Network Integration (NI) Offering network solution services covering servers, wireless networks, security, cloud computing, imaging, EMS , and sensors
- Overseas projects Construction and maintenance of overseas telecommunications infrastructure, provision of network solutions services



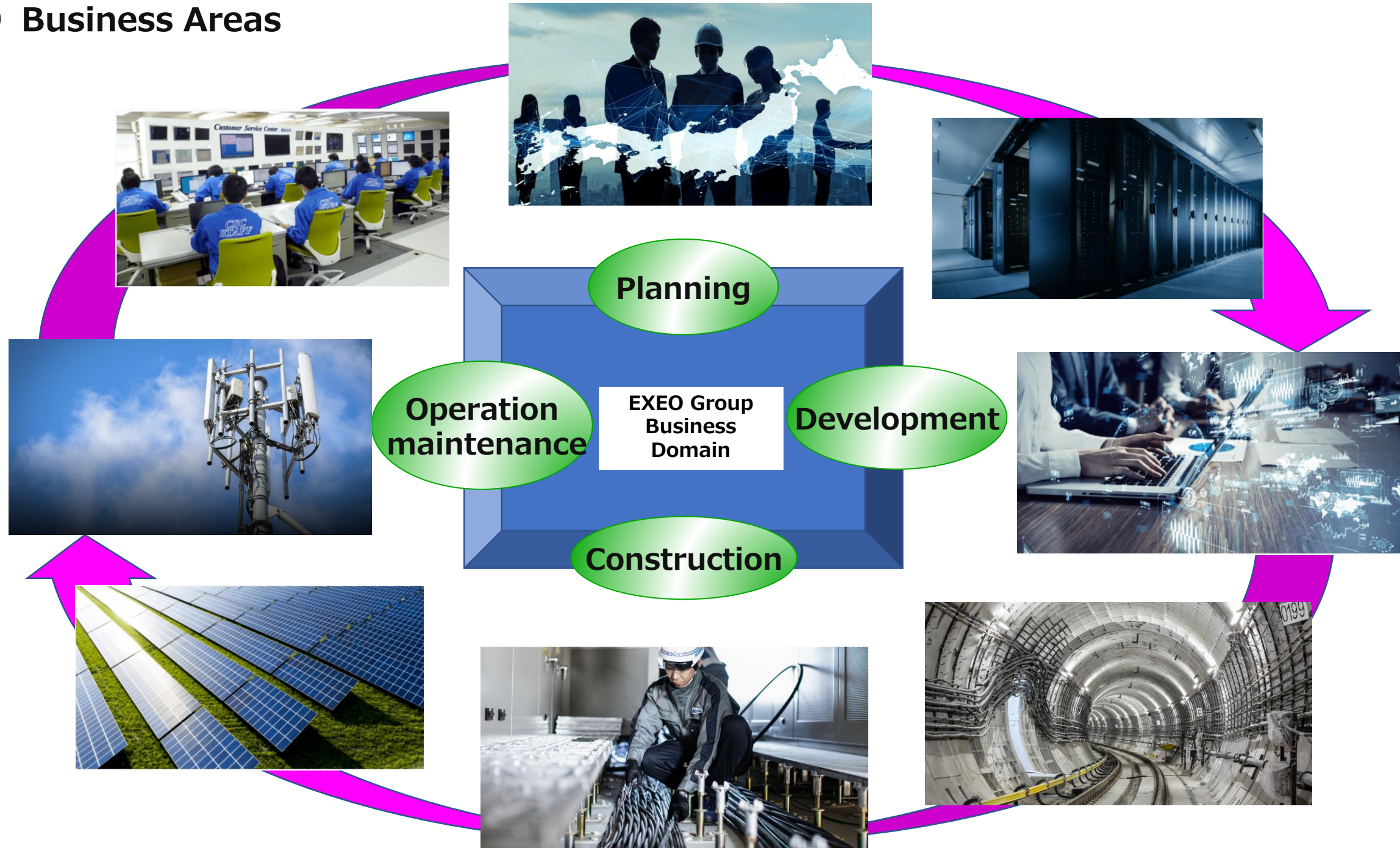
(5) Group Structure and Business Bases

■ Group Structure (as of March 31, 2024)

Major Consolidated Subsidiaries (5 companies)				
C-Cube	Seibu Electric Industry	Nippon Dentsu	Daiwa Densetsu	Exeo Tech
				
Other Consolidated Subsidiaries (137 companies) The following are major companies				
Telecom carriers	EXEO Engineering Hokkaido, EXEO Engineering Tohoku, EXEO Engineering West Japan, Shinyei Tsushin, Suncrex, KANAC, HIKARI PROGRESS, K. Technos, Exeo Mobile, Denseisya, KDT (Shinyei Tsushin, Suncrex, and Exeo Mobile merged on 2024.4.1 to form EXEO Engineering)			
Urban infrastructure	Exeo Infra, KOHKEN, RYOSEI, Eiwa-Builtech, KIDOH CONSTRUCTION, KOYO ENGINEERING SANETSU, ISEKI Poly-Tech, OOKUNIYA			
System-Solutions	EDS, ESM, AID, WHERE, EXEO Core Innovation, SUN PLANNING SYSTEMS, CPU			
Overseas projects	EXEO GLOBAL, Leng Aik Engineering, Winner Engineering (Singapore) MG EXEO NETWORK (Philippines) Procurri (Singapore, United States of America , England)			

