Results for the Three Months Ended June 30, 2016

August 4, 2016

KYOWA EXEO CORPORATION

URL http://www.exeo.co.jp/overseas/index.html

1. Consolidated Figures

(1) Overview

(¥bn)

	FY 2015			FY 2016						
	1st quarter	Interim	Full year	1st quarter		Interim			Full year	
	A	B	C	Actual D	YOY D/A	Plan E	YOY E/B	Progress rate D/E	Plan F	YOY F/C
Orders received	66.3	140.8	300.4	69.2	104%	140.0	99%	49%	305.0	102%
Net sales	49.8	107.7	287.4	53.1	107%	118.0	110%	45%	300.0	104%
Gross profit	(12.7%) 6.3	(12.4%) 13.3	(12.5%) 35.7	(12.1%) 6.4	102%	(12.3%) 14.5	109%	44%	(12.5%) 37.6	105%
SG&A expenses	(9.0%) 4.4	(7.9%) 8.5	(6.0%) 17.3	(7.9%) 4.1	93%	(7.6%) 9.0	106%	46%	(5.9%) 17.6	101%
Operating income	(3.7%) 1.8	(4.5%) 4.8	(6.4%) 18.4	(4.3%) 2.2	122%	(4.7%) 5.5	114%	41%	(6.7%) 20.0	109%
Ordinary income	(3.9%) 1.9	(4.4%) 4.7	(6.4%) 18.5	(4.5%) 2.3	121%	(4.7%) 5.6	118%	42%	(6.7%) 20.2	109%
Net income attributable to owners of parent	(2.4%) 1.1	(2.7%) 2.9	(4.2%) 12.1	(2.2%) 1.1	99%	(3.0%) 3.5	120%	34%	(4.4%) 13.3	109%

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 2015			FY 2016						
			1st quarter	Interim	Full year	1st quarter		Interim			Full year	
			A	B	C	Actual D	YOY D/A	Plan E	YOY E/B	Progress rate D/E	Plan F	YOY F/C
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	39.8	80.0	167.9	41.9	105%	71.0	89%	59%	148.0	88%
		NCCs	4.4	10.1	20.2	4.4	100%	12.0	118%	37%	24.0	119%
		Urban infrastructure	12.2	32.2	72.3	13.1	107%	36.0	111%	36%	87.0	120%
		Sub-total	56.5	122.5	260.5	59.5	105%	119.0	97%	50%	259.0	99%
	SYSTEM-SOLUTIONS		9.7	18.3	39.9	9.7	99%	21.0	115%	46%	46.0	115%
	TOTAL		66.3	140.8	300.4	69.2	104%	140.0	99%	49%	305.0	102%
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	30.7	64.6	160.5	30.9	101%	66.0	102%	47%	155.0	97%
		NCCs	4.7	10.2	23.2	4.3	92%	9.0	88%	49%	24.0	103%
		Urban infrastructure	7.2	17.1	65.7	10.2	140%	27.0	157%	38%	79.0	120%
		Sub-total	42.7	92.0	249.5	45.5	107%	102.0	111%	45%	258.0	103%
	SYSTEM-SOLUTIONS		7.1	15.7	37.8	7.5	107%	16.0	102%	47%	42.0	111%
	TOTAL		49.8	107.7	287.4	53.1	107%	118.0	110%	45%	300.0	104%
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	53.6	60.0	51.9	62.9	117%	–	–	–	–	–
		NCCs	8.1	8.2	5.2	5.3	66%	–	–	–	–	–
		Urban infrastructure	52.4	63.2	54.7	57.5	110%	–	–	–	–	–
		Sub-total	114.1	131.5	111.9	125.8	110%	–	–	–	–	–
	SYSTEM-SOLUTIONS		7.7	7.0	6.4	8.5	111%	–	–	–	–	–
	TOTAL		121.9	138.6	118.3	134.4	110%	–	–	–	–	–

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

1. Consolidated Figures

(3) Business Overview of Main Subsidiaries

(¥bn)

	EXEO TECH			Daiwa Densetsu		
	FY 2015	FY 2016		FY 2015	FY 2016	
	1st quarter	1st quarter	YOY	1st quarter	1st quarter	YOY
Orders received	9.2	4.7	51%	3.1	3.6	118%
Net sales	6.3	2.9	46%	2.0	2.2	112%
Gross profit	(6.9%) 0.43	(5.6%) 0.16	37%	(8.7%) 0.17	(5.3%) 0.12	69%
SG&A expenses	(8.2%) 0.52	(11.1%) 0.32	62%	(9.1%) 0.18	(7.2%) 0.16	88%
Operating income	(▲1.3%) ▲0.08	(▲5.5%) ▲0.15	–	(▲0.4%) ▲0.00	(▲1.9%) ▲0.04	–
Ordinary income	(▲1.3%) ▲0.08	(▲4.8%) ▲0.14	–	(▲0.1%) ▲0.00	(▲1.3%) ▲0.03	–
Net income	(▲1.4%) ▲0.08	(▲5.1%) ▲0.14	–	(▲0.5%) ▲0.00	(6.5%) 0.14	–

Notes: 1. All amounts less than ¥100m are disregarded.
2. Figures in parentheses are ratio to net sales.
3. Wako Engineering and Ikeno Tsuken merged on 1 July 2015 to form Exeo Tech. The figures for the 1st quarter of FY 2015 are the simple combined totals for the two premerger companies.
An adjustment of the construction areas handled by each company within the Kyowa Exeo Group on August 26, 2015, resulted in the east Kanto region (Ibaraki and Chiba Prefectures) switching from Exeo Tech to Kyowa Exeo Corp.

