

# Results for the Three Months Ended June 30, 2019

August 9, 2019

**KYOWA EXEO CORPORATION**

# 1. Consolidated Figures



## (1) Overview

(¥bn)

	FY 2018		FY 2019			
	1st quarter	Full year	1st quarter		Full year	
	A	B	Actual C	YOY C/A	Plan D	YOY D/B
Orders received	80.5	424.3	124.9	155%	495.0	117%
Net sales	61.8	423.7	91.7	148%	495.0	117%
Gross profit	(13.8%) 8.5	(13.8%) 58.3	(13.5%) 12.3	145%	(13.4%) 66.3	114%
SG&A expenses	(7.5%) 4.6	(6.3%) 26.6	(9.1%) 8.3	181%	(6.9%) 34.3	129%
Operating income	(6.3%) 3.8	(7.5%) 31.7	(4.3%) 3.9	102%	(6.5%) 32.0	101%
Ordinary income	(6.8%) 4.2	(7.9%) 33.4	(4.2%) 3.8	92%	(6.6%) 32.8	98%
Net income attributable to owners of parent	(4.4%) 2.7	(9.5%) 40.2	(2.6%) 2.3	86%	(4.4%) 21.8	54%

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 2018		FY 2019			
			1st quarter	Full year	1st quarter		Full year	
			A	B	Actual C	YOY C/A	Plan D	YOY D/B
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	39.7	189.9	56.0	141%	210.5	111%
		NCCs	8.2	39.0	11.8	144%	39.5	101%
		Urban infrastructure	20.4	123.3	30.6	150%	132.5	107%
		Sub-total	68.4	352.2	98.5	144%	382.5	109%
	SYSTEM-SOLUTIONS	12.0	72.0	26.4	219%	112.5	156%	
	TOTAL	80.5	424.3	124.9	155%	495.0	117%	
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	35.5	203.6	43.1	121%	221.0	109%
		NCCs	5.8	38.0	7.9	136%	39.5	104%
		Urban infrastructure	11.6	108.6	21.2	183%	128.0	118%
		Sub-total	53.0	350.2	72.2	136%	388.5	111%
	SYSTEM-SOLUTIONS	8.8	73.4	19.4	218%	106.5	145%	
	TOTAL	61.8	423.7	91.7	148%	495.0	117%	
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	68.9	66.2	78.3	114%	—	—
		NCCs	16.8	20.2	23.9	142%	—	—
		Urban infrastructure	78.5	94.8	104.8	134%	—	—
		Sub-total	164.3	181.3	207.2	126%	—	—
	SYSTEM-SOLUTIONS	10.2	15.2	22.0	215%	—	—	
	TOTAL	174.5	196.6	229.2	131%	—	—	

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

# 1. Consolidated Figures



## (3) Business Overview of Main Subsidiaries – ①

(¥bn)

	EXEO TECH			Daiwa Densetsu Group		
	FY 2018	FY 2019		FY 2018	FY 2019	
	1st quarter	1st quarter	YOY	1st quarter	1st quarter	YOY
Orders received	5.8	9.3	159%	3.7	4.4	119%
Net sales	4.4	4.7	106%	3.0	3.3	111%
Gross profit	(8.1%) 0.36	(9.2%) 0.43	120%	(8.9%) 0.26	(9.7%) 0.32	121%
SG&A expenses	(5.9%) 0.26	(6.2%) 0.29	112%	(5.9%) 0.17	(6.8%) 0.22	127%
Operating income	(2.2%) 0.09	(3.0%) 0.13	142%	(3.0%) 0.09	(2.9%) 0.09	108%
Ordinary income	(2.7%) 0.11	(3.4%) 0.16	137%	(3.5%) 0.10	(3.2%) 0.10	102%
Net income	(2.1%) 0.09	(2.3%) 0.10	117%	(2.3%) 0.07	(2.1%) 0.06	99%

Notes: 1. Figures below 100 million yen (or below 10 million yen in some cases) are disregarded.  
2. Figures in parentheses are ratio to net sales.

# 1. Consolidated Figures



## (3) Business Overview of Main Subsidiaries – ②

- Transactions with other groups in the consolidated group are not offset.
- The Company conducted a management integration with three major subsidiaries in western Japan on October 1, 2018, but operating results are stated including those before the management integration for the purpose of a year-on-year comparison of the operating results of each company.

