

EXEO Group Corporate Profile

Jun. 2023



1. About Us

(1) Corporate Profile (As of March 31, 2023)

Established	May 17, 1954
Representatives	President and CEO: Tetsuya Funabashi
Paid-in capital	¥6,888 million
listed exchange	Listed on TSE Prime (Code: 1951) Trading unit: 100 shares
Stocks	Total number of issued shares 109,812,419 shares Number of shareholders 35,114
Consolidated net sales	¥627.6 billion
Rating	Japan Credit Rating Agency, Ltd. (JCR) A + (stable)
Number of employees	Consolidated total: 16,722
Head office	3-29-20 Shibuya, Shibuya-ku, Tokyo 150-0002, Japan
Number of business offices	Branch offices: 12 Sales offices: 23
Consolidated subsidiaries	135
Fiscal year-end	March 31

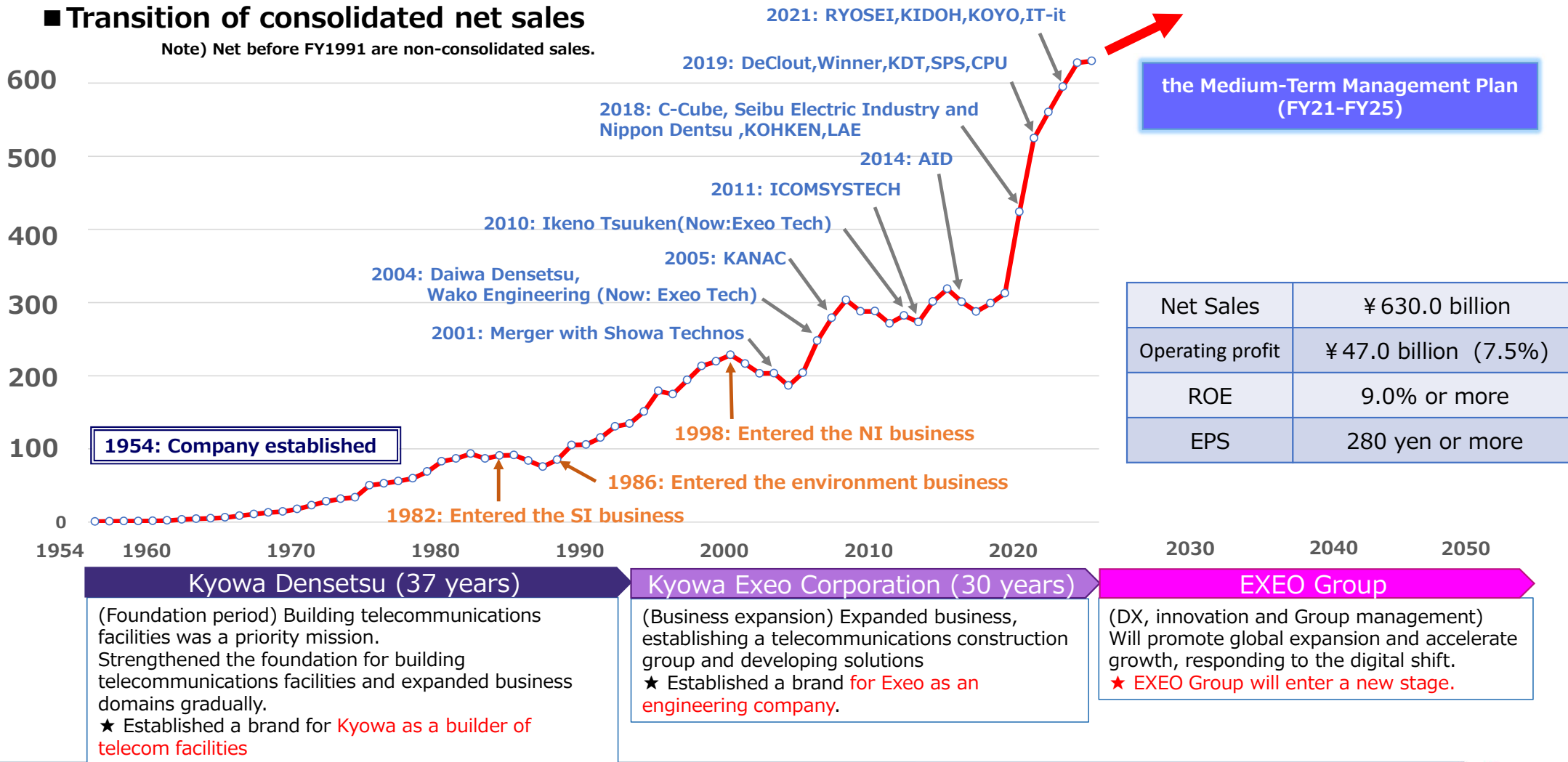
1. About Us

(2) Corporate History

(billion yen)

Transition of consolidated net sales

Note) Net before FY1991 are non-consolidated sales.



1. About Us

(3) Vision and Purpose

2030 Vision

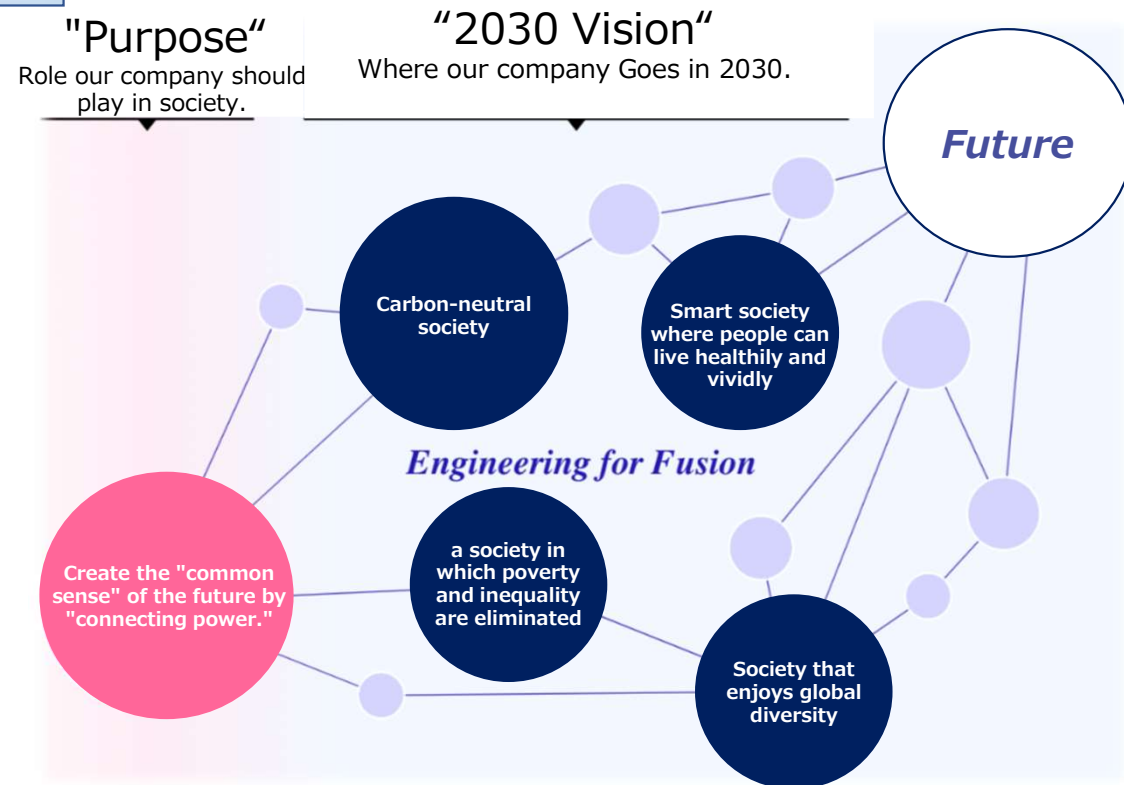
Engineering for Fusion
~Connecting our world – to all our tomorrows~

Group Purpose

Create the "common sense" of the future by "connecting power."