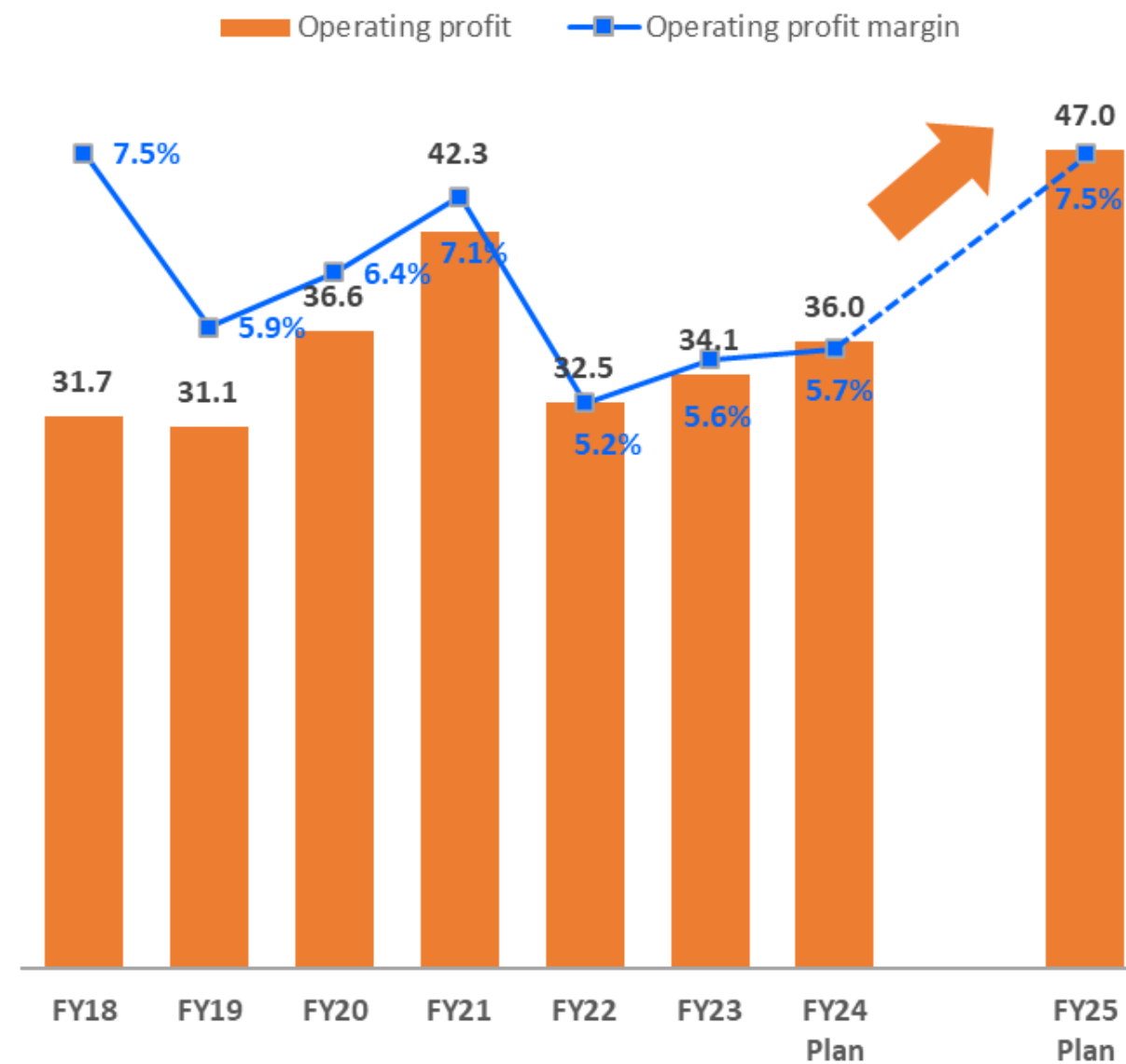
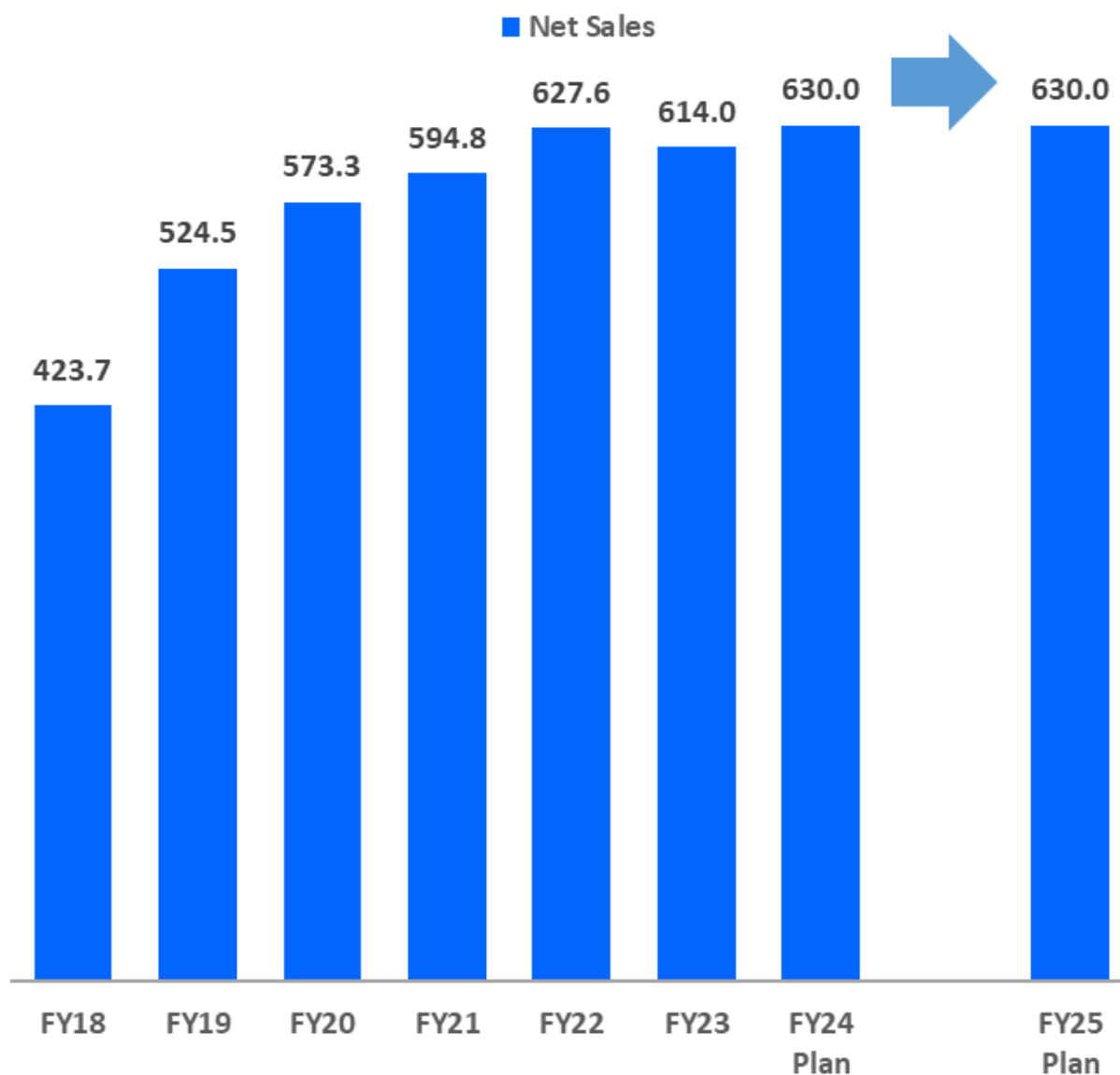
1. About Us

