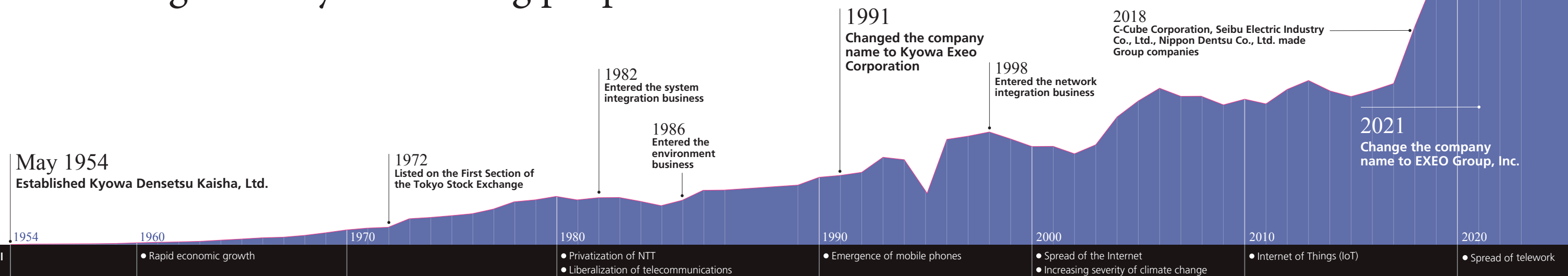


# Our heritage and our future: Delivering value by connecting people

Net sales in FY2023 (consolidated)  
¥614.0 billion



## Value generated through connectivity

## What “benefits” were created?

### Founding-1970s



#### Telecom carriers business

#### Development of a high-quality telecommunication infrastructure network across Japan

As Japan entered a period of rapid economic growth, its telecommunications network, particularly telephones, became an indispensable aspect of its infrastructure. We were responsible for the construction of telecommunications facilities throughout Japan, contributing to the development of the telecommunications network.

#### Implementing the shield tunneling method in tunnel construction

Tunnels to house underground telecommunications cables were conventionally dug by hand, but then it became normal to excavate such tunnels using shield tunneling machines. Tunnels reaching up to approximately 650 km in total length are currently supporting telecommunications infrastructure throughout Japan.

### 1980-1990s



#### Telecom carriers business

#### Responsible for the spread of mobile communications and the upgrading of communication networks

In addition to the widespread use of cell phones, there was growing demand for high-standard telecommunication networks such as optical fiber communication and digital communication. With this business environment providing a tailwind, we strengthened our construction capabilities to handle large-scale projects.

#### Spread of optical fibers

We took part in building the approximately 4,000 km high-speed telecommunications highway spanning all of Japan in the Trans-Japan Optical Fiber Transmission Line project from 1983 until 1985. Doing so, we played a part in bringing about the age of high-volume data transmission.

### 2000s



#### Urban infrastructure business

#### Expanding business in the environmental field to contribute to environmental issues

Amid growing public concern about the environment, we expanded our services to provide integrated construction, operation, and maintenance of waste treatment facilities and biomass boilers. This enabled us to take advantage of our technical capabilities, cultivated through telecommunications construction.

#### Internet connections through handheld devices such as i-mode

NTT Docomo's i-mode service was launched in 1999, and by 2000 it already had more than 10 million subscribers. Our Group supported the meteoric growth of data traffic through cellular networks, including of competitors, through the construction of wireless stations.

### 2010s



#### System solutions business

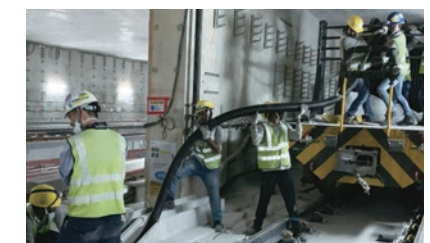
#### Shift to a total ICT solutions provider

As businesses ramped up their efforts to adapt to the IoT era, characterized by the spread of smartphones and tablets and the shift to cloud services, we pivoted to become a total ICT solutions provider.

#### Launching LTE and the emergence of IoT

The Group was involved in construction projects such as carrier aggregation, adding and replacing antennas, and constructing compact base stations for the launch of the LTE high-speed telecommunications standard. As LTE became prevalent, the internet of things (IoT) went into use in various fields.

