

Results for the Six Months Ended September 30, 2020

November 11, 2020

KYOWA EXEO CORPORATION

A blue horizontal line is located at the bottom of the slide.

1. Consolidated Figures



(1) Overview

(¥bn)

	FY 2019		FY2020				
	Interim	Full year	Interim			Full year	
	A	B	Actual C	YOY C/A	Progress rate C/D	Plan D	YOY D/B
Orders received	285.1	556.3	287.6	101%	55%	525.0	94%
Net sales	212.3	524.5	224.8	106%	43%	525.0	100%
Gross profit	13.3% 28.1	13.0% 68.3	13.3% 30.0	107%	41%	13.8% 72.5	106%
SG&A expenses	8.2% 17.4	7.1% 37.2	8.4% 18.8	108%	46%	7.7% 40.5	109%
Operating income	5.1% 10.7	5.9% 31.1	5.0% 11.2	104%	35%	6.1% 32.0	103%
Ordinary income	5.0% 10.6	5.8% 30.6	5.4% 12.2	115%	37%	6.3% 33.0	108%
Net income attributable to owners of parent	3.0% 6.2	3.0% 15.6	3.3% 7.4	119%	35%	4.0% 21.1	135%

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 2019		FY 2020				
			Interim	Full year	Interim			Full year	
					Actual	YOY	Progress rate	Plan	YOY
			A	B	C	C/A	C/D	D	D/B
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	116.3	227.0	110.3	95%	53%	210.0	92%
		NCCs	23.3	51.7	31.4	134%	65%	48.2	93%
		Urban infrastructure	86.8	153.0	70.2	81%	52%	134.6	88%
		Sub-total	226.6	431.8	211.9	94%	54%	392.8	91%
	SYSTEM-SOLUTIONS	58.4	124.5	75.6	129%	57%	132.2	106%	
TOTAL			285.1	556.3	287.6	101%	55%	525.0	94%
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	95.0	227.8	95.2	100%	44%	215.6	95%
		NCCs	16.5	40.7	17.8	108%	38%	46.9	115%
		Urban infrastructure	49.8	135.2	60.7	122%	44%	137.7	102%
		Sub-total	161.4	403.8	173.7	108%	43%	400.2	99%
	SYSTEM-SOLUTIONS	50.9	120.7	51.0	100%	41%	124.8	103%	
TOTAL			212.3	524.5	224.8	106%	43%	525.0	100%
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	86.8	64.7	79.8	92%	—	—	—
		NCCs	26.8	30.9	44.5	166%	—	—	—
		Urban infrastructure	132.9	113.7	123.1	93%	—	—	—
		Sub-total	246.6	209.3	247.5	100%	—	—	—
	SYSTEM-SOLUTIONS	22.9	21.5	45.9	200%	—	—	—	
TOTAL			269.6	230.9	293.5	109%	—	—	—

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

1. Consolidated Figures



(3) Balance Figures

(¥bn)

		FY 2019				FY 2020		
		Interim		Year-end A		Interim B		B-A
Current assets		214.7	54.6%	264.0	59.3%	236.9	56.7%	-27.0
Fixed assets		178.7	45.4%	180.8	40.7%	180.5	43.3%	-0.3
Total assets		393.5	100.0%	444.9	100.0%	417.5	100.0%	-27.3
Liabilities	Current	89.8	22.8%	118.1	26.6%	88.2	21.1%	-29.8
	Long-term	38.8	9.9%	56.6	12.7%	56.0	13.4%	-0.5
Total liabilities		128.6	32.7%	174.7	39.3%	144.3	34.6%	-30.4
Shareholder's equity		261.4	66.4%	266.4	59.9%	269.8	64.6%	3.3
Minority interests and stock acquisition rights		3.4	0.9%	3.6	0.8%	3.3	0.8%	-0.3
Total liabilities and net assets		393.5	100.0%	444.9	100.0%	417.5	100.0%	-27.3

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

1. Consolidated Figures



(4) Cash Flows

(¥bn)

