Exeo Group Corp Gov

May 2026

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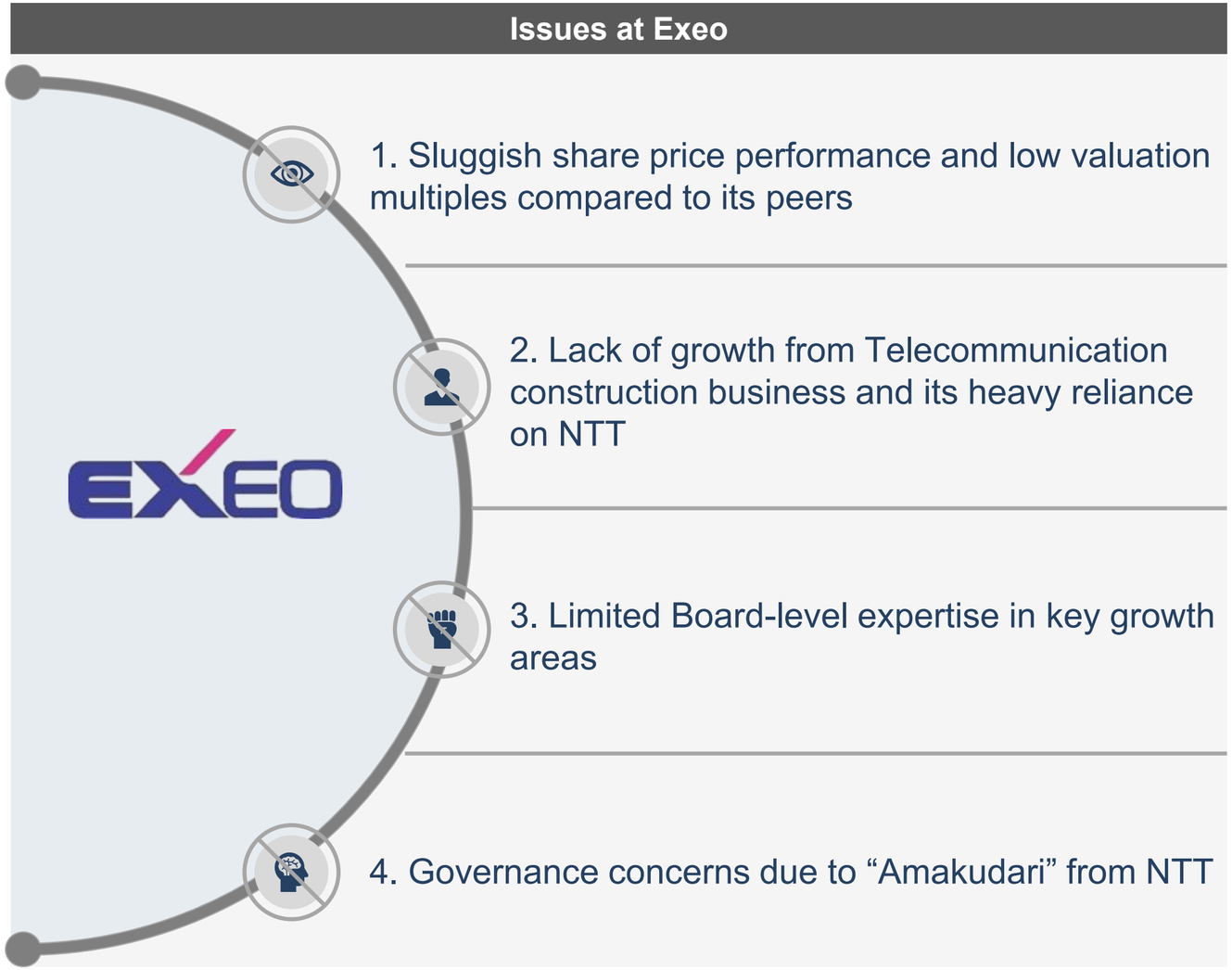
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Oasis Message to Exeo's Shareholders

- Exeo, a long-standing leader in telecommunications construction, has been shifting its business amid slowing mobile carrier capex.
- However, it continues to lag peers in growth and profitability across key growth areas, including building, infrastructure, data center-related construction, and software, making improvement urgent.



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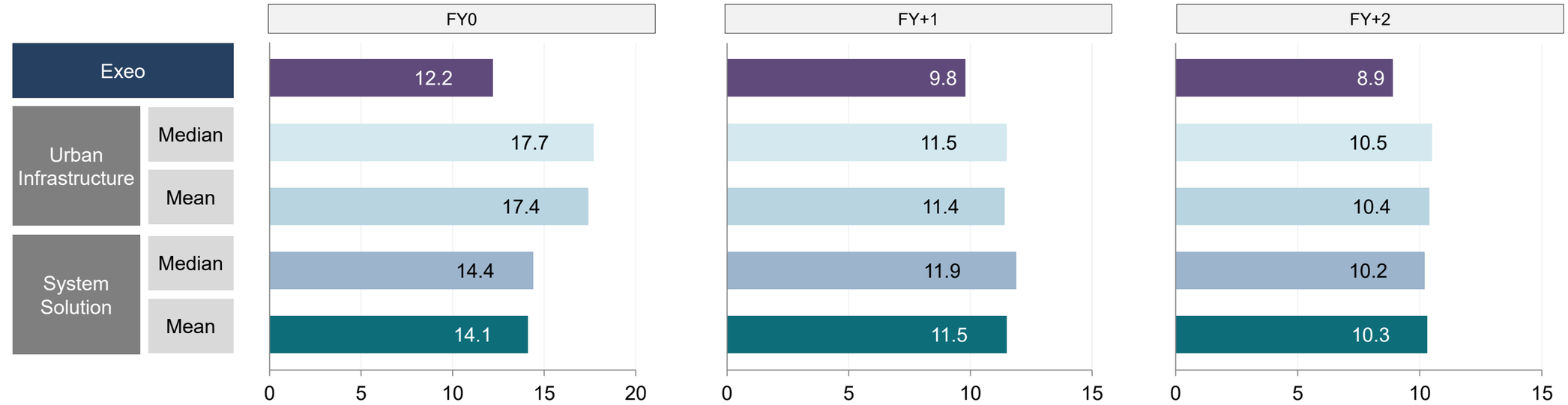
Oasis proposes Tomoshiro Takemoto as a director candidate, an individual with deep expertise in IT infrastructure and cloud platform, areas of key growth, to supplement board expertise and enable Exeo to achieve its full potential

We ask all shareholders of Exeo to VOTE FOR Oasis's proposal

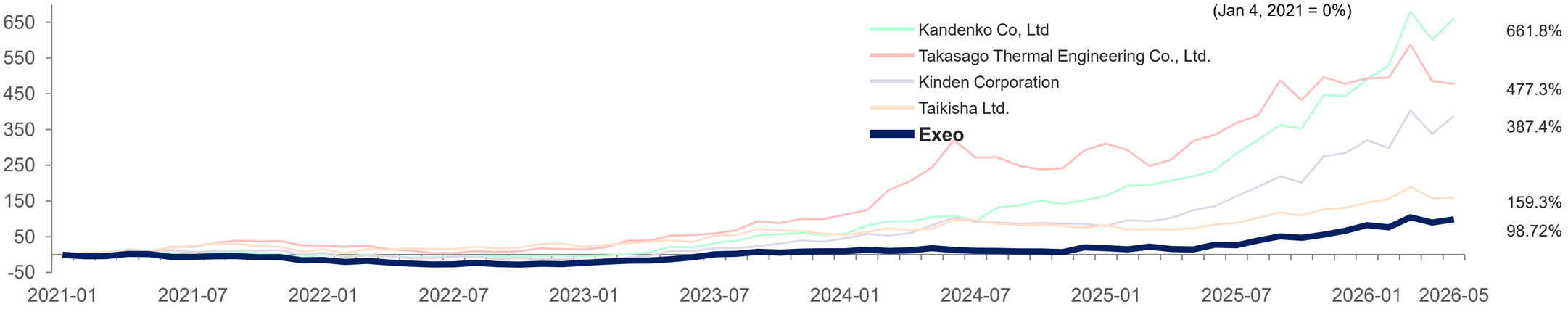
Low growth expectation in growth areas resulted in weak share price performance

Valuation Multiple and Share Price Performance

EV/EBITDA (x)



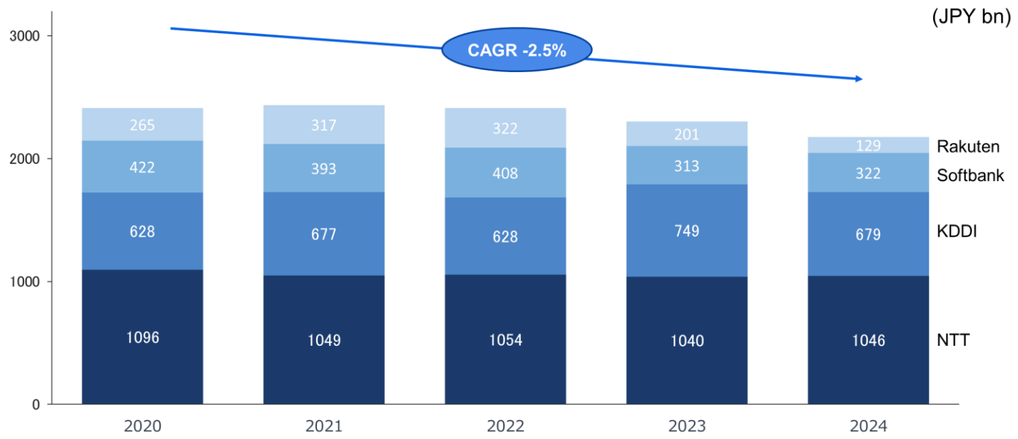
Share Price Performance



Capex of mobile network carriers are declining but Exeo's dependence on NTT Group is persistent. Management may not be focusing as much as they should be on growth areas

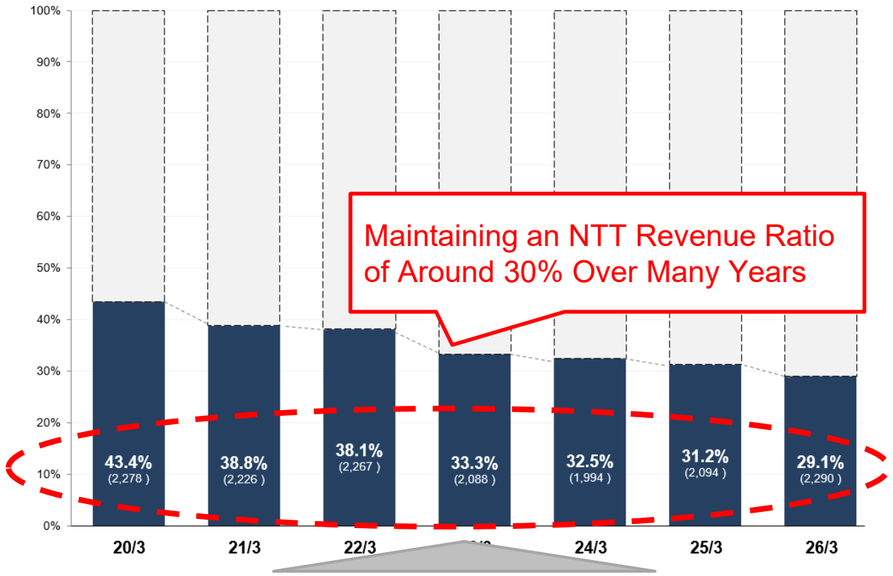
Capital Expenditure on Network Infrastructure by Major Carriers

- Mobile carriers' capital expenditure, which directly impacts the **telecommunications infrastructure market, has been declining**.
- NTT is the largest customer in the industry, accounting for approximately 50% of the market in 2024.



