

Results for the Three Months Ended June 30, 2017

August 4, 2017

KYOWA EXEO CORPORATION

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

1. Consolidated Figures



(1) Overview

(¥bn)

	FY 2016			FY 2017						
	1st quarter	Interim	Full year	1st quarter		Interim			Full year	
	A	B	C	Actual D	YOY D/A	Plan E	YOY E/B	Progress rate D/E	Plan F	YOY F/C
Orders received	69.2	154.6	324.1	81.0	117%	155.0	100%	52%	330.0	102%
Net sales	53.1	116.2	298.8	58.5	110%	128.0	110%	46%	320.0	107%
Gross profit	(12.1%) 6.4	(12.3%) 14.3	(12.9%) 38.4	(13.4%) 7.8	122%	(12.3%) 15.7	110%	50%	(12.9%) 41.3	107%
SG&A expenses	(7.9%) 4.1	(7.2%) 8.3	(5.9%) 17.6	(7.0%) 4.0	98%	(7.0%) 8.9	107%	46%	(5.7%) 18.3	104%
Operating income	(4.3%) 2.2	(5.2%) 5.9	(7.0%) 20.8	(6.4%) 3.7	165%	(5.3%) 6.8	114%	55%	(7.2%) 23.0	110%
Ordinary income	(4.5%) 2.3	(5.0%) 5.7	(7.2%) 21.4	(7.2%) 4.1	177%	(5.7%) 7.3	126%	58%	(7.4%) 23.6	110%
Net income attributable to owners of parent	(2.2%) 1.1	(2.1%) 2.4	(4.6%) 13.7	(4.8%) 2.7	234%	(3.7%) 4.7	194%	59%	(4.9%) 15.7	114%

Notes: 1. All amounts less than ¥100m are disregarded.
2. Figures in parentheses are ratio to net sales.

1. Consolidated Figures



(2) Orders Received, Net Sales and Amount Carried Forward

(¥bn)

			FY 2016			FY 2017						
			1st quarter	Interim	Full year	1st quarter		Interim			Full year	
			A	B	C	Actual D	YOY D/A	Plan E	YOY E/B	Progress rate D/E	Plan F	YOY F/C
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	41.9	88.4	182.2	40.7	97%	77.0	87%	53%	160.0	88%
		NCCs	4.4	11.2	28.7	8.9	203%	16.5	147%	54%	30.0	104%
		Urban infrastructure	13.1	35.6	72.7	19.6	150%	38.0	106%	52%	90.0	124%
		Sub-total	59.5	135.3	283.8	69.4	117%	131.5	97%	53%	280.0	99%
	SYSTEM-SOLUTIONS	9.7	19.2	40.2	11.6	120%	23.5	122%	50%	50.0	124%	
TOTAL			69.2	154.6	324.1	81.0	117%	155.0	100%	52%	330.0	102%
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	30.9	66.7	168.3	32.7	106%	71.5	107%	46%	168.0	100%
		NCCs	4.3	8.6	23.3	4.8	111%	14.0	162%	35%	31.0	133%
		Urban infrastructure	10.2	23.9	67.3	11.5	113%	24.0	100%	48%	76.0	113%
		Sub-total	45.5	99.3	259.0	49.1	108%	109.5	110%	45%	275.0	106%
	SYSTEM-SOLUTIONS	7.5	16.9	39.7	9.3	124%	18.5	109%	51%	45.0	113%	
TOTAL			53.1	116.2	298.8	58.5	110%	128.0	110%	46%	320.0	107%
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	62.9	73.6	65.8	73.8	117%	—	—	—	—	—
		NCCs	5.3	7.8	10.7	14.8	278%	—	—	—	—	—
		Urban infrastructure	57.5	66.4	60.1	68.2	118%	—	—	—	—	—
		Sub-total	125.8	147.9	136.7	156.9	125%	—	—	—	—	—
	SYSTEM-SOLUTIONS	8.5	8.6	6.8	9.0	106%	—	—	—	—	—	
TOTAL			134.4	156.6	143.5	166.0	124%	—	—	—	—	—

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

1. Consolidated Figures



(3) Business Overview of Main Subsidiaries

(¥bn)

	EXEO TECH			Daiwa Densetsu		
	FY 2016	FY 2017		FY 2016	FY 2017	
	1st quarter	1st quarter	YOY	1st quarter	1st quarter	YOY
Orders received	4.7	4.9	105%	3.6	3.2	88%
Net sales	2.9	3.0	106%	2.2	2.3	103%
Gross profit	(5.6%) 0.16	(6.1%) 0.18	115%	(5.3%) 0.12	(7.1%) 0.16	138%
SG&A expenses	(11.1%) 0.32	(9.6%) 0.29	91%	(7.2%) 0.16	(7.3%) 0.17	105%
Operating income	(-5.5%) -0.15	(-3.5%) -0.10	—	(-1.9%) -0.04	(-0.2%) -0.00	—
Ordinary income	(-4.8%) -0.14	(-2.7%) -0.08	—	(-1.3%) -0.03	(0.3%) 0.00	—
Net income	(-5.1%) -0.14	(-2.8%) -0.08	—	(6.5%) 0.14	(0.2%) 0.00	4%

Notes: 1. All amounts less than ¥100m are disregarded.
2. Figures in parentheses are ratio to net sales.

