
Annual Results for the Fiscal Year Ended March 31, 2018

May 9, 2018

KYOWA EXEO CORPORATION

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

1. Consolidated Figures



(1) Overview

(¥bn)

	FY 2016		FY 2017						FY 2018			
	Interim	Full year	Interim		Full year				Interim		Full year	
			Actual	YOY	Plan	Actual	YOY	Plan accuracy	Plan	YOY	Plan	YOY
A	B	C	C/A	D	E	E/B	E/D	F	F/C	G	G/E	
Orders received	154.6	324.1	161.1	104%	330.0	325.0	100%	98%	153.0	95%	340.0	105%
Net sales	116.2	298.8	124.9	108%	320.0	312.6	105%	98%	128.0	102%	335.0	107%
Gross profit	(12.3%) 14.3	(12.9%) 38.4	(13.8%) 17.2		(12.9%) 41.3	(13.9%) 43.3			(13.4%) 17.2		(13.9%) 46.5	
SG&A expenses	(7.2%) 8.3	(5.9%) 17.6	(6.6%) 8.3		(5.7%) 18.3	(5.7%) 17.7			(7.0%) 9.0		(5.7%) 19.0	
Operating income	(5.2%) 5.9	(7.0%) 20.8	(7.1%) 8.9		(7.2%) 23.0	(8.2%) 25.6			(6.4%) 8.2		(8.2%) 27.5	
Ordinary income	(5.0%) 5.7	(7.2%) 21.4	(7.8%) 9.7		(7.4%) 23.6	(8.5%) 26.4			(6.6%) 8.5		(8.4%) 28.1	
Net income attributable to owners of parent	(2.1%) 2.4	(4.6%) 13.7	(5.1%) 6.3		(4.9%) 15.7	(5.8%) 17.9			(4.5%) 5.7		(5.6%) 18.8	

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					FY 2018				
			Interim	Full year	Interim		Full year			Interim		Full year		
					Actual	YOY	Plan	Actual	YOY	Plan accuracy	Plan	YOY	Plan	YOY
			A	B	C	C/A	D	E	E/B	E/D	F	F/C	G	G/E
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	88.4	182.2	84.9	96%	160.0	166.2	91%	104%	76.0	90%	156.5	94%
		NCCs	11.2	28.7	16.1	144%	30.0	31.8	111%	106%	15.0	93%	32.5	102%
		Urban infrastructure	35.6	72.7	38.6	108%	90.0	84.1	116%	93%	40.0	103%	97.0	115%
		Sub-total	135.3	283.8	139.7	103%	280.0	282.2	99%	101%	131.0	94%	286.0	101%
	SYSTEM-SOLUTIONS	19.2	40.2	21.4	111%	50.0	42.7	106%	86%	22.0	103%	54.0	126%	
TOTAL			154.6	324.1	161.1	104%	330.0	325.0	100%	98%	153.0	95%	340.0	105%
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	66.7	168.3	70.8	106%	168.0	167.4	99%	100%	75.5	107%	168.0	100%
		NCCs	8.6	23.3	11.4	133%	31.0	28.1	121%	91%	12.0	105%	29.5	105%
		Urban infrastructure	23.9	67.3	23.5	98%	76.0	74.5	111%	98%	23.0	98%	89.0	119%
		Sub-total	99.3	259.0	105.9	107%	275.0	270.1	104%	98%	110.5	104%	286.5	106%
	SYSTEM-SOLUTIONS	16.9	39.7	19.0	113%	45.0	42.5	107%	95%	17.5	92%	48.5	114%	
TOTAL			116.2	298.8	124.9	108%	320.0	312.6	105%	98%	128.0	102%	335.0	107%
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	73.6	65.8	79.9	108%	—	64.7	98%	—	—	—	—	—
		NCCs	7.8	10.7	15.4	196%	—	14.4	134%	—	—	—	—	—
		Urban infrastructure	66.4	60.1	75.1	113%	—	69.6	116%	—	—	—	—	—
		Sub-total	147.9	136.7	170.5	115%	—	148.8	109%	—	—	—	—	—
	SYSTEM-SOLUTIONS	8.6	6.8	9.2	106%	—	7.0	103%	—	—	—	—	—	
TOTAL			156.6	143.5	179.7	115%	—	155.9	109%	—	—	—	—	

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

1. Consolidated Figures



(3) Balance Figures

(¥bn)