### 2020s



#### System solutions business

#### Expanding global business to rapidly growing overseas markets

As the domestic market matured, we expanded business with a base in Singapore to seek further growth opportunities. We are active in the three fields of urban infrastructure including telecommunications facilities, system solutions, and new business.

#### Advancements in information education

Japan's GIGA School Program aims to equip each student with one learning device together with high-speed telecommunication network services. The Group contributed to the ICT learning environments of children by supporting package implementations at approximately 5,000 public elementary and junior high schools, comprising one-sixth of all such schools in the country.



# Helping society flourish with diverse businesses generated by connectivity

The strength that we have honed since our establishment is the technological capability to build high-quality information and communications infrastructure.

Leveraging these technological capabilities honed over the years to deliver solutions to social issues in many different fields, we are expanding our business domain while contributing to the prosperity of individuals and the continued growth of society.



## Telecom carriers business

Throughout Japan, we provide integrated all-in-one services from design to construction, operations, and maintenance, for the telecommunications facilities of telecom carriers. We support construction for a broad range of telecommunications infrastructure, including 5G mobile telecommunications, optical fibers, servers, and routers.



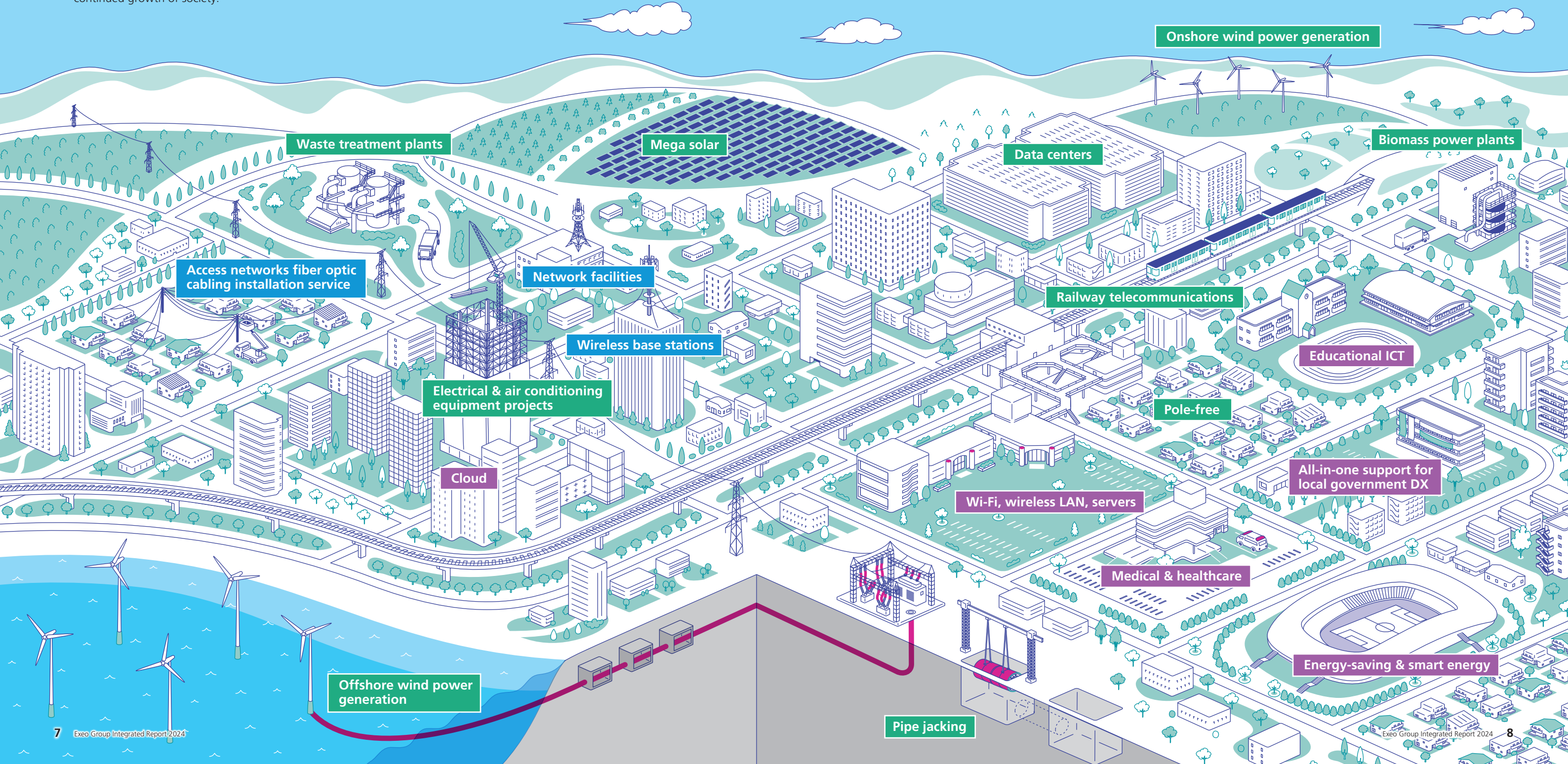
## Urban infrastructure business

We provide an integrated system from design and construction to maintenance, covering communication infrastructure including railroad communication facilities, data centers, and electrical facilities for office buildings, as well as a variety of infrastructure works including pole-free facilities.



## System solutions business

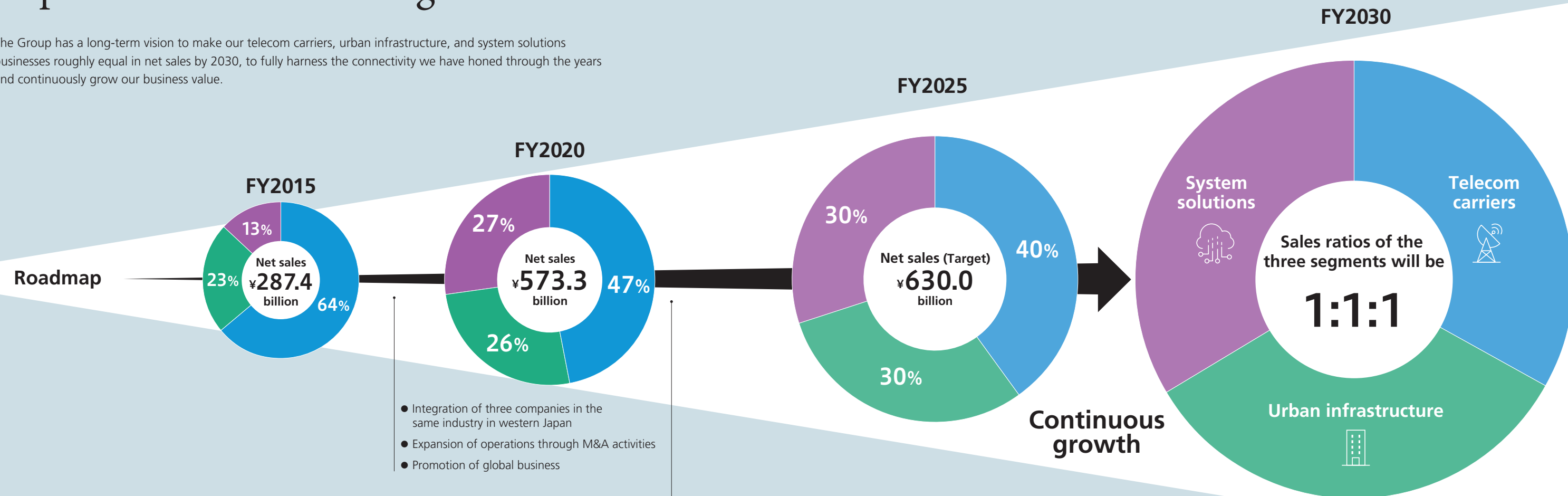
We provide a full range of ICT-based solutions for the construction, maintenance, and operation of various corporate systems, from communication network systems to core systems for the manufacturing industry, as well as educational and medical applications.





# Trailblazing new business domains in pursuit of continuous growth

The Group has a long-term vision to make our telecom carriers, urban infrastructure, and system solutions businesses roughly equal in net sales by 2030, to fully harness the connectivity we have honed through the years and continuously grow our business value.

