

Annual Results for the Fiscal Year Ended March 31, 2020

May 14, 2020

KYOWA EXEO CORPORATION

1. Consolidated Figures

(1) Overview

(¥bn)

	FY 2018	FY 2019				FY 2020	
	Full year	Full year				Full year	
		Plan	Actual	YOY	Plan accuracy	Plan	YOY
		A	B	C	C/A	D	D/C
Orders received	424.3	495.0	556.3	131%	112%	525.0	94%
Net sales	423.7	495.0	524.5	124%	106%	525.0	100%
Gross profit	(13.8%) 58.3	(13.4%) 66.3	(13.0%) 68.3	117%	103%	(13.8%) 72.5	106%
SG&A expenses	(6.3%) 26.6	(6.9%) 34.3	(7.1%) 37.2	140%	109%	(7.7%) 40.5	109%
Operating income	(7.5%) 31.7	(6.5%) 32.0	(5.9%) 31.1	98%	97%	(6.1%) 32.0	103%
Ordinary income	(7.9%) 33.4	(6.6%) 32.8	(5.8%) 30.6	92%	94%	(6.3%) 33.0	108%
Net income attributable to owners of parent	(9.5%) 40.2	(4.4%) 21.8	(3.0%) 15.6	39%	72%	(4.0%) 21.1	135%

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				FY 2020	
			Full year	Full year				Full year	
				Plan	Actual	YOY	Plan accuracy	Plan	YOY
			A	B	C	C/A	C/B	D	D/C
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	189.9	210.5	227.0	120%	108%	210.0	92%
		NCCs	39.0	39.5	51.7	133%	131%	48.2	93%
		Urban infrastructure	123.3	132.5	153.0	124%	115%	134.6	88%
		Sub-total	352.2	382.5	431.8	123%	113%	392.8	91%
	SYSTEM-SOLUTIONS		72.0	112.5	124.5	173%	111%	132.2	106%
	TOTAL		424.3	495.0	556.3	131%	112%	525.0	94%
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	203.6	221.0	227.8	112%	103%	215.6	95%
		NCCs	38.0	39.5	40.7	107%	103%	46.9	115%
		Urban infrastructure	108.6	128.0	135.2	125%	106%	137.7	102%
		Sub-total	350.2	388.5	403.8	115%	104%	400.2	99%
	SYSTEM-SOLUTIONS		73.4	106.5	120.7	164%	113%	124.8	103%
	TOTAL		423.7	495.0	524.5	124%	106%	525.0	100%
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	66.2	—	64.7	98%	—	—	—
		NCCs	20.2	—	30.9	153%	—	—	—
		Urban infrastructure	94.8	—	113.7	120%	—	—	—
		Sub-total	181.3	—	209.3	115%	—	—	—
	SYSTEM-SOLUTIONS		15.2	—	21.5	141%	—	—	—
	TOTAL		196.6	—	230.9	117%	—	—	—

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

1. Consolidated Figures

(3) Balance Figures

(¥bn)

		FY 2018		FY 2019	
		Year-end		Year-end	
		A	Percentage of total	B	Percentage of total
Current assets		241.7	(58.0%)	264.0	(59.3%)
Fixed assets		174.7	(42.0%)	180.8	(40.7%)
Total assets		416.4	(100%)	444.9	(100%)
Liabilities	Current	114.4	(27.5%)	118.1	(26.6%)
	Long-term	34.2	(8.2%)	56.6	(12.7%)
Total liabilities		148.6	(35.7%)	174.7	(39.3%)
Shareholder's equity		263.8	(63.4%)	266.4	(59.9%)
Minority interests and stock acquisition rights		3.9	(0.9%)	3.6	(0.8%)
Total liabilities and net assets		416.4	(100%)	444.9	(100%)

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

1. Consolidated Figures

(4) Cash Flows

(¥bn)

	FY 2016	FY 2017	FY 2018	FY 2019
Net cash provided by (used in) operating activities	15.5	24.8	12.7	17.2
Net cash provided by (used in) investing activities	-6.0	-4.5	-17.6	-17.0
Net cash provided by (used in) financial activities	-10.2	-5.1	-4.9	4.2
Free cash flow (Note 2)	9.4	20.2	-4.8	0.2
Net increase (decrease) in cash and cash equivalents ,etc	-	-	21.0	0.1
Cash and cash equivalents at end of period	15.2	30.3	41.4	46.0

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
Short-term	1.0	1.1	13.2	7.5
Long-term	11.8	10.2	4.7	39.6
Total	12.8	11.4	18.0	47.1

Notes: 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
Tangible fixed assets	5.1	3.2	2.8	14.0
Intangible fixed assets	2.0	1.0	1.1	1.8
Total	7.1	4.2	3.9	15.8

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

(7) Depreciation and Amortization

(¥bn)

	FY 2016	FY 2017	FY 2018	FY 2019
Depreciation and amortization	3.2	3.2	4.7	6.4

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

2. Non-consolidated Figures

(1) Overview

(¥bn)