(¥bn)

	FY 2018				FY 2019				
	C-CUBE Group	Seibu Electric Industry Group	NIPPON DENTSU Group	Simple addition value A	C-CUBE Group	Seibu Electric Industry Group	NIPPON DENTSU Group	TOTAL B	YOY B/A
Orders received	12.6	14.2	7.0	33.9	14.9	14.2	10.2	39.4	116%
Net sales	12.1	11.1	7.4	30.6	13.0	10.1	7.3	30.6	100%
Gross profit	(10.1%) 1.22	(9.0%) 1.00	(15.0%) 1.11	(10.9%) 3.34	(10.1%) 1.32	(6.3%) 0.64	(13.8%) 1.01	(9.8%) 2.98	89%
SG&A expenses	(9.0%) 1.09	(6.2%) 0.69	(12.2%) 0.91	(8.8%) 2.69	(8.4%) 1.10	(6.5%) 0.66	(10.9%) 0.80	(8.4%) 2.57	95%
Operating income	(1.1%) 0.12	(2.8%) 0.31	(2.8%) 0.20	(2.1%) 0.64	(1.7%) 0.22	(▲0.2%) ▲0.01	(2.8%) 0.20	(1.3%) 0.41	64%
Ordinary income	(1.8%) 0.21	(3.9%) 0.43	(3.2%) 0.24	(2.9%) 0.89	(2.4%) 0.30	(1.5%) 0.15	(3.9%) 0.28	(2.4%) 0.75	84%
Net income	(1.1%) 0.13	(2.2%) 0.24	(2.1%) 0.15	(1.7%) 0.53	(1.4%) 0.18	(0.5%) 0.05	(2.5%) 0.18	(1.4%) 0.41	78%

Notes: 1. Figures below 100 million yen (or below 10 million yen in some cases) are disregarded.

2. Figures in parentheses are ratio to net sales.

## 2. Non-consolidated Figures

### (1) Overview

(¥bn)

	FY 2018		FY 2019			
	1st quarter	Full year	1st quarter		Full year	
	A	B	Actual C	YOY C/A	Plan D	YOY D/B
Orders received	66.0	287.2	65.3	99%	270.0	94%
Net sales	50.4	279.0	48.0	95%	273.0	98%
Gross profit	(10.4%) 5.2	(11.3%) 31.6	(11.9%) 5.7	108%	(10.7%) 29.2	92%
SG&A expenses	(6.0%) 3.0	(4.8%) 13.4	(6.9%) 3.3	109%	(5.4%) 14.7	109%
Operating income	(4.4%) 2.2	(6.5%) 18.1	(5.0%) 2.4	108%	(5.3%) 14.5	80%
Ordinary income	(19.5%) 9.8	(9.4%) 26.3	(12.3%) 5.9	60%	(6.8%) 18.7	71%
Net income	(17.9%) 9.0	(7.1%) 19.8	(10.7%) 5.1	57%	(5.1%) 13.8	69%

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 2018		FY 2019					
				1st quarter		Full year		1st quarter		Full year	
				A	B	Actual C	YOY C/A	Plan D	YOY D/B		
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	17.8	73.7	18.3	103%	66.5	90%		
			Network engineering	5.1	23.1	4.4	87%	21.0	91%		
			Mobile engineering	10.5	40.4	12.6	119%	41.5	103%		
			Sub-total	33.5	137.2	35.4	106%	129.0	94%		
		NCCs	8.0	32.0	3.7	46%	25.5	79%			
		Urban infrastructure	17.0	90.1	18.1	106%	79.5	88%			
		Sub-total	58.6	259.4	57.3	98%	234.0	90%			
		SYSTEM-SOLUTIONS	7.4	27.7	8.0	108%	36.0	130%			
TOTAL	66.0	287.2	65.3	99%	270.0	94%					
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	17.8	76.2	15.8	89%	68.5	90%		
			Network engineering	3.0	21.0	2.4	82%	22.0	105%		
			Mobile engineering	9.6	48.9	7.3	76%	48.0	98%		
			Sub-total	30.4	146.1	25.6	84%	138.5	95%		
		NCCs	5.6	30.3	4.5	80%	26.0	86%			
		Urban infrastructure	9.5	75.9	12.5	131%	77.5	102%			
		Sub-total	45.6	252.4	42.7	94%	242.0	96%			
		SYSTEM-SOLUTIONS	4.8	26.6	5.2	109%	31.0	117%			
TOTAL	50.4	279.0	48.0	95%	273.0	98%					
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	17.6	15.1	17.6	100%	—	—		
			Network engineering	10.1	10.0	12.0	119%	—	—		
			Mobile engineering	34.9	25.4	30.7	88%	—	—		
			Sub-total	62.7	50.6	60.4	96%	—	—		
		NCCs	16.4	15.7	14.9	91%	—	—			
		Urban infrastructure	71.3	78.0	83.6	117%	—	—			
		Sub-total	150.4	144.4	159.0	106%	—	—			
		SYSTEM-SOLUTIONS	7.4	6.0	8.7	117%	—	—			
TOTAL	157.9	150.5	167.8	106%	—	—					

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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