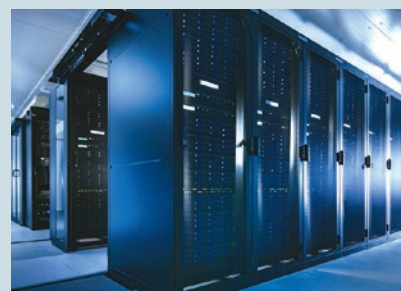


## Main businesses serving as growth drivers

### Urban infrastructure business



**Renewable energy**  
→ p.41-42 Feature 1

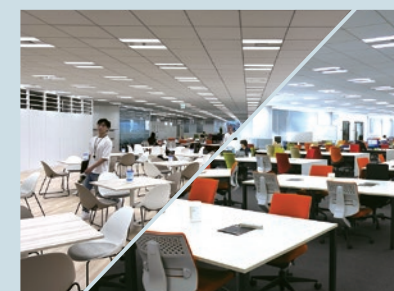


**Data centers**  
→ p.59-60 Urban infrastructure business



**Social infrastructure construction**  
→ p.43-44 Feature 2

### System solutions business



**Expanding business infrastructure via core subsidiaries**  
→ p.61-62 System solutions business



**Expanding recurring business**  
→ p.61-62 System solutions business



**Global business**  
→ p.63-64 Strengthening our global business

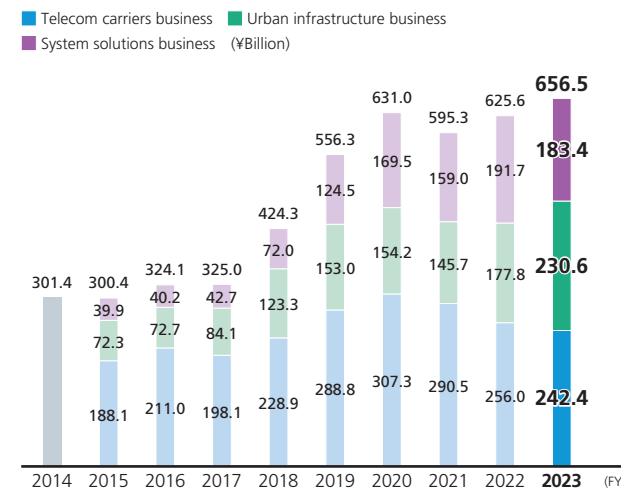
## Financial

Scope of data: Exeo Group, Inc. and its consolidated subsidiaries

\* We conducted a two-for-one stock split for common stock effective April 1, 2024. Numerical values shown for past years are recalculated figures taking this stock split into consideration.

### Orders received

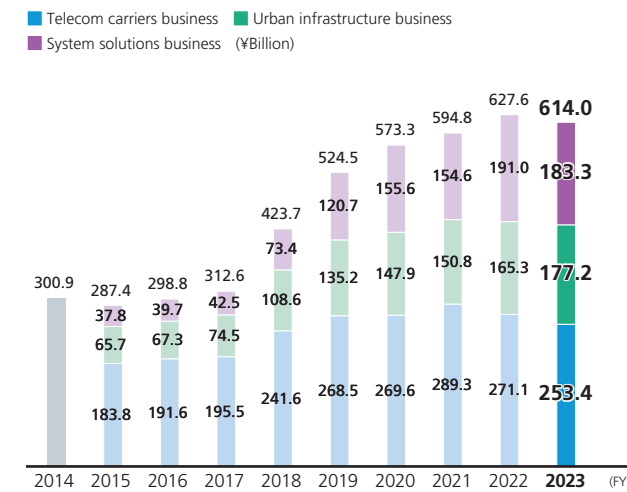
¥656.5 billion Change year on year +4.9% ↗



Although curtailed investments by telecom carriers and slumping business overseas had an impact, orders were strong in urban infrastructure—primarily in data centers. As a result, we recorded a new all-time high in orders received with a 4.9% year-on-year increase.

### Net sales

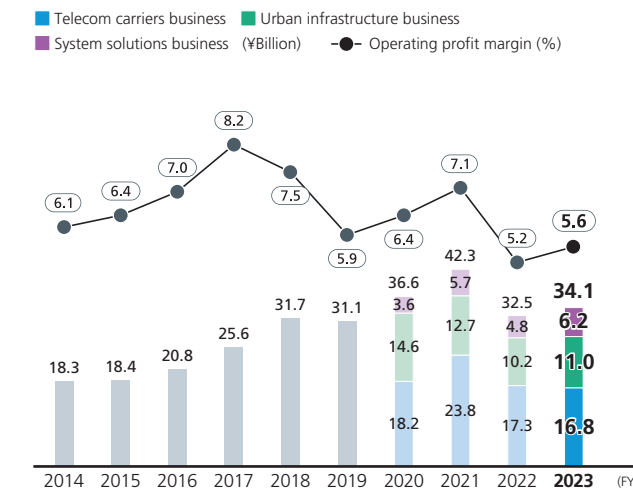
¥614.0 billion Change year on year -2.2% ↘



Although net sales did not reach the level of the previous year, sales in energy unit and public infrastructure increased in the urban infrastructure business. As a result, we secured a high level of net sales that exceeded ¥600.0 billion for the second straight year.

