
Annual Results for the Fiscal Year Ended March 31, 2019

May 14, 2019

KYOWA EXEO CORPORATION

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

1. Consolidated Figures



(1) Overview

- ▶ Orders received in FY2019 do not include orders balances prior to the management integration of C-CUBE Corporation, Seibu Electric Industry Co., Ltd. and NIPPON DENTSU CO., LTD., (36.9 billion).
- ▶ Order balances that were not recorded as net sales at the end of FY2019 are added to the amounts carried forward to the next quarter as shown on the following page. (¥bn)

	FY 2017	FY 2018				FY 2019	
	Full year	Corrective plan (Announced on Nov. 6, 2018)	Full year			Full year	
			Actual	YOY	Plan accuracy	Plan	YOY
A	B	C	C/A	C/B	D	D/C	
Orders received	325.0	415.0	424.3	131%	102%	495.0	117%
Net sales	312.6	420.0	423.7	136%	101%	495.0	117%
Gross profit	(13.9%) 43.3	(13.3%) 56.0	(13.8%) 58.3	135%	104%	(13.4%) 66.3	114%
SG&A expenses	(5.7%) 17.7	(5.8%) 24.5	(6.3%) 26.6	150%	109%	(6.9%) 34.3	129%
Operating income	(8.2%) 25.6	(7.5%) 31.5	(7.5%) 31.7	124%	101%	(6.5%) 32.0	101%
Ordinary income	(8.5%) 26.4	(7.7%) 32.5	(7.9%) 33.4	126%	103%	(6.6%) 32.8	98%
Net income attributable to owners of parent	(5.8%) 17.9	(10.0%) 42.0	(9.5%) 40.2	224%	96%	(4.4%) 21.8	54%

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

2. Figures in parentheses are ratio to net sales.

3. We revised the consolidated earnings forecast for the fiscal year ending March 31, 2019, taking into consideration the effects of management integration with C-CUBE Corporation, Seibu Electric Industry Co., Ltd. and NIPPON DENTSU CO., LTD., which were implemented on October 1, 2018.

1. Consolidated Figures

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

(¥bn)

			FY 2017	FY 2018				FY 2019	
			Full year	Full year				Full year	
				A	Corrective plan (Announced on Nov. 6, 2018) B	Actual C	YOY C/A	Plan accuracy C/B	Plan D
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	166.2	185.5	189.9	114%	102%	210.5	111%
		NCCs	31.8	37.5	39.0	123%	104%	39.5	101%
		Urban infrastructure	84.1	114.0	123.3	147%	108%	132.5	107%
		Sub-total	282.2	337.0	352.2	125%	105%	382.5	109%
	SYSTEM-SOLUTIONS	42.7	78.0	72.0	169%	92%	112.5	156%	
TOTAL			325.0	415.0	424.3	131%	102%	495.0	117%
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	167.4	201.0	203.6	122%	101%	221.0	109%
		NCCs	28.1	35.0	38.0	135%	109%	39.5	104%
		Urban infrastructure	74.5	110.5	108.6	146%	98%	128.0	118%
		Sub-total	270.1	346.5	350.2	130%	101%	388.5	111%
	SYSTEM-SOLUTIONS	42.5	73.5	73.4	173%	100%	106.5	145%	
TOTAL			312.6	420.0	423.7	136%	101%	495.0	117%
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	64.7	—	66.2	102%	—	—	—
		NCCs	14.4	—	20.2	140%	—	—	—
		Urban infrastructure	69.6	—	94.8	136%	—	—	—
		Sub-total	148.8	—	181.3	122%	—	—	—
	SYSTEM-SOLUTIONS	7.0	—	15.2	216%	—	—	—	
TOTAL			155.9	—	196.6	126%	—	—	—

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

1. Consolidated Figures

(3) Balance Figures

(¥bn)

		FY 2017		FY 2018		
		Year-end		Year-end		B-A
		A	Percentage of total	B	Percentage of total	
Current assets		156.2	(59.3%)	241.7	(58.0%)	85.4
Fixed assets		107.3	(40.7%)	174.7	(42.0%)	67.4
Total assets		263.6	(100%)	416.4	(100%)	152.8
Liabilities	Current	63.1	(24.0%)	114.4	(27.5%)	51.2
	Long-term	24.3	(9.2%)	34.2	(8.2%)	9.8
Total liabilities		87.5	(33.2%)	148.6	(35.7%)	61.1
Shareholder's equity		175.5	(66.6%)	263.8	(63.4%)	88.3
Minority interests and stock acquisition rights		0.5	(0.2%)	3.9	(0.9%)	3.3
Total liabilities and net assets		263.6	(100%)	416.4	(100%)	152.8

