

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, 2023 (Based on Japanese GAAP)

February 9, 2024

Company name: EXEO Group, Inc.
 Stock exchange listing: Tokyo
 Stock code: 1951 URL <https://www.exeo.co.jp/>
 Representative: President and CEO Tetsuya Funabashi
 Director and Operating Officer
 General Manager of Accounts & Finance Shigeki Hayashi TEL 03-5778-1105
 Inquiries: Division
 Chief Financial Officer
 Scheduled date to file Quarterly Securities Report: February 9, 2024
 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, 2023 (from April 1, 2023 to December 31, 2023)

(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, 2023	403,387	(3.3)	15,129	(0.9)	18,993	0.1	10,992	1.9
Nine months ended December 31, 2022	417,326	5.6	15,265	(37.9)	18,970	(28.5)	10,782	(33.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	103.66		103.62	
Nine months ended December 31, 2022	99.05		99.02	

(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, 2023	570,920	310,703	53.4	2,893.81
As of March 31, 2023	577,941	307,941	52.5	2,832.22

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, 2023	–	51.00	–	51.00	102.00
Year ending March 31, 2024	–	60.00	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	60.00	120.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	610,000	(2.8)	30,000	(7.8)	33,400	(1.1)	23,600	6.1	223.87

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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: No
- 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, 2023	106,812,419 shares	As of March 31, 2023	109,812,419 shares
-------------------------	--------------------	----------------------	--------------------

Number of treasury shares at the end of the period

As of December 31, 2023	1,525,081 shares	As of March 31, 2023	2,759,091 shares
-------------------------	------------------	----------------------	------------------

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

Nine months ended December 31, 2023	106,037,676 shares	Nine months ended December 31, 2022	108,853,831 shares
-------------------------------------	--------------------	-------------------------------------	--------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	51,453	58,013
Notes receivable, accounts receivable from completed construction contracts and other	232,567	171,987
Securities	263	45
Costs on construction contracts in progress	53,877	82,092
Other	15,645	15,292
Allowance for doubtful accounts	(83)	(79)
Total current assets	353,723	327,350
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,750	46,981
Land	62,701	63,189
Other, net	33,182	36,145
Total property, plant and equipment	135,635	146,317
Intangible assets		
Goodwill	15,112	14,842
Other	7,995	8,422
Total intangible assets	23,108	23,264
Investments and other assets		
Other	66,104	74,622
Allowance for doubtful accounts	(630)	(634)
Total investments and other assets	65,473	73,988
Total non-current assets	224,217	243,570
Total assets	577,941	570,920

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	75,033	49,457
Short-term borrowings	28,748	32,890
Current portion of bonds payable	–	10,000
Income taxes payable	4,531	2,642
Advances received on construction contracts in progress	12,692	22,167
Provisions	4,647	3,366
Other	33,444	31,846
Total current liabilities	159,097	152,372
Non-current liabilities		
Bonds payable	30,000	20,000
Long-term borrowings	53,632	55,993
Provisions	778	737
Retirement benefit liability	10,083	10,569
Other	16,407	20,544
Total non-current liabilities	110,901	107,845
Total liabilities	269,999	260,217
Net assets		
Shareholders' equity		
Share capital	6,888	6,888
Capital surplus	28,912	22,060
Retained earnings	256,303	255,486
Treasury shares	(5,848)	(3,855)
Total shareholders' equity	286,256	280,579
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,772	11,101
Foreign currency translation adjustment	1,490	4,246
Remeasurements of defined benefit plans	7,678	8,753
Total accumulated other comprehensive income	16,941	24,101
Share acquisition rights	162	147
Non-controlling interests	4,580	5,873
Total net assets	307,941	310,703
Total liabilities and net assets	577,941	570,920

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, 2022	Nine months ended December 31, 2023
Net sales	417,326	403,387
Cost of sales	366,705	347,538
Gross profit	50,621	55,848
Selling, general and administrative expenses	35,355	40,718
Operating profit	15,265	15,129
Non-operating income		
Interest income	47	166
Dividend income	741	737
Foreign exchange gains	2,024	2,624
Other	1,985	1,606
Total non-operating income	4,798	5,134
Non-operating expenses		
Interest expenses	387	584
Other	705	686
Total non-operating expenses	1,093	1,271
Ordinary profit	18,970	18,993
Extraordinary income		
Gain on step acquisitions	481	–
Total extraordinary income	481	–
Profit before income taxes	19,451	18,993
Income taxes	8,226	7,837
Profit	11,225	11,156
Profit attributable to non-controlling interests	442	164
Profit attributable to owners of parent	10,782	10,992

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	11,225	11,156
Other comprehensive income		
Valuation difference on available-for-sale securities	1,323	3,330
Foreign currency translation adjustment	4,557	2,874
Remeasurements of defined benefit plans, net of tax	(1,415)	1,075
Total other comprehensive income	4,465	7,280
Comprehensive income	15,690	18,436
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,122	18,152
Comprehensive income attributable to non-controlling interests	568	284