Share of NTT-Related Revenue in Exeo's Total Revenue

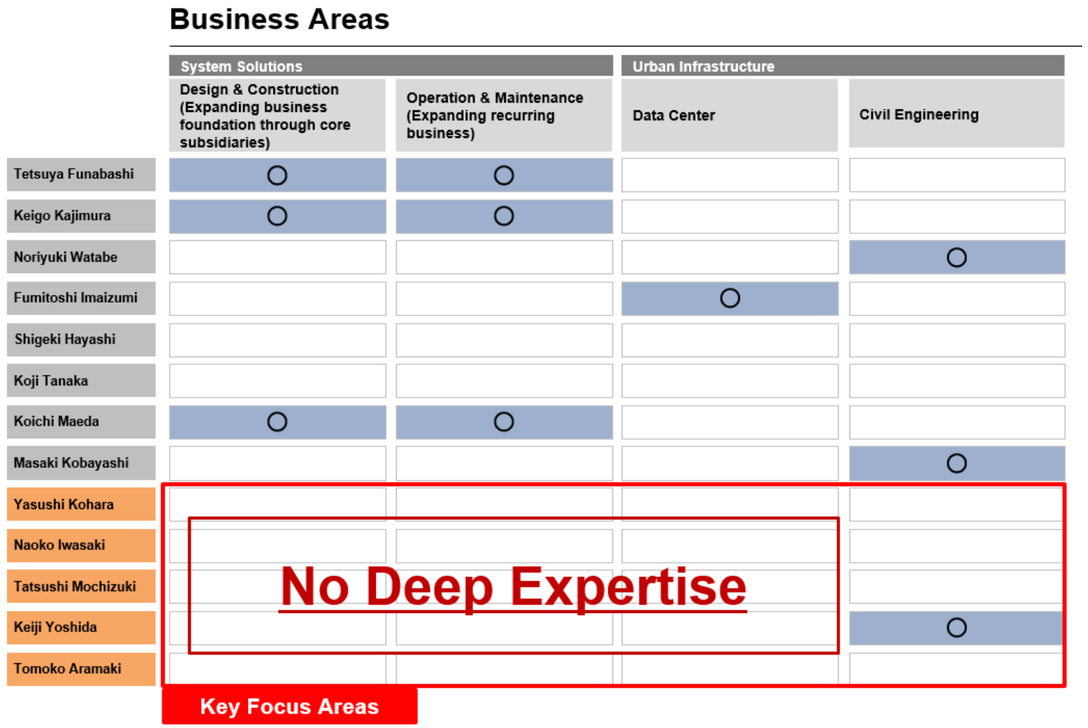
- Despite this environment, Exeo has long maintained a business structure in which approximately 30% of its revenue depends on NTT
- Exeo's strong reliance on low-growth markets is underscored by the fact that peers such **as Comsys and Mirait also maintain deep relationships with NTT, limiting Exeo's potential for rapid future expansion.**



Oasis believes this is partly because **many directors are former NTT employees with deep expertise in the Telecommunications Infrastructure and strong relationships with NTT.**

Exeo's Board of Outside Directors lacks directors with expertise in its growth businesses

Exeo's Board Skill Matrix



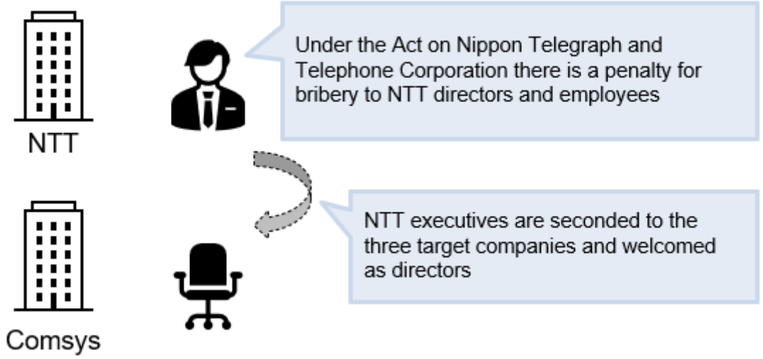
- According to Oasis's analysis, while Exeo's outside directors include individuals with backgrounds in government, accounting, and urban infrastructure, **none have experience in the System Solutions business**
- Furthermore, this indicates that there are **currently no outside directors capable of providing appropriate oversight and advice for the System Solutions business**, which Exeo has positioned as a key growth area

Exeo's Board of Directors have historically been dominated by former NTT Group employees, posing serious concerns of Exeo's corporate governance and Board's skills diversity

Definition and Governance Issues of "Amakudari"

- Amakudari is a practice public servants, after retirement, take up new positions at private companies which they had exercised authority during their tenure
- NTT employees and officers are subject to regulations equivalent to those applicable to public officials in certain respects, including penalties for bribery. The practice of amakudari of NTT executives raises serious questions about the effectiveness of corporate governance

What is "Amakudari" ?

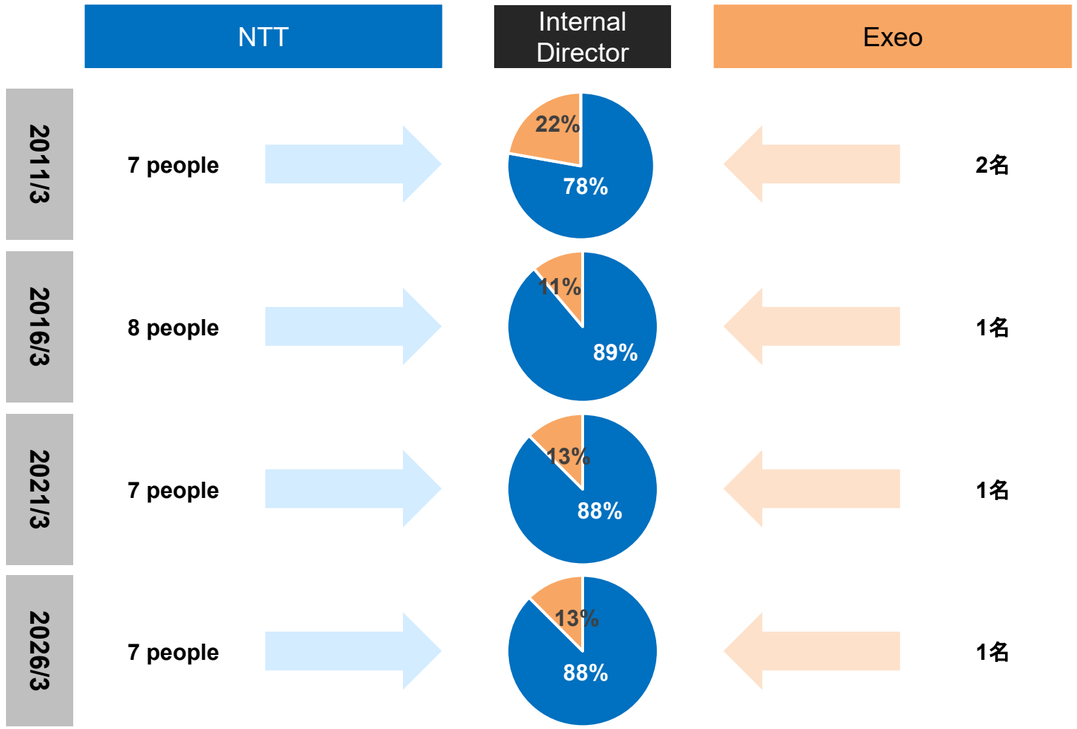


Why is it problematic?

- **Risk of Collusion and Corruption**
- **Risk of Conflict of Interest**
- **Risk of Skewed skillset and lack of diversity**

Exeo's Director Appointments

- Exeo has been historically accepting board of directors from NTT Group, even though there is no publicly disclosed capital relationship
- There is a serious concern of conflict of interest where business terms and strategic decisions are made to benefit NTT
- Based on Oasis's research and interviews, most employees above a Bucho (business unit head) seniority is former NTT Group employees



Oasis urges Exeo's shareholders to vote FOR the election of Mr. Takemoto as an Independent Outside Directors

Key issues at Exeo	How Mr. Takemoto can solve these issues
Underperforming share price due to unpersuasive growth story	Accelerating growth in Exeo's focus businesses could drive earnings growth and lead to multiple expansion
While Exeo has significant growth potential in areas such as System Solutions, its oversight structure appears insufficient to fully support these businesses	Leverages expertise in the SI industry to oversee the System Solutions, while also driving growth in the data center business through his network with hyperscalers
The Board lacks an outside director with deep expertise and experience in the System Solutions business	Brings experience and expertise currently lacking on Exeo's Board
Exeo's board composition raises governance concerns, including limited diversity and potential conflicts of interest stemming from its Amakudari	Brings diversity and contribute to fairer director nomination process, as he does not have an NTT background

Oasis proposes Mr. Takemoto as a director candidate

We ask all shareholders of Exeo to VOTE FOR Oasis's proposal



1. About Exeo

1-1. Company profile and engagement history

1-2. Financial and share price performance relative to peers

2. Issues at Exeo

2-1. Insufficient board expertise in growth and priority areas

2-2. Distorted relationship with NTT Group

3. Oasis's Proposal

4. Appendix

4-1. Profiles of Internal Directors

4-2. Profiles of Outside Directors

4-3. Adverse Effects of "Amakudari"

Exeo Group（”Exeo”）by the Numbers

- Established on May 17, 1954, as Kyowa Densetsu, the company grew by building telecommunications infrastructure across Japan and later changed its name to EXEO Group, Inc. It was listed on the Tokyo Stock Exchange in 1963.
- With core capabilities in the design, construction, and maintenance of information and communications infrastructure, EXEO Group provides a wide range of engineering services, including next-generation network construction such as 5G, urban infrastructure projects (renewable energy, civil engineering, and electrical works), and system solutions supporting DX and IT platforms.

Market Capitalization	# of Consolidated Employees (As of Mar. 2025)	Latest FY Orders
572bn JPY	17,260people	812bn JPY
Latest FY Sales	**Latest FY Operating Profit**	**Latest FY Operating Margin**
788bn JPY	52bn JPY	6.6%

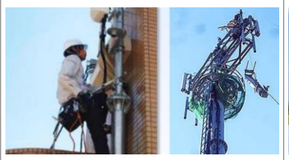
Source: Bloomberg (as of May 11, 2026); company disclosures

Company Overview - Exeo

Company Overview

Company Name	EXEO Group, Inc.
Securities Code	1951
Established	May 17, 1954
Head Office	3-29-20 Shibuya, Shibuya-ku, Tokyo
President & CEO	Keigo Kajimura
Website	https://www.exeo.co.jp/

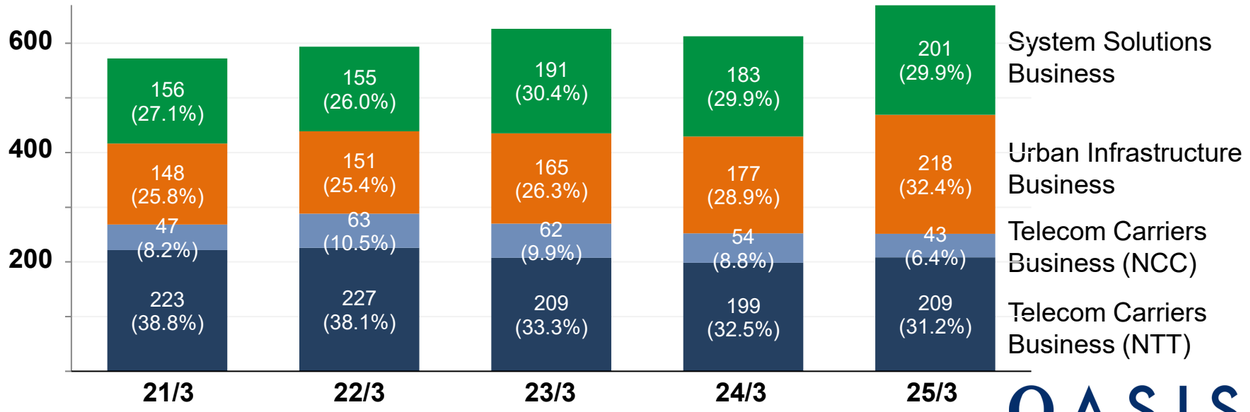
Business Description

	NTT	NCC	Urban Infrastructure	System Solutions
Business Overview	 Construction and maintenance of fixed and mobile communications equipment for NTT	 Construction and maintenance of fixed and mobile communications equipment for NCCs, plus CATV and broadcasting wave construction	 End-to-end services from planning and consulting through HVAC and electrical work	 Construction of ICT infrastructure and provision of software
Customer Example	NTT Group (NTT Docomo, NTT East, NTT West)	KDDI, SoftBank, Rakuten Mobile	Kinoumi Wide-Area Facility Association, Ashikaga Eco Power	Teijin Engineering

Board of Directors

Chairman	- Tetsuya Funabashi	
President & CEO	- Keigo Kajimura	
Directors	- Noriyuki Watabe - Fumitoshi Imaizumi - Shigeki Hayashi	- Kouji Tanaka - Koichi Maeda - Masaki Kobayashi
Outside Directors	- Yasushi Kohara - Naoko Iwasaki - Tatsushi Mochizuki	- Keiji Yoshida - Tomoko Aramaki

Revenue (JPY billions, FY2021–FY2025)



Source: Bloomberg, company disclosures

Oasis's Engagement History with Exeo

- As a long-term shareholder of Exeo, Oasis has sought to improve their corporate governance through ongoing dialogue.