(6) Business Areas



(7) Recent Performance Trends

(billion yen)

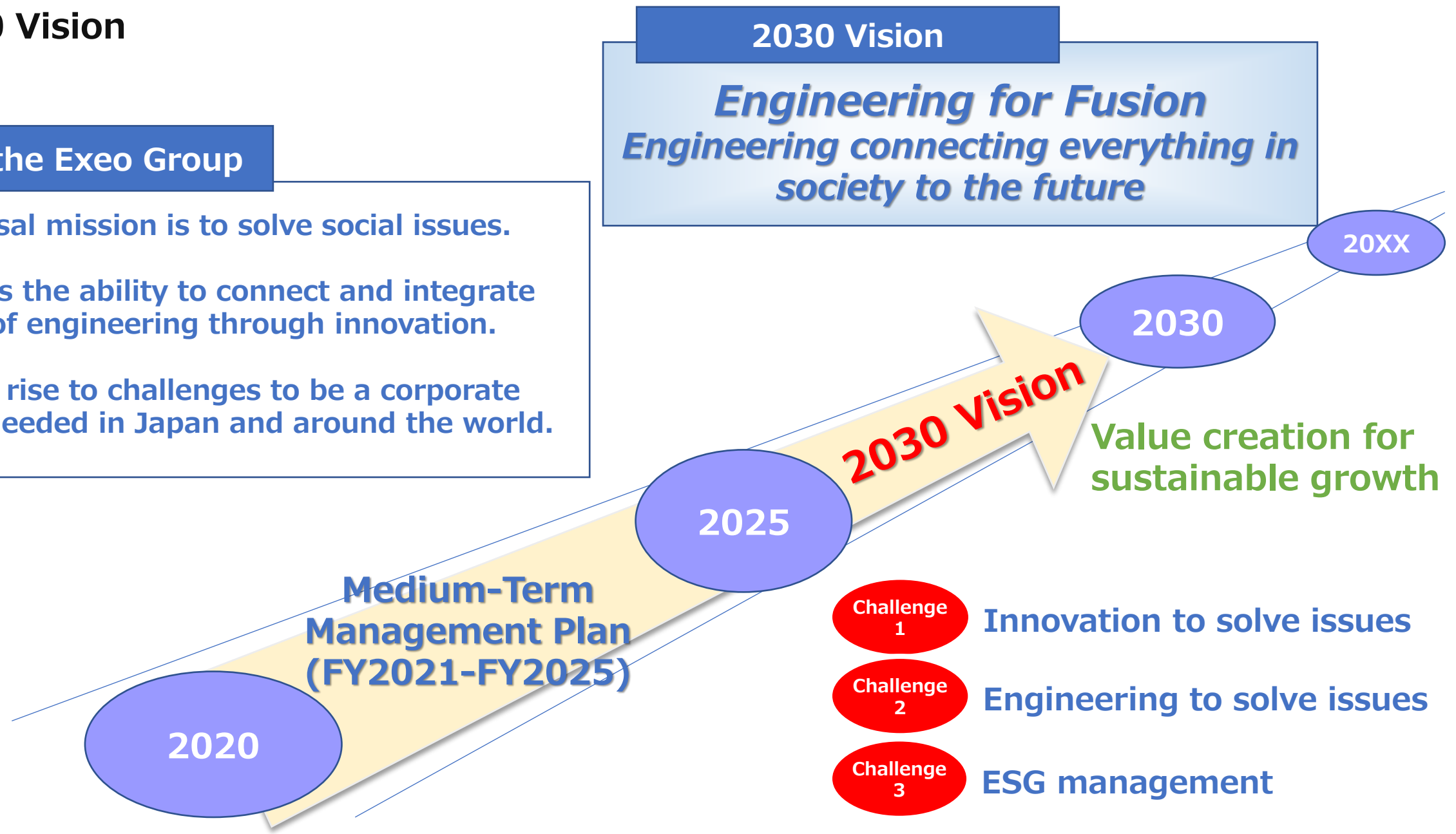


2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

(1) 2030 Vision

Vision of the Exeo Group

- Exeo's universal mission is to solve social issues.
- The Group has the ability to connect and integrate diverse types of engineering through innovation.
- Our goal is to rise to challenges to be a corporate group that is needed in Japan and around the world.



2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

(2) Into an Age of Revolutionary Change

Drastic social and economic change is occurring around the world. The entire world is facing the unprecedented crisis of the COVID-19 pandemic. At the same time, people's awareness of human rights issues, including diversity and race problems, has increased, and environmental issues have become a common challenge faced by all. In this environment, technological innovation has the power to radically change every business. While some businesses will decline, some new services will be able to quickly expand globally. Social awareness of the issues the world is facing is changing as the SDGs become widely known around the world.

◆ Social issues

Environmental destruction, depletion of resources

- Global warming and climate change due to CO₂ emissions
- The effects of microplastics on ecosystems
- The depletion of resources associated with economic growth

Aging infrastructure and natural threats

- Renovation of aging infrastructure
- Preparation for frequent natural disasters
- Response to the new normal created by the COVID-19 pandemic

Depopulation and hollowing-out due to a declining population

- Declining birthrate and aging population, evident decline of the working-age population
- Depopulation and aging in rural areas
- Hollowing-out and the decline of cities

◆ Changes in industry and society

Rapid technological innovation

- Development of information and communications technology, including the change from 5G to 6G
- Changes in everyday life due to AI and robotics
- Signs of a new society due to DX (Society 5.0)

Change from goods to experiential services

- Change of services from ownership to use, such as XaaS
- Providing added value through digital services
- Changing the business model to create new businesses

