

Results for the Nine Months Ended December 31, 2017

February 6, 2018

KYOWA EXEO CORPORATION

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

1. Consolidated Figures



(1) Overview

(¥bn)

| | FY 2016 | | FY 2017 | | | | |
|---|-----------------|-----------------|-----------------|------------|-------------------------|-----------------|------------|
| | 1-3Q | Full year | Actual C | 1-3Q | | Full year | |
| | A | B | | YOY C/A | Progress rate C/D | Plan D | YOY D/B |
| Orders received | 230.2 | 324.1 | 242.4 | 105% | 73% | 330.0 | 102% |
| Net sales | 182.0 | 298.8 | 196.7 | 108% | 61% | 320.0 | 107% |
| Gross profit | (11.9%) 21.6 | (12.9%) 38.4 | (13.5%) 26.6 | 123% | 65% | (12.9%) 41.3 | 107% |
| SG&A expenses | (6.9%) 12.6 | (5.9%) 17.6 | (6.5%) 12.7 | 101% | 70% | (5.7%) 18.3 | 104% |
| Operating income | (4.9%) 8.9 | (7.0%) 20.8 | (7.1%) 13.9 | 155% | 60% | (7.2%) 23.0 | 110% |
| Ordinary income | (5.0%) 9.1 | (7.2%) 21.4 | (7.6%) 14.9 | 163% | 63% | (7.4%) 23.6 | 110% |
| Net income attributable to owners of parent | (2.8%) 5.1 | (4.6%) 13.7 | (5.0%) 9.7 | 192% | 62% | (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 | | | | |
|------------------------|-----------------------|-----------------------|---------|-----------|-------------|------------|-------------------------|-----------|------------|
| | | | 1-3Q | Full year | Actual C | 1-3Q | | Full year | |
| | | | A | B | | YOY C/A | Progress rate C/D | Plan D | YOY D/B |
| Orders Received | ENGINEERING-SOLUTIONS | NTT Group engineering | 131.2 | 182.2 | 127.0 | 97% | 79% | 160.0 | 88% |
| | | NCCs | 18.8 | 28.7 | 24.0 | 128% | 80% | 30.0 | 104% |
| | | Urban infrastructure | 50.7 | 72.7 | 59.6 | 118% | 66% | 90.0 | 124% |
| | | Sub-total | 200.9 | 283.8 | 210.7 | 105% | 75% | 280.0 | 99% |
| | SYSTEM-SOLUTIONS | 29.3 | 40.2 | 31.6 | 108% | 63% | 50.0 | 124% | |
| | TOTAL | 230.2 | 324.1 | 242.4 | 105% | 73% | 330.0 | 102% | |
| Net Sales | ENGINEERING-SOLUTIONS | NTT Group engineering | 104.2 | 168.3 | 111.1 | 107% | 66% | 168.0 | 100% |
| | | NCCs | 13.3 | 23.3 | 17.5 | 131% | 57% | 31.0 | 133% |
| | | Urban infrastructure | 38.3 | 67.3 | 40.0 | 104% | 53% | 76.0 | 113% |
| | | Sub-total | 155.9 | 259.0 | 168.7 | 108% | 61% | 275.0 | 106% |
| | SYSTEM-SOLUTIONS | 26.1 | 39.7 | 28.0 | 107% | 62% | 45.0 | 113% | |
| | TOTAL | 182.0 | 298.8 | 196.7 | 108% | 61% | 320.0 | 107% | |
| Amount Carried Forward | ENGINEERING-SOLUTIONS | NTT Group engineering | 78.9 | 65.8 | 81.7 | 103% | - | - | - |
| | | NCCs | 10.8 | 10.7 | 17.3 | 160% | - | - | - |
| | | Urban infrastructure | 67.1 | 60.1 | 79.7 | 119% | - | - | - |
| | | Sub-total | 156.9 | 136.7 | 178.7 | 114% | - | - | - |
| | SYSTEM-SOLUTIONS | 9.4 | 6.8 | 10.4 | 110% | - | - | - | |
| | TOTAL | 166.3 | 143.5 | 189.2 | 114% | - | - | - | |

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 | |
| | 1-3Q A | Full year B | 1-3Q C | YOY C/A | 1-3Q D | Full year E | 1-3Q F | YOY F/D |
| Orders received | 14.4 | 20.2 | 15.2 | 105% | 10.0 | 13.4 | 10.3 | 103% |
| Net sales | 11.0 | 19.6 | 12.5 | 114% | 7.3 | 12.9 | 8.1 | 111% |
| Gross profit | (6.3%) 0.6 | (7.8%) 1.5 | (7.3%) 0.9 | 131% | (9.0%) 0.6 | (10.9%) 1.4 | (10.2%) 0.8 | 125% |
| SG&A expenses | (8.3%) 0.9 | (6.2%) 1.2 | (6.6%) 0.8 | 91% | (6.8%) 0.5 | (5.4%) 0.7 | (6.4%) 0.5 | 105% |
| Operating income | (-2.0%) -0.22 | (1.6%) 0.32 | (0.6%) 0.07 | - | (2.2%) 0.16 | (5.5%) 0.70 | (3.8%) 0.30 | 185% |
| Ordinary income | (-3.1%) -0.33 | (1.8%) 0.35 | (1.0%) 0.12 | - | (2.7%) 0.19 | (5.8%) 0.74 | (4.2%) 0.34 | 172% |
| Net income | (-0.8%) -0.09 | (2.1%) 0.40 | (0.7%) 0.08 | - | (4.6%) 0.33 | (5.8%) 0.74 | (2.7%) 0.22 | 66% |