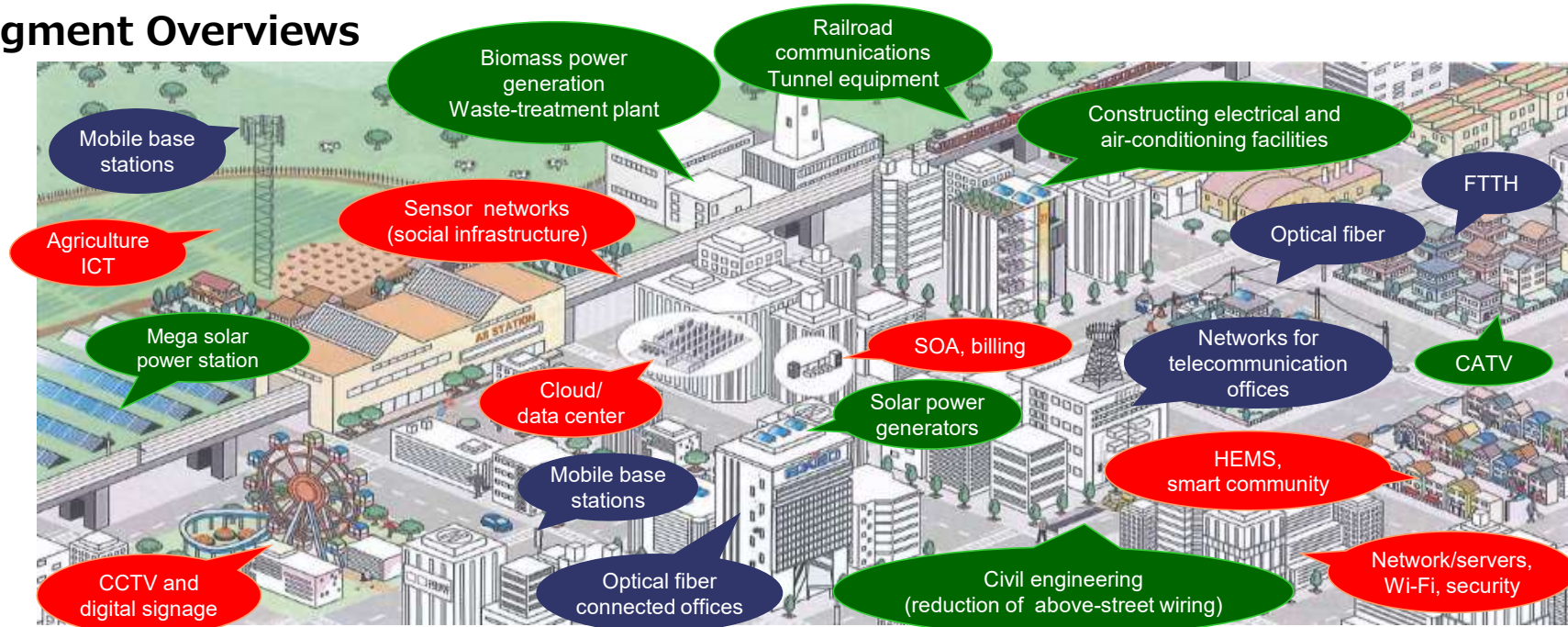
All people, regardless of region or generation, can use the infrastructure that supports their lives as a matter of course and pursue happiness freely. That is the rich world that the EXEO Group aims for.

Our company will continue to refine its technology and connect all aspects of knowledge, from hardware to digital, to create new "common sense" with its partners in a rapidly changing society.

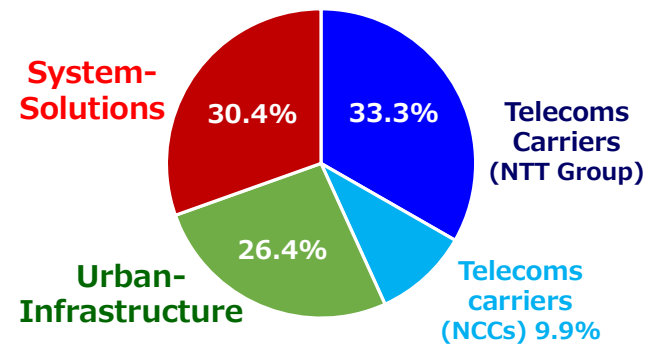


1. About Us

(4) Segment Overviews



Segment		Net Sales FY22 (¥ bn)
ENGINEERING -SOLUTIONS	Telecoms Carriers	208.8
	NTT Group	62.3
	NCCs	165.3
Urban Infrastructure		191.0
System-Solutions		627.6
Total		

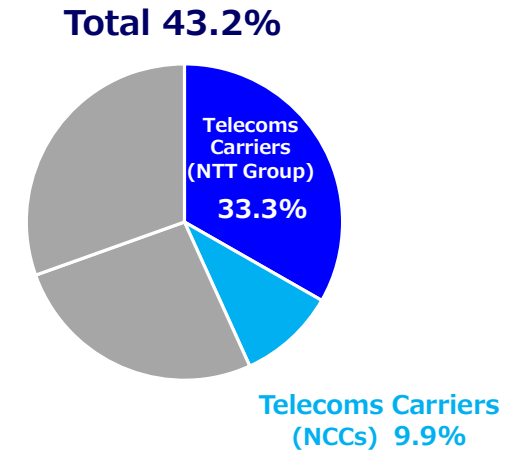
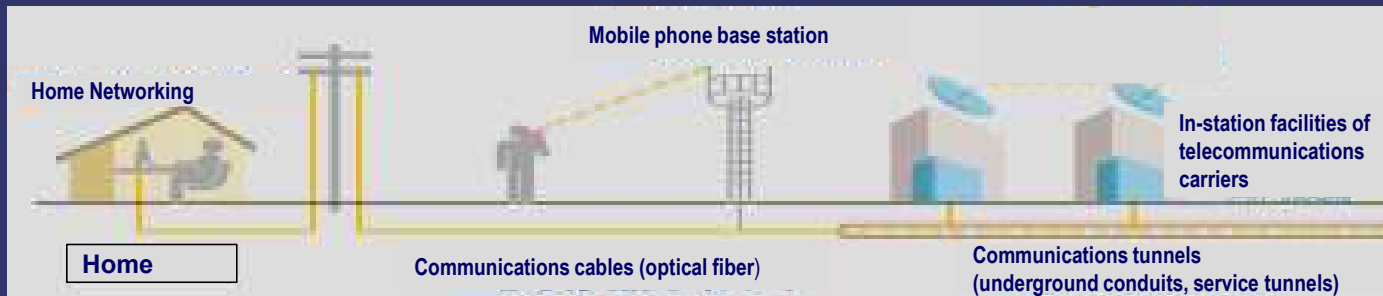


1. About Us

(4) Segment Overviews — Telecoms Carriers

◆ EXEO Group's core business, nurtured since the company was founded more than 60 years ago

- **NTT Group** We build and maintain telecommunications facilities for NTT Group companies.
- **NCCs** We design, construct, and maintain telecommunications facilities for KDDI, Softbank, Rakuten, and other customers.