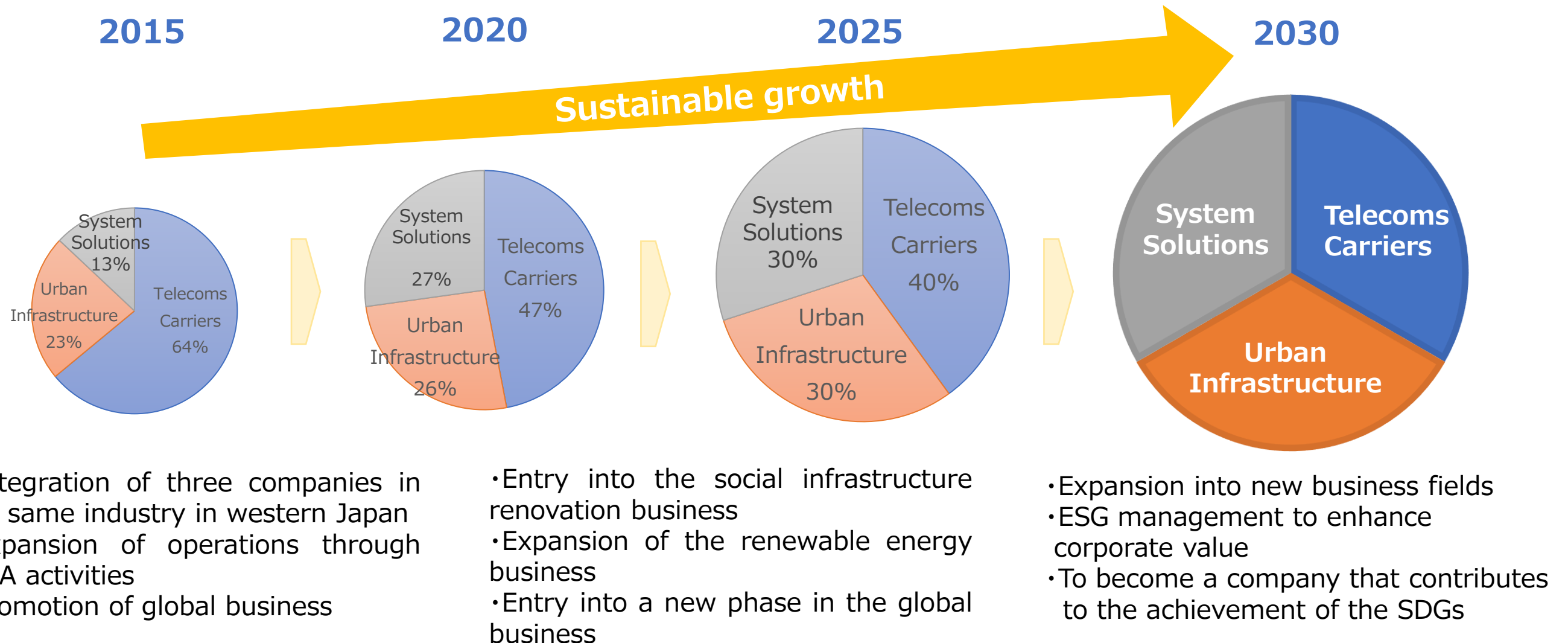
Changes in social awareness

- Increasing awareness of human rights, including LGBTQ rights
- Progress in diversity and inclusion
- SDGs and ESG as essential indicators

2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

(3) Target Business Portfolio in 2030

To build a robust management foundation that is less affected by the economy and social conditions, Exeo will expand Urban Infrastructure and System-Solutions to make sales in each of its segment almost equal in FY2030.