Feb 24, 2024		IR Meeting
Sep 3, 2024		IR Meeting
Dec 18, 2024		IR Meeting
Aug 25, 2025		IR Meeting
Nov 11, 2025		Letter
Dec 3, 2025		Meeting with CFO Hayashi and IR Personnel
Jan 19, 2026		Meeting with CEO Kajimura and CFO Hayashi
Feb 10, 2026		Letter
Feb 20, 2026		Meeting with Outside Director Mochizuki
Mar 17, 2026		Meeting with CFO Hayashi and IR Personnel
Mar 25, 2026		Nomination Committee Interview with Mr. Takemoto (Recommended Candidate)

1. About Exeo

1-1. Company profile and engagement history

1-2. Financial and share price performance relative to peers

2. Issues at Exeo

2-1. Insufficient board expertise in growth and priority areas

2-2. Strong influence by the NTT Group

3. Oasis's Proposal

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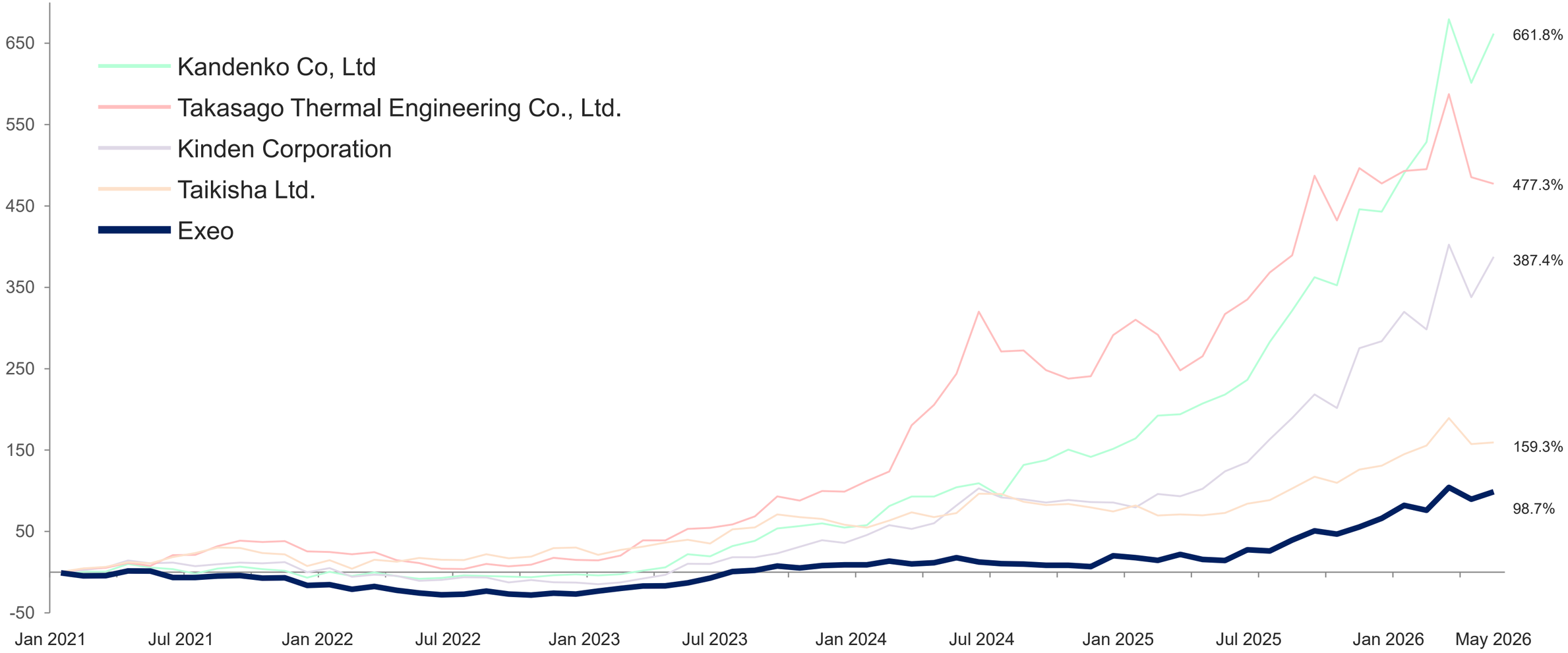
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4-2. Profiles of Outside Directors

4-3. Adverse Effects of "Amakudari"

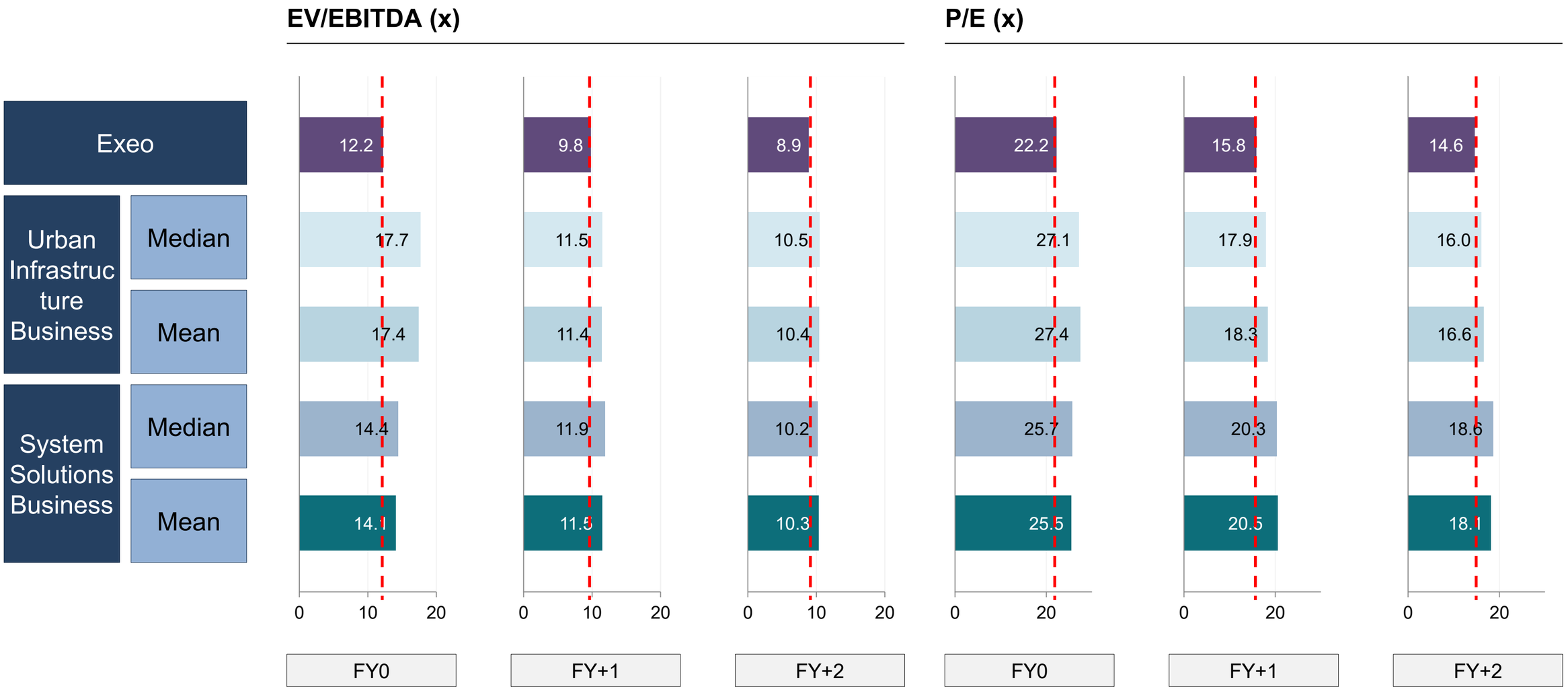
Despite strong construction and data center demand driving significant share price appreciation among peers, Exeo's share price has remained relatively subdued

Share Price Performance (Jan 4, 2021 = 0%)



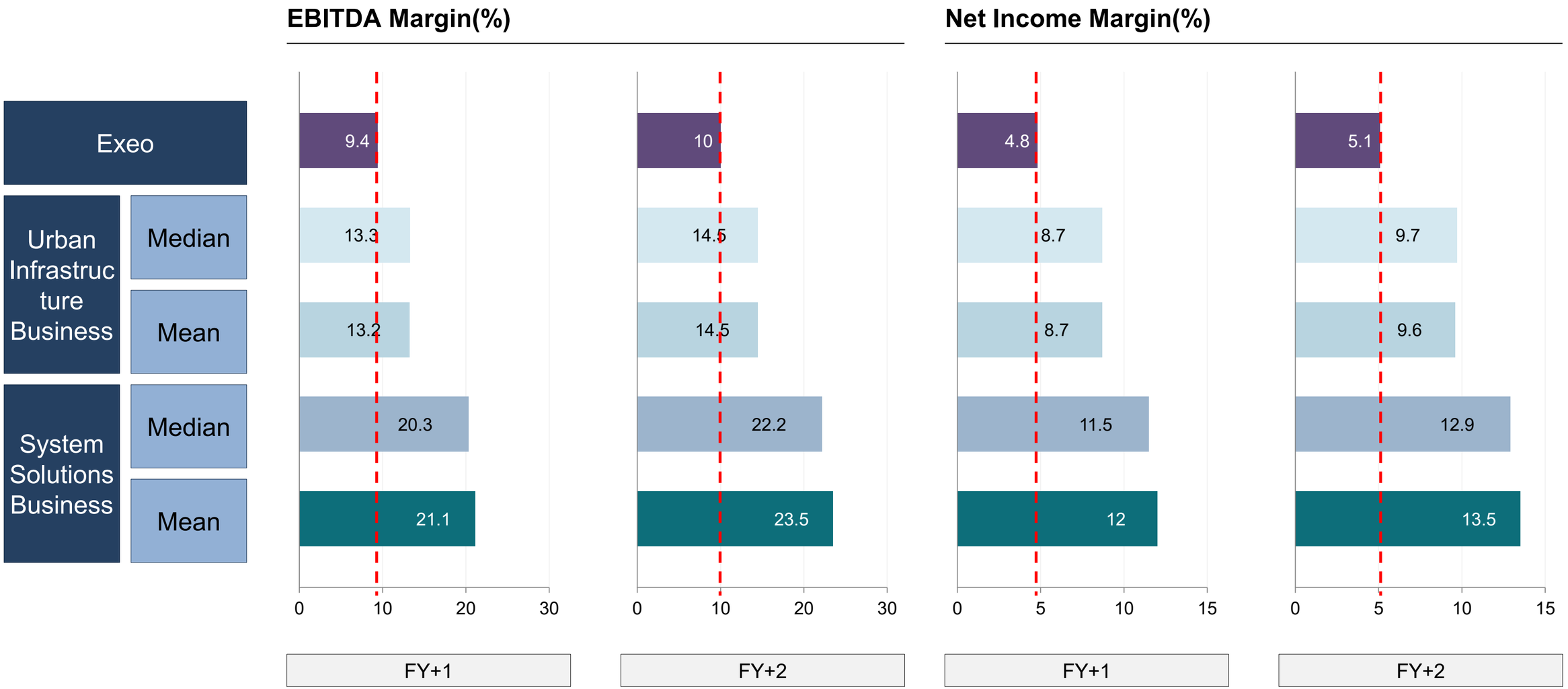
Source: Bloomberg (as of May 11, 2026); company disclosures

Exeo’s valuation remains below peers across its core business segments



Source: Prepared by Oasis based on publicly available information from Urban Infrastructure Business peers, including HVAC contractors (Craftia, Takasago Thermal Engineering) and electrical contractors (Kinden, Kandenko), as well as System Solutions Business peers, including Nomura Research Institute, Nippon Steel Solutions, Dentsu Soken, and Simplex

Exeo’s profitability remains below peers across its business segments, indicating meaningful improvement potential



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Overview of Market Outlook by Business Segment

- Telecom is expected to remain flat to slightly decline
- Data centers and System Solutions at ~10% annually, driven by AI/DX demand

NTT & NCC Business			System Solutions		Urban Infrastructure	
NTT	Obsolete copper cable removal	• Demand from NTT remains stable, supported by ongoing replacement of aging fixed-line and fiber infrastructure and removal of obsolete copper cables	IT Infrastructure Business	• Continued cloud shift among enterprises and municipalities • Rising system demand driven by DX and AI adoption • High growth in network equipment and hardware (high single-digit %), and very strong growth in cloud (IaaS/PaaS, 10%+ annually)	Civil infrastructure	• Expansion of infrastructure renewal • Government initiative to strengthen infrastructure • Price-driven market growth
	Network infrastructure installation, maintenance, and renewal				Building construction	• Declining building volumes offset by pricing
	Access line installation, maintenance, and renewal		Software Business	• Large-scale projects such as core systems and ERP implementations at major enterprises offer strong demand and growth • PMO demand expanding, driven by labor shortages and increased need for IT planning and project management	Data center construction	• Data center demand to expand, driven by AI • ~50% of facilities are over 20 years old, supporting rising renewal demand
Others	Carrier base station deployment, expansion, and maintenance	• Declining after Rakuten's investment cycle peaks • Flat to slight decline expected until 6G investment begins (~2030)			Renewable energy construction	• Solar potential exceeds 900GW vs ~5GW annual additions, indicating significant upside

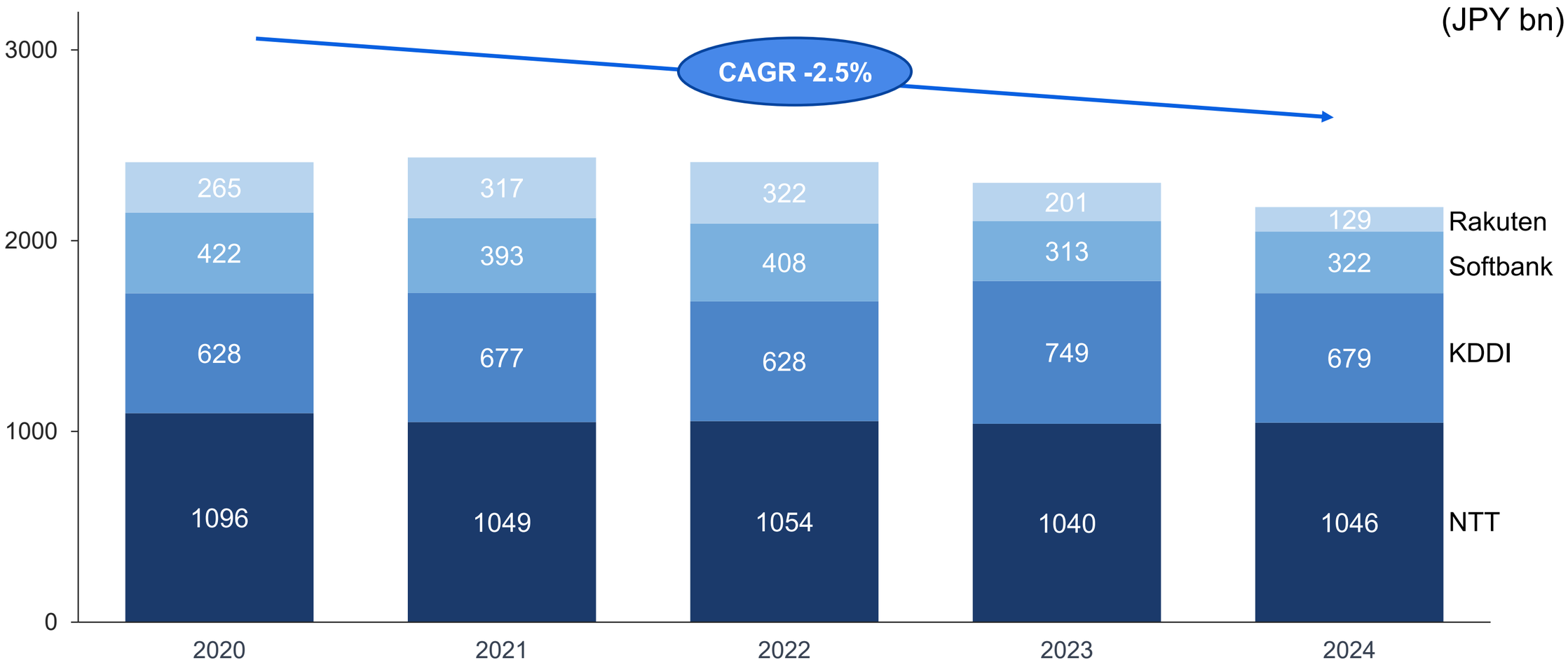
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Capital Expenditure on Network Infrastructure by Major Carriers

