

# Results for the Six Months Ended September 30, 2019

November 12, 2019

**KYOWA EXEO CORPORATION**

# 1. Consolidated Figures

## (1) Overview

(¥bn)

	FY 2018		FY2019				
	Interim	Full year	Interim			Full year	
	A	B	Actual C	YOY C/A	Progress rate C/D	Plan D	YOY D/B
Orders received	174.7	424.3	285.1	163%	58%	495.0	117%
Net sales	132.8	423.7	212.3	160%	43%	495.0	117%
Gross profit	13.3% 17.7	13.8% 58.3	13.3% 28.1	159%	42%	13.4% 66.3	114%
SG&A expenses	6.9% 9.1	6.3% 26.6	8.2% 17.4	190%	51%	6.9% 34.3	129%
Operating income	6.4% 8.5	7.5% 31.7	5.1% 10.7	126%	34%	6.5% 32.0	101%
Ordinary income	6.7% 8.9	7.9% 33.4	5.0% 10.6	119%	32%	6.6% 32.8	98%
Net income attributable to owners of parent	4.4% 5.8	9.5% 40.2	3.0% 6.2	106%	29%	4.4% 21.8	54%

Notes: 1. All amounts less than ¥100m are disregarded.  
2. Figures in parentheses are ratio to net sales.

# 1. Consolidated Figures

## (2) Orders Received, Net Sales and Amount Carried Forward

(¥bn)

			FY 2018		FY 2019				
			Interim	Full year	Interim			Full year	
					Actual	YOY	Progress rate	Plan	YOY
			A	B	C	C/A	C/D	D	D/B
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	79.4	189.9	116.3	146%	55%	210.5	111%
		NCCs	16.3	39.0	23.3	143%	59%	39.5	101%
		Urban infrastructure	54.9	123.3	86.8	158%	66%	132.5	107%
		Sub-total	150.7	352.2	226.6	150%	59%	382.5	109%
	SYSTEM-SOLUTIONS		24.0	72.0	58.4	243%	52%	112.5	156%
	TOTAL		174.7	424.3	285.1	163%	58%	495.0	117%
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	72.2	203.6	95.0	132%	43%	221.0	109%
		NCCs	12.3	38.0	16.5	134%	42%	39.5	104%
		Urban infrastructure	28.6	108.6	49.8	174%	39%	128.0	118%
		Sub-total	113.2	350.2	161.4	143%	42%	388.5	111%
	SYSTEM-SOLUTIONS		19.6	73.4	50.9	259%	48%	106.5	145%
	TOTAL		132.8	423.7	212.3	160%	43%	495.0	117%
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	71.9	66.2	86.8	121%	—	—	—
		NCCs	18.4	20.2	26.8	145%	—	—	—
		Urban infrastructure	96.5	94.8	132.9	138%	—	—	—
		Sub-total	187.0	181.3	246.6	132%	—	—	—
	SYSTEM-SOLUTIONS		11.5	15.2	22.9	200%	—	—	—
	TOTAL		198.5	196.6	269.6	136%	—	—	—

Note: All amounts less than ¥100m are disregarded.

# 1. Consolidated Figures

## (3) Balance Figures

(¥bn)

		FY 2018				FY 2019		
		Interim		Year-end		Interim		B-A
				A		B		
Current assets		128.8	52.5%	241.7	58.0%	214.7	54.6%	-26.9
Fixed assets		116.4	47.5%	174.7	42.0%	178.7	45.4%	4.0
Total assets		245.2	100.0%	416.4	100.0%	393.5	100.0%	-22.9
Liabilities	Current	45.1	18.4%	114.4	27.5%	89.8	22.8%	-24.5
	Long-term	22.2	9.1%	34.2	8.2%	38.8	9.9%	4.6
Total liabilities		67.3	27.5%	148.6	35.7%	128.6	32.7%	-19.9
Shareholder's equity		177.4	72.4%	263.8	63.4%	261.4	66.4%	-2.4
Minority interests and stock acquisition rights		0.4	0.2%	3.9	0.9%	3.4	0.9%	-0.4
Total liabilities and net assets		245.2	100.0%	416.4	100.0%	393.5	100.0%	-22.9

Note: All amounts less than ¥100m are disregarded.

