Results for the Nine Months Ended December 31, 2019

February 13, 2020

KYOWA EXEO CORPORATION

1. Consolidated Figures

(1) Overview

(¥bn)

	FY 2018		FY 2019				
			1-3Q			Full year	
	1-3Q A	Full year B	Actual C	YOY C/A	Progress rate C/D	Plan D	YOY D/B
Orders received	291.5	424.3	419.8	144%	85%	495.0	117%
Net sales	247.6	423.7	333.7	135%	67%	495.0	117%
Gross profit	(13.3%) 32.9	(13.8%) 58.3	(13.1%) 43.7	133%	66%	(13.4%) 66.3	114%
SG&A expenses	(6.9%) 17.1	(6.3%) 26.6	(7.8%) 26.1	153%	76%	(6.9%) 34.3	129%
Operating income	(6.4%) 15.8	(7.5%) 31.7	(5.3%) 17.5	111%	55%	(6.5%) 32.0	101%
Ordinary income	(7.0%) 17.4	(7.9%) 33.4	(5.4%) 17.9	103%	55%	(6.6%) 32.8	98%
Net income attributable to owners of parent	(12.0%) 29.7	(9.5%) 40.2	(3.2%) 10.8	36%	50%	(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				
					1-3Q			Full year	
			1-3Q	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	135.6	189.9	171.1	126%	81%	210.5	111%
		NCCs	27.8	39.0	38.3	138%	97%	39.5	101%
		Urban infrastructure	82.2	123.3	118.1	144%	89%	132.5	107%
		Sub-total	245.7	352.2	327.6	133%	86%	382.5	109%
	SYSTEM-SOLUTIONS		45.7	72.0	92.2	201%	82%	112.5	156%
	TOTAL		291.5	424.3	419.8	144%	85%	495.0	117%
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	127.3	203.6	149.2	117%	68%	221.0	109%
		NCCs	22.4	38.0	25.9	116%	66%	39.5	104%
		Urban infrastructure	57.3	108.6	76.6	134%	60%	128.0	118%
		Sub-total	207.2	350.2	251.8	122%	65%	388.5	111%
	SYSTEM-SOLUTIONS		40.3	73.4	81.9	203%	77%	106.5	145%
	TOTAL		247.6	423.7	333.7	135%	67%	495.0	117%
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	88.2	66.2	87.4	99%	-	-	-
		NCCs	24.5	20.2	32.3	132%	-	-	-
		Urban infrastructure	105.0	94.8	137.5	131%	-	-	-
		Sub-total	217.8	181.3	257.3	118%	-	-	-
	SYSTEM-SOLUTIONS		20.2	15.2	27.6	136%	-	-	-
	TOTAL		238.1	196.6	284.9	120%	-	-	-

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

2. Non-consolidated Figures

(1) Overview

(¥bn)