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

1. Consolidated Figures



(4) Cash Flows

(¥bn)

	FY 2015	FY 2016	FY 2017	FY 2018
Net cash provided by (used in) operating activities	5.3	15.5	24.8	12.7
Net cash provided by (used in) investing activities	-13.9	-6.0	-4.5	-17.6
Net cash provided by (used in) financial activities	0.3	-10.2	-5.1	-4.9
Free cash flow (Note 2)	-8.5	9.4	20.2	-4.8
Net increase (decrease) in cash and cash equivalents ,etc	-	-	-	21.0
Cash and cash equivalents at end of period	16.0	15.2	30.3	41.4

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 2015	FY 2016	FY 2017	FY 2018
Short-term	13.5	1.0	1.1	13.2
Long-term	2.7	11.8	10.2	4.7
Total	16.2	12.8	11.4	18.0

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

2. Including Lease Liabilities.

1. Consolidated Figures



(6) Capital Expenditures

(¥bn)

	FY 2015	FY 2016	FY 2017	FY 2018
Tangible fixed assets	11.0	5.1	3.2	2.8
Intangible fixed assets	2.1	2.0	1.0	1.1
Total	13.2	7.1	4.2	3.9

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

(7) Depreciation and Amortization

(¥bn)

	FY 2015	FY 2016	FY 2017	FY 2018
Depreciation and amortization	3.0	3.2	3.2	4.7

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

1. Consolidated Figures



(8) Business Overview of Main Subsidiaries

▶C-CUBU Group, Seibu Electric Industry Group and NIPPON DENTSU Group state their operating results after management integration (on and after Oct. 1, 2018).

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

(¥bn)

	FY 2017		FY 2018				
	EXEO TECH	Daiwa Densetsu Group	EXEO TECH	Daiwa Densetsu Group	C-CUBE Group	Seibu Electric Industry Group	NIPPON DENTSU Group
Orders received	20.6	15.4	24.6	17.1	34.3	25.1	17.2
Net sales	20.1	14.8	22.6	16.4	35.2	33.1	18.5
Gross profit	(7.9%) 1.58	(10.6%) 1.56	(8.0%) 1.80	(10.4%) 1.71	(14.6%) 5.13	(8.0%) 2.66	(13.3%) 2.47
SG&A expenses	(5.7%) 1.14	(5.4%) 0.80	(5.0%) 1.12	(5.4%) 0.89	(7.1%) 2.50	(4.3%) 1.42	(10.5%) 1.95
Operating income	(2.2%) 0.44	(5.1%) 0.76	(3.0%) 0.67	(5.0%) 0.81	(7.5%) 2.62	(3.7%) 1.23	(2.8%) 0.52
Ordinary income	(2.5%) 0.49	(5.1%) 0.75	(3.2%) 0.73	(5.2%) 0.86	(8.3%) 2.92	(4.1%) 1.36	(3.1%) 0.56
Net income	(2.1%) 0.42	(3.5%) 0.51	(1.4%) 0.32	(3.7%) 0.60	(5.3%) 1.88	(2.9%) 0.95	(2.0%) 0.37

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



Reference: Overview of operating results of three major subsidiaries in western Japan

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

(¥bn)