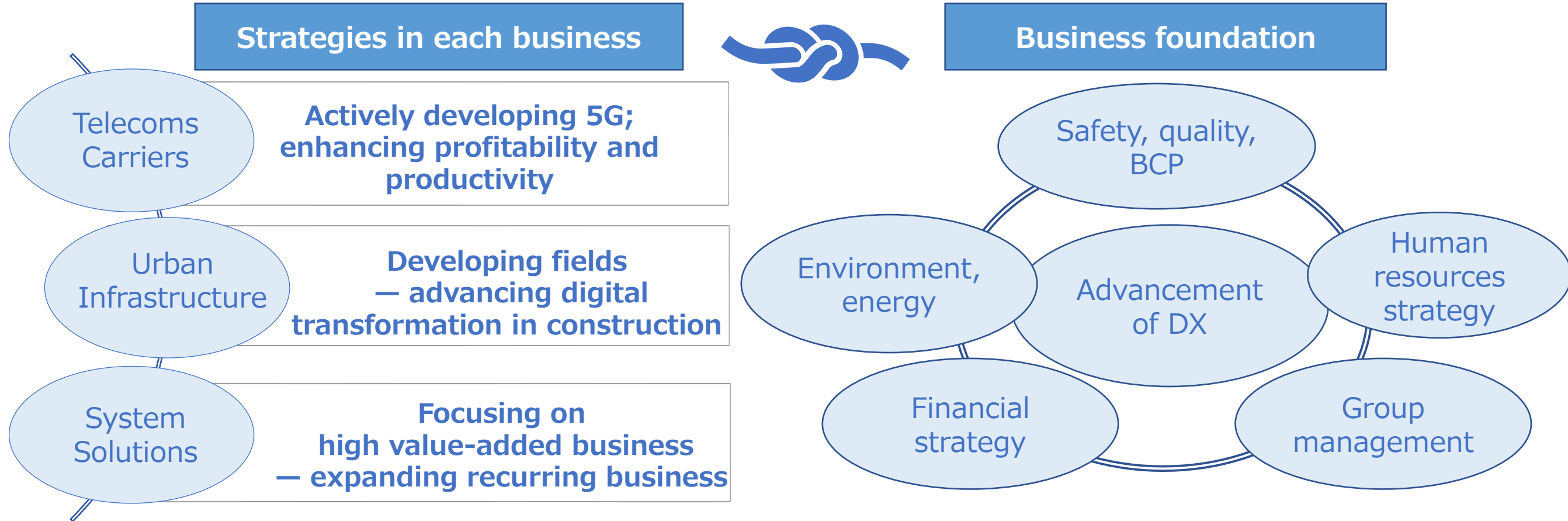


2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

(4) Targets in the Medium-Term Management Plan

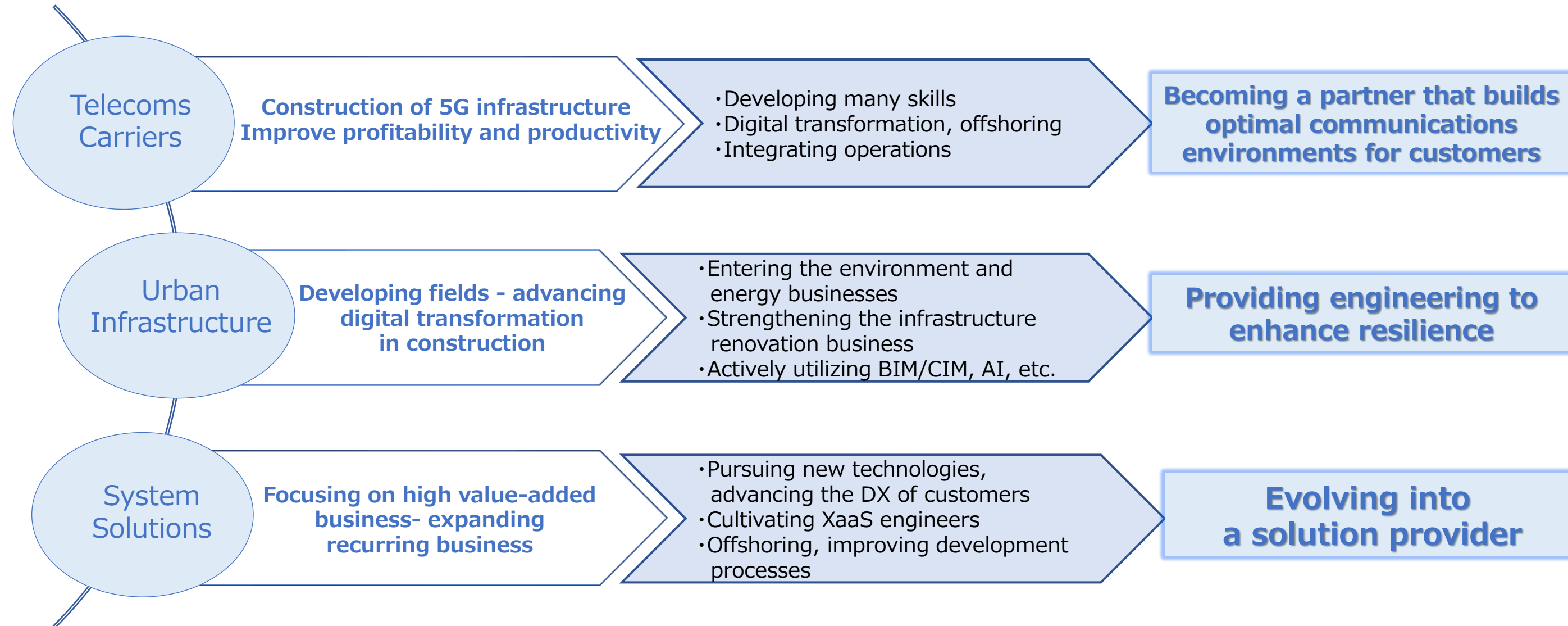
FY2025 Results targets

- Net sales: ¥630.0 billion
 - Operating profit: ¥47.0 billion (7.5%)
 - ROE: 9.0% or more
 - EPS: ¥140 or more
- (Taking into account the stock split on 2024.4.1)



2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

(5) Strategies in Each Segment



2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

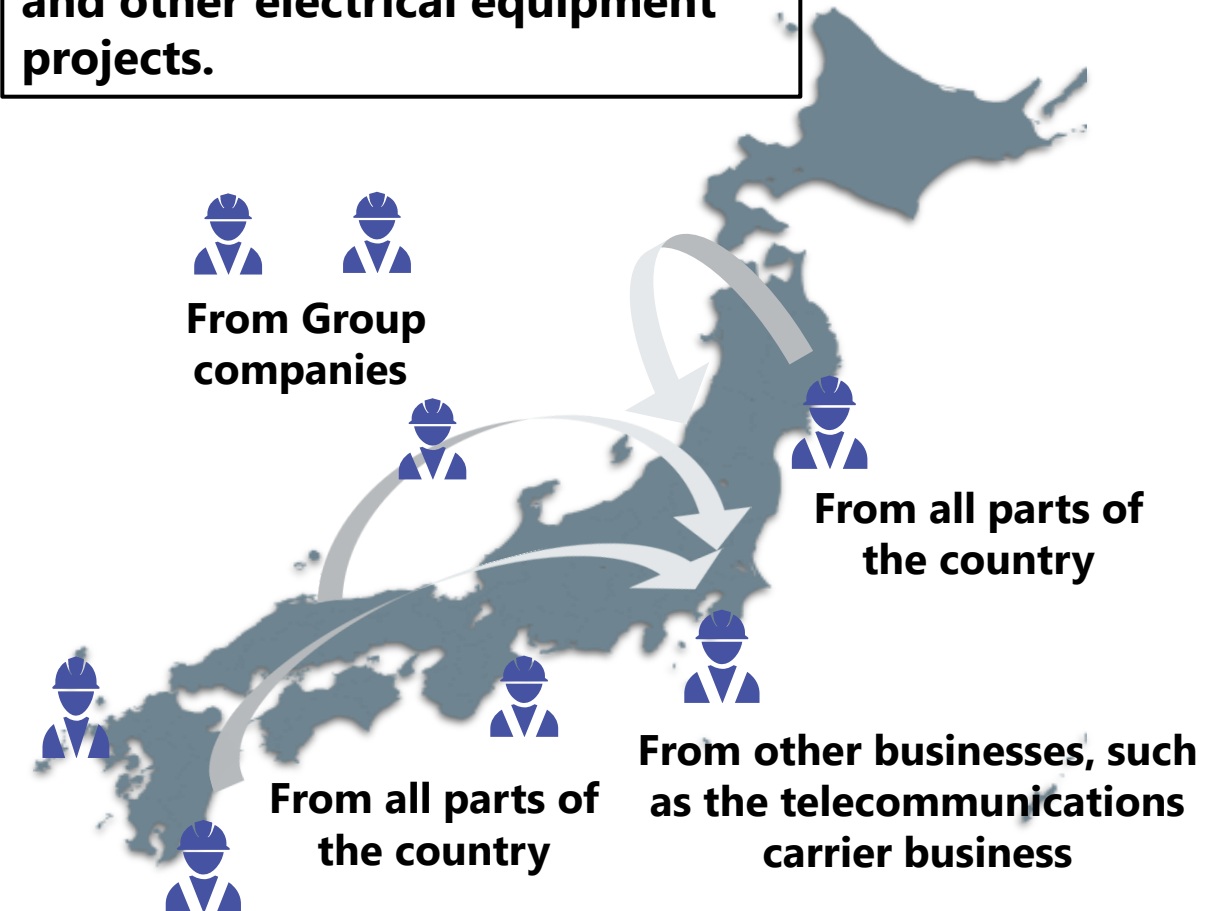
(6) Status of Initiatives (Urban Infrastructure : DC)

Investment in domestic data centers by major cloud providers grows.