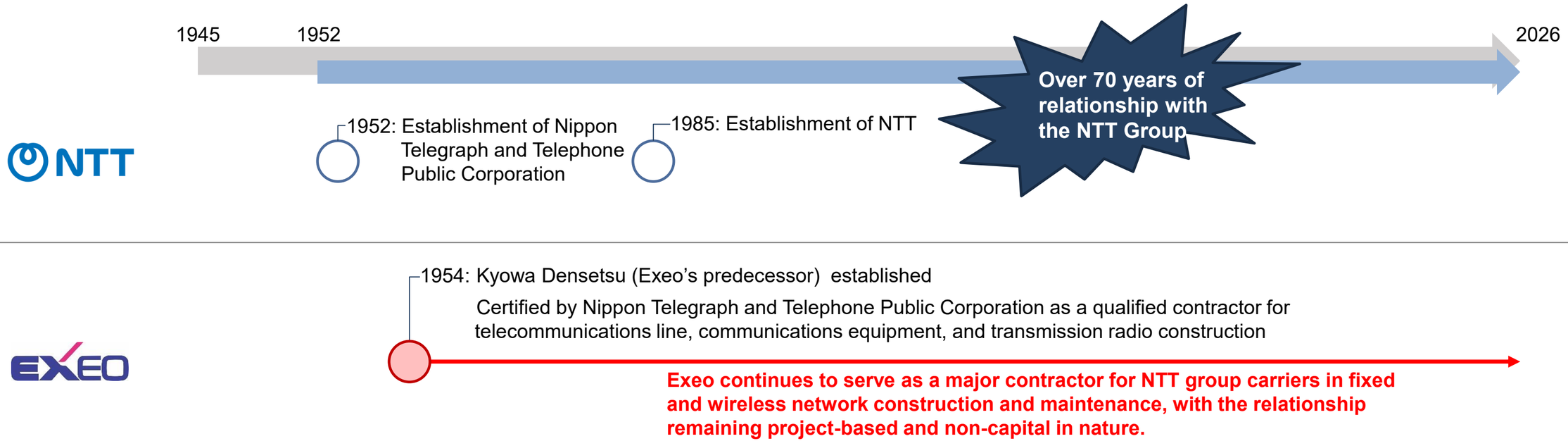
- Mobile carrier capex, a key driver of telecom construction demand, is declining, limiting long-term growth potential in the sector
- NTT is the largest client in the industry, and Exeo has grown into a market leader supported by its longstanding and strong relationship with NTT



Source: Research conducted by a third-party firm commissioned by Oasis

This can be attributed in part to Exeo's strong relationship with the NTT Group, underpinned by longstanding historical ties

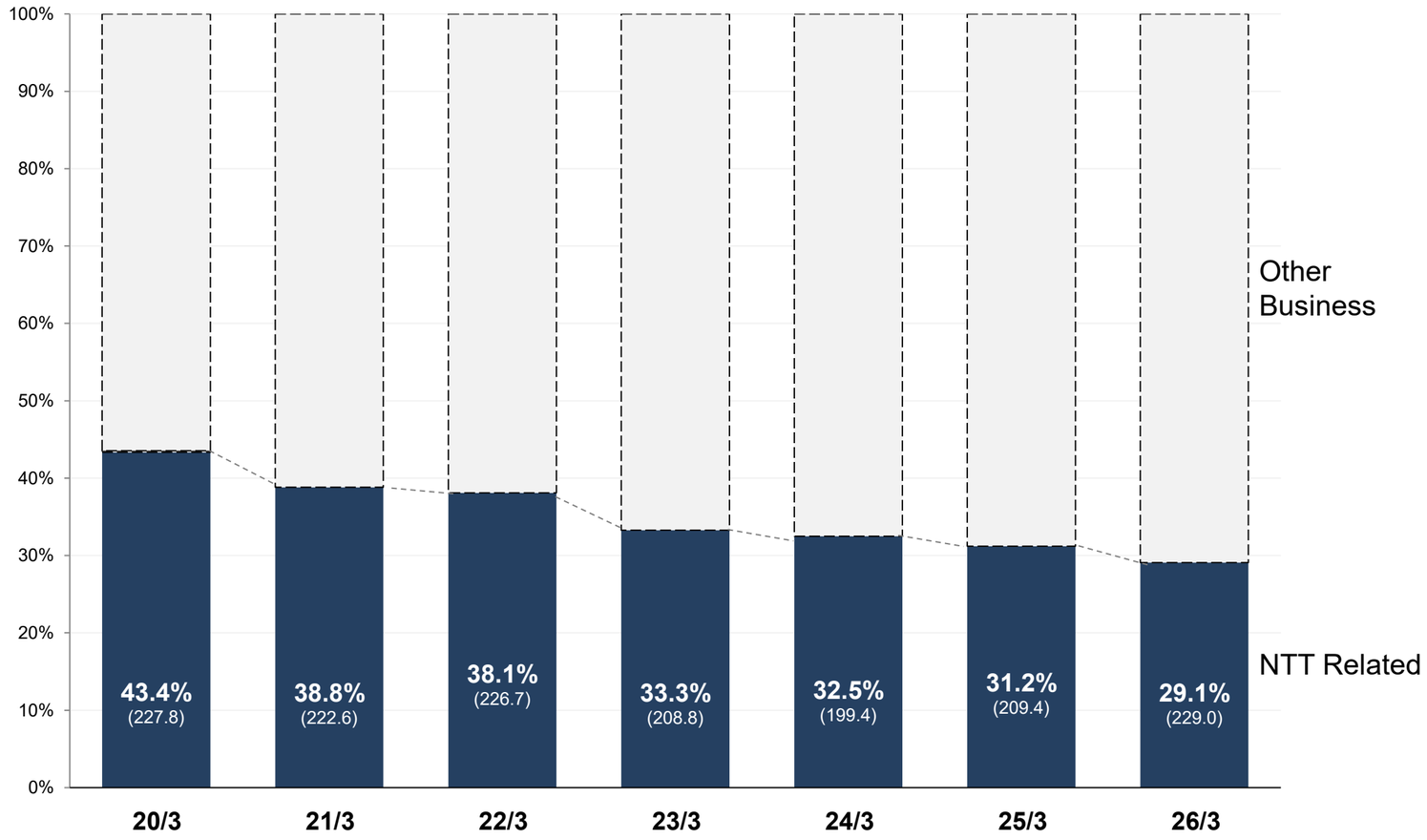
- Exeo's relationship with the NTT Group dates back to the early days of Japan's telecom industry
- It was formed in 1952, **when NTT's predecessor began outsourcing telecom infrastructure construction**



NTT exposure declining amid market contraction, with limited growth potential from this segment alone

- Declining NTT-related revenues signal the limits of an NTT-dependent growth model
- Strengthening management with expertise in growth areas and maintaining focus on these segments is essential

NTT Revenue Ratio (Figures in parentheses indicate revenue, JPY bn)



> Key Points

- No Material growth from NTT related business is achieved
- Telecom infrastructure revenues expected to remain stable, supported by NTT, with upside from 6G, IOWN, and copper removal
- To drive future growth, Exeo must urgently accelerate its strategic shift toward growth areas, including the System Solutions and Urban Infrastructure businesses

Source: Earnings presentation materials; NTT-related revenue in the System Solutions Business is estimated by Oasis

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System Solutions

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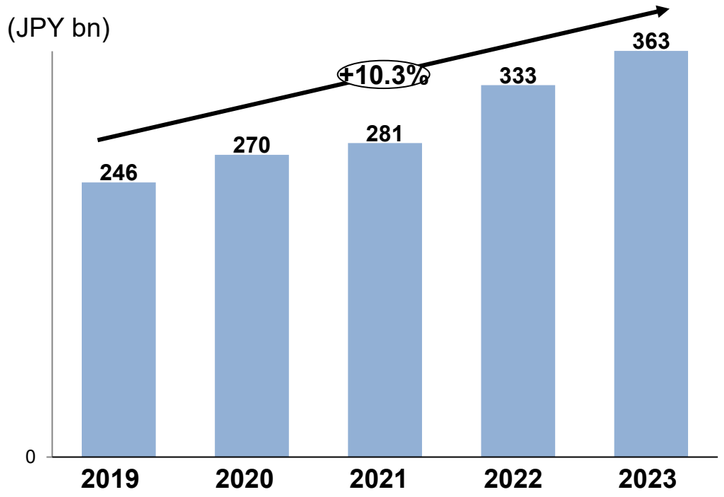
Urban Infrastructure

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System Solutions business, a key growth area, is experiencing growth driven by expanding AI and DX investment

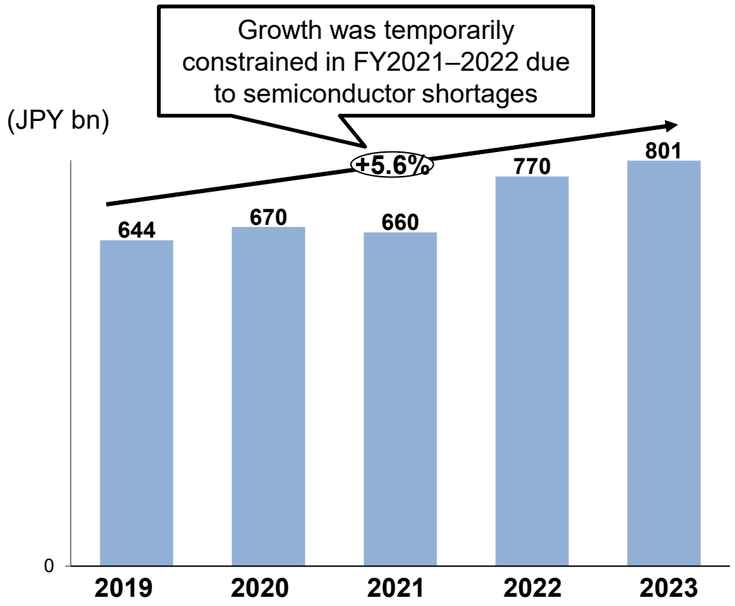
Network Equipment Market

- The network equipment market is growing steadily, supported by data center construction



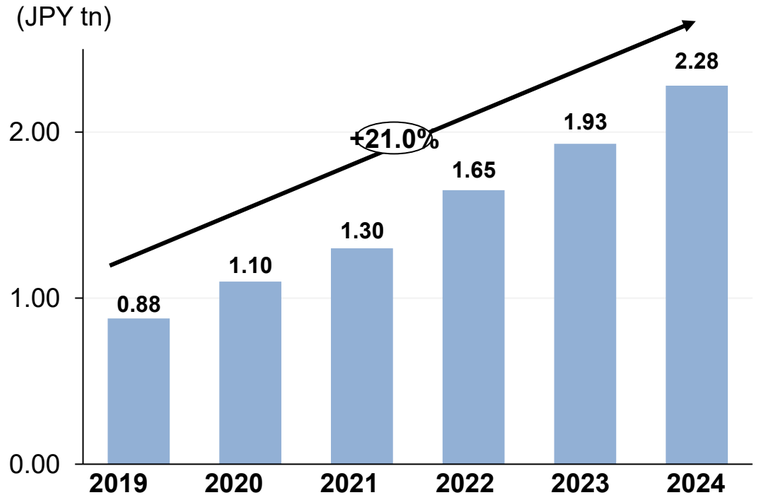
Server & Storage Market

- The server and storage market is also growing steadily, supported by data center construction