### Operating profit

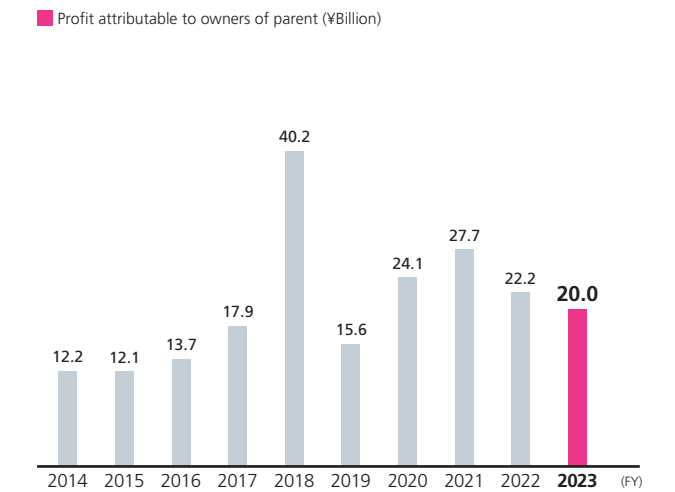
¥34.1 billion Change year on year +4.8% ↗



Profit grew across all segments as structural reform initiatives proceeded and domestic business also grew. While our profit margin decline in the telecom carriers business slowed down, we also improved our margin in the system solutions business.

### Profit attributable to owners of parent

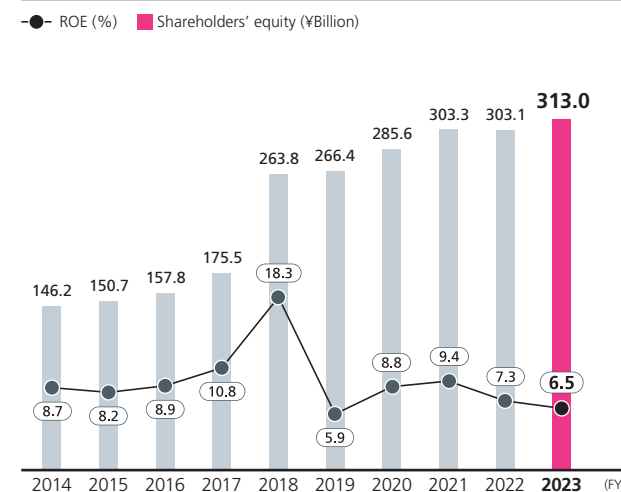
¥20.0 billion Change year on year -9.8% ↘



Profit attributable to owners of parent declined by ¥2.1 billion year-on-year to ¥20.0 billion along with loss on valuation of inventories overseas.

### ROE

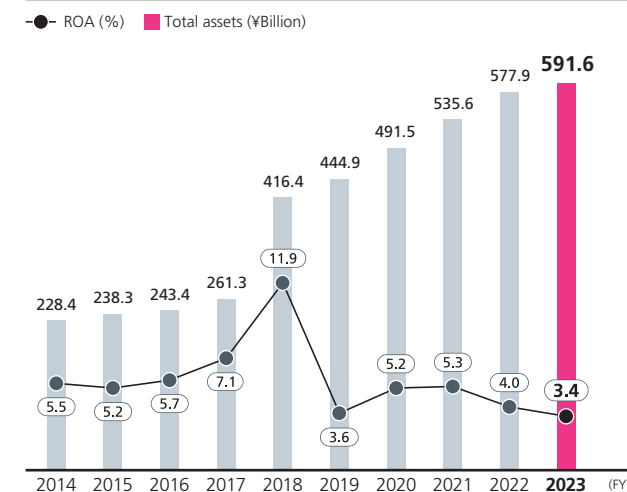
6.5% Change year on year -0.8 points ↘



Yearly profit declined, resulting in a year-on-year decrease of 0.8 percentage points to 6.5%. We will bolster our profitability in order to reach the 9.0% ROE specified in our Medium-Term Management Plan.