- US cloud providers have announced investments of over 4 trillion yen.
- Consolidation of resources from other businesses and group companies.
- Consideration of responses to high heat generation, such as generative AI and GPU chips.



Shifted resources to data centers and other electrical equipment projects.



2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

(6) Status of Initiatives (Urban Infrastructure : Environmental business)

Contribute to reducing environmental impact through renewable and smart energy projects.

■ Woody biomass power generation



Ashikaga Eco Power (Operation started in March 2024).



Furudono Ronden Eco Power (Operation will start in August 2024.)



Start selling the electricity generated.

■ Smart energy



Grid Storage Batteries (NTT Anode Energy)



Strengthening business cooperation

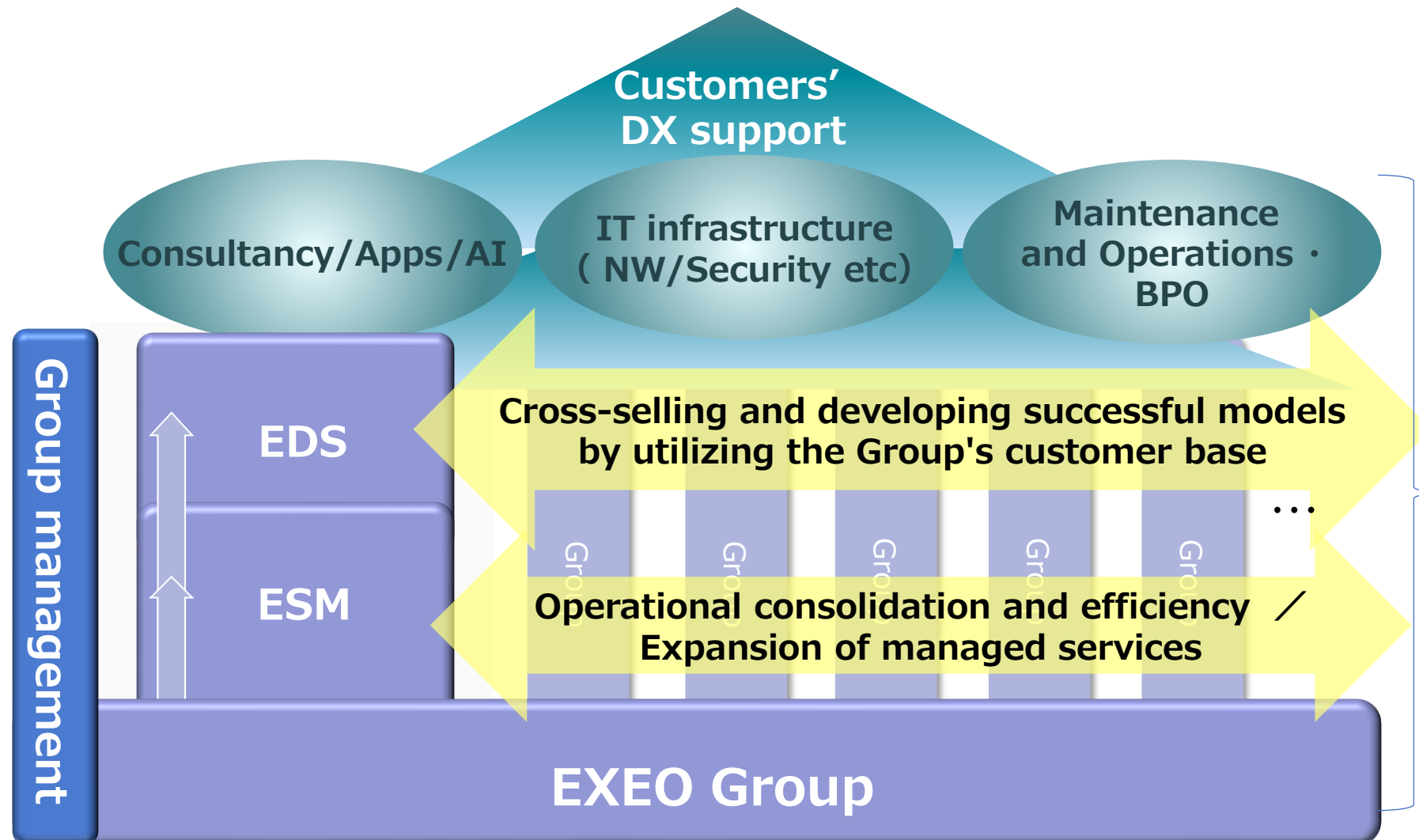


EV charging infrastructure (Plugo)

2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

(6) Status of Initiatives (System Solution)

Total support for customers' DX promotion by maximising the use of the Group's assets, with EXEO Digital Solutions, Inc. (EDS) and EXEO System Management, Inc. (ESM) at the core.












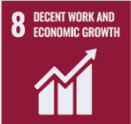






【Typical initiatives】

- Recruitment and training of upstream consultants.
- Agile development, including low-code.
- Nearshore and offshore development.
- Provision of advanced technologies such as generative AI.
- Enhanced security, including SASE and IOWN.
- IT lifecycle provision, including refurbish.



2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

(7) ESG Goals

	Challenges to address	KPI	Targets to FY2025	Related SDGs
Environment	Shift to renewable energy	Purchase of electricity from renewable energy sources (Target: Company-managed sites)	100%	     
	Initiatives toward decarbonization, reduction of CO ₂ emissions	Rate of adoption of EVs and other low-emission vehicles	100%	
		CO ₂ emissions Scope1・2	42% reduction from FY2020 level	
		CO ₂ emissions Scope3	25% reduction from FY2020 level	
	Contribution to a resource recycling-oriented society	Final disposal rate of industrial waste	50% reduction from FY2020 level	
	Use of environmentally friendly green products	Green product use rate	65%	
Social	Ensuring safety and quality in business	Serious bodily injury and serious equipment accidents	Aim for zero	     
	Promotion of Diversity & Inclusion	Number of women in management positions	1.5 times compared to FY2020	
		Number of female employees	25% increase over FY2020	
		Percentage of male employees taking childcare leave	20%	
	Driving work style reforms	Percentage of paid leave used	80%	
Governance	Achieving transparent management	Ensure diversity in the Board of directors and board of statutory auditors	—	   
	Ensuring strict compliance	Serious violations of laws and regulations	Aim for zero	
	Ensuring thorough risk management	Serious information security incidents	Aim for zero	
		Rate of risk assessment implementation for cares involving significant business risks	100%	

3. Other topics

(1) Practicing ESG Management (Environment)

Accelerate efforts to combat climate change to contribute to the realization of the SDGs.