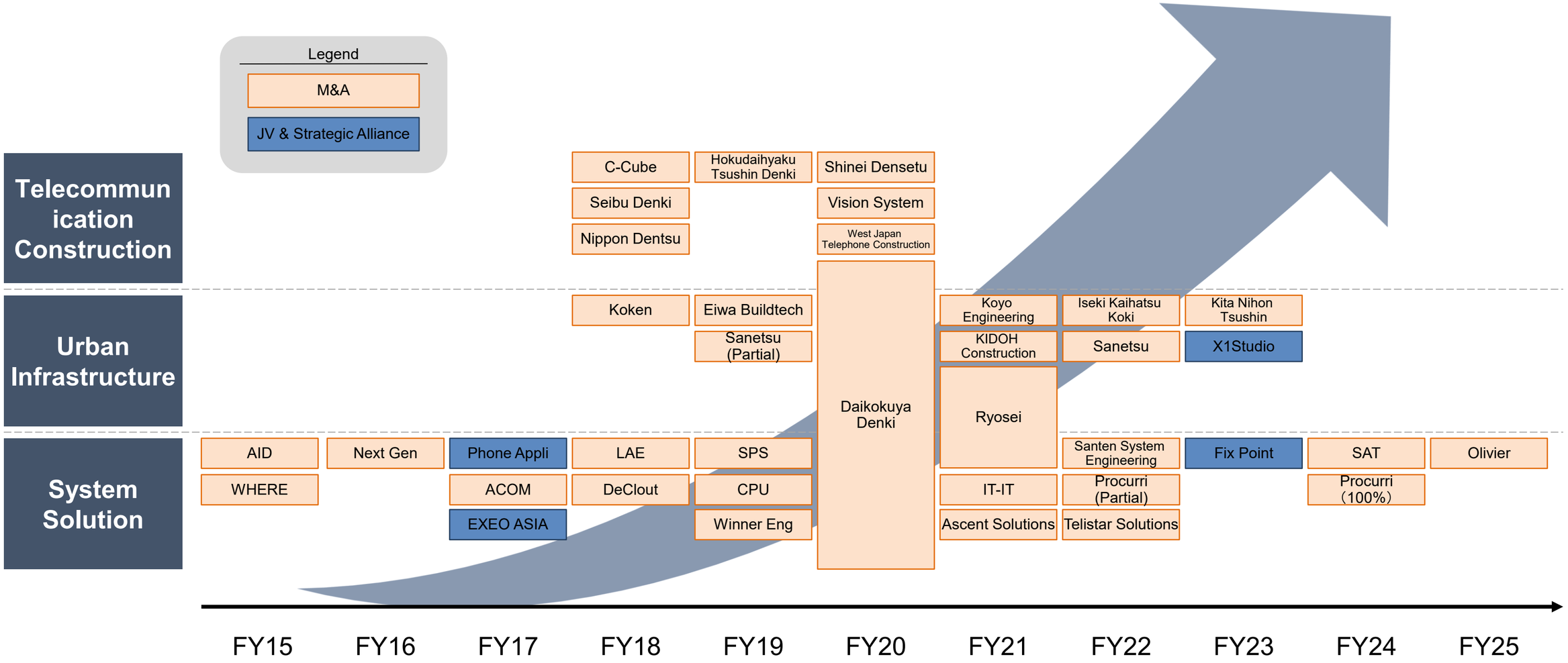
Cloud Market (IaaS/PaaS)

- The IaaS/PaaS market is growing at around 20% annually, driven by enterprise cloud migration of core systems



Source: Research conducted by a third-party firm commissioned by Oasis

Exeo has conducted handful of M&As over the last decade to strengthen System Solutions Business and Urban Infrastructure Business, its core growth areas

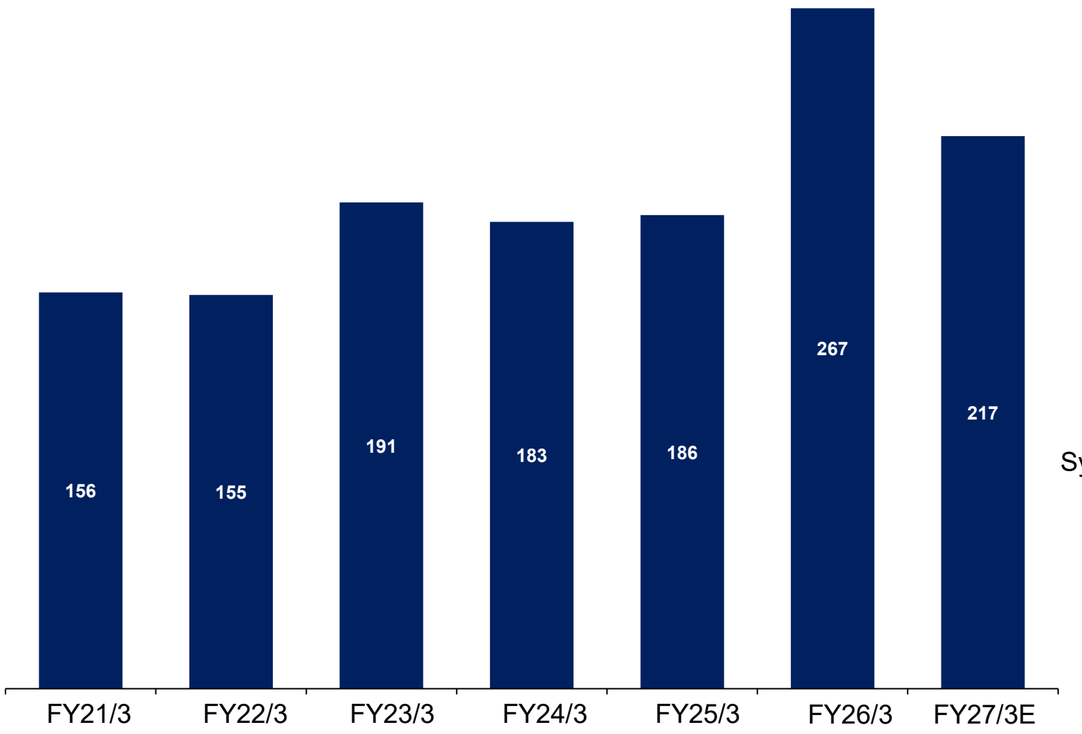


Source: Company Disclosures

However, Exeo's market share in the System Solutions business remains low, indicating the need for greater focus going forward

Despite having completed numerous M&As, Exeo's System Solutions business has failed to achieve meaningful growth

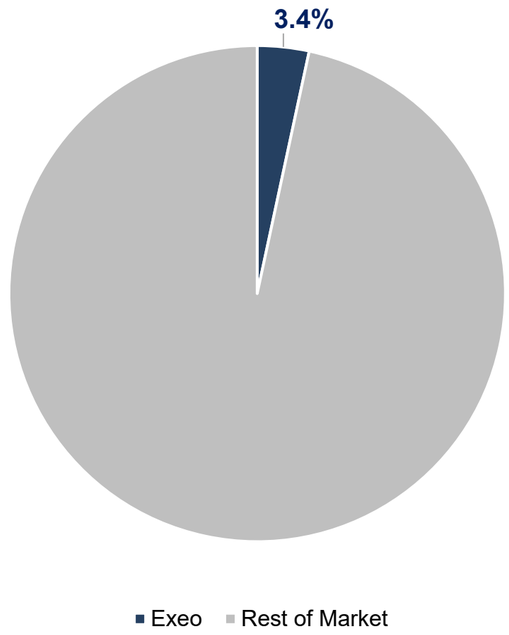
(JPY bn)



CAGR 2021-27E

System Solution +5.7%

Its market share also remains low relative to the overall market size



Source: Research conducted by a third-party firm

Exeo lags behind its peers in terms of profitability due to the following factors

Large corporate overhead costs due to large number of subsidiaries

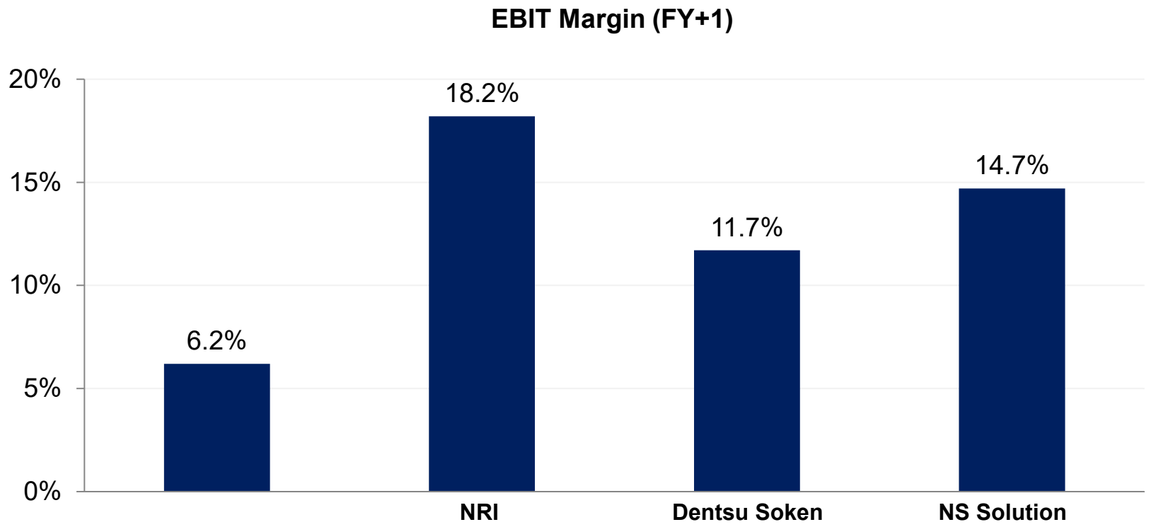
Exeo
136 Consolidated Subsidiaries, 17 Equity Method Affiliates

Communications Infrastructure	System Solutions	Urban Infrastructure
31 Consolidated Subs(1)	45 Consolidated Subs(1)	44 Consolidated Subs(1)

53 other subsidiaries unassociated with segments

- According to its most recent *Yuho*, Exeo has approximately 140 consolidated subsidiaries, resulting in an extremely complex corporate structure
- Furthermore, there are multiple subsidiaries operating in the same business segments, which makes it difficult to respond quickly to demand (such as redeployment of personnel), leading to missed business opportunities
- There is also significant room to reduce fixed overheads and improve operational efficiency by reducing number of subsidiaries
- While Exeo recently announced mergers primarily involving its overseas subsidiaries, significant room for further improvement remains
- In addition, the complex organizational structure described above raises questions about the effectiveness of corporate governance

Below average profitability in System Solutions Business



- Exeo's System Solutions business currently handles a large proportion of downstream software development projects, and has not been able to sufficiently grow higher-margin upstream projects including consulting, as well as recurring maintenance services
- In addition, the business handles a significant volume of low-margin hardware sales (such as Next Giga in FY2025), which is weighing on overall profit margins
- Similarly, Exeo's global business such as Procurri facing headwinds due to an overreliance on hardware sales

Source：Bloomberg, Company Disclosure
(1)：Based on FY25/3 Yuho. There are subsidiaries which operates in multiple segments, and therefore the sum above diagram goes above 136 subsidiaries

Overview of Market Outlook by Business Segment

- Telecom is expected to remain flat to slightly decline
- Data centers and System Solutions at ~10% annually, driven by AI/DX demand

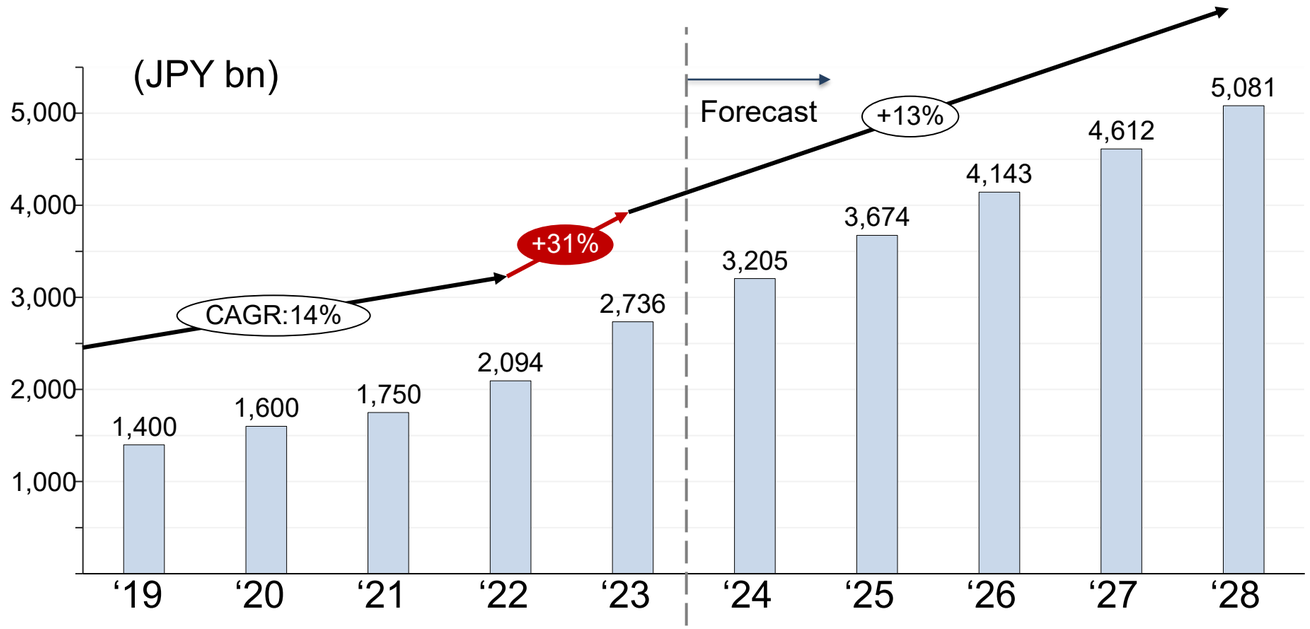
NTT & NCC Business			System Solutions		Urban Infrastructure	
NTT	Obsolete copper cable removal	• Demand from NTT remains stable, supported by ongoing replacement of aging fixed-line and fiber infrastructure and removal of obsolete copper cables	IT Infrastructure Business	• Continued cloud shift among enterprises and municipalities • Rising system demand driven by DX and AI adoption • High growth in network equipment and hardware (high single-digit %), and very strong growth in cloud (IaaS/PaaS, 10%+ annually)	Civil infrastructure	• Expansion of infrastructure renewal • Government initiative to strengthen infrastructure • Price-driven market growth
	Network infrastructure installation, maintenance, and renewal				Building construction	• Declining building volumes offset by pricing
	Access line installation, maintenance, and renewal		Software Business	• Large-scale projects such as core systems and ERP implementations at major enterprises offer strong demand and growth • PMO demand expanding, driven by labor shortages and increased need for IT planning and project management	Data center construction	• Data center demand to expand, driven by AI • ~50% of facilities are over 20 years old, supporting rising renewal demand
Others	Carrier base station deployment, expansion, and maintenance	• Declining after Rakuten's investment cycle peaks • Flat to slight decline expected until 6G investment begins (~2030)			Renewable energy construction	• Solar potential exceeds 900GW vs ~5GW annual additions, indicating significant upside

Domestic Data Center Market Size and Growth Drivers

- Data centers, growing at 13%+ CAGR, are expected to sustain strong growth driven by renewal and AI demand, reinforcing their position as a key focus area

Domestic Data Center Market Size (¥ billions)

The data center market is forecast to continue growing at a rate of 10% or more per year, driven by expanding demand for generative AI adoption.