	FY 2018	FY 2019				FY 2020	
	Full year	Full year				Full year	
		Plan	Actual	YOY	Plan accuracy	Plan	YOY
	A	B	C	C/A	C/B	D	D/C
Orders received	287.2	270.0	301.7	105%	112%	280.0	93%
Net sales	279.0	273.0	282.9	101%	104%	280.0	99%
Gross profit	(11.3%) 31.6	(10.7%) 29.2	(10.2%) 28.7	91%	99%	(10.3%) 28.8	100%
SG&A expenses	(4.8%) 13.4	(5.4%) 14.7	(5.4%) 15.1	112%	103%	(5.8%) 16.3	108%
Operating income	(6.5%) 18.1	(5.3%) 14.5	(4.8%) 13.6	75%	94%	(4.5%) 12.5	92%
Ordinary income	(9.4%) 26.3	(6.8%) 18.7	(6.0%) 17.1	65%	91%	(4.9%) 13.8	81%
Net income	(7.1%) 19.8	(5.1%) 13.8	(2.9%) 8.1	41%	59%	(8.0%) 22.3	275%

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				FY 2020	
				Full year	Full year				Full year	
					Plan	Actual	YOY	Plan accuracy	Plan	YOY
				A	B	C	C/A	C/B	D	D/C
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	73.7	66.5	72.8	99%	110%	64.1	88%
			Network engineering	23.1	21.0	22.1	96%	105%	21.4	97%
			Mobile engineering	40.4	41.5	45.8	114%	111%	44.6	97%
			Sub-total	137.2	129.0	140.8	103%	109%	130.1	92%
		NCCs		32.0	25.5	26.0	81%	102%	28.7	110%
		Urban infrastructure		90.1	79.5	101.6	113%	128%	86.1	85%
		Sub-total		259.4	234.0	268.6	104%	115%	244.9	91%
		SYSTEM-SOLUTIONS		27.7	36.0	33.1	120%	92%	35.1	106%
		TOTAL		287.2	270.0	301.7	105%	112%	280.0	93%
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	76.2	68.5	74.9	98%	109%	68.1	91%
			Network engineering	21.0	22.0	22.1	105%	101%	22.0	99%
			Mobile engineering	48.9	48.0	45.0	92%	94%	42.3	94%
			Sub-total	146.1	138.5	142.1	97%	103%	132.4	93%
		NCCs		30.3	26.0	25.6	84%	98%	28.7	112%
		Urban infrastructure		75.9	77.5	83.3	110%	107%	88.4	106%
		Sub-total		252.4	242.0	251.0	99%	104%	249.5	99%
		SYSTEM-SOLUTIONS		26.6	31.0	31.9	120%	103%	30.5	95%
		TOTAL		279.0	273.0	282.9	101%	104%	280.0	99%
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	15.1	—	13.0	86%	—	—	—
			Network engineering	10.0	—	10.0	100%	—	—	—
			Mobile engineering	25.4	—	26.3	103%	—	—	—
			Sub-total	50.6	—	49.4	97%	—	—	—
		NCCs		15.7	—	16.2	103%	—	—	—
		Urban infrastructure		78.0	—	96.3	124%	—	—	—
		Sub-total		144.4	—	162.0	112%	—	—	—
		SYSTEM-SOLUTIONS		6.0	—	7.2	120%	—	—	—
		TOTAL		150.5	—	169.3	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	
	Full year A	Full year B	YOY B/A	Full year C	Full year D	YOY D/C
Orders received	24.6	37.4	152%	17.1	18.6	108%
Net sales	22.6	32.1	142%	16.4	18.0	109%
Gross profit	(8.0%) 1.80	(11.0%) 3.52	196%	(10.4%) 1.71	(12.9%) 2.31	135%
SG&A expenses	(5.0%) 1.12	(4.6%) 1.47	131%	(5.4%) 0.89	(5.6%) 1.01	113%
Operating income	(3.0%) 0.67	(6.4%) 2.05	305%	(5.0%) 0.81	(7.3%) 1.30	159%
Ordinary income	(3.2%) 0.73	(6.6%) 2.12	289%	(5.2%) 0.86	(7.0%) 1.25	145%
Net income	(1.4%) 0.32	(4.5%) 1.44	444%	(3.7%) 0.60	(4.9%) 0.88	147%

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. 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 A	C-CUBE Group	Seibu Electric Industry Group	NIPPON DENTSU Group	Simple addition value B	YOY B/A
Orders received	65.1	54.4	33.6	153.2	75.6	60.0	39.5	175.2	114%
Net sales	64.0	56.0	34.0	154.1	73.6	56.8	38.2	168.7	109%
Gross profit	(13.2%) 8.45	(7.7%) 4.34	(14.2%) 4.81	(11.4%) 17.60	(12.7%) 9.37	(8.6%) 4.88	(12.4%) 4.76	(11.3%) 19.01	108%
SG&A expenses	(7.4%) 4.72	(4.9%) 2.74	(11.0%) 3.73	(7.3%) 11.20	(6.4%) 4.72	(4.9%) 2.78	(9.0%) 3.42	(6.5%) 10.93	98%
Operating income	(5.8%) 3.73	(2.8%) 1.59	(3.2%) 1.08	(4.2%) 6.40	(6.3%) 4.64	(3.7%) 2.10	(3.5%) 1.33	(4.8%) 8.08	126%
Ordinary income	(6.5%) 4.14	(3.4%) 1.87	(3.6%) 1.22	(4.7%) 7.25	(6.6%) 4.86	(4.3%) 2.44	(3.7%) 1.42	(5.2%) 8.73	120%
Net income	(4.0%) 2.57	(2.2%) 1.22	(2.3%) 0.79	(3.0%) 4.59	(4.0%) 2.92	(2.7%) 1.55	(2.3%) 0.89	(3.2%) 5.36	117%

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

Forward-looking statements in this document are based on information available to our company as of the date of publication. Actual results may differ materially from these forecasts due to various factors.

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