2. Non-consolidated Figures

(1) Overview

(¥bn)

	FY 2015			FY 2016						
	1st quarter	Interim	Full year	1st quarter		Interim			Full year	
	A	B	C	Actual D	YOY D/A	Plan E	YOY E/B	Progress rate D/E	Plan F	YOY F/C
Orders received	49.3	108.3	241.8	55.9	113%	113.0	104%	49%	249.0	103%
Net sales	37.5	82.6	227.5	43.8	117%	96.5	117%	45%	243.0	107%
Gross profit	(10.1%) 3.7	(9.4%) 7.7	(9.5%) 21.5	(8.6%) 3.7	100%	(9.8%) 9.5	122%	40%	(9.8%) 23.8	110%
SG&A expenses	(7.5%) 2.7	(6.6%) 5.4	(5.1%) 11.5	(6.1%) 2.6	95%	(6.2%) 6.0	109%	44%	(4.9%) 12.0	104%
Operating income	(2.6%) 0.9	(2.8%) 2.2	(4.4%) 10.0	(2.5%) 1.1	112%	(3.6%) 3.5	153%	32%	(4.9%) 11.8	117%
Ordinary income	(9.2%) 3.4	(5.6%) 4.6	(5.6%) 12.7	(2.9%) 1.2	37%	(4.2%) 4.1	88%	31%	(5.2%) 12.6	99%
Net income	(8.2%) 3.0	(4.7%) 3.8	(4.1%) 9.3	(23.0%) 10.0	329%	(13.0%) 12.5	321%	81%	(7.5%) 18.3	195%

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 2015			FY 2016						
				1st quarter	Interim	Full year	1st quarter		Interim			Full year	
							Actual	YOY	Plan	YOY	Progress rate	Plan	YOY
				A	B	C	D	D/A	E	E/B	D/E	F	F/C
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	12.3	27.8	65.7	17.8	145%	32.0	115%	56%	65.0	99%
			Network engineering	5.6	10.7	23.2	3.3	58%	8.5	79%	39%	18.0	77%
			Mobile engineering	12.8	25.0	52.5	14.9	116%	20.0	80%	75%	45.0	86%
			Sub-total	30.7	63.6	141.6	36.1	117%	60.5	95%	60%	128.0	90%
		NCCs		4.3	10.0	19.7	4.2	98%	12.0	120%	36%	23.0	116%
		Urban infrastructure		8.7	24.7	57.4	9.8	113%	28.5	115%	35%	69.0	120%
		Sub-total		43.8	98.3	218.8	50.2	115%	101.0	103%	50%	220.0	101%
	SYSTEM-SOLUTIONS			5.4	9.9	23.0	5.6	104%	12.0	120%	47%	29.0	126%
	TOTAL			49.3	108.3	241.8	55.9	113%	113.0	104%	49%	249.0	103%
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	11.4	24.4	63.1	14.5	127%	29.0	119%	50%	67.0	106%
			Network engineering	3.1	7.7	20.8	3.1	100%	9.5	123%	33%	22.0	106%
			Mobile engineering	9.4	19.7	48.7	9.6	102%	20.0	101%	48%	46.0	94%
			Sub-total	24.0	51.9	132.7	27.2	114%	58.5	113%	47%	135.0	102%
		NCCs		4.5	9.9	22.5	4.2	93%	9.0	90%	47%	24.0	106%
		Urban infrastructure		5.2	12.5	51.3	8.0	154%	20.0	159%	40%	59.0	115%
		Sub-total		33.8	74.5	206.6	39.6	117%	87.5	117%	45%	218.0	105%
	SYSTEM-SOLUTIONS			3.7	8.0	20.8	4.2	116%	9.0	111%	48%	25.0	120%
	TOTAL			37.5	82.6	227.5	43.8	117%	96.5	117%	45%	243.0	107%
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	14.7	17.3	16.4	19.8	134%	–	–	–	–	–
			Network engineering	8.4	8.8	8.3	8.5	101%	–	–	–	–	–
			Mobile engineering	22.5	24.4	23.0	28.3	126%	–	–	–	–	–
			Sub-total	45.7	50.5	47.8	56.6	124%	–	–	–	–	–
		NCCs		7.8	8.1	5.3	5.3	68%	–	–	–	–	–
		Urban infrastructure		44.8	53.5	47.4	49.2	110%	–	–	–	–	–
		Sub-total		98.4	112.3	100.6	111.2	113%	–	–	–	–	–
	SYSTEM-SOLUTIONS			4.8	4.9	5.2	6.6	138%	–	–	–	–	–
	TOTAL			103.3	117.2	105.9	117.9	114%	–	–	–	–	–

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

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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