1. About Us

(4) Segment Overviews — Urban Infrastructure

◆ Using the electrical and civil engineering skills developed in our telecommunications infrastructure business to build a more convenient society

- Urban civil engineering works involving to eliminate utility poles by laying electrical and to construct tunnel with non-cutting method
- Construction and maintenance of various telecommunications infrastructure facilities for municipalities, government agencies, CATV companies, railway companies and private companies
- Constructing electrical and air-conditioning facilities for office buildings, data centers, and apartments
- Renewable energy-related works such as solar power generation and biomass boilers
- Designing, constructing, operating, and maintaining water and waste-treatment plants



Eliminating utility poles by laying electrical



Tunnel construction with non-cutting method



Maintenance work on underground facilities



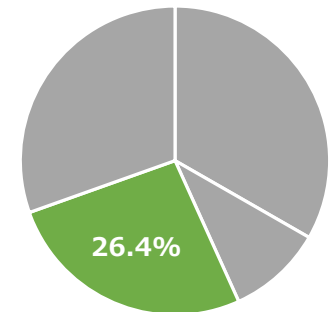
Constructing electrical in office building



Solar power generation facilities



Plant operation and maintenance services

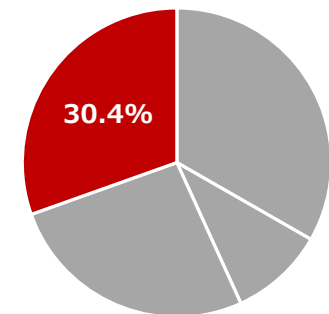


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(4) Segment Overviews – System Solutions

◆ Using information and communications technology to provide total solutions in the SI and NI fields

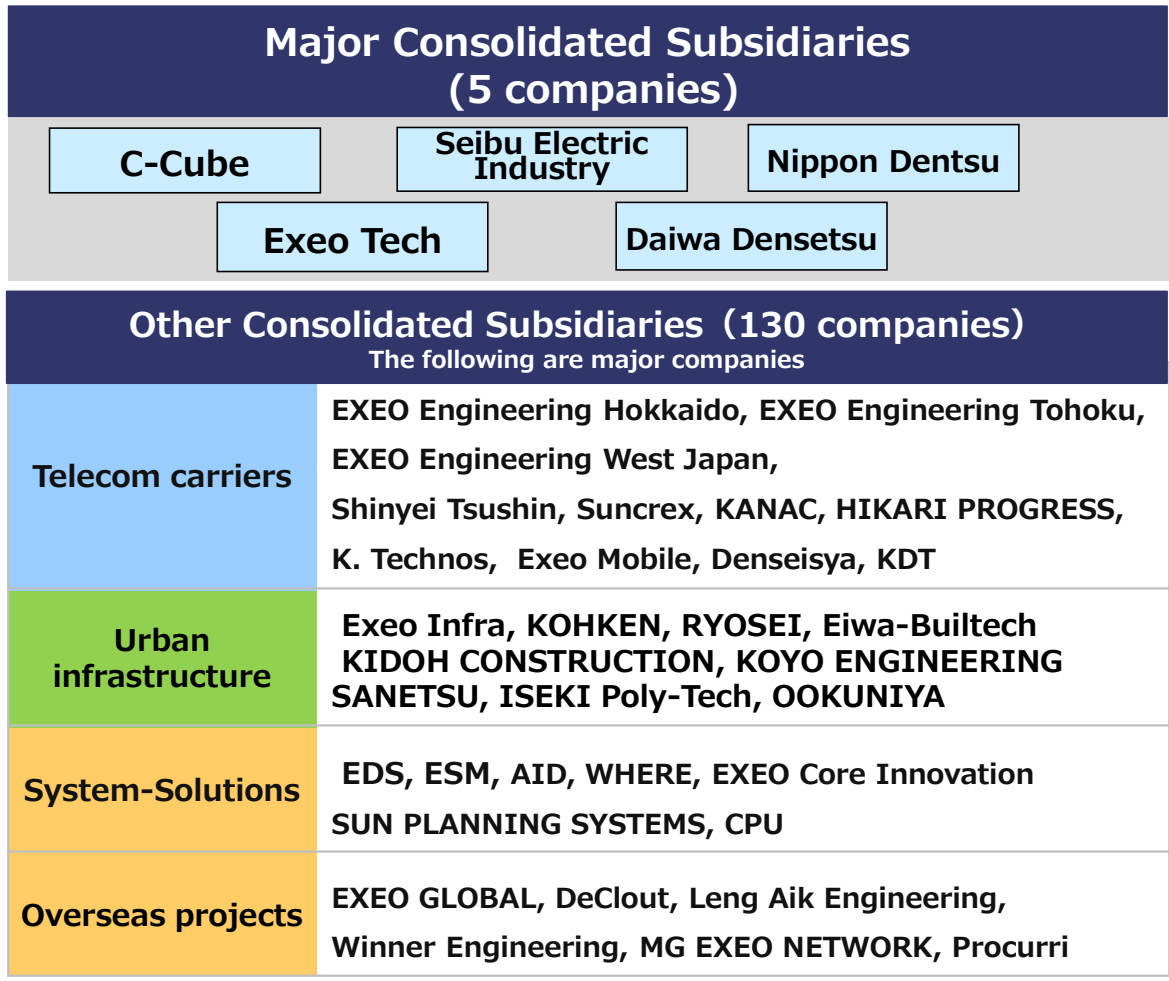
- System Integration (SI) Provision of large-scale entrusted development for the public sector, telecommunications, manufacturing, and the financial industry and provision of a solution to business process reform and operation support
- Network Integration (NI) Offering network solution services covering servers, wireless networks, security, cloud computing, imaging, EMS , and sensors
- Overseas projects Construction and maintenance of overseas telecommunications infrastructure, provision of network solutions services



1. About Us

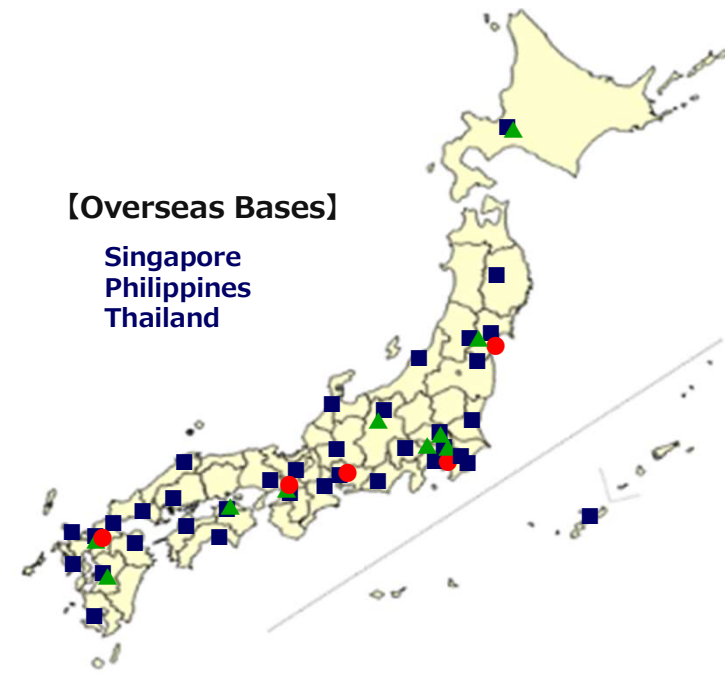
(5) Group Structure and Business Bases

■ Group Structure (as of March 31, 2023)