(2) Business Adoption of Generative AI

(1) Corporate DX and Cloud Migration

Source: Ministry of Internal Affairs and Communications, "Trends in the Data Center and Cloud Services Markets," Information and Communications White Paper 2023–2025

Background / Key Drivers

(1) Corporate DX and Cloud Migration (2018~)

- Many companies have been migrating from on-premises environments to cloud solutions, including hybrid models.
- Outsourcing of IT infrastructure from in-house operations to data center operators has been increasing.
- Cloud service providers and colocation operators have stronger incentives to build new facilities and expand existing ones.

(2) Business Adoption of Generative AI (2022~)

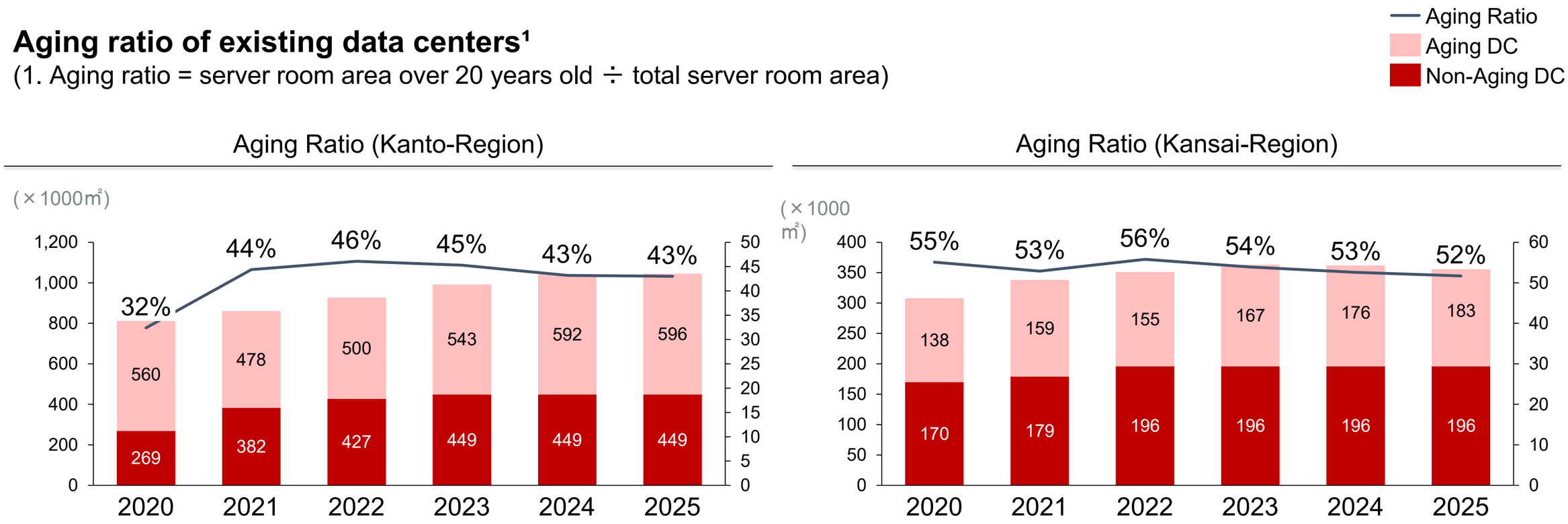
- Expanding demand for generative AI applications **has driven significant growth in GPU server requirements** as the processing backbone for AI workloads.
- GPU servers generate substantially more heat compared to conventional IT servers, increasing the following requirements within data centers:
  - Large-capacity power supply
  - Stable power delivery
  - Cooling systems

There will also be a replacement demand in the mid to long term and thus there is an urgent need to be a market leader in the field to build strong ties with clients

- Replacement and upgrade demand for aging and obsolete data centers is expected to increase going forward

Aging ratio of existing data centers[1]

(1. Aging ratio = server room area over 20 years old ÷ total server room area)



40–50% of existing data centers are over 20 years old (classified as “aging”)

Source: Research conducted by a third-party firm commissioned by Oasis

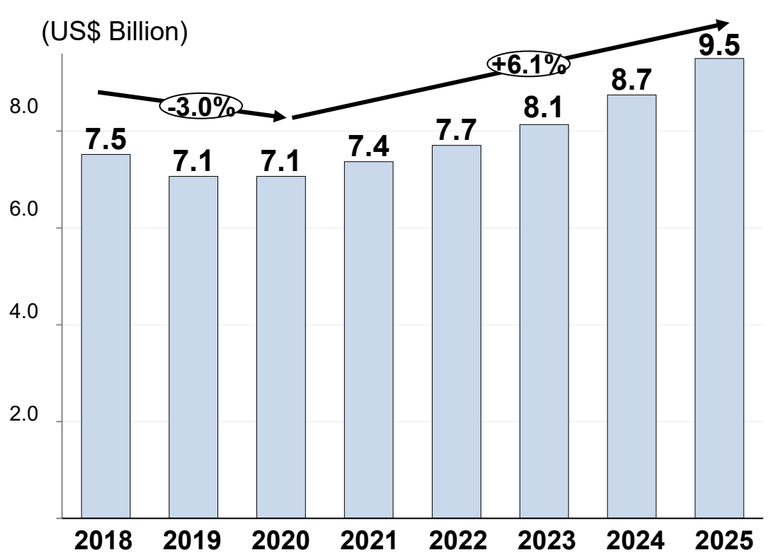
Market Trends in Infrastructure Construction

- Data center demand growth is driving steady expansion in data center construction
- Related electrical and HVAC construction markets are also expanding

Data Center Construction Market

(Incl. building construction)

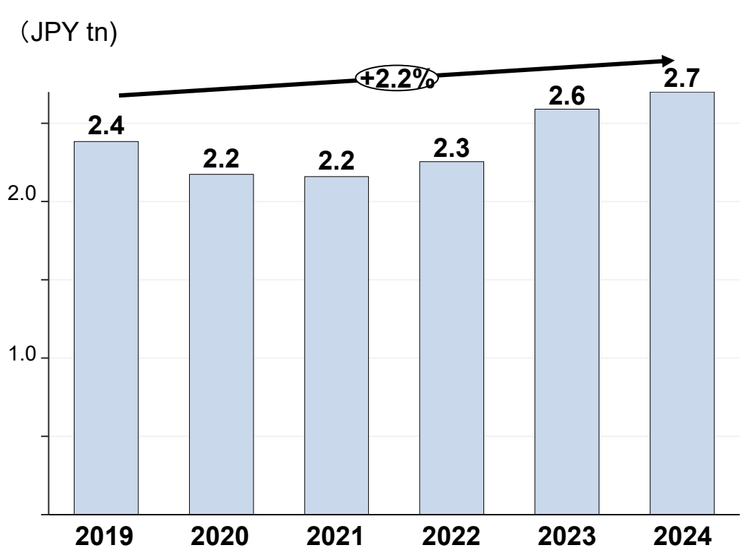
- Data center-related construction (ICT, power, HVAC): ~6.1% growth



Electrical Construction Market

(Completed construction revenue)

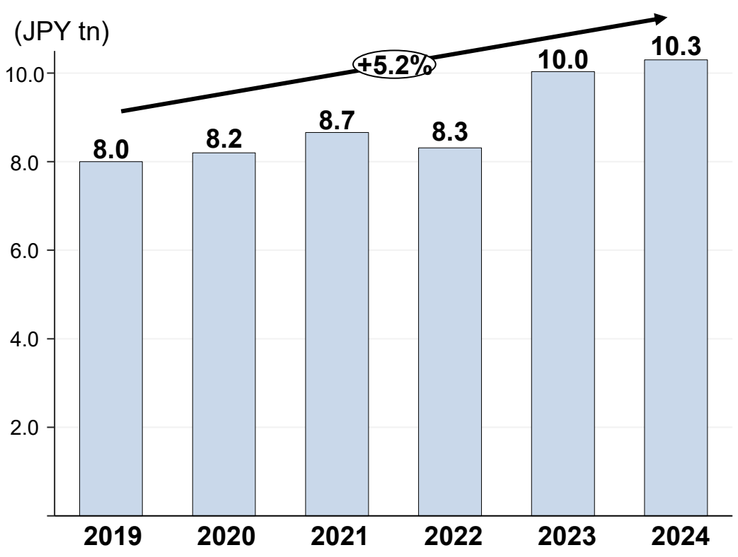
- Electrical construction: recovering post-COVID (~2% growth)



HVAC Construction Market

(Incl. piping, sanitation, fire protection, etc.)

- HVAC construction: ~5% growth, supported by replacement demand

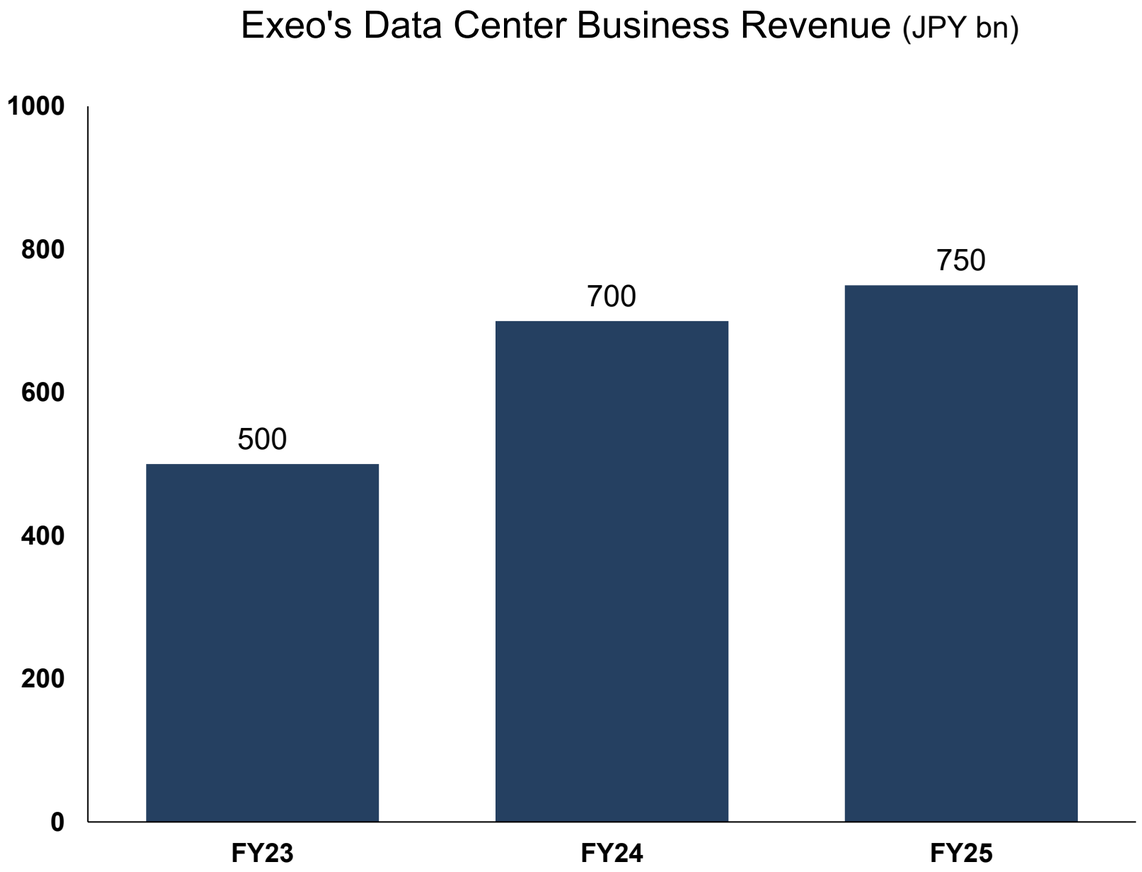


Note: Statistics based on completed construction revenue of full members of the Japan Electrical Construction Association (294 companies in FY2013–2017, 286 in FY2018, and 290 in FY2019–2023)

Source: Research conducted by a third-party firm commissioned by Oasis

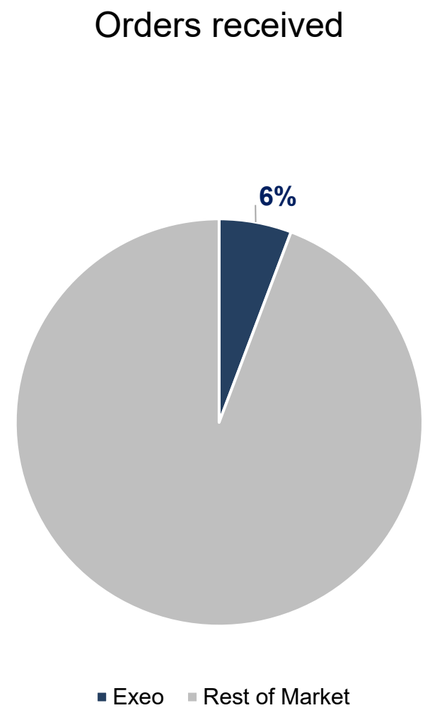
Exeo has been focusing on data center business but has not been able to meet its potential and there is an urgent need of strengthening its Board with a true expert in the field

Exeo’s data center business has been growing but…



Note: Oasis-estimate

Its market share remains a small fraction



Note: Calculated by dividing the estimate on the left by the 2024 market size shown in the preceding section.