■ Endorsing the TCFD Recommendations and Joining the TCFD Consortium.

⇒Promote disclosure of non-financial information.



■ Established the “Sustainability Promotion Office” and “Sustainability Committee”.

■ Calculation of greenhouse gas emissions for the entire Group and establishment of reduction targets

⇒Scope 1 and 2 aim to be carbon neutral by 2050.

Classification	Contents	Emissions(t-CO ²) ※ 1	Reduction targets for FY 2030※ 2
Scope 1	Direct emissions of greenhouse gases by businesses	60,400	▲42% Carbon neutral in fiscal 2050
Scope 2	Indirect emissions associated with the use of electricity, heat, and steam supplied by other companies	26,183	
Scope 3	Indirect emissions from the supply chain (emissions from other companies related to business activities)	1,728,553	▲25%

※1 : Emissions in FY 2020 ※ 2 : Compared to fiscal 2020

3. Other topics

(2) Practicing ESG Management (External Evaluation)

Social and governance-related initiatives continue to be implemented and external evaluations obtained.

- **Recognized as a "A-" by CDP for excellence in climate action and information disclosure**
CDP, a London-based non-governmental organization (NGO) that works internationally to disclose environmental assessments, rates companies on a scale of one to eight.
The "A-" rating is the second highest rating.
- **Received the “Best Workplace for Diversity&Inclusion” ,
the highest evaluation in “D&I Award 2023”.**
Certification based on the Diversity Score; an index developed by Job rainbow that visualizes the promotion of corporate diversity.
- **Received silver certification for “PRIDE Index 2023”.**
An evaluation index for LGBTQ and other sexual minorities in the workplace developed by “work with Pride”, a voluntary organization.



3. Other topics

(3) Disaster Relief Assistance

Engaged in reconstruction assistance activities following the Noto Peninsula earthquake of 2024.



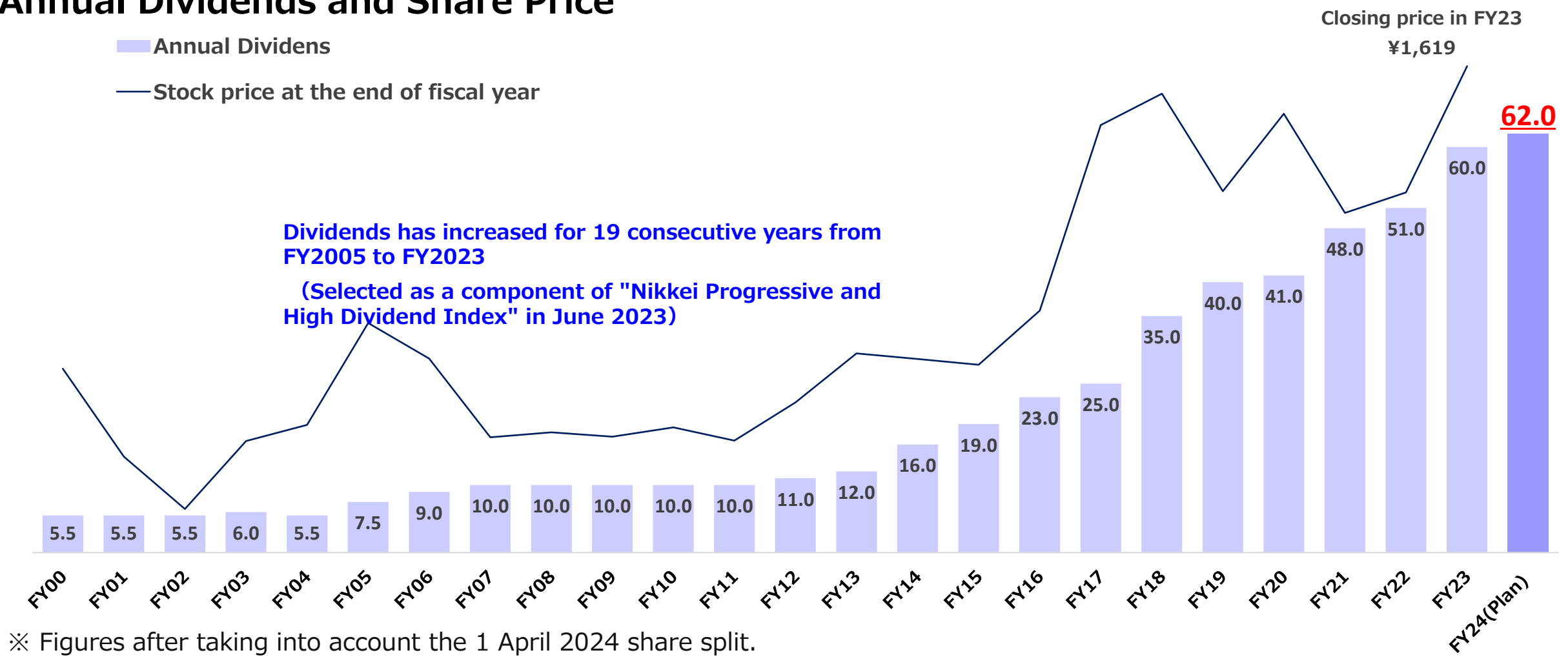
- A total of 6,000 people across the Group have been assisted in the restoration of telecommunications infrastructure.
- Provision of our own 'survival power supplies' and 'multi-chargers' to various telecoms companies.

3. Other topics

(4) Shareholder returns, etc.

From FY23, the dividend policy has been changed to a 4.0% DOE basis, and we plans to increase dividends for 13 consecutive fiscal years (interim 31 yen, annual 62 yen).
Purchase of treasury stock continuously and flexibly.
Cancellation of 3 million treasury shares at the end of November 2023. 2-for-1 stock split in April 2024.