		FY 2016				FY 2017				
		Interim		Year-end		Interim		Year-end		B-A
				A				B		
Current assets		106.2	(52.5%)	142.3	(58.5%)	126.4	(55.0%)	156.2	(59.3%)	13.8
Fixed assets		95.9	(47.5%)	101.0	(41.5%)	103.3	(45.0%)	107.3	(40.7%)	6.3
Total assets		202.2	(100%)	243.4	(100%)	229.7	(100%)	263.6	(100%)	20.1
Liabilities	Current	40.8	(20.2%)	61.2	(25.2%)	41.7	(18.2%)	63.1	(24.0%)	1.8
	Long-term	13.7	(6.8%)	23.8	(9.8%)	23.7	(10.3%)	24.3	(9.2%)	0.4
Total liabilities		54.5	(27.0%)	85.1	(35.0%)	65.4	(28.5%)	87.5	(33.2%)	2.3
Shareholder's equity		147.1	(72.8%)	157.8	(64.8%)	163.8	(71.3%)	175.5	(66.6%)	17.7
Minority interests and stock acquisition rights		0.5	(0.3%)	0.4	(0.2%)	0.4	(0.2%)	0.5	(0.2%)	0.1
Total liabilities and net assets		202.2	(100%)	243.4	(100%)	229.7	(100%)	263.6	(100%)	20.1

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

1. Consolidated Figures



(4) Cash Flows

(¥bn)

	FY 2014	FY 2015	FY 2016	FY 2017
Net cash provided by (used in) operating activities	23.1	5.3	15.5	24.8
Net cash provided by (used in) investing activities	-2.8	-13.9	-6.0	-4.5
Net cash provided by (used in) financial activities	-12.3	0.3	-10.2	-5.1
Free cash flow (Note 2)	20.3	-8.5	9.4	20.2
Cash and cash equivalents at end of period	24.2	16.0	15.2	30.3

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 2014	FY 2015	FY 2016	FY 2017
Short-term	2.3	13.5	1.0	1.1
Long-term	6.3	2.7	11.8	10.2
Total	8.6	16.2	12.8	11.4

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

2. Including Lease Liabilities.

1. Consolidated Figures



(6) Capital Expenditures

(¥bn)

	FY 2014	FY 2015	FY 2016	FY 2017
Tangible fixed assets	3.2	11.0	5.1	3.2
Intangible fixed assets	1.0	2.1	2.0	1.0
Total	4.2	13.2	7.1	4.2

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

(7) Depreciation and Amortization

(¥bn)

	FY 2014	FY 2015	FY 2016	FY 2017
Depreciation and amortization	2.6	3.0	3.2	3.2

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

1. Consolidated Figures



(8) Business Overview of Main Subsidiaries

(¥bn)

	EXEO TECH			Daiwa Densetsu		
	FY 2016	FY 2017		FY 2016	FY 2017	
	Full year	Full year	YOY	Full year	Full year	YOY
Orders received	20.2	20.6	102%	13.4	13.4	101%
Net sales	19.6	20.1	102%	12.9	12.7	99%
Gross profit	(7.8%) 1.5	(7.9%) 1.5	103%	(10.9%) 1.4	(10.8%) 1.3	98%
SG&A expenses	(6.2%) 1.2	(5.7%) 1.1	94%	(5.4%) 0.7	(5.5%) 0.6	100%
Operating income	(1.6%) 0.32	(2.2%) 0.44	138%	(5.5%) 0.70	(5.3%) 0.68	96%
Ordinary income	(1.8%) 0.35	(2.5%) 0.49	143%	(5.8%) 0.74	(5.6%) 0.71	96%
Net income	(2.1%) 0.40	(2.1%) 0.42	104%	(5.8%) 0.74	(3.7%) 0.46	63%

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						FY 2018			
	Interim	Full year	Interim		Full year				Interim		Full year	
			Actual	YOY	Plan	Actual	YOY	Plan accuracy	Plan	YOY	Plan	YOY
	A	B	C	C/A	D	E	E/B	E/D	F	F/C	G	G/E
Orders received	126.0	268.3	133.3	106%	273.0	268.5	100%	98%	125.0	94%	290.0	108%
Net sales	95.7	243.5	102.8	108%	264.0	256.8	105%	97%	104.0	101%	277.0	108%
Gross profit	(8.6%) 8.2	(9.5%) 23.2	(10.2%) 10.4	127%	(9.8%) 26.0	(10.8%) 27.6	119%	107%	(10.2%) 10.6	101%	(10.8%) 30.0	108%
SG&A expenses	(5.7%) 5.4	(4.9%) 12.0	(5.6%) 5.7	106%	(4.9%) 13.0	(4.9%) 12.5	104%	96%	(6.2%) 6.4	111%	(4.9%) 13.5	108%
Operating income	(2.9%) 2.8	(4.6%) 11.2	(4.5%) 4.6	167%	(4.9%) 13.0	(5.9%) 15.1	135%	117%	(4.0%) 4.2	90%	(6.0%) 16.5	109%
Ordinary income	(3.1%) 2.9	(5.0%) 12.2	(8.5%) 8.7	296%	(6.6%) 17.4	(7.6%) 19.4	159%	112%	(11.2%) 11.6	132%	(8.7%) 24.2	125%
Net income	(10.8%) 10.3	(7.0%) 17.1	(6.9%) 7.0	68%	(4.9%) 13.0	(5.7%) 14.6	85%	112%	(9.9%) 10.3	146%	(6.8%) 18.8	129%