	FY 2017	FY 2018	FY 2019		FY 2020
			Interim	Full year	Interim
Net cash provided by (used in) operating activities	24.8	12.7	11.4	17.2	23.1
Net cash provided by (used in) investing activities	-4.5	-17.6	-5.2	-17.0	-5.5
Net cash provided by (used in) financial activities	-5.1	-4.9	-5.2	4.2	-5.7
Free cash flow (Note 2)	20.2	-4.8	6.1	0.2	17.6
Net increase (decrease) in cash and cash equivalents ,etc	0.0	21.0	0.0	0.1	-0.1
Cash and cash equivalents at end of period	30.3	41.4	42.4	46.0	57.7

Notes: 1. All amounts less than ¥100m are disregarded.

2. Free cash flow = Net cash provided by (used in) operating activities + Net cash provided by (used in) investing activities

(5) Interest-bearing Debt

(¥bn)

	FY 2017	FY 2018	FY 2019		FY 2020
			Interim	Full year	Interim
Short-term	1.1	13.2	11.8	7.5	6.0
Long-term	10.2	4.7	20.8	39.6	39.0
Total	11.4	18.0	32.6	47.1	45.1

Notes: 1. All amounts less than ¥100m are disregarded.

2. Including Lease Liabilities.

1. Consolidated Figures

(6) Capital Expenditures

(¥bn)

	FY 2017	FY 2018	FY 2019		FY 2020
			Interim	Full year	Interim
Tangible fixed assets	3.2	2.8	7.8	14.0	3.2
Intangible fixed assets	1.0	1.1	0.6	1.8	0.8
Total	4.2	3.9	8.4	15.8	4.0

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

(7) Depreciation and Amortization

(¥bn)

	FY 2017	FY 2018	FY 2019		FY 2020
			Interim	Full year	Interim
Depreciation and amortization	3.2	4.7	3.0	6.4	3.3

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

2. Non-consolidated Figures



(1) Overview

(¥bn)

	FY 2019		FY 2020				
	Interim A	Full year B	Interim		Full year		
			Actual C	YOY C/A	Progress rate C/D	Plan D	YOY D/B
Orders received	158.6	301.7	148.9	94%	53%	280.0	93%
Net sales	110.8	282.9	120.2	109%	43%	280.0	99%
Gross profit	11.0% 12.1	10.2% 28.7	10.9% 13.0	108%	45%	10.3% 28.8	100%
SG&A expenses	6.3% 7.0	5.4% 15.1	6.3% 7.6	109%	47%	5.8% 16.3	108%
Operating income	4.6% 5.1	4.8% 13.6	4.6% 5.4	107%	44%	4.5% 12.5	92%
Ordinary income	8.0% 8.8	6.0% 17.1	5.2% 6.3	72%	46%	4.9% 13.8	81%
Net income	6.4% 7.1	2.9% 8.1	14.3% 17.2	242%	77%	8.0% 22.3	275%

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 2019		FY 2020				
				Interim	Full year	Interim			Full year	
						Actual	YOY	Progress rate	Plan	YOY
				A	B	C	C/A	C/D	D	D/B
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	38.0	72.8	34.6	91%	54%	64.1	88%
			Network engineering	10.4	22.1	7.2	70%	34%	21.4	97%
			Mobile engineering	24.5	45.8	20.3	83%	46%	44.6	97%
			Sub-total	73.0	140.8	62.2	85%	48%	130.1	92%
		NCCs		9.4	26.0	18.5	197%	65%	28.7	110%
		Urban infrastructure		59.9	101.6	44.5	74%	52%	86.1	85%
		Sub-total		142.4	268.6	125.3	88%	51%	244.9	91%
SYSTEM-SOLUTIONS				16.2	33.1	23.6	146%	67%	35.1	106%
TOTAL				158.6	301.7	148.9	94%	53%	280.0	93%
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	32.6	74.9	31.2	96%	46%	68.1	91%
			Network engineering	7.2	22.1	7.0	97%	32%	22.0	99%
			Mobile engineering	17.9	45.0	16.0	89%	38%	42.3	94%
			Sub-total	57.8	142.1	54.3	94%	41%	132.4	93%
		NCCs		9.9	25.6	10.3	104%	36%	28.7	112%
		Urban infrastructure		29.4	83.3	43.0	146%	49%	88.4	106%
		Sub-total		97.3	251.0	107.8	111%	43%	249.5	99%
SYSTEM-SOLUTIONS				13.4	31.9	12.4	92%	41%	30.5	95%
TOTAL				110.8	282.9	120.2	109%	43%	280.0	99%
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	20.6	13.0	16.4	80%	—	—	—
			Network engineering	13.1	10.0	10.2	77%	—	—	—
			Mobile engineering	32.0	26.3	30.6	96%	—	—	—
			Sub-total	65.8	49.4	57.3	87%	—	—	—
		NCCs		15.2	16.2	24.4	161%	—	—	—
		Urban infrastructure		108.5	96.3	97.8	90%	—	—	—
		Sub-total		189.6	162.0	179.5	95%	—	—	—
SYSTEM-SOLUTIONS				8.7	7.2	18.5	211%	—	—	—
TOTAL				198.3	169.3	198.0	100%	—	—	—