2. Non-consolidated Figures



(1) Overview

(¥bn)

	FY 2016			FY 2017						
	1st quarter	Interim	Full year	1st quarter		Interim			Full year	
	A	B	C	Actual D	YOY D/A	Plan E	YOY E/B	Progress rate D/E	Plan F	YOY F/C
Orders received	55.9	126.0	268.3	68.2	122%	126.5	100%	54%	273.0	102%
Net sales	43.8	95.7	243.5	48.1	110%	106.0	111%	45%	264.0	108%
Gross profit	(8.6%) 3.7	(8.6%) 8.2	(9.5%) 23.2	(10.4%) 5.0	133%	(9.4%) 10.0	121%	50%	(9.8%) 26.0	112%
SG&A expenses	(6.1%) 2.6	(5.7%) 5.4	(4.9%) 12.0	(5.9%) 2.8	107%	(5.7%) 6.0	110%	47%	(4.9%) 13.0	108%
Operating income	(2.5%) 1.1	(2.9%) 2.8	(4.6%) 11.2	(4.5%) 2.1	197%	(3.8%) 4.0	143%	55%	(4.9%) 13.0	116%
Ordinary income	(2.9%) 1.2	(3.1%) 2.9	(5.0%) 12.2	(12.2%) 5.8	461%	(7.7%) 8.2	277%	72%	(6.6%) 17.4	142%
Net income	(23.0%) 10.0	(10.8%) 10.3	(7.0%) 17.1	(10.6%) 5.1	51%	(6.3%) 6.7	65%	76%	(4.9%) 13.0	76%

Notes: 1. All amounts less than ¥100m are disregarded.
2. Figures in parentheses are ratio to net sales.

2. Non-consolidated Figures

(2) Orders Received, Net Sales and Amount Carried Forward

(¥bn)

				FY 2016			FY 2017						
				1st quarter	Interim	Full year	1st quarter		Interim			Full year	
				A	B	C	Actual	YOY	Plan	YOY	Progress rate	Plan	YOY
				D	D/A	E	E/B	D/E	F	F/C			
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	17.8	36.5	77.0	18.1	101%	35.0	96%	52%	70.0	91%
			Network engineering	3.3	9.2	22.1	3.8	116%	7.5	81%	51%	18.0	81%
			Mobile engineering	14.9	30.4	60.4	13.7	92%	24.0	79%	57%	53.0	88%
			Sub-total	36.1	76.1	159.6	35.7	99%	66.5	87%	54%	141.0	88%
			NCCs	4.2	10.7	27.5	8.7	205%	16.0	148%	55%	29.0	105%
			Urban infrastructure	9.8	28.5	58.8	16.7	170%	29.5	103%	57%	72.0	122%
			Sub-total	50.2	115.4	246.0	61.2	122%	112.0	97%	55%	242.0	98%
			SYSTEM-SOLUTIONS	5.6	10.6	22.2	6.9	123%	14.5	137%	48%	31.0	139%
			TOTAL	55.9	126.0	268.3	68.2	122%	126.5	100%	54%	273.0	102%
		Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	14.5	30.7	74.7	15.5	107%	31.5	102%	49%
Network engineering	3.1				7.1	21.1	3.7	122%	9.0	125%	42%	21.5	101%
Mobile engineering	9.6				21.1	50.6	9.3	98%	24.5	116%	38%	54.0	107%
Sub-total	27.2				59.0	146.5	28.7	105%	65.0	110%	44%	149.5	102%
	NCCs			4.2	8.3	22.6	4.7	110%	13.0	155%	36%	30.5	135%
	Urban infrastructure			8.0	19.0	51.7	9.0	112%	18.5	97%	49%	59.0	114%
	Sub-total			39.6	86.5	220.9	42.5	107%	96.5	111%	44%	239.0	108%
	SYSTEM-SOLUTIONS			4.2	9.1	22.5	5.6	132%	9.5	104%	59%	25.0	111%
	TOTAL			43.8	95.7	243.5	48.1	110%	106.0	111%	45%	264.0	108%
Amount Carried Forward	ENGINEERING-SOLUTIONS			NTT Group engineering	Access engineering	19.8	22.2	18.8	21.3	108%	—	—	—
		Network engineering	8.5		10.3	9.2	9.2	109%	—	—	—	—	—
		Mobile engineering	28.3		32.3	32.8	37.2	131%	—	—	—	—	—
		Sub-total	56.6		64.8	60.8	67.8	120%	—	—	—	—	—
			NCCs	5.3	7.7	10.3	14.3	268%	—	—	—	—	—
			Urban infrastructure	49.2	56.9	54.5	62.2	126%	—	—	—	—	—
			Sub-total	111.2	129.5	125.7	144.4	130%	—	—	—	—	—
			SYSTEM-SOLUTIONS	6.6	6.7	4.9	6.2	94%	—	—	—	—	—
			TOTAL	117.9	136.3	130.7	150.7	128%	—	—	—	—	—

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

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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