Oasis believes that this underperformance is due to lack of Outside Directors' oversight in growth businesses

- Achieving growth in new business areas require appropriate supervision and oversight by external directors to adjust strategy flexibly
- Incumbent outside directors lack expertise in System Solutions and Datacenters, which needs to be covered urgently

Business Areas

			System Solutions		Urban Infrastructure	
		Telecom Carriers Construction (NTT, NCC)	Design & Construction (Expanding business foundation through core subsidiaries)	Operation & Maintenance (Expanding recurring business)	Data Center	Civil Engineering
Tetsuya Funabashi	Chairman and Representative Director	○	○	○		
Keigo Kajimura	President and Representative Director	○	○	○		
Noriyuki Watabe	Director and Executive Operating Officer, Head of Urban Infrastructure Segment	○				○
Fumitoshi Imaizumi	Director and Managing Operating Officer, General Manager of Global Business Division				○	
Shigeki Hayashi	Director and Managing Operating Officer, CFO	○				
Koji Tanaka	Director and Managing Operating Officer, Representative of West Japan Head Office	○				
Koichi Maeda	Director and Managing Operating Officer, Head of System Solutions Segment	○	○	○		
Masaki Kobayashi	Director and Managing Operating Officer, General Manager of Civil Engineering Business Division	○				○
Yasushi Kohara	Outside Director					
Naoko Iwasaki	Outside Director					
Tatsushi Mochizuki	Outside Director					
Keiji Yoshida	Outside Director					○
Tomoko Aramaki	Outside Director					

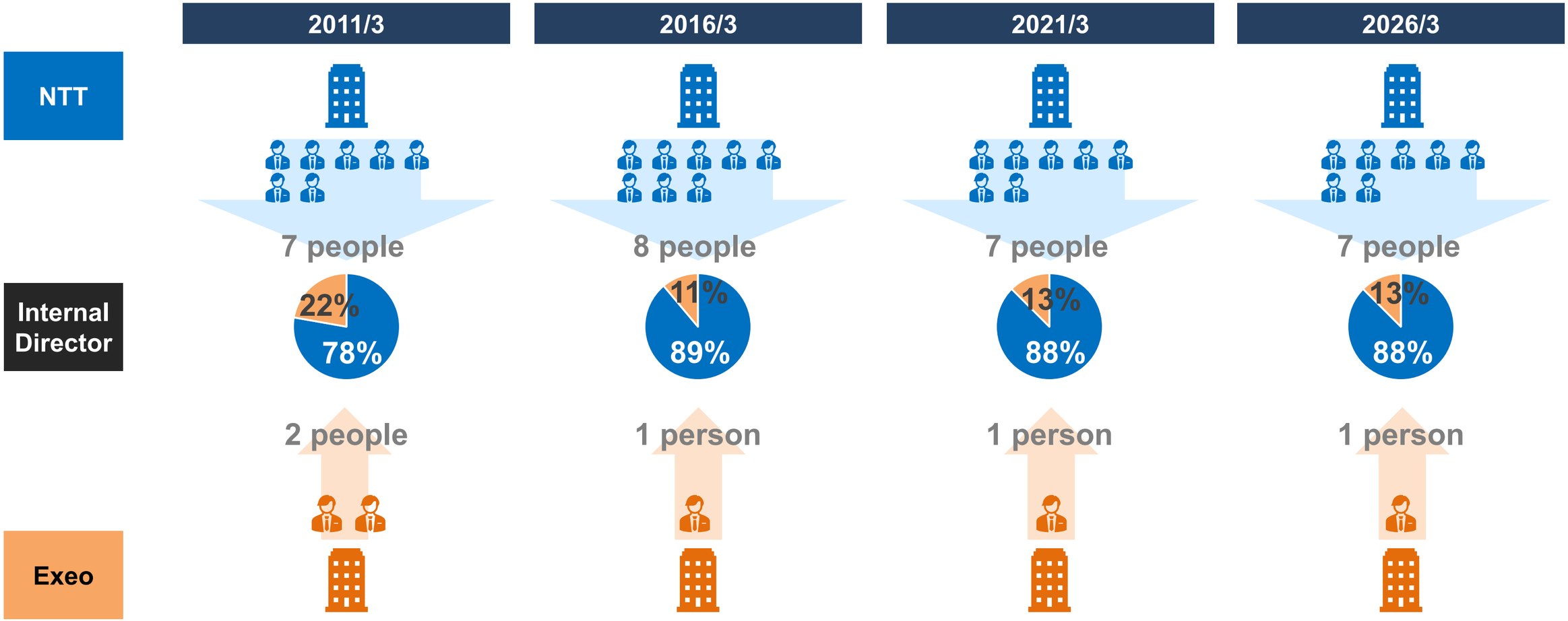
No Deep Expertise

Key Focus Areas

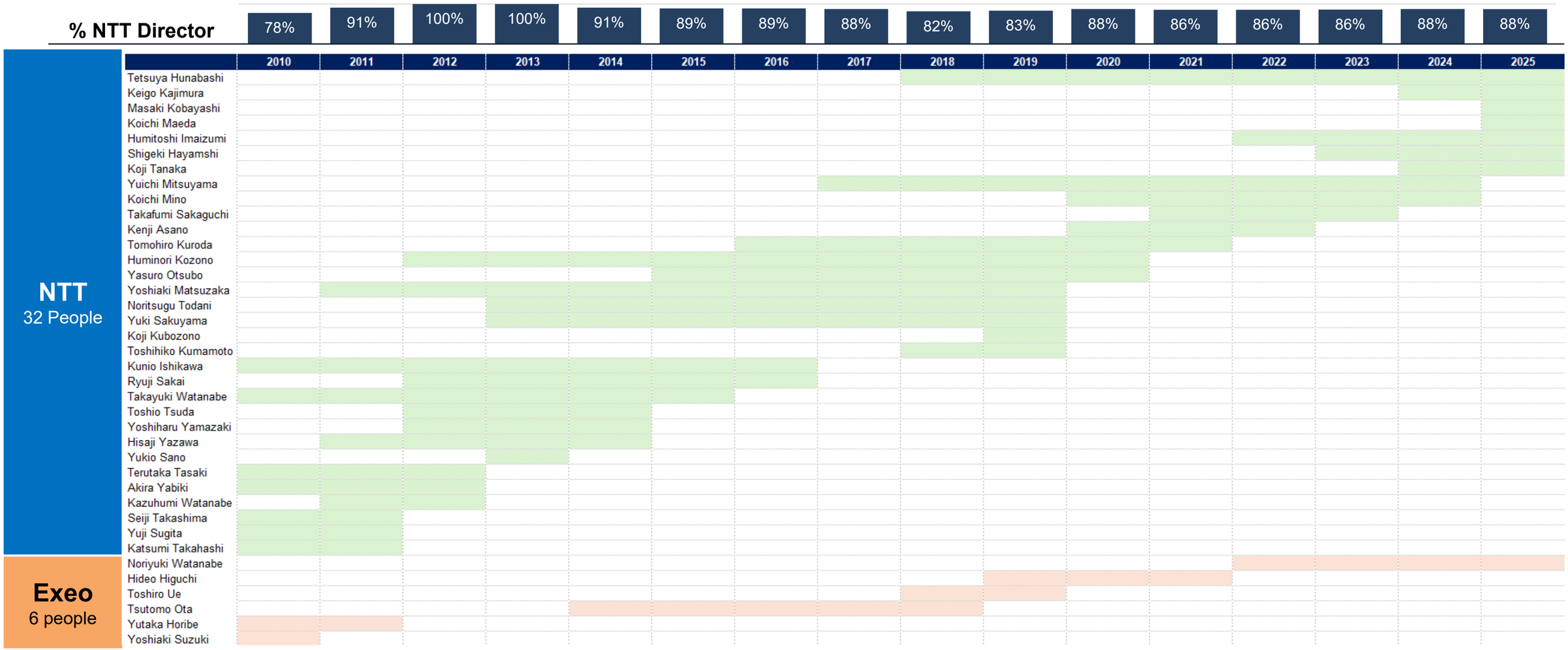
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NTT Group has had enormous influence over Exeo's Board

- The lack of necessary expertise and experience is attributable to the longstanding concentration of NTT-affiliated directors (accounting for over 80% of internal directors)
- This caused difficulty to ensure a diverse skill composition within the Board



Historical trends also show that the NTT Group has continuously dispatched directors to Exeo



Exeo continues to appoint retired NTT executives and former board of director as advisors, raising governance concerns over influence without accountability

Details of Exeo's Senior Advisor and Oasis's Concerns

氏名	役職・地位	業務内容	勤務形態・条件（常勤・非常勤、報酬有無等）	社長等退任日	任期
村上　治	名誉顧問	経済団体活動、社会貢献活動等	【勤務形態】 非常勤　【報酬】無	1997/6/27	任期の定めなし
貝淵　俊二	名誉顧問	経済団体活動、社会貢献活動等	【勤務形態】 非常勤　【報酬】無	2003/6/27	任期の定めなし
髙島　征二	名誉顧問	経済団体活動、社会貢献活動等	【勤務形態】 非常勤　【報酬】有	2008/6/23	任期の定めなし
石川　國雄	名誉顧問	経済団体活動、社会貢献活動等	【勤務形態】 非常勤　【報酬】有	2013/6/21	任期の定めなし

- Honorary positions such as Advisors carry the risk of evolving into roles with substantive power and decision-making authority, which is unhealthy from a corporate governance perspective
- Moreover, Advisors assume such positions without any mandate from shareholders, which may invite control without accountability.
- Furthermore, at Exeo, two former representative directors have been retained as advisors without any disclosure of their specific roles or contributions, raising concerns that compensation continues to be paid despite a lack of actual duties
- Both Mr. Ishikawa and Mr. Takashima, like many other internal directors, are former NTT Group executives, and may continue to retain influence through personal networks even after their retirement

経済産業省
Ministry of Economy, Trade and Industry

5.6. The Role of Senior Advisors and Executive Advisors (Sodanyaku and Komon)

Concerns have been raised that **Senior and Executive Advisors—who bear no legal accountability for corporate management—may exert undue influence over incumbent management teams, leading to detrimental outcomes such as ambiguity regarding the actual locus of leadership**. Furthermore, it has been noted that **even in the absence of active influence, the presence of such advisors can hinder decisive action; current management may hesitate to make bold strategic moves, such as business portfolio restructuring, out of excessive deference to the intentions of advisors who previously served as President or CEO**.

Furthermore, as the roles and remuneration of Senior and Executive Advisors are not standardized across companies, there is an undeniable lack of transparency from an external perspective. In some instances, the actual status and functions of these advisors are not clearly understood even within the organization itself. From the perspective of advancing corporate governance reform across Japan as a whole, **it is desirable for companies to refrain from sequestering former Presidents and CEOs as internal advisors; instead, they should ensure that these individuals are not restricted from contributing their expertise as outside directors for other companies**.

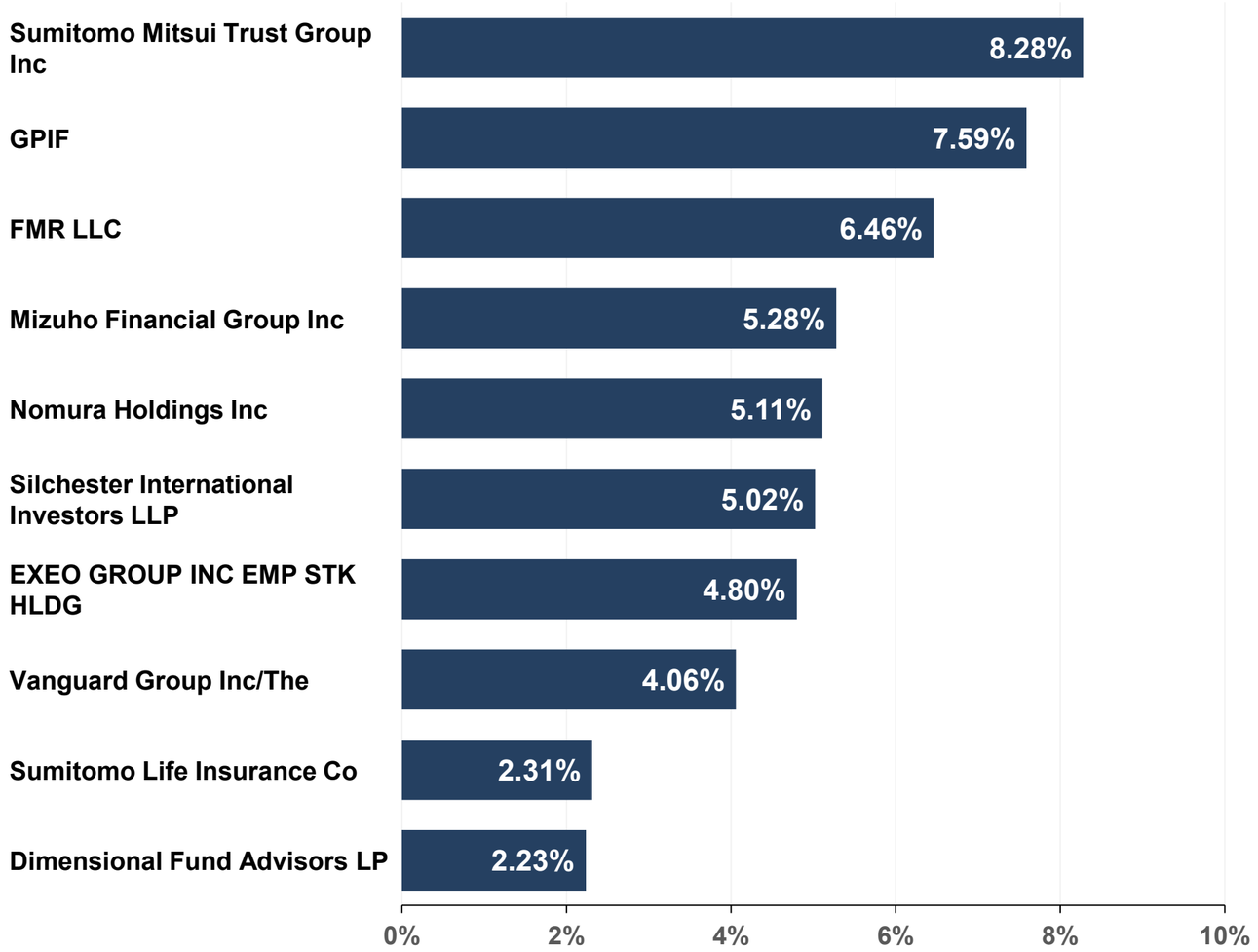
When a company appoints former Presidents or CEOs to the positions of Senior or Executive Advisors, **it is expected to voluntarily disclose information regarding the number of such individuals, their specific roles, and their remuneration and treatment, through Corporate Governance Reports and other external communication channels**

