

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

Company name: EXEO Group, Inc.
 Stock exchange listing: Tokyo
 Stock code: 1951 URL <https://www.exeo.co.jp/>
 Representative: President and CEO Tetsuya Funabashi
 Operating Officer
 General Manager of Accounts & Finance
 Inquiries: Division Shigeki Hayashi TEL 03-5778-1105
 Chief Financial Officer
 Scheduled date to file Quarterly Securities Report: February 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2022	417,326	5.6	15,265	(37.9)	18,970	(28.5)	10,782	(33.7)
Nine months ended December 31, 2021	395,310	13.6	24,589	30.8	26,534	31.3	16,258	29.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	99.05		99.02	
Nine months ended December 31, 2021	146.83		146.72	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	550,522	303,106	54.2	2,775.85
As of March 31, 2022	535,617	307,053	56.6	2,748.21

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	44.00	–	52.00	96.00
Year ending March 31, 2023	–	51.00	–		
Year ending March 31, 2023 (Forecast)				51.00	102.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	615,000	3.4	33,000	(22.1)	34,500	(23.7)	22,500	(19.0)	207.44

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2022	109,812,419 shares	As of March 31, 2022	116,812,419 shares
-------------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of December 31, 2022	2,414,325 shares	As of March 31, 2022	6,424,185 shares
-------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	108,853,831 shares	Nine months ended December 31, 2021	110,731,892 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	54,860	56,273
Notes receivable, accounts receivable from completed construction contracts and other	217,644	177,299
Securities	750	262
Costs on construction contracts in progress	46,194	74,916
Other	7,279	16,857
Allowance for doubtful accounts	(68)	(132)
Total current assets	326,660	325,476
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,884	40,564
Land	61,633	62,007
Other, net	25,382	30,732
Total property, plant and equipment	126,900	133,304
Intangible assets		
Goodwill	9,207	16,717
Other	4,538	7,411
Total intangible assets	13,745	24,128
Investments and other assets		
Other	68,929	68,235
Allowance for doubtful accounts	(618)	(623)
Total investments and other assets	68,311	67,612
Total non-current assets	208,957	225,045
Total assets	535,617	550,522

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	69,579	53,445
Short-term borrowings	30,756	37,808
Income taxes payable	10,706	1,852
Advances received on construction contracts in progress	9,404	15,360
Provisions	4,679	3,508
Other	32,636	26,703
Total current liabilities	157,764	138,678
Non-current liabilities		
Bonds payable	30,000	30,010
Long-term borrowings	18,006	53,962
Provisions	762	856
Retirement benefit liability	9,548	10,079
Other	12,483	13,828
Total non-current liabilities	70,800	108,737
Total liabilities	228,564	247,415
Net assets		
Shareholders' equity		
Share capital	6,888	6,888
Capital surplus	48,546	30,998
Retained earnings	244,892	244,829
Treasury shares	(13,063)	(5,041)
Total shareholders' equity	287,263	277,674
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,937	8,260
Foreign currency translation adjustment	(985)	3,447
Remeasurements of defined benefit plans	10,154	8,738
Total accumulated other comprehensive income	16,106	20,446
Share acquisition rights	185	163
Non-controlling interests	3,497	4,821
Total net assets	307,053	303,106
Total liabilities and net assets	535,617	550,522

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	395,310	417,326
Cost of sales	341,366	366,705
Gross profit	53,943	50,621
Selling, general and administrative expenses	29,353	35,355
Operating profit	24,589	15,265
Non-operating income		
Interest income	24	47
Dividend income	776	741
Foreign exchange gains	794	2,024
Other	1,301	1,985
Total non-operating income	2,896	4,798
Non-operating expenses		
Interest expenses	145	387
Other	806	705
Total non-operating expenses	951	1,093
Ordinary profit	26,534	18,970
Extraordinary income		
Gain on step acquisitions	–	481
Total extraordinary income	–	481
Profit before income taxes	26,534	19,451
Income taxes	9,788	8,226
Profit	16,745	11,225
Profit attributable to non-controlling interests	487	442
Profit attributable to owners of parent	16,258	10,782

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	16,745	11,225
Other comprehensive income		
Valuation difference on available-for-sale securities	872	1,323
Foreign currency translation adjustment	389	4,557
Remeasurements of defined benefit plans, net of tax	(445)	(1,415)
Total other comprehensive income	816	4,465
Comprehensive income	17,562	15,690
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,073	15,122
Comprehensive income attributable to non-controlling interests	488	568