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 | | | | |
|------------------|----------------|----------------|-----------------|------------|-------------------------|----------------|------------|
| | 1-3Q | Full year | 1-3Q | | | Full year | |
| | A | B | Actual C | YOY C/A | Progress rate C/D | Plan D | YOY D/B |
| Orders received | 189.0 | 268.3 | 200.9 | 106% | 74% | 273.0 | 102% |
| Net sales | 149.4 | 243.5 | 160.9 | 108% | 61% | 264.0 | 108% |
| Gross profit | (8.5%) 12.6 | (9.5%) 23.2 | (10.2%) 16.3 | 129% | 63% | (9.8%) 26.0 | 112% |
| SG&A expenses | (5.6%) 8.3 | (4.9%) 12.0 | (5.6%) 8.9 | 107% | 69% | (4.9%) 13.0 | 108% |
| Operating income | (2.9%) 4.3 | (4.6%) 11.2 | (4.6%) 7.4 | 172% | 57% | (4.9%) 13.0 | 116% |
| Ordinary income | (3.3%) 4.8 | (5.0%) 12.2 | (7.3%) 11.7 | 241% | 67% | (6.6%) 17.4 | 142% |
| Net income | (8.0%) 11.9 | (7.0%) 17.1 | (5.6%) 9.0 | 76% | 70% | (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 | | | | |
|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|--------------------|-------------|------------|-------------------------|-----------|------------|
| | | | | 1-3Q | Full year | Actual C | 1-3Q | Full year | | YOY D/B |
| | | | | A | B | | YOY C/A | Progress rate C/D | Plan D | |
| Orders Received | ENGINEERING-SOLUTIONS | NTT Group engineering | Access engineering | 54.0 | 77.0 | 53.5 | 99% | 76% | 70.0 | 91% |
| | | | Network engineering | 14.6 | 22.1 | 14.9 | 102% | 83% | 18.0 | 81% |
| | | | Mobile engineering | 45.9 | 60.4 | 43.0 | 94% | 81% | 53.0 | 88% |
| | | | Sub-total | 114.6 | 159.6 | 111.5 | 97% | 79% | 141.0 | 88% |
| | | | NCCs | 18.2 | 27.5 | 23.4 | 128% | 81% | 29.0 | 105% |
| | | | Urban infrastructure | 39.4 | 58.8 | 48.3 | 123% | 67% | 72.0 | 122% |
| | | | Sub-total | 172.3 | 246.0 | 183.3 | 106% | 76% | 242.0 | 98% |
| | | | SYSTEM-SOLUTIONS | 16.6 | 22.2 | 17.6 | 106% | 57% | 31.0 | 139% |
| | | | TOTAL | 189.0 | 268.3 | 200.9 | 106% | 74% | 273.0 | 102% |
| | | Net Sales | ENGINEERING-SOLUTIONS | NTT Group engineering | Access engineering | 46.7 | 74.7 | 49.3 | 105% | 67% |
| Network engineering | 11.6 | | | | 21.1 | 13.7 | 118% | 64% | 21.5 | 101% |
| Mobile engineering | 33.1 | | | | 50.6 | 34.0 | 103% | 63% | 54.0 | 107% |
| Sub-total | 91.6 | | | | 146.5 | 97.1 | 106% | 65% | 149.5 | 102% |
| | NCCs | | | 13.0 | 22.6 | 16.9 | 130% | 56% | 30.5 | 135% |
| | Urban infrastructure | | | 30.3 | 51.7 | 31.5 | 104% | 54% | 59.0 | 114% |
| | Sub-total | | | 134.9 | 220.9 | 145.6 | 108% | 61% | 239.0 | 108% |
| | SYSTEM-SOLUTIONS | | | 14.4 | 22.5 | 15.2 | 106% | 61% | 25.0 | 111% |
| | TOTAL | | | 149.4 | 243.5 | 160.9 | 108% | 61% | 264.0 | 108% |
| Amount Carried Forward | ENGINEERING-SOLUTIONS | | | NTT Group engineering | Access engineering | 23.7 | 18.8 | 23.0 | 97% | - |
| | | Network engineering | 11.3 | | 9.2 | 10.3 | 92% | - | - | - |
| | | Mobile engineering | 35.8 | | 32.8 | 41.8 | 117% | - | - | - |
| | | Sub-total | 70.9 | | 60.8 | 75.2 | 106% | - | - | - |
| | | | NCCs | 10.6 | 10.3 | 16.7 | 158% | - | - | - |
| | | | Urban infrastructure | 56.5 | 54.5 | 71.3 | 126% | - | - | - |
| | | | Sub-total | 138.0 | 125.7 | 163.4 | 118% | - | - | - |
| | | | SYSTEM-SOLUTIONS | 7.5 | 4.9 | 7.2 | 97% | - | - | - |
| | | | TOTAL | 145.6 | 130.7 | 170.7 | 117% | - | - | - |

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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