	FY 2017				FY 2018				
	C-CUBE Group	Seibu Electric Industry Group	NIPPON DENTSU Group	Simple addition value A	C-CUBE Group	Seibu Electric Industry Group	NIPPON DENTSU Group	Simple addition value B	YOY B/A
Orders received	61.0	52.6	39.0	152.7	65.1	54.4	33.6	153.2	100%
Net sales	59.8	54.1	37.8	151.9	64.0	56.0	34.0	154.1	101%
Gross profit	(12.3%) 7.33	(7.8%) 4.23	(12.8%) 4.84	(10.8%) 16.41	(13.2%) 8.45	(7.7%) 4.34	(14.2%) 4.81	(11.4%) 17.60	107%
SG&A expenses	(7.0%) 4.19	(5.1%) 2.76	(10.1%) 3.83	(7.1%) 10.79	(7.4%) 4.72	(4.9%) 2.74	(11.0%) 3.73	(7.3%) 11.20	104%
Operating income	(5.2%) 3.13	(2.7%) 1.47	(2.7%) 1.01	(3.7%) 5.61	(5.8%) 3.73	(2.8%) 1.59	(3.2%) 1.08	(4.2%) 6.40	114%
Ordinary income	(5.8%) 3.48	(3.2%) 1.73	(3.0%) 1.13	(4.2%) 6.35	(6.5%) 4.14	(3.4%) 1.87	(3.6%) 1.22	(4.7%) 7.25	114%
Net income	(3.7%) 2.21	(1.9%) 1.00	(1.9%) 0.72	(2.6%) 3.94	(4.0%) 2.57	(2.2%) 1.22	(2.3%) 0.79	(3.0%) 4.59	117%

- 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 2017	FY 2018				FY 2019	
	Full year A	Full year				Full year	
		Plan B	Actual C	YOY C/A	Plan accuracy C/B	Plan D	YOY D/C
Orders received	268.5	290.0	287.2	107%	99%	270.0	94%
Net sales	256.8	277.0	279.0	109%	101%	273.0	98%
Gross profit	(10.8%) 27.6	(10.8%) 30.0	(11.3%) 31.6	114%	105%	(10.7%) 29.2	92%
SG&A expenses	(4.9%) 12.5	(4.9%) 13.5	(4.8%) 13.4	108%	100%	(5.4%) 14.7	109%
Operating income	(5.9%) 15.1	(6.0%) 16.5	(6.5%) 18.1	120%	110%	(5.3%) 14.5	80%
Ordinary income	(7.6%) 19.4	(8.7%) 24.2	(9.4%) 26.3	136%	109%	(6.8%) 18.7	71%
Net income	(5.7%) 14.6	(6.8%) 18.8	(7.1%) 19.8	136%	106%	(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 2017	FY 2018				FY 2019	
				Full year	Full year				Full year	
				A	Plan B	Actual C	YOY C/A	Plan accuracy C/B	Plan D	YOY D/C
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	72.4	70.0	73.7	102%	105%	66.5	90%
			Network engineering	20.2	20.0	23.1	114%	116%	21.0	91%
			Mobile engineering	52.7	49.0	40.4	77%	82%	41.5	103%
		Sub-total	145.4	139.0	137.2	94%	99%	129.0	94%	
		NCCs	30.9	31.0	32.0	104%	103%	25.5	79%	
		Urban infrastructure	68.8	83.0	90.1	131%	109%	79.5	88%	
	Sub-total	245.1	253.0	259.4	106%	103%	234.0	90%		
	SYSTEM-SOLUTIONS	23.3	37.0	27.7	119%	75%	36.0	130%		
	TOTAL	268.5	290.0	287.2	107%	99%	270.0	94%		
	Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	73.5	74.0	76.2	104%	103%	68.5
Network engineering				21.5	23.0	21.0	98%	92%	22.0	105%
Mobile engineering				51.5	52.0	48.9	95%	94%	48.0	98%
Sub-total			146.6	149.0	146.1	100%	98%	138.5	95%	
NCCs			27.1	28.0	30.3	112%	109%	26.0	86%	
Urban infrastructure			59.6	72.0	75.9	127%	105%	77.5	102%	
Sub-total		233.4	249.0	252.4	108%	101%	242.0	96%		
SYSTEM-SOLUTIONS		23.4	28.0	26.6	114%	95%	31.0	117%		
TOTAL		256.8	277.0	279.0	109%	101%	273.0	98%		
Amount Carried Forward		ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	17.6	—	15.1	86%	—	—
	Network engineering			7.9	—	10.0	126%	—	—	—
	Mobile engineering			33.9	—	25.4	75%	—	—	—
	Sub-total		59.6	—	50.6	85%	—	—	—	
	NCCs		14.0	—	15.7	112%	—	—	—	
	Urban infrastructure		63.7	—	78.0	122%	—	—	—	
	Sub-total	137.4	—	144.4	105%	—	—	—		
	SYSTEM-SOLUTIONS	4.9	—	6.0	123%	—	—	—		
	TOTAL	142.3	—	150.5	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.

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