	FY 2018		FY 2019				
			1-3Q			Full year	
	1-3Q	Full year	Actual	YOY	Progress rate	Plan	YOY
	A	B	C	C/A	C/D	D	D/B
Orders received	210.2	287.2	229.6	109%	85%	270.0	94%
Net sales	174.2	279.0	173.0	99%	63%	273.0	98%
Gross profit	(10.6%) 18.4	(11.3%) 31.6	(10.8%) 18.6	101%	64%	(10.7%) 29.2	92%
SG&A expenses	(5.6%) 9.7	(4.8%) 13.4	(6.3%) 10.8	112%	74%	(5.4%) 14.7	109%
Operating income	(5.0%) 8.7	(6.5%) 18.1	(4.5%) 7.7	89%	54%	(5.3%) 14.5	80%
Ordinary income	(9.5%) 16.5	(9.4%) 26.3	(6.7%) 11.5	70%	62%	(6.8%) 18.7	71%
Net income	(8.1%) 14.0	(7.1%) 19.8	(5.2%) 9.0	64%	65%	(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				
						1-3Q			Full year	
				1-3Q A	Full year B	Actual C	YOY C/A	Progress rate C/D	Plan D	YOY D/B
Orders Received	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	55.2	73.7	54.9	99%	83%	66.5	90%
			Network engineering	16.3	23.1	15.4	94%	74%	21.0	91%
			Mobile engineering	31.4	40.4	35.7	114%	86%	41.5	103%
			Sub-total	103.0	137.2	106.2	103%	82%	129.0	94%
		NCCs		24.3	32.0	19.2	79%	76%	25.5	79%
		Urban infrastructure		62.3	90.1	79.0	127%	99%	79.5	88%
		Sub-total		189.7	259.4	204.6	108%	87%	234.0	90%
	SYSTEM-SOLUTIONS			20.4	27.7	25.0	122%	69%	36.0	130%
	TOTAL			210.2	287.2	229.6	109%	85%	270.0	94%
Net Sales	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	51.8	76.2	50.2	97%	73%	68.5	90%
			Network engineering	12.4	21.0	12.9	104%	59%	22.0	105%
			Mobile engineering	32.6	48.9	28.9	89%	60%	48.0	98%
			Sub-total	96.8	146.1	92.1	95%	67%	138.5	95%
		NCCs		19.3	30.3	16.1	83%	62%	26.0	86%
		Urban infrastructure		41.5	75.9	43.7	105%	56%	77.5	102%
		Sub-total		157.7	252.4	152.0	96%	63%	242.0	96%
	SYSTEM-SOLUTIONS			16.5	26.6	21.0	127%	68%	31.0	117%
	TOTAL			174.2	279.0	173.0	99%	63%	273.0	98%
Amount Carried Forward	ENGINEERING-SOLUTIONS	NTT Group engineering	Access engineering	21.1	15.1	19.8	94%	-	-	-
			Network engineering	11.9	10.0	12.5	105%	-	-	-
			Mobile engineering	32.7	25.4	32.3	99%	-	-	-
			Sub-total	65.8	50.6	64.7	98%	-	-	-
		NCCs		19.0	15.7	18.9	99%	-	-	-
		Urban infrastructure		84.5	78.0	113.3	134%	-	-	-
		Sub-total		169.4	144.4	197.0	116%	-	-	-
	SYSTEM-SOLUTIONS			8.8	6.0	10.0	113%	-	-	-
	TOTAL			178.3	150.5	207.1	116%	-	-	-

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	
	1-3Q	1-3Q	YOY	1-3Q	1-3Q	YOY
Orders received	18.6	27.4	147%	13.3	13.4	100%
Net sales	14.7	19.1	130%	10.7	11.8	109%
Gross profit	8.2% 1.21	9.8% 1.86	154%	10.2% 1.10	12.1% 1.43	130%
SG&A expenses	5.5% 0.80	5.4% 1.02	128%	6.0% 0.64	6.3% 0.74	115%
Operating income	2.7% 0.40	4.4% 0.83	207%	4.2% 0.45	5.8% 0.68	150%
Ordinary income	3.2% 0.46	4.8% 0.92	199%	4.7% 0.50	6.1% 0.71	142%
Net income	2.5% 0.37	3.0% 0.58	156%	3.1% 0.32	4.0% 0.47	143%

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 1-3Q				FY 2019 1-3Q				
	C-CUBE Group	Seibu Electric Industry Group	NIPPON DENTSU Group	Simple addition value A	C-CUBE Group	Seibu Electric Industry Group	NIPPON DENTSU Group	TOTAL B	YOY B/A
Orders received	46.4	42.1	24.5	113.1	55.2	47.2	30.1	132.7	117%
Net sales	43.8	36.4	23.2	103.4	52.6	36.1	26.9	115.8	112%
Gross profit	11.8% 5.17	8.0% 2.91	14.6% 3.38	11.1% 11.47	12.6% 6.61	7.6% 2.76	13.3% 3.58	11.2% 12.96	113%
SG&A expenses	7.5% 3.29	5.4% 1.96	11.6% 2.68	7.7% 7.94	6.3% 3.31	5.7% 2.07	9.2% 2.47	6.8% 7.86	99%
Operating income	4.3% 1.88	2.6% 0.95	3.0% 0.70	3.4% 3.53	6.3% 3.29	1.9% 0.69	4.1% 1.11	4.4% 5.10	144%
Ordinary income	4.8% 2.08	3.3% 1.21	3.5% 0.82	4.0% 4.12	6.7% 3.51	2.8% 1.00	4.6% 1.23	5.0% 5.76	140%
Net income	2.8% 1.22	2.0% 0.74	2.2% 0.50	2.4% 2.47	4.1% 2.13	1.6% 0.57	3.0% 0.79	3.0% 3.51	142%

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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