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						FY 2018			
				Interim	Full year	Interim		Full year				Interim		Full year	
				A	B	Actual	YOY	Plan	Actual	YOY	Plan accuracy	Plan	YOY	Plan	YOY
						C	C/A	D	E	E/B	E/D	F	F/C	G	G/E
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	36.5	77.0	36.4	100%	70.0	72.4	94%	103%	34.5	95%	70.0	97%
			Network engineering	9.2	22.1	10.0	109%	18.0	20.2	92%	113%	9.0	90%	20.0	99%
			Mobile engineering	30.4	60.4	27.9	92%	53.0	52.7	87%	99%	22.5	81%	49.0	93%
			Sub-total	76.1	159.6	74.3	98%	141.0	145.4	91%	103%	66.0	89%	139.0	96%
		NCCs	10.7	27.5	15.7	146%	29.0	30.9	112%	107%	14.0	89%	31.0	100%	
		Urban infrastructure	28.5	58.8	31.5	111%	72.0	68.8	117%	96%	31.5	100%	83.0	121%	
		Sub-total	115.4	246.0	121.6	105%	242.0	245.1	100%	101%	111.5	92%	253.0	103%	
		SYSTEM-SOLUTIONS	10.6	22.2	11.6	110%	31.0	23.3	105%	75%	13.5	115%	37.0	158%	
	TOTAL	126.0	268.3	133.3	106%	273.0	268.5	100%	98%	125.0	94%	290.0	108%		
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	30.7	74.7	31.9	104%	74.0	73.5	98%	99%	35.5	111%	74.0	101%
			Network engineering	7.1	21.1	9.0	126%	21.5	21.5	102%	100%	9.5	105%	23.0	107%
			Mobile engineering	21.1	50.6	21.5	102%	54.0	51.5	102%	95%	21.5	100%	52.0	101%
			Sub-total	59.0	146.5	62.5	106%	149.5	146.6	100%	98%	66.5	106%	149.0	102%
		NCCs	8.3	22.6	11.2	133%	30.5	27.1	120%	89%	11.0	98%	28.0	103%	
		Urban infrastructure	19.0	51.7	18.4	97%	59.0	59.6	115%	101%	17.5	95%	72.0	121%	
		Sub-total	86.5	220.9	92.2	107%	239.0	233.4	106%	98%	95.0	103%	249.0	107%	
		SYSTEM-SOLUTIONS	9.1	22.5	10.6	117%	25.0	23.4	104%	94%	9.0	84%	28.0	120%	
	TOTAL	95.7	243.5	102.8	108%	264.0	256.8	105%	97%	104.0	101%	277.0	108%		
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	22.2	18.8	23.3	105%	—	17.6	94%	—	—	—	—	—
			Network engineering	10.3	9.2	10.1	98%	—	7.9	86%	—	—	—	—	—
			Mobile engineering	32.3	32.8	39.2	121%	—	33.9	104%	—	—	—	—	—
			Sub-total	64.8	60.8	72.7	112%	—	59.6	98%	—	—	—	—	—
		NCCs	7.7	10.3	14.9	192%	—	14.0	136%	—	—	—	—	—	
		Urban infrastructure	56.9	54.5	67.6	119%	—	63.7	117%	—	—	—	—	—	
		Sub-total	129.5	125.7	155.2	120%	—	137.4	109%	—	—	—	—	—	
		SYSTEM-SOLUTIONS	6.7	4.9	5.9	89%	—	4.9	99%	—	—	—	—	—	
	TOTAL	136.3	130.7	161.2	118%	—	142.3	109%	—	—	—	—	—		

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.

KYOWA EXEO CORPORATION

3-29-20 Shibuya, Shibuya-ku,
Tokyo 150-0002 JAPAN

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

TEL: (81)3-5778-1073

FAX: (81)3-5778-1228