# 1. Consolidated Figures

## (4) Cash Flows

(¥bn)

	FY 2016	FY 2017	FY 2018		FY 2019 Interim
			Interim	Full year	
Net cash provided by (used in) operating activities	15.5	24.8	15.6	12.7	11.4
Net cash provided by (used in) investing activities	-6.0	-4.5	-9.5	-17.6	-5.2
Net cash provided by (used in) financial activities	-10.2	-5.1	-5.3	-4.9	-5.2
Free cash flow (Note 2)	9.4	20.2	6.1	-4.8	6.1
Net increase (decrease) in cash and cash equivalents ,etc	0.0	0.0	0.0	21.0	0.0
Cash and cash equivalents at end of period	15.2	30.3	31.1	41.4	42.4

Notes 1. All amounts less than ¥100m are disregarded.

2. Free cash flow = Net cash provided by (used in) operating activities + Net cash provided by (used in) investing activities

## (5) Interest-bearing Debt

(¥bn)

	FY 2016	FY 2017	FY 2018		FY 2019 Interim
			Interim	Full year	
Short-term	1.0	1.1	1.9	13.2	11.8
Long-term	11.8	10.2	10.3	4.7	20.8
Total	12.8	11.4	12.3	18.0	32.6

Note: 1. All amounts less than ¥100m are disregarded.

2. Including Lease Liabilities.

# 1. Consolidated Figures

## (6) Capital Expenditures

(¥bn)

	FY 2016	FY 2017	FY 2018		FY 2019
			Interim	Full year	Interim
Tangible fixed assets	5.1	3.2	0.6	2.8	7.8
Intangible fixed assets	2.0	1.0	0.3	1.1	0.6
Total	7.1	4.2	0.9	3.9	8.4

Note: All amounts less than ¥100m are disregarded.

## (7) Depreciation and Amortization

(¥bn)

	FY 2016	FY 2017	FY 2018		FY 2019
			Interim	Full year	Interim
Depreciation and amortization	3.2	3.2	1.7	4.7	3.0

Note: All amounts less than ¥100m are disregarded.

## 2. Non-consolidated Figures

### (1) Overview

(¥bn)

	FY 2018		FY 2019				
	Interim	Full year	Interim			Full year	
			Actual	YOY	Progress rate	Plan	YOY
	A	B	C	C/A	C/D	D	D/B
Orders received	143.3	287.2	158.6	111%	59%	270.0	94%
Net sales	108.6	279.0	110.8	102%	41%	273.0	98%
Gross profit	10.2% 11.0	11.3% 31.6	11.0% 12.1	110%	42%	10.7% 29.2	92%
SG&A expenses	5.7% 6.1	4.8% 13.4	6.3% 7.0	113%	48%	5.4% 14.7	109%
Operating income	4.5% 4.8	6.5% 18.1	4.6% 5.1	105%	35%	5.3% 14.5	80%
Ordinary income	11.6% 12.5	9.4% 26.3	8.0% 8.8	70%	47%	6.8% 18.7	71%
Net income	10.1% 10.9	7.1% 19.8	6.4% 7.1	65%	52%	5.1% 13.8	69%

Notes: 1. All amounts less than ¥100m are disregarded.

2. Figures in parentheses are ratio to net sales.

## 2. Non-consolidated Figures

### (2) Orders Received, Net Sales and Amount Carried Forward

(¥bn)

				FY 2018		FY 2019				
				Interim	Full year	Interim			Full year	
						Actual	YOY	Progress rate	Plan	YOY
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	36.0	73.7	38.0	106%	57%	66.5	90%
			Network engineering	10.5	23.1	10.4	98%	50%	21.0	91%
			Mobile engineering	20.5	40.4	24.5	119%	59%	41.5	103%
			Sub-total	67.2	137.2	73.0	109%	57%	129.0	94%
		NCCs		15.8	32.0	9.4	59%	37%	25.5	79%
		Urban infrastructure		46.7	90.1	59.9	128%	75%	79.5	88%
		Sub-total		129.7	259.4	142.4	110%	61%	234.0	90%
		SYSTEM-SOLUTIONS		13.5	27.7	16.2	119%	45%	36.0	130%
		TOTAL		143.3	287.2	158.6	111%	59%	270.0	94%
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	34.5	76.2	32.6	94%	48%	68.5	90%
			Network engineering	7.3	21.0	7.2	98%	33%	22.0	105%
			Mobile engineering	20.4	48.9	17.9	88%	37%	48.0	98%
			Sub-total	62.3	146.1	57.8	93%	42%	138.5	95%
		NCCs		11.9	30.3	9.9	84%	38%	26.0	86%
		Urban infrastructure		23.6	75.9	29.4	125%	38%	77.5	102%
		Sub-total		97.9	252.4	97.3	99%	40%	242.0	96%
		SYSTEM-SOLUTIONS		10.7	26.6	13.4	125%	43%	31.0	117%
		TOTAL		108.6	279.0	110.8	102%	41%	273.0	98%
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	19.2	15.1	20.6	107%	—	—	—
			Network engineering	11.1	10.0	13.1	118%	—	—	—
			Mobile engineering	34.1	25.4	32.0	94%	—	—	—
			Sub-total	64.5	50.6	65.8	102%	—	—	—
		NCCs		18.0	15.7	15.2	84%	—	—	—
		Urban infrastructure		86.8	78.0	108.5	125%	—	—	—
		Sub-total		169.3	144.4	189.6	112%	—	—	—
		SYSTEM-SOLUTIONS		7.7	6.0	8.7	113%	—	—	—
		TOTAL		177.0	150.5	198.3	112%	—	—	—

