

## Flexible and resilient Preparing for the Group's next stage of growth

### Aspirations as the new leader

#### Emphasizing dialogue and uniting Group expertise to create new value

I'm honored to address you as the newly appointed President and CEO of Exeo Group Corporation.

Since joining the Company as vice president in June 2024, I have spent the past year learning about the Group's business and growth strategies as part of the management team. Our Chairman and former President and CEO, Mr. Funabashi, had laid a strong foundation for sustainable growth during his six-year tenure, guided by his firm and unwavering conviction through major shifts in the business environment, including the unexpected COVID-19 pandemic. I am committed to building on that foundation and leading the Group into its next phase of growth.

As the leader of this organization, I place high value on communication and accord, which is achieved by attentive listening. It is deeply rewarding to draw out expertise cultivated over a career and create something new. In my first year, I spoke with leaders and staff at over 50 sites in Japan and abroad. I was impressed by their confidence and pride in our technology, commitment to safety and quality, and persistence and determination to overcome challenges until a solution is found. I firmly believe our people are the Group's true strength and core competence.

At the same time, my sense is that this strength still strongly relies on highly skilled individuals. Human capital is undeniably the most important asset for any company, but unlocking the "implicit expertise" of skilled employees and visualizing and standardizing these skills so they are cultivated into organizational knowledge and capability can open up a whole new world of possibilities. I want to harness those possibilities to further enhance the Group's corporate value.

### Fiscal 2024 performance summary fiscal 2025 outlook

#### Profit growth in all segments set to continue in the final year of the medium-term plan

We are currently four years into the five-year medium-term management plan launched back in fiscal 2021. I believe the plan is continuing to drive forward progress. All three business segments posted higher profits in fiscal 2024 supported by the efforts in each of their departments. The result was that

### Keigo Kajimura

President and CEO

Born in 1965

June 2012 Manager, System Department of NTT Communications Corporation

June 2017 Director, and Manager of the Solution Services Department

June 2020 Representative Director and President of NTT Com Engineering Corp.

June 2022 Representative Member of the Board and Senior Executive Vice President and General Manager of the Platform Services Division of NTT Communications Corporation

June 2024 Executive Vice President and Representative Director of EXEO Group, Inc.

June 2025 President and Representative Director



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Message from the CFO

we achieved the plan's target for sales of ¥630 billion one year ahead of schedule.

In fiscal 2025, the final year of the plan, we expect departmental profit growth to put us on track to meet targets for operating profit, ROE, and EPS. We are still working toward the 7.5% operating profit margin target. The main reasons we have not reached the target are lower-than-expected margin improvements due to unprofitable projects in the Urban Infrastructure business, which have persisted for several years, and delays in transitioning to the return phase of our aggressive upfront investments in our global operations.

The Urban Infrastructure business took on low margin projects as the business had previously prioritized growth over profits, particularly for public tender projects where competition was fierce. These projects continue to suppress the overall profit margin. In response, last year we shifted to a quality-over-quantity strategy under which we now very selectively accept projects with clear profitability prospects. Older projects will likely weigh on profits for another two years, after which the Urban Infrastructure business's operating profit margins are expected to start gradually improving. We are also taking steps to improve the global business, including exiting unprofitable businesses and integrating Group companies with the aim of attaining profitability for the global business in fiscal 2025.

Rather than dismissing past missteps as failures, we see them as valuable learning experiences that will strengthen our ability to drive sustaining growth across all segments.

### Addressing each segment's issues

#### Raising profitability through improved efficiency and high value-added services

Improving profitability is a key management priority for achieving sustainable growth and enhancing corporate value. Our approach centers on two fundamentals: boosting operating efficiency and productivity in each business and increasing the value-adds for each business.

Starting with the Telecom Carriers business, we need to accelerate the standardization and automation of its business operations. Much progress has been made consolidating and streamlining overhead across Group companies in each area. While further strengthening this initiative, we will restructure business processes and management framework, including integrating generative AI and other advanced technologies. The human resources that this will free up will be reskilled and upskilled and reallocated to drive business growth, which will create new positions within the Group.

The Urban Infrastructure business, as mentioned earlier, is being more selective about the projects it takes on while continuing to expand in the data center field, its main revenue source. Demand for data centers is strong, with orders secured for several years ahead, and we expect the ongoing market growth to provide more room for business growth. While current demand is focused on electrical facility construction, data centers also require other equipment and facilities, including network, security, and cooling systems, with water-cooling systems seeing particularly strong demand. We expect our evolution into a total solution provider for data centers across construction, maintenance, and operation will drive further

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Telecom Carriers business

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Urban Infrastructure business  
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Feature 1: Data center

profit growth, and looking further ahead, we want to leverage the Group's broad expertise to pursue value-added projects outside the data center business.

In the System Solutions business, we are aligning resources to offer not only system development and network integration, but also complete, one-stop value-added solutions. Group synergies are growing by connecting areas of expertise and customer bases, which is increasing cross-selling activities and boosting profitability. Our strength is our technical expertise, and because of the rapid pace of technological change, we continuously seek to develop our capabilities to prepare ourselves on challenging new business opportunities.

In the global business, which is part of the System Solutions business, we are withdrawing from unprofitable operations and reorganizing the portfolio to restore profitability, but looking ahead, I believe we should strengthen our business activities conducted overseas. We intend to use our knowledge gained through past experience and convert the global business into its growth stage. The business will provide a wealth of expertise that can benefit across various fields of our domestic businesses, including engineering. I intend to reorganize the business so all three business segments can leverage this knowledge and adopt a global perspective.