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

3. Business Overview of Main Subsidiaries



Business Overview of Main Subsidiaries – ①

▶ Transactions with other groups in the consolidated group are not offset.

(¥bn)

	EXEO TECH			Daiwa Densetsu Group		
	FY 2019	FY 2020		FY 2019	FY 2020	
	Interim	Interim	YOY	Interim	Interim	YOY
Orders received	19.5	15.9	82%	8.8	10.6	120%
Net sales	12.3	11.8	96%	7.4	8.4	113%
Gross profit	9.1% 1.12	7.9% 0.94	84%	12.0% 0.89	11.1% 0.93	105%
SG&A expenses	5.5% 0.67	5.8% 0.69	102%	6.5% 0.48	6.2% 0.52	108%
Operating income	3.6% 0.44	2.1% 0.24	57%	5.5% 0.40	4.9% 0.41	102%
Ordinary income	3.8% 0.47	2.7% 0.31	67%	5.6% 0.41	5.2% 0.43	104%
Net income	2.2% 0.27	1.9% 0.22	85%	3.7% 0.27	3.4% 0.28	104%

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

3. Business Overview of Main Subsidiaries



Business Overview of Main Subsidiaries – ②

▶ Transactions with other groups in the consolidated group are not offset.

(¥bn)

	C-CUBE Group		Seibu Electric Industry Group		NIPPON DENTSU Group		TOTAL		
	FY 2019 Interim	FY2020 Interim	FY 2019 Interim	FY2020 Interim	FY 2019 Interim	FY2020 Interim	FY 2019 Interim A	FY2020 Interim B	YOY B/A
Orders received	34.4	34.7	32.6	31.9	20.5	29.0	87.6	95.7	109%
Net sales	31.8	28.6	23.6	24.5	17.4	19.8	72.9	73.0	100%
Gross profit	12.6% 4.01	12.5% 3.58	7.0% 1.66	8.8% 2.16	13.9% 2.43	13.7% 2.72	11.1% 8.11	11.6% 8.46	104%
SG&A expenses	6.9% 2.18	7.6% 2.18	5.8% 1.37	4.7% 1.16	9.5% 1.66	8.4% 1.66	7.2% 5.22	6.9% 5.00	96%
Operating income	5.7% 1.82	4.9% 1.39	1.2% 0.28	4.1% 0.99	4.4% 0.77	5.4% 1.06	4.0% 2.88	4.7% 3.46	120%
Ordinary income	6.1% 1.95	5.8% 1.66	2.1% 0.48	4.7% 1.15	5.0% 0.86	5.6% 1.10	4.5% 3.30	5.4% 3.93	119%
Net income	3.7% 1.17	3.6% 1.03	1.1% 0.25	3.3% 0.80	3.3% 0.57	3.8% 0.75	2.7% 2.00	3.5% 2.59	129%

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

Disclaimer Regarding Forward-Looking Statements

Forward-looking statements in this document are based on information available to our company as of the date of publication. Actual results may differ materially from these forecasts due to various factors.

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