Note: All amounts less than ¥100m are disregarded.



### 3. Business Overview of Main Subsidiaries

#### Business Overview of Main Subsidiaries – ①

(¥bn)

	EXEO TECH			Daiwa Densetsu Group		
	FY 2018	FY 2019		FY 2018	FY 2019	
	2st quarter	2st quarter	YOY	2st quarter	2st quarter	YOY
Orders received	13.2	19.5	147%	12.1	8.8	115%
Net sales	9.6	12.3	128%	9.7	7.4	128%
Gross profit	7.4% 0.71	9.1% 1.12	157%	6.9% 0.67	12.0% 0.89	168%
SG&A expenses	5.6% 0.54	5.5% 0.67	125%	4.3% 0.42	6.5% 0.48	131%
Operating income	1.8% 0.17	3.6% 0.44	257%	2.6% 0.25	5.5% 0.40	254%
Ordinary income	2.1% 0.20	3.8% 0.47	234%	2.8% 0.27	5.6% 0.41	230%
Net income	1.7% 0.15	2.2% 0.27	170%	1.9% 0.18	3.7% 0.27	226%

Notes: 1. Figures below 100 million yen (or below 10 million yen in some cases) are disregarded.

2. Figures in parentheses are ratio to net sales.

3. Figures for the 2st quarter of fiscal 18 for the Daiwa Densetsu Kogyo Group are simple totals for the same group.

### 3. Business Overview of Main Subsidiaries

#### Business Overview of Main Subsidiaries – ②

- Transactions with other groups in the consolidated group are not offset.
- The Company conducted a management integration with three major subsidiaries in western Japan on October 1, 2018, but operating results are stated including those before the management integration for the purpose of a year-on-year comparison of the operating results of each company.

(¥bn)

	FY 2018				FY 2019				
	C-CUBE Group	Seibu Electric Industry Group	NIPPON DENTSU Group	Simple addition value	C-CUBE Group	Seibu Electric Industry Group	NIPPON DENTSU Group	TOTAL	YOY
				A				B	B/A
Orders received	30.8	29.3	16.3	76.4	34.4	32.6	20.5	87.6	115%
Net sales	28.8	22.9	15.4	67.2	31.8	23.6	17.4	72.9	109%
Gross profit	11.5% 3.31	7.3% 1.67	15.2% 2.34	10.9% 7.33	12.6% 4.01	7.0% 1.66	13.9% 2.43	11.1% 8.11	111%
SG&A expenses	7.7% 2.21	5.7% 1.31	11.5% 1.78	7.9% 5.31	6.9% 2.18	5.8% 1.37	9.5% 1.66	7.2% 5.22	98%
Operating income	3.8% 1.10	1.6% 0.36	3.6% 0.56	3.0% 2.02	5.7% 1.82	1.2% 0.28	4.4% 0.77	4.0% 2.88	142%
Ordinary income	4.2% 1.22	2.3% 0.51	4.3% 0.65	3.6% 2.40	6.1% 1.95	2.1% 0.48	5.0% 0.86	4.5% 3.30	138%
Net income	2.4% 0.68	1.2% 0.27	2.8% 0.42	2.1% 1.39	3.7% 1.17	1.1% 0.25	3.3% 0.57	2.7% 2.00	144%

Notes: 1. Figures below 100 million yen (or below 10 million yen in some cases) are disregarded.  
2. Figures in parentheses are ratio to net sales.

## Disclaimer Regarding Forward-Looking Statements

Management of the Company has made estimates and assumptions relating to financial forecasts based on information available as of the reporting date. Actual results could differ from those estimates.

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