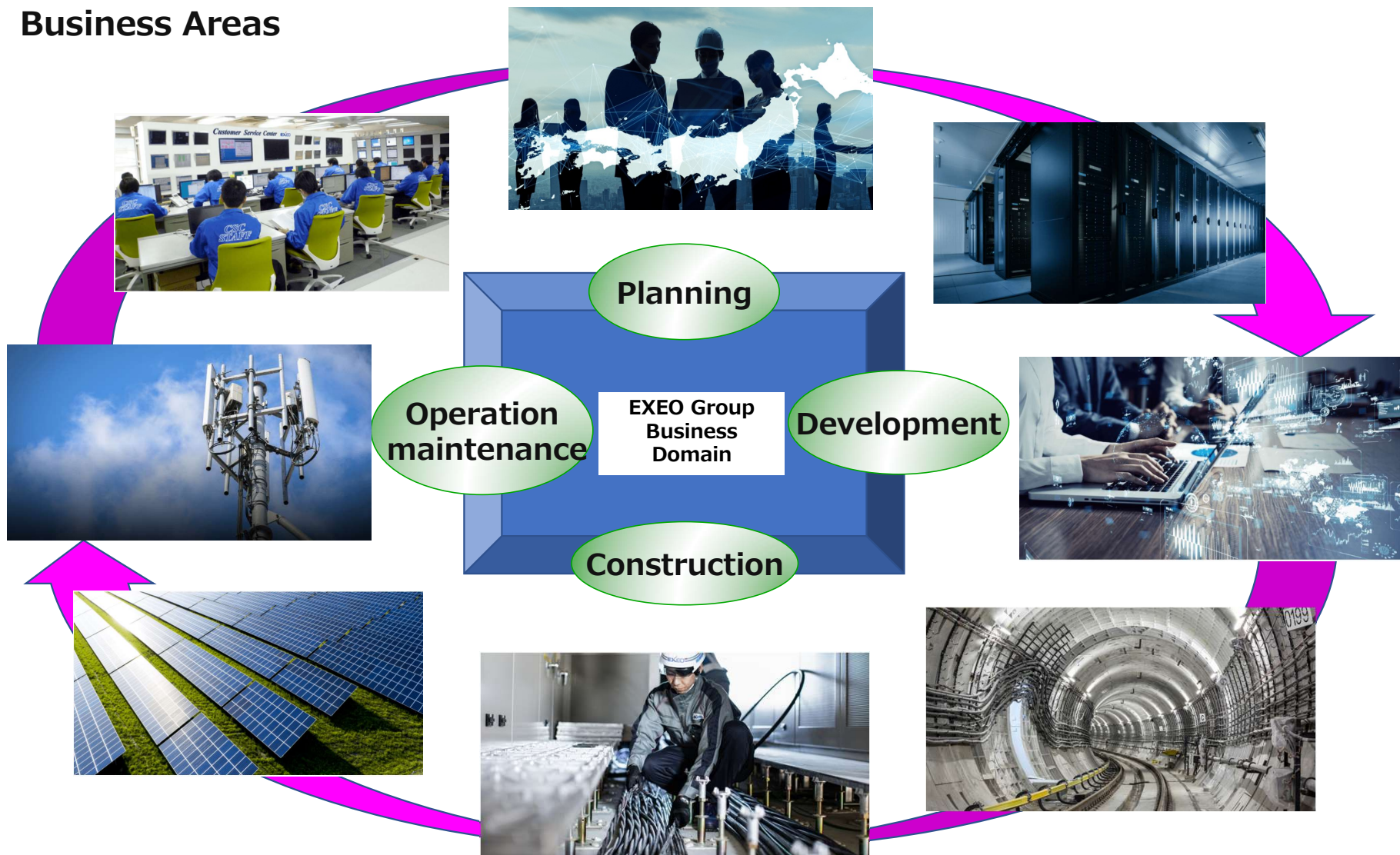
■ Business Bases

- Domestic bases
- Bases of Five Major Consolidated Subsidiaries
- ▲ Bases of Other Consolidated Subsidiaries



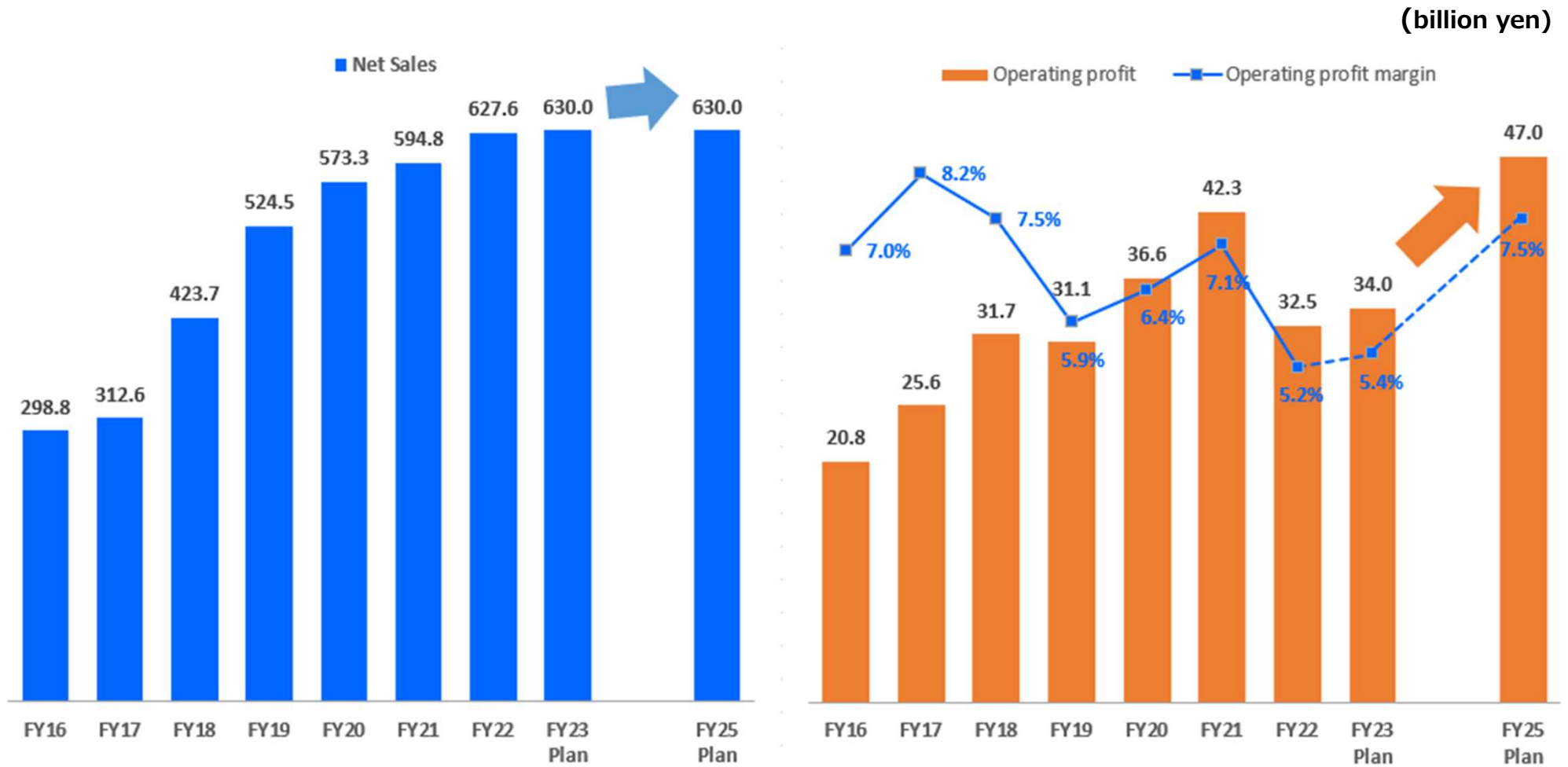
1. About Us

(7) Business Areas



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(8) Recent Performance Trends

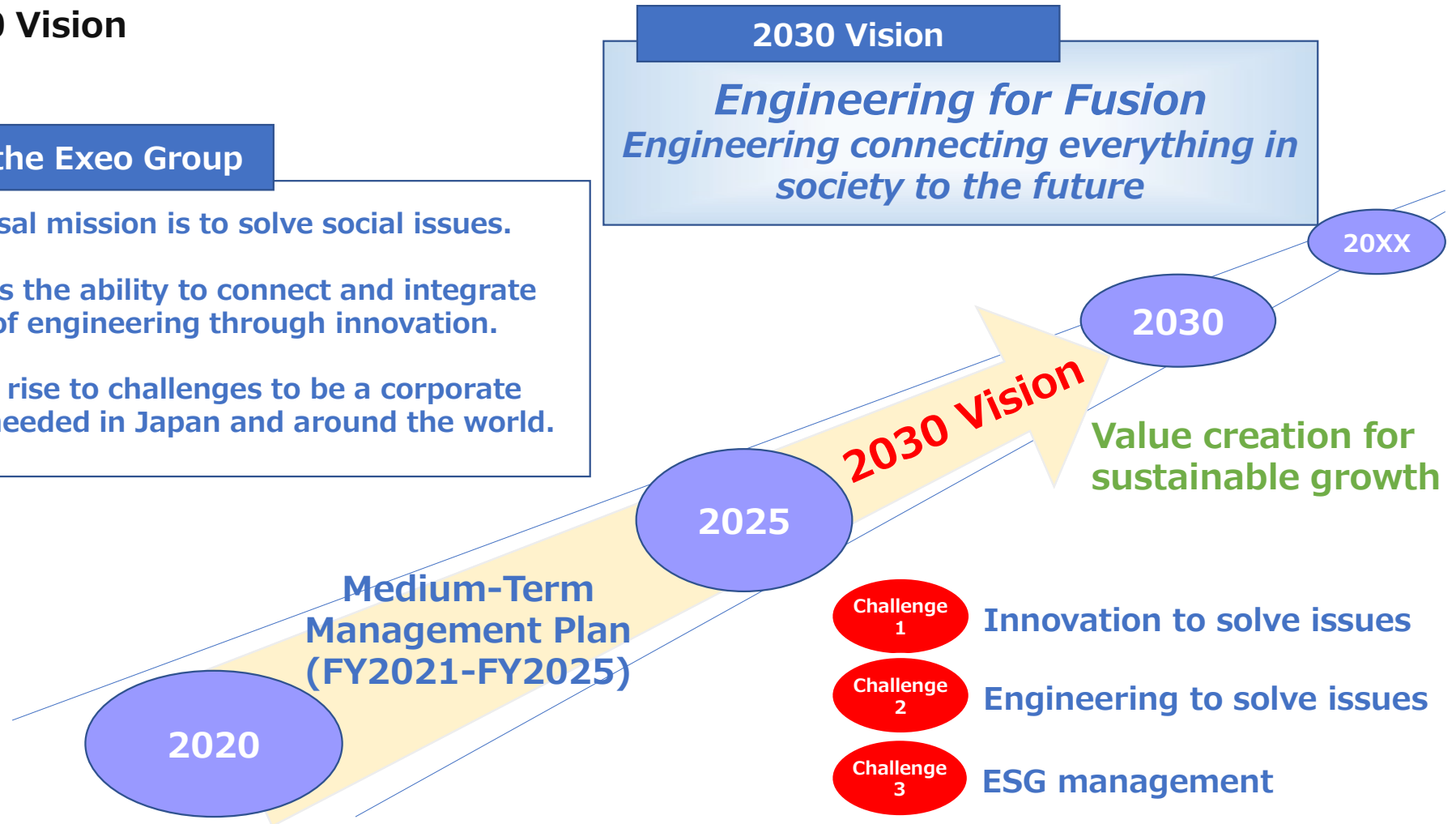


2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

(1) 2030 Vision

Vision of the Exeo Group

- Exeo's universal mission is to solve social issues.
- The Group has the ability to connect and integrate diverse types of engineering through innovation.
- Our goal is to rise to challenges to be a corporate group that is needed in Japan and around the world.



2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

(2) Into an Age of Revolutionary Change

Drastic social and economic change is occurring around the world. The entire world is facing the unprecedented crisis of the COVID-19 pandemic. At the same time, people's awareness of human rights issues, including diversity and race problems, has increased, and environmental issues have become a common challenge faced by all. In this environment, technological innovation has the power to radically change every business. While some businesses will decline, some new services will be able to quickly expand globally. Social awareness of the issues the world is facing is changing as the SDGs become widely known around the world.

◆ Social issues

Environmental destruction, depletion of resources

- Global warming and climate change due to CO₂ emissions
- The effects of microplastics on ecosystems
- The depletion of resources associated with economic growth

Aging infrastructure and natural threats

- Renovation of aging infrastructure
- Preparation for frequent natural disasters
- Response to the new normal created by the COVID-19 pandemic

Depopulation and hollowing-out due to a declining population

- Declining birthrate and aging population, evident decline of the working-age population
- Depopulation and aging in rural areas
- Hollowing-out and the decline of cities

◆ Changes in industry and society

Rapid technological innovation

- Development of information and communications technology, including the change from 5G to 6G
- Changes in everyday life due to AI and robotics
- Signs of a new society due to DX (Society 5.0)

Change from goods to experiential services

- Change of services from ownership to use, such as XaaS
- Providing added value through digital services
- Changing the business model to create new businesses

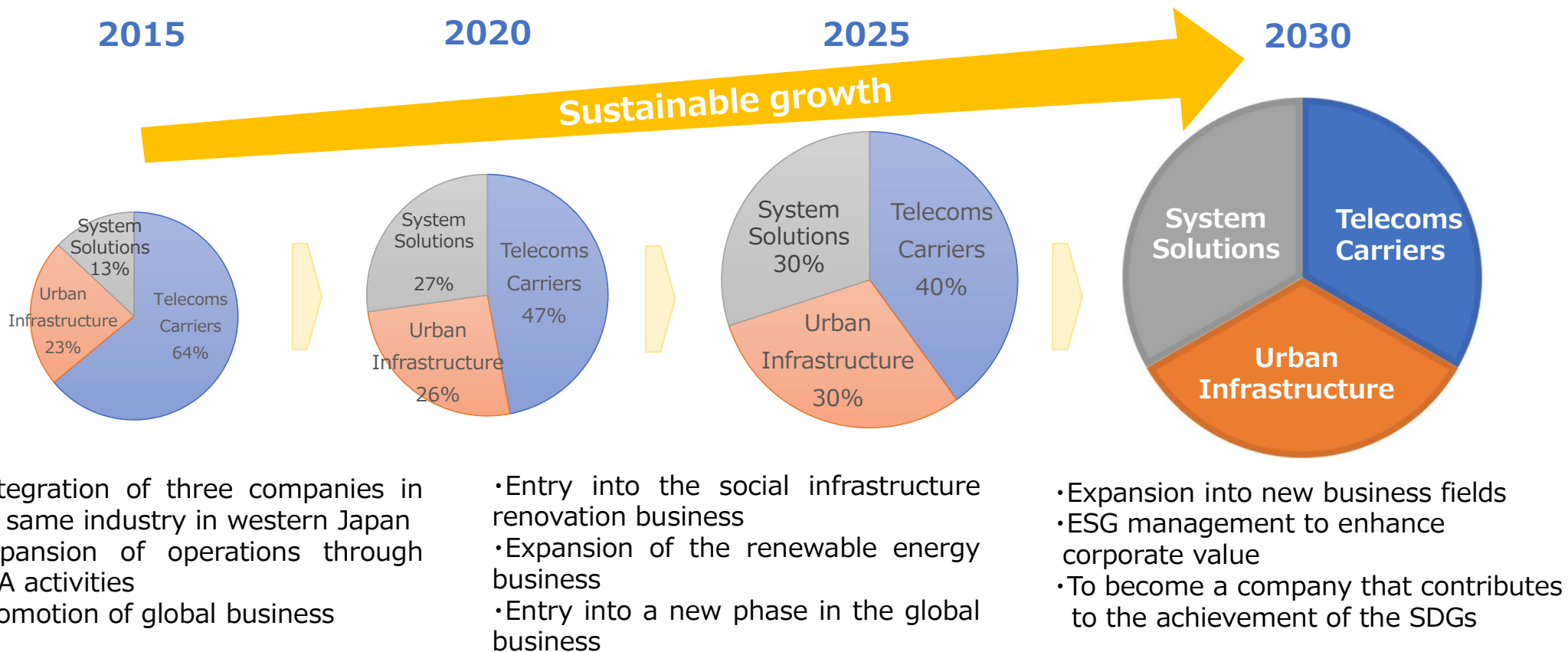
Changes in social awareness

- Increasing awareness of human rights, including LGBTQ rights
- Progress in diversity and inclusion
- SDGs and ESG as essential indicators

2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

(3) Target Business Portfolio in 2030

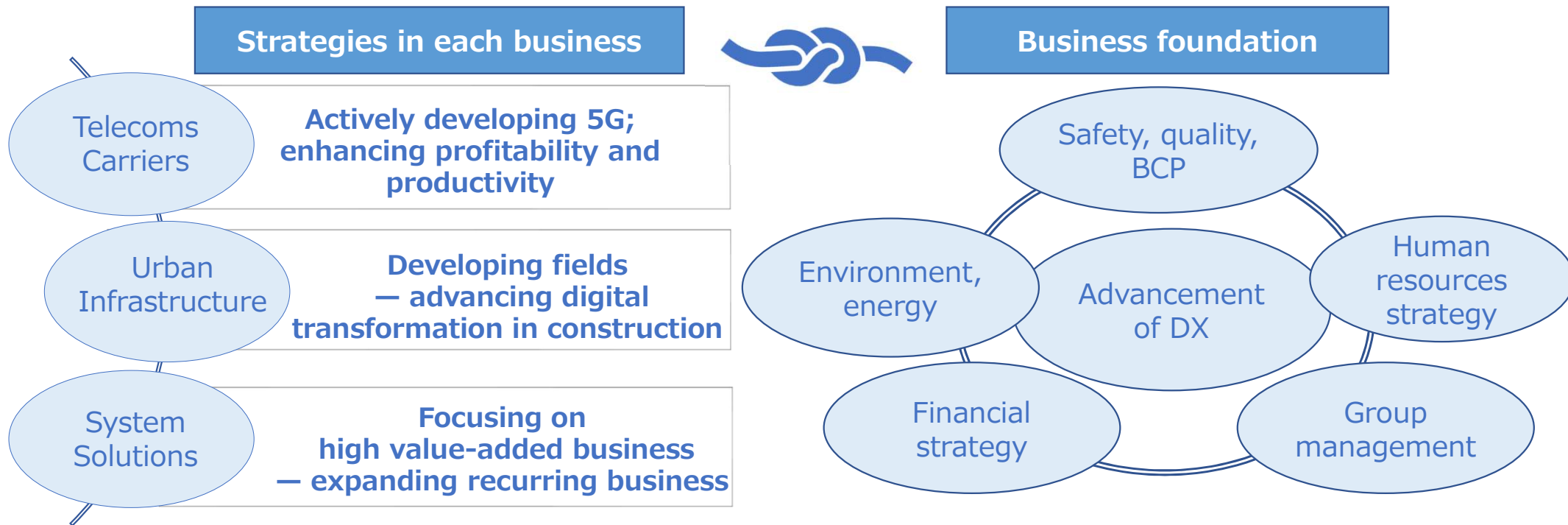
To build a robust management foundation that is less affected by the economy and social conditions, Exeo will expand Urban Infrastructure and System-Solutions to make sales in each of its segment almost equal in FY2030.



2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

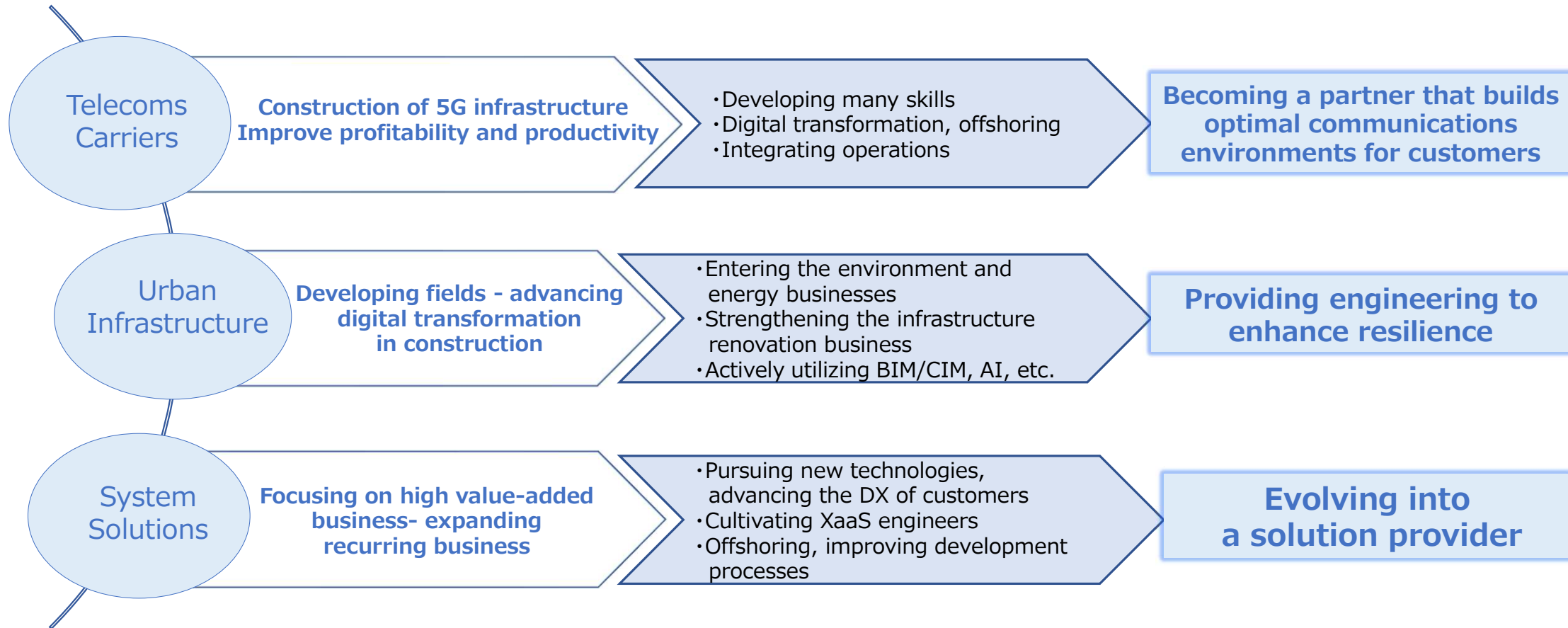
(4) Targets in the Medium-Term Management Plan

<p style="text-align: center;">FY2025 Results targets</p>	<ul style="list-style-type: none"> • Net sales: ¥630.0 billion • Operating profit: ¥47.0 billion (7.5%) • ROE: 9.0% or more • EPS: ¥280 or more
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2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

(5) Strategies in Each Segment



2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

(6) Status of Initiatives (Urban Infrastructure : Energy)

Aim to further expand new energy businesses (renewable energy, smart energy) that have increased social significance. (solar power, offshore wind power, biomass gasification power generation, etc.)

■ Initiatives for a farming type photovoltaic power plant

Plans to construct a renewable energy demonstration facility, "ReENE Solar Farm Higashimatsuyama", in Higashimatsuyama City, Saitama Prefecture, with TOKYU LAND CORPORATION, focusing on solar sharing (a farming type photovoltaic power plant)

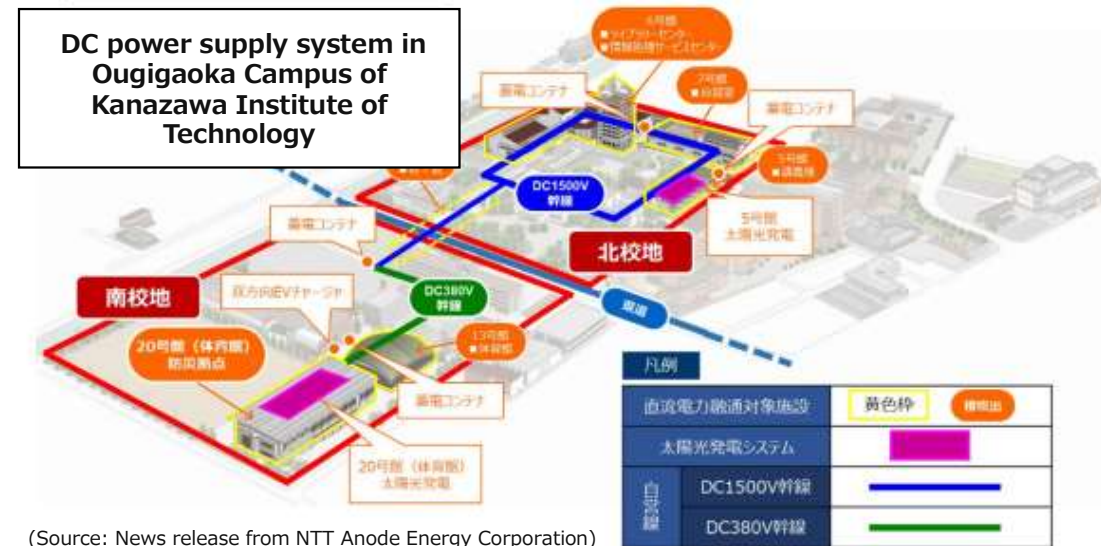


Image of farming in the lower part of the power plant

Finished drawing

■ Construction of DC power supply facilities

NTT Anode Energy Corporation and Kanazawa Institute of Technology installed solar power generation facilities and storage batteries on the campus. The generated electricity is supplied to each facility as DC.



(Source: News release from NTT Anode Energy Corporation)

2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

(6) Status of Initiatives (Urban Infrastructure : Civil Engineering)

We will strengthen our shield and propulsion technologies and take on even more difficult construction projects.

Efforts to develop new construction methods

MARINE SHUTTLE method

≪ 海底ケーブル陸揚げ部を鋼管Φ600mm～延長200m程度まで施工可能 ≫

泥水式推進工法により小口径管での長距離水中到達を実現

特許出願中 NO-DIG AWARD 2016 受賞

マリンシャトル手順

1. 推進立坑から海中の到達位置まで推進
2. 掘進機一次戻し(カッタヘッドを縮径)
3. タイバーにより掘進機先端部に閉塞筒を設置
4. 掘進機を推進立坑までを引き戻す
5. 閉塞筒は、ケーブル引き込みまで設置
※ 鋼管内には海水等を入れない施工が可能。

マリンシャトル掘進機回収手順

カッタヘッド縮径(掘進機到達位置)

カッタヘッド縮径(掘進機一次戻し)

掘進機先端部閉塞筒設置

掘進機引き戻し回収

カッタヘッド縮径型・掘進機回収システム

A short distance landing jacking method jointly developed with ISEKI Poly-Tech, Inc. (Becoming our company Group Company in April 2022). Also exhibited at the 10 WIND EXPO.

Challenge of high difficulty construction

Construction of the First Chukyo Area Tunnel on the Chuo Shinkansen Line

工 事 名	中央新幹線第一中京圏トンネル新設(坂下東工区)
請 負 業 者	中央新幹線第一中京圏トンネル新設(坂下東工区)工事共同企業体 (代表構成員 五洋建設株式会社) (構成員 エクシオグループ株式会社)
工 事 場 所	愛知県春日井市坂下町から神尾町の間
工 事 区 分	土木(設計・施工一括)
工 事 概 要	シールドトンネル工事
契 約 締 結 日	2021年11月8日
工 期	契約締結の翌日から2026年12月25日まで

(Source : HP of JR Central)

以上

This is a highly difficult construction project to excavate approximately 2.2 km underground with a maximum of 60 m of earth covering. Striving to achieve the highest level of shield tunneling.

2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)










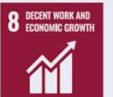






(6) Status of Initiatives (System Solution)

Two strategic companies (EXEO Digital Solutions, Inc., EXEO System Management, Inc.) were established in April to lead the system solution business. To realize customer DX, we provide comprehensive support from consulting proposal to development, construction, and maintenance and operation in a full-layer manner.



2. 2030 Vision, the Medium-Term Management Plan (FY2021-FY2025)

(7) ESG Goals

	Challenges to address	KPI	Targets to FY2025	Related SDGs
Environment	Shift to renewable energy	Purchase of electricity from renewable energy sources (Target: Company-managed sites)	100%	
	Initiatives toward decarbonization, reduction of CO ₂ emissions	Rate of adoption of EVs and other low-emission vehicles	100%	  
		CO ₂ emissions Scope1·2	42% reduction from FY2020 level	  
		CO ₂ emissions Scope3	25% reduction from FY2020 level	
	Contribution to a resource recycling-oriented society	Final disposal rate of industrial waste	50% reduction from FY2020 level	
Use of environmentally friendly green products	Green product use rate	65%		
Social	Ensuring safety and quality in business	Serious bodily injury and serious equipment accidents	Aim for zero	  
	Promotion of Diversity & Inclusion	Number of women in management positions	1.5 times compared to FY2020	  
		Number of female employees	25% increase over FY2020	
		Percentage of male employees taking childcare leave	20%	
Driving work style reforms	Percentage of paid leave used	80%		
Governance	Achieving transparent management	Ensure diversity in the Board of directors and board of statutory auditors	—	  
	Ensuring strict compliance	Serious violations of laws and regulations	Aim for zero	
	Ensuring thorough risk management	Serious information security incidents	Aim for zero	
			Rate of risk assessment implementation for cares involving significant business risks	100%

3. Other topics

(1) Practicing ESG Management (Environment)

Accelerate efforts to combat climate change to contribute to the realization of the SDGs.

■ Endorsing the TCFD Recommendations and Joining the TCFD Consortium.

⇒ Promote disclosure of non-financial information.



■ Established the “Sustainability Promotion Office” and “Sustainability Committee”.

■ Calculation of greenhouse gas emissions for the entire Group and establishment of reduction targets

⇒ Scope 1 and 2 aim to be carbon neutral by 2050.

Classification	Contents	Emissions(t-CO ²) ※ 1	Reduction targets for FY 2030※ 2
Scope 1	Direct emissions of greenhouse gases by businesses	60,400	▲42% Carbon neutral in fiscal 2050
Scope 2	Indirect emissions associated with the use of electricity, heat, and steam supplied by other companies	26,183	
Scope 3	Indirect emissions from the supply chain (emissions from other companies related to business activities)	1,728,553	▲25%

※1 : Emissions in FY 2020 ※ 2 : Compared to fiscal 2020

3. Other topics

(2) Practicing ESG Management (External Evaluation)

Continue various other initiatives and earn external recognition

■ Approved as a stock in MSCI Japan ESG Select Leaders Index

2022 CONSTITUENT MSCIジャパン
ESGセレクト・リーダーズ指数

MSCI selects companies with excellent ESG evaluation from the top 700 stocks in Japan.

■ Received the “Best Workplace for Diversity&Inclusion” , the highest evaluation in “D&I Award 2022”.

Certification based on the Diversity Score; an index developed by Job rainbow that visualizes the promotion of corporate diversity.



■ Received silver certification for “PRIDE Index 2022”.

An evaluation index for LGBTQ and other sexual minorities in the workplace developed by “work with Pride”, a voluntary organization.



■ Recognized as a “B” by CDP for excellence in climate action and information disclosure

CDP, a London-based non-governmental organization (NGO) that works internationally to disclose environmental assessments, rates companies on a scale of one to eight.

The “B” rating is the third highest rating.



3. Other topics

(1) Human Resource Development Initiatives

- Employees Win Gold Medal at the National Skills Competition Japan

At the International Skills Competition (10/15 to 19: Kyoto City), Ebihara's employees won their sixth gold medal in our company's career!

The 46 International Skills Competition
In Kyoto, in October 2022



Our company employees' international competition results

	Venue	Contestant	Results
The 38 2005	Helsinki, Finland	Daisuke Kominato	Gold medal
The 39 2007	Shizuoka, Japan	Yuki Yamaguchi	Gold medal
The 40 2009	Calgary, Canada	Shigehiro Nose	Gold medal
The 41 2011	London, UK	Haruki Morino	Gold medal
The 44 2017	Abu Dhabi, United Arab Emirates	Yoshiaki Shimizu	Gold medal
The 46 2022	Kyoto, Japan	Toru Ebihara	Gold medal

Note: The International Skills Olympiad is the only world-class skills competition for young technicians in a wide range of jobs (in principle, 22 years old or younger (in some jobs, 25 years old or younger)). In this year's competition, 989 athletes participated in 61 jobs. The Information Network Construction Job, in which Ebihara employees participated, was an event in which they competed in speed competitions for optical fiber fusion connection and wiring construction tasks for building premises in a total of 8 hours of prescribed time over 2 days.

3. Other topics

(2) Shareholder returns

Beginning in FY23, the dividend policy has been changed to a 4.0% DOE basis, and the company plans to increase its dividend for 12 consecutive fiscal years (120 yen per year in FY23). Purchase of treasury stock continuously and flexibly.

■ Annual dividends

Consecutive dividend increases
for 12 fiscal years (planned)

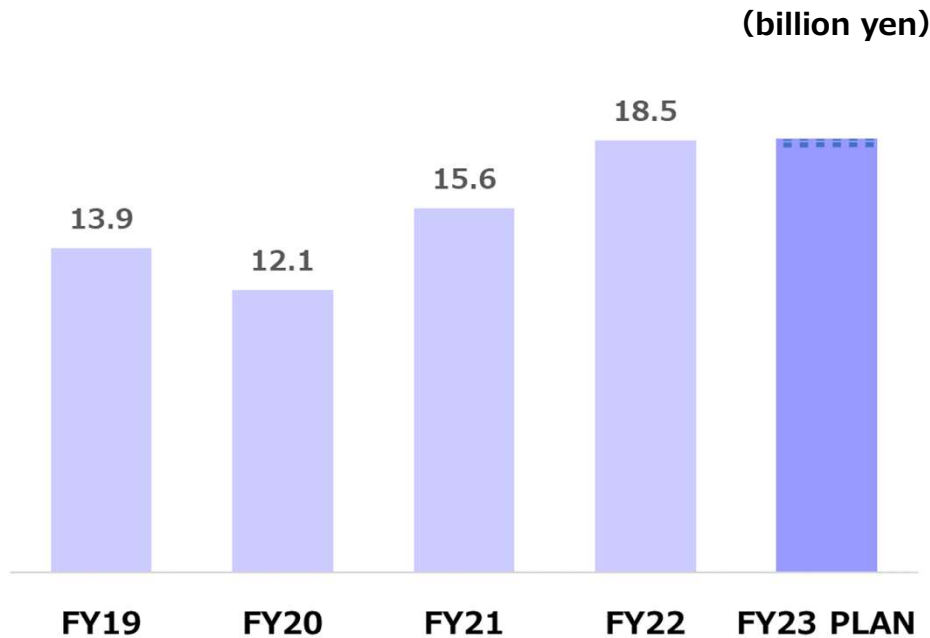


3. Other topics

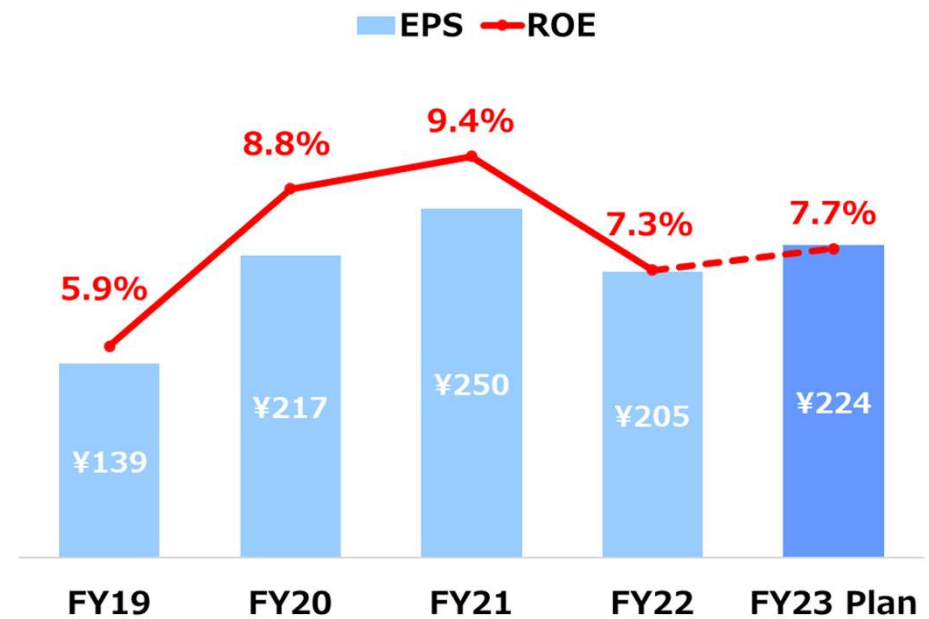
Enhance shareholder returns through continuous dividend increases and ongoing share buybacks.

Continue to operate the business with an awareness of capital efficiency to achieve the goals of the Medium-Term Management Plan.

■ Total Shareholder Return



■ ROE/EPS



Engineering for Fusion

Connecting our world - to all our tomorrows