### ROA

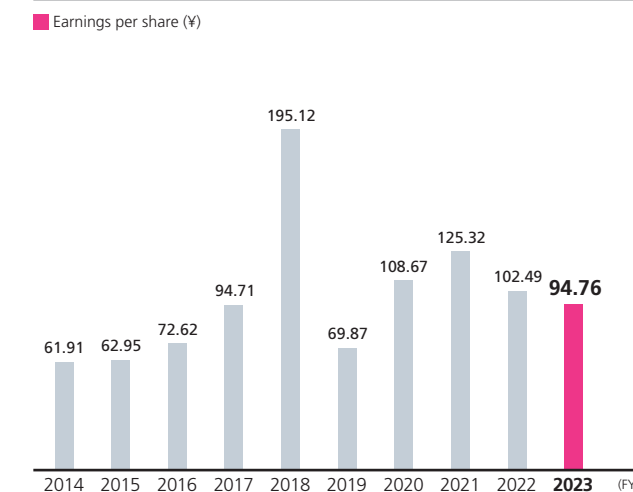
3.4% Change year on year -0.6 points ↘



Yearly profit declined, resulting in a year-on-year decrease of 0.6 percentage points to 3.4%.

### Earnings per share\*

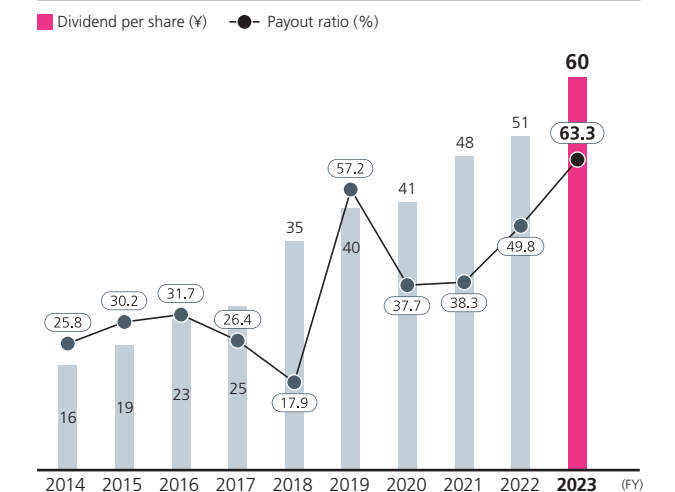
¥94.76 Change year on year -7.5% ↘



The decline in yearly profit resulting in a 7.5% year-on-year decrease to ¥94.76. Please note that we conducted a two-for-one stock split for common stock effective April 1, 2024.

### Dividend per share\*

¥60 Change year on year +17.6% ↗



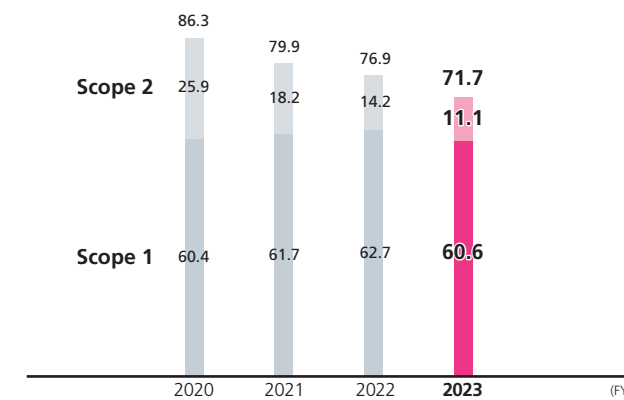
We are revising our dividend policy to raise our DOE level from the 3.5% level in fiscal 2023 to 4.0%. Our dividend for the year was ¥60 in fiscal 2023, an increase for the 12th consecutive year. In fiscal 2024, we plan to increase the dividend again to ¥62.