### Long-term growth strategy

#### Joining the three business segments for a market-in organization

For our Group to continue growing and evolving, I believe every employee must approach their work from the client's perspective—in other words, adopt a “market-in” mindset. The Exeo Group's broad capabilities, from engineering to ICT, can be combined and leveraged to deliver even greater value to clients.

The three business segments currently operate relatively independently, but by linking their businesses and technologies, we can generate synergies and create even more new value for our clients. To do this, we need an organizational structure that enables the Group to have a unified approach when engaging clients. The current service-based sales structure is not suited for comprehensive client proposals. Combining the full capabilities of our Group companies and external partners, we are seeking to build an organization that can provide total solutions to our clients by understanding their needs and expectations.

Strengthening the corporate brand is another key area that needs focus. The Group has expanded beyond its origins in telecommunication facility construction into diverse fields, including environmental businesses and advanced ICT construction. Clearly communicating this shift and gaining broader recognition is essential for recruiting talent and driving market-in growth. With this in mind, we plan to further enhance company-wide branding efforts.

With the current Medium-Term Management Plan ending in fiscal 2025, we are now considering these ideas for the next plan. As we progress toward fulfilling the 2030 Vision for balanced sales across the three segments, we are also exploring setting balanced operating profits as a target in the new plan.

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System Solutions business  
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Global business structural reform



**Sustainability management**

**Strengthening governance as the Group expands**

We understand that establishing sustainable growth as a company requires not only increasing revenue, but also stronger non-financial initiatives, commonly referred to as ESG (environmental, social, and governance). The items of materiality we defined in fiscal 2023 clarify our objective to be a corporate group contributing to addressing social issues in each aspect of ESG.

Our activities pertaining to the environment are extensive. We currently provide solar power and grid storage battery facility construction, and we are training engineers to support the growing offshore wind power sector as well. We are also lowering our CO<sub>2</sub> emissions by converting to renewable energy sources, aiming for 100% use by the end of fiscal 2025. Additionally, we build biomass power plants that help revitalize the forest industry and promote local production and consumption. In recognition of these efforts, the international non-profit CDP\* placed Exeo Group in the highest A List category in February 2025.

Our social activities focus on strengthening our greatest management resource—our people. Japan’s declining birthrate and aging population are making it harder to secure new employees. In this context, we must maximize the potential of our human resources by attracting top talent, allocating personnel effectively across the Group, and supporting skill development. Equally important is maintaining a supportive work environment for all employees by promoting diversity, respecting human rights, and ensuring workplace safety and health. We also need to create a program for developing the next generation of leaders. Several years ago, the Company launched the Transformation Leader Development Program and other initiatives to cultivate future leaders. I aim to expand these efforts across the Group and work with partner companies and clients to develop human resources together.

Today, the most important governance priority is strengthening Group management. Our aggressive M&A strategy has expanded the Group to close to 140 entities, increasing the need for stronger compliance, risk, and security management throughout the Group. The new Audit Department established in October 2024 is tasked with conducting cross-sectional audits of all Group operations, including those of overseas subsidiaries.

**Message to stakeholders**

**Transforming into an organization of autonomous innovation**

Amid growing global uncertainty, our sustainable growth depends on the ability to swiftly detect change and respond with agility. At the same time, we must remain true to the Company’s 70-year heritage, especially our technical expertise and strong determination in the face of challenges. My aim is to build a corporate group that is both flexible and resilient.

We will achieve that through various innovations throughout the Group. I will continue engaging directly with as many employees as possible, while also fostering a corporate culture in which employees communicate openly with one another, thinking about what is best for the Group and working together as one toward a shared goal. I also believe that

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Environmental management

\* CDP (formerly Carbon Disclosure Project) is a non-profit organization that collects, analyzes, and evaluates information concerning the environmental activities of major global companies.

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Human resources strategy

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Governance of value creation



emphasizing employee well-being and satisfaction will benefit physical and mental health and, ultimately, psychological safety. We will actively promote these initiatives because I believe they will lead to greater productivity. Stimulating autonomous innovation across the Group and turning on-site expertise and individual skills into common assets will make the Group even more flexible and resilient. I appreciate the continued understanding and support of all our stakeholders.

August 2025

**Keigo Kajimura**

President and CEO



President Kajimura (left) and Chairman Funabashi

**Passing the baton to the new president**

I would like to express my gratitude to all Group employees and our partner companies for their tremendous support and cooperation while I was company president.

The business environment went through major upheavals after I assumed office in June 2019, from the COVID-19 pandemic and major natural disasters like the Noto Peninsula earthquake to regional conflicts impacting global markets. Despite these challenges, I believe we achieved steady growth and fulfilled the Exeo Group’s mission to help address social issues.

I have deep trust in President Kajimura’s positive mindset in any situation and sound management judgment. His strong track record and experience give me confidence that he will support and guide employees in ways that strengthen Group cohesion and foster the unity needed to drive our continued growth.

In a constantly changing society, the ability to respond flexibly is essential. By remaining mindful of our corporate social responsibility, deepening ties with local communities, and strengthening efforts to address environmental and social issues needed to realize a sustainable future, we can enhance the Group’s credibility and raise corporate value.

New challenges will surely emerge, but I have great confidence in President Kajimura’s leadership to guide the Group to new heights.

**Tetsuya Funabashi**

Chairman and Representative Director