■ Annual Dividends and Share Price

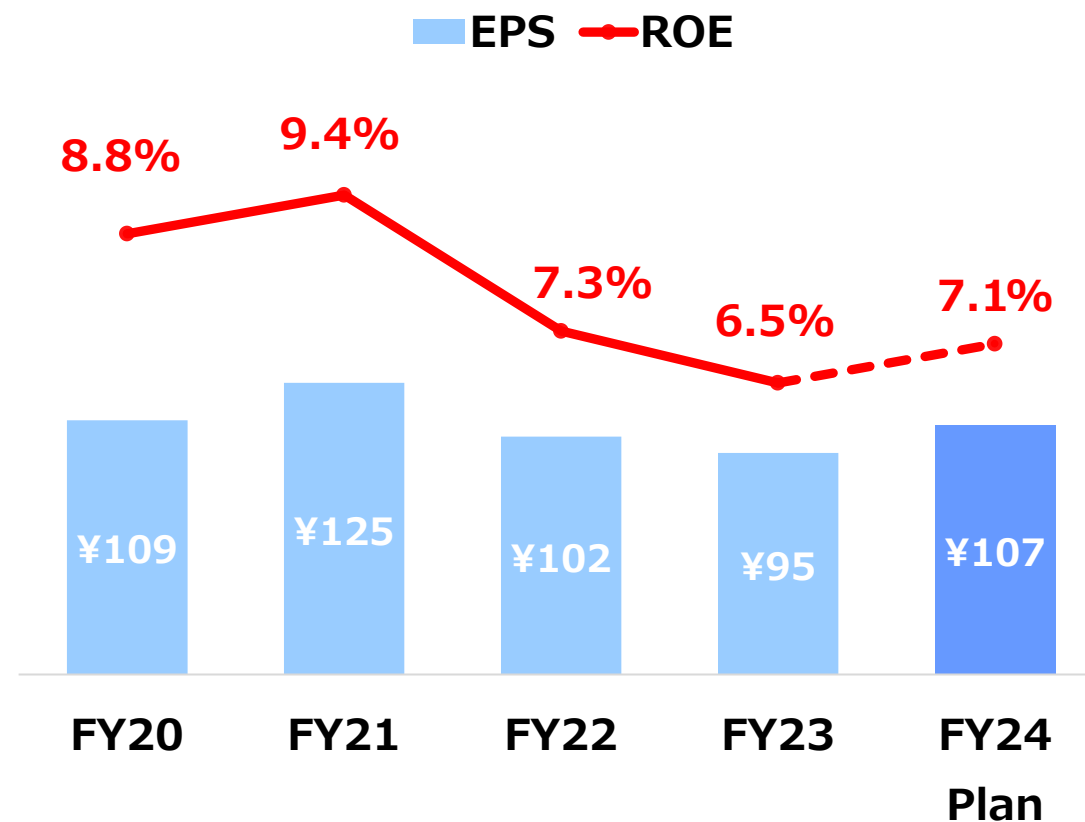
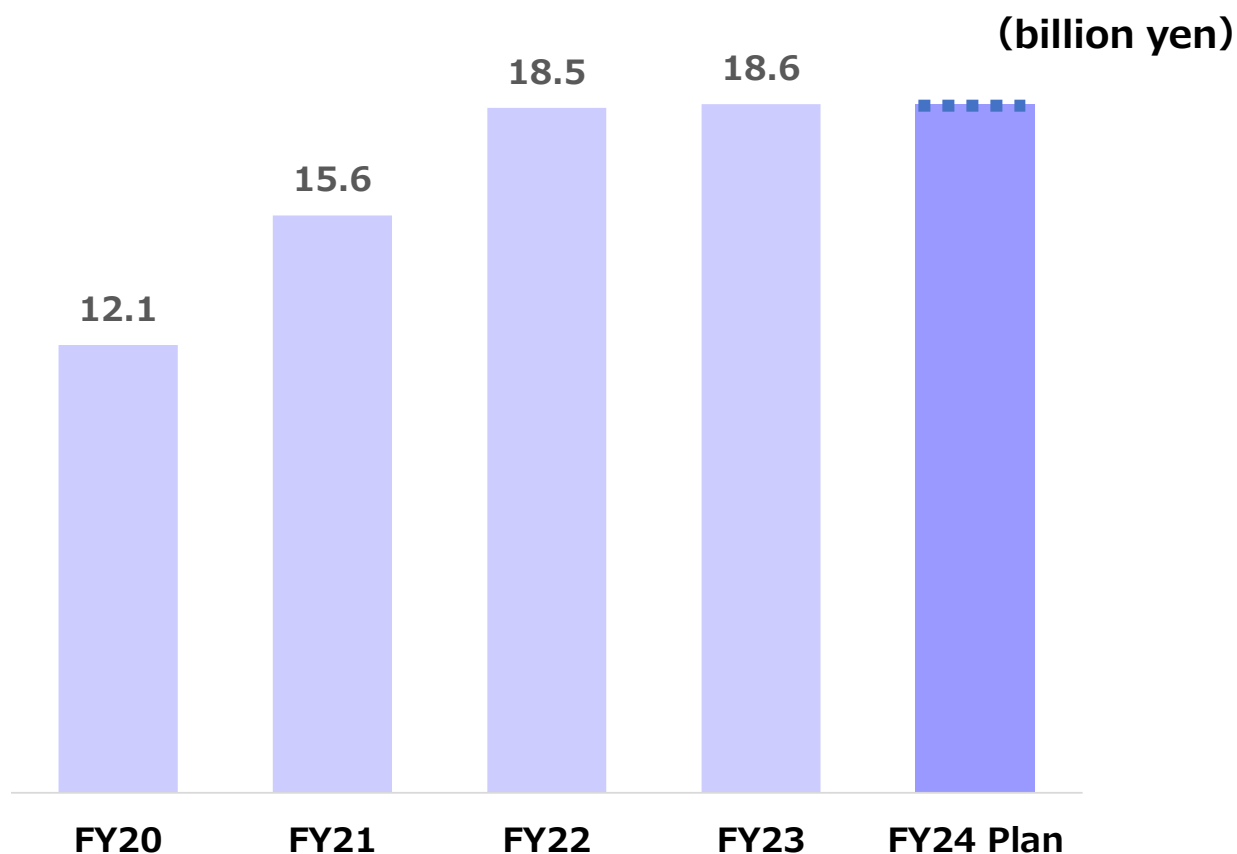


3. Other topics

(5) Total Shareholder Return, ROE, EPS

Active shareholder returns through consecutive dividend increases and continuous share buy-backs.

ROE declined in FY23 due to valuation losses, but has been on a steady growth trajectory since FY24.



※ EPS figures take into account the 1 April 2024 share split.

“Bring the benefits of connectivity to all”