Practical Guidelines for Corporate Governance Systems

Translated by Oasis
Source: Company disclosures , Ministry of Economy, Trade and Industry

Large Shareholder of Exeo

- While NTT and Exeo share deep historical ties, there is no significant capital relationship between them
- Although the NTT Group is not a major shareholder of Exeo, it has dispatched a majority of the Company's directors, raising governance concerns



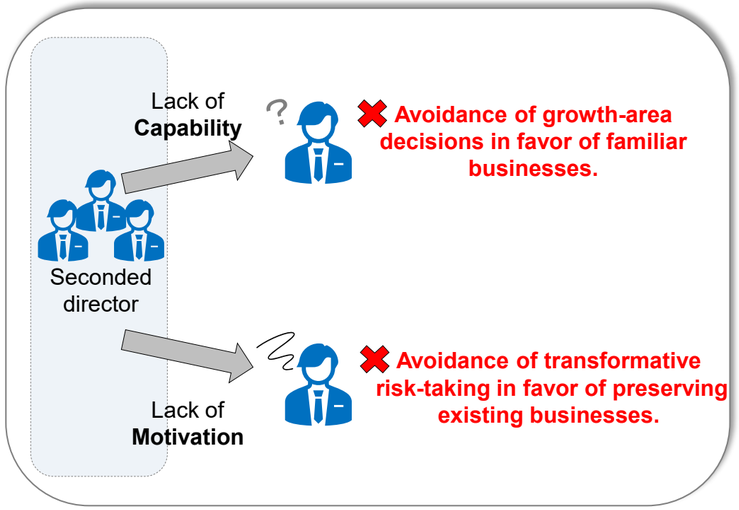
Source : Bloomberg as of April 2026

Structural Risks Posed by the “Amakudari” Practice

- Amakudari (practice where high-ranking retired government bureaucrats secure high-paying, influential roles in private or semi-private corporations) is a structural risk that persistently erodes corporate value through distorted investment decisions, influence from the dispatching organization, and declining organizational vitality - with effects already emerging.

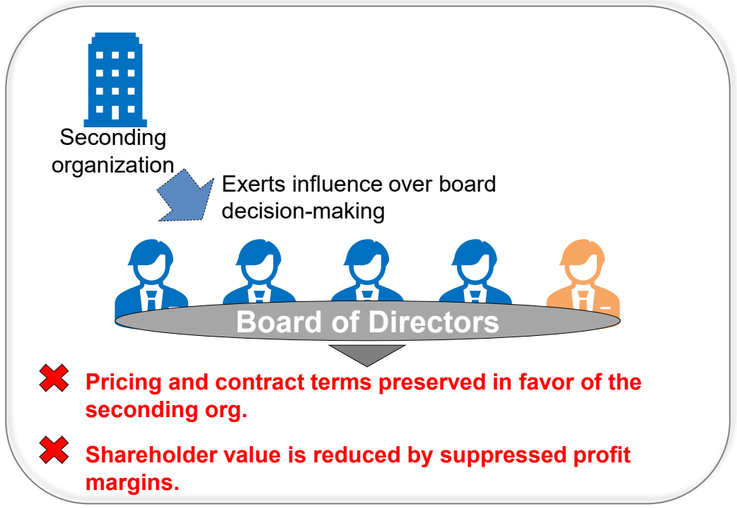
1 Avoidance of Investment in Growth Areas

- Advancing growth-area investment demands a board with **both the capabilities and the resolve to drive transformation**
- Directors dispatched (Amakudari) lack the required capabilities or have reached a career plateau, resulting in limited motivation.
- These directors are prone **to prioritizing a quiet tenure**, **defending existing businesses while resisting new investment decisions**.



2 Conflict of interest between NTT and minority shareholder

- Where transactions exist with the seconding organization, **the board's structural lack of independence allows pricing and contract terms to be set in that organization's favor.**
- The result is potential pressure on top-line growth and margins, translating into lower shareholder returns.



3 Decline in Employee Motivation

- When senior management positions are consistently filled from outside, internal promotion expectations diminish, leading **to the departure of high performers, the erosion of bottom-up initiatives, and increasing organizational homogeneity**.
- Seconded directors lack long-term commitment, causing short-term relationship-preserving behavior to dominate and eroding **the organization's capacity for autonomous growth.**

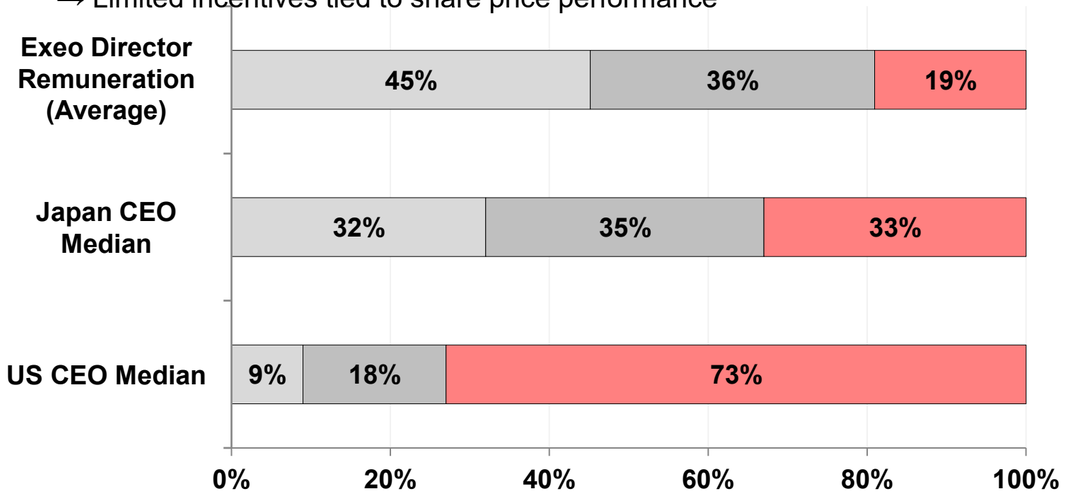


1 Lack of Incentives for Directors to Drive Share Price Appreciation

- The low proportion of equity-based compensation may weaken management's incentives to pursue risk-taking and investment in growth areas, potentially resulting in missed growth opportunities

Stock-based compensation Ratio

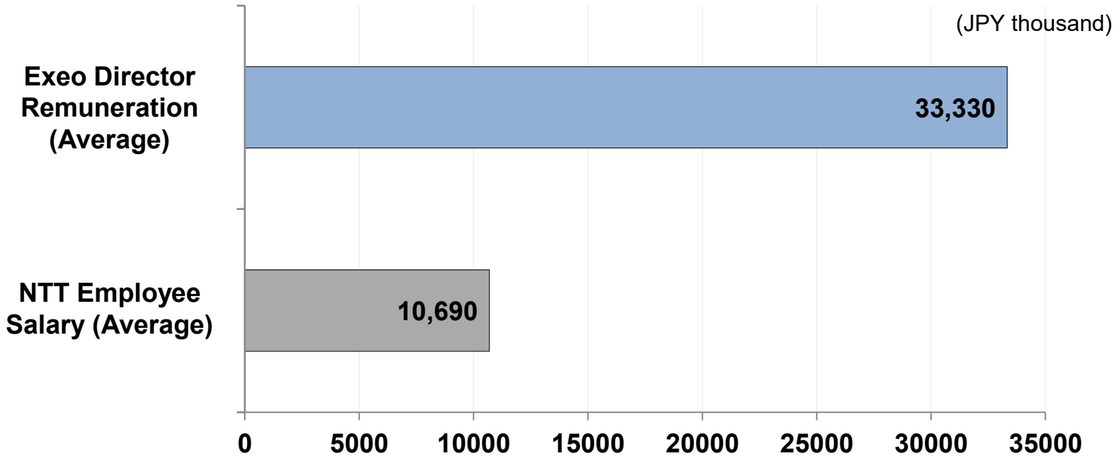
- Exeo's stock-based compensation appears low relative to Japanese and U.S. CEO benchmarks, with fixed compensation accounting for a large portion of total pay
  → Limited incentives tied to share price performance



Fixed Compensation、Short-term Incentives(Bonus)、Long-term Incentives(Equity)
Japan: Median consolidated remuneration of 83 companies with net sales of ¥1 trillion or more, selected from the top 100 companies by market capitalization
US: Median remuneration of 388 Fortune 500 companies with net sales of ¥1 trillion or more

High Absolute Compensation Levels

- Exeo executive compensation remains at a sufficiently high level relative to average NTT employee compensation
  → Potentially reducing incentives for risk-taking to enhance corporate value and share price



Director remuneration calculated as total compensation including both cash and non-cash (equity) components.

A compensation structure that makes it economically rational for directors to coast through their tenures rather than pursue risk-taking for share price or corporate value improvement

Source: Securities reports, WTW "Japan-US-Europe CEO Compensation Comparison," public information

2 Concerns Under Japan's Governance Framework

- Transactions between the dispatching company and the receiving company, a board dominated by NTT-background directors makes it difficult to ensure the independence and objectivity required under the Corporate Governance Code
- Moreover, in the absence of a capital relationship, there is no disciplinary mechanism to suppress conflicts of interest, making it even harder for such problems to surface

Concerns Under Japan's Corporate Governance Code

【Japan's Corporate Governance Code — General Principle 4】

The board of listed companies should appropriately fulfill its roles and responsibilities, including: [...] **(2) Establishing an environment where appropriate risk-taking by the senior management is supported**; and **(3) Carrying out effective oversight of directors and the management (including shikkoyaku and so-called shikkoyakuin) from an independent and objective standpoint.**

A board dominated by directors from NTT, a key business partner, **cannot be said to exercise truly independent judgment or foster an environment conducive to appropriate risk-taking**.

Concerns Under Related Guidelines

【Tokyo Stock Exchange: "The Investor's Perspective on Such Matters as Parent-Subsidiary Listings" (February 2025)】

- ✓ Although effective governance including sufficient independent outside directors is a prerequisite, parent company secondments to management remain widespread.
- ✓ Director secondments are not inherently objectionable, but become problematic when their value cannot be justified from a corporate value perspective, such as secondments to companies where little synergy exists.

The amakudari practice creates governance and conflict-of-interest risks even in parent-subsidiary structures.

The absence of a parent-subsidiary capital relationship with NTT **may limit governance mechanisms designed to mitigate conflicts of interest, potentially creating greater concerns than in typical parent-subsidiary listings**.

Source: Japan's Corporate Governance Code (Revised June 2021), Tokyo Stock Exchange, Inc.; "The Investor's Perspective on Such Matters as Parent-Subsidiary Listings" (February 2025), Tokyo Stock Exchange, Inc.

3 Decline of employee motivation is also an issue related to Amakudari



Former Exeo employee

“

In principle, all executive posts are held by amakudari appointees. If the company is going to bring in amakudari appointees who do not even play a role in winning new business, **it should instead promote home-grown employees into executive positions and raise overall employee morale.** When the company does NTT says, it is often forced to take on ill-conceived assignments, and **many amakudari appointees act as a drag on the organization.** As a result, **capable home-grown employees lose their attachment to the company — and I believe this is the single biggest reason behind employee departures.**



Former Exeo employee

“

Amakudari appointees have taken over the important posts, and truly capable employees can not be promoted. It is often forced to do whatever NTT says, and cannot refuse ill-conceived assignments that NTT offloads onto it at its convenience. As a result, a structure has formed where the burden falls on home-grown employees.

Source : OpenWork

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Oasis Nominee for Exeo Independent Director: Tomoshiro Takemoto

- Mr. Takemoto possesses extensive expertise and experience in System Solutions, particularly in the IT infrastructure and cloud platform sectors, areas not currently represented on Exeo's Board.
- He is expected to contribute to growth strategy development, business oversight, and business expansion through his network.
- In addition, Mr. Takemoto is independent from