

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 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
 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: November 10, 2023
 Scheduled date to commence dividend payments: November 28, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 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	%
Six months ended September 30, 2023	265,174	(0.0)	9,212	7.7	12,450	7.9	7,341	11.1
Six months ended September 30, 2022	265,185	1.6	8,550	(49.8)	11,542	(35.7)	6,610	(40.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	69.07		69.05	
Six months ended September 30, 2022	60.48		60.46	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	548,724	312,092	55.8	2,892.59
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	630,000	0.4	34,000	4.4	34,900	3.3	23,600	6.1	223.87

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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 September 30, 2023	109,812,419 shares	As of March 31, 2023	109,812,419 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	3,969,671 shares	As of March 31, 2023	2,759,091 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	106,282,191 shares	Six months ended September 30, 2022	109,303,504 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	51,453	50,422
Notes receivable, accounts receivable from completed construction contracts and other	232,567	173,385
Securities	263	96
Costs on construction contracts in progress	53,877	72,631
Other	15,645	14,596
Allowance for doubtful accounts	(83)	(81)
Total current assets	353,723	311,050
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	39,750	38,968
Land	62,701	63,212
Other, net	33,182	42,940
Total property, plant and equipment	135,635	145,121
Intangible assets		
Goodwill	15,112	14,388
Other	7,995	8,156
Total intangible assets	23,108	22,544
Investments and other assets		
Other	66,104	70,916
Allowance for doubtful accounts	(630)	(909)
Total investments and other assets	65,473	70,007
Total non-current assets	224,217	237,673
Total assets	577,941	548,724

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes payable, accounts payable for construction contracts and other	75,033	52,474
Short-term borrowings	28,748	12,311
Income taxes payable	4,531	3,955
Advances received on construction contracts in progress	12,692	18,104
Provisions	4,647	4,388
Other	33,444	29,730
Total current liabilities	159,097	120,964
Non-current liabilities		
Bonds payable	30,000	30,000
Long-term borrowings	53,632	56,187
Provisions	778	717
Retirement benefit liability	10,083	10,417
Other	16,407	18,345
Total non-current liabilities	110,901	115,667
Total liabilities	269,999	236,632
Net assets		
Shareholders' equity		
Share capital	6,888	6,888
Capital surplus	28,912	29,046
Retained earnings	256,303	258,185
Treasury shares	(5,848)	(9,163)
Total shareholders' equity	286,256	284,957
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,772	10,227
Foreign currency translation adjustment	1,490	3,211
Remeasurements of defined benefit plans	7,678	7,763
Total accumulated other comprehensive income	16,941	21,202
Share acquisition rights	162	147
Non-controlling interests	4,580	5,784
Total net assets	307,941	312,092
Total liabilities and net assets	577,941	548,724

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	265,185	265,174
Cost of sales	233,473	228,914
Gross profit	31,712	36,260
Selling, general and administrative expenses	23,161	27,048
Operating profit	8,550	9,212
Non-operating income		
Interest income	27	118
Dividend income	448	425
Foreign exchange gains	2,101	2,585
Other	1,120	919
Total non-operating income	3,698	4,048
Non-operating expenses		
Interest expenses	223	361
Other	483	449
Total non-operating expenses	706	810
Ordinary profit	11,542	12,450
Extraordinary income		
Gain on step acquisitions	467	–
Total extraordinary income	467	–
Profit before income taxes	12,009	12,450
Income taxes	5,137	4,967
Profit	6,871	7,483
Profit attributable to non-controlling interests	260	141
Profit attributable to owners of parent	6,610	7,341

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	6,871	7,483
Other comprehensive income		
Valuation difference on available-for-sale securities	1,057	2,456
Foreign currency translation adjustment	2,890	1,803
Remeasurements of defined benefit plans, net of tax	(1,031)	85
Total other comprehensive income	2,916	4,344
Comprehensive income	9,787	11,827
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,435	11,601
Comprehensive income attributable to non-controlling interests	352	226