## Non-financial

### CO<sub>2</sub> emissions (Scope 1 & 2)

**71.7 thousand t-CO<sub>2</sub>** Change year on year -6.7% ▼

■ CO<sub>2</sub> emissions (thousand t-CO<sub>2</sub>)

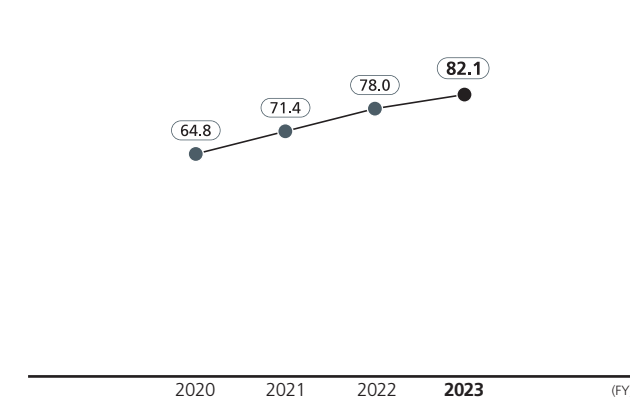


We have set the targets of reducing our greenhouse gas (Scope 1 & 2) emissions by 43.9% in fiscal 2030 compared to our base year of fiscal 2020, and of achieving carbon neutrality in fiscal 2050. To achieve these targets, we are implementing various measures and monitoring them.

### Green procurement<sup>\*1</sup>

**82.1%** Change year on year +4.1 points ▲

● Green procurement (%)

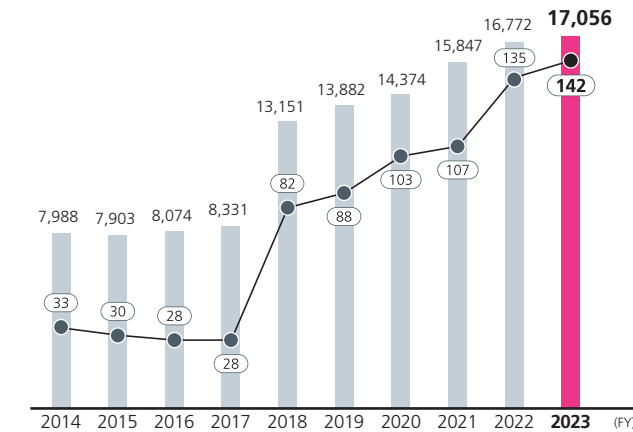


In purchasing office supplies, we engage in green procurement to reduce impact on the environment by actively choosing products with environmental labels (trademarks). Every year we are setting targets and monitoring our progress toward achieving them.

### Number of consolidated employees

**17,056** Change year on year +1.7% ▲

■ Number of consolidated employees (People)  
● Number of consolidated subsidiaries (Companies)

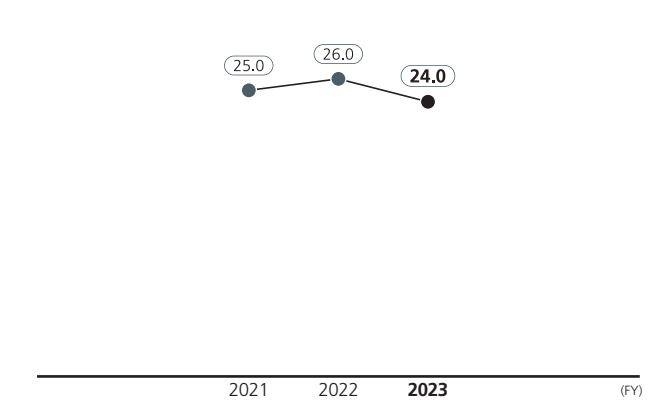


As a result of aggressive hiring activities and Kitanihon-Tsushin Co., Ltd. becoming a new part of the consolidated Group, our consolidated employee headcount increased by 284 year-on-year to 17,056.

### Ratio of mid-career hires<sup>\*1</sup>

**24.0%** Change year on year -2.0 points ▼

● Ratio of mid-career hires (%)

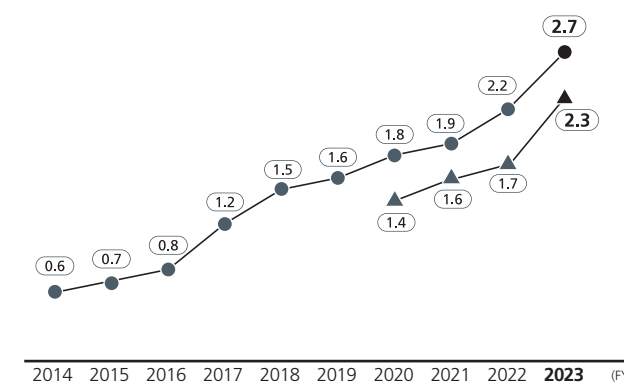


In addition to new graduate hiring, we are broadly hiring skilled and experienced human resources in a flexible manner for the sustainable growth of the Group in our mid-career hiring.

### Ratio of women in managerial positions

**2.3%** Change year on year +0.6 points ▲

● Exeo Group, Inc. (%)  
▲ Consolidated (%)

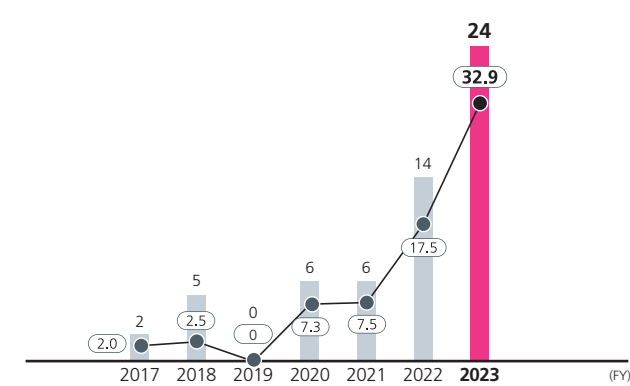


The Company has defined an action plan to raise the number of women in management positions by 50% from the base year of fiscal 2020 to 30 in fiscal 2025. In addition to aggressive hiring, we are devising development plans for grooming future executives and engaging in various other efforts toward this goal.

### Percentage and number of male employees taking childcare leave<sup>\*1</sup>

**32.9%** Change year on year +15.4 points ▲

■ Number of male employees taking childcare leave  
● Percentage of male employees taking childcare leave

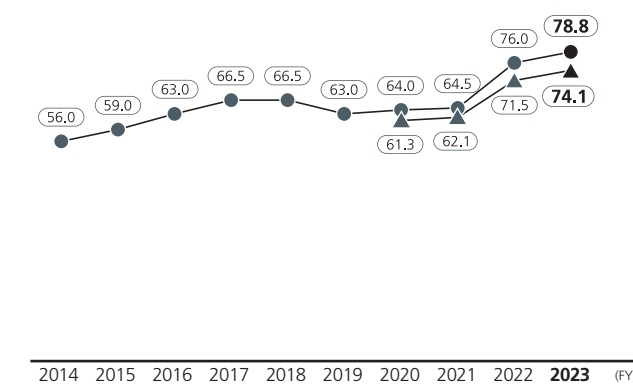


The Company has defined an action plan to raise the number of employees taking childcare leave from 7.3% in the base year fiscal 2020 to 20% in fiscal 2025. We have established systems to ensure that employees can achieve a balance between work and parenting regardless of gender, and continue to work and achieve success with peace of mind for as long as possible.

### Percentage of annual paid leave taken

**74.1%** Change year on year +2.6 points ▲

● Exeo Group, Inc. (%)  
▲ Exeo Group, Inc. and five major subsidiaries<sup>\*2</sup> (%)

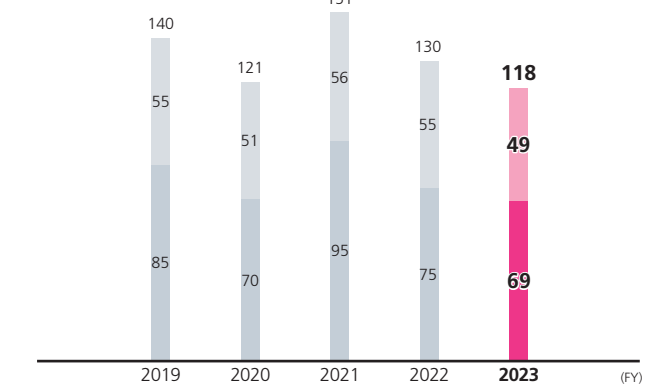


Having set an annual target of an 80% usage rate for paid leave in fiscal 2025, we are encouraging employees to take consecutive leave by combining annual paid leave with long holidays, summer holidays, and year-end/new-year holidays as we create more comfortable work environments.

### Number of agenda items in Board of Directors meetings<sup>\*1</sup>

**118** Change year on year -9.2% ▼

■ Resolutions ■ Reports



We are working to improve Board discussions by distributing Board of Directors' meeting materials early and providing better advance explanations to outside directors and outside statutory auditors, and by utilizing "Vector Meetings" in which all business units get on the same page by discussing their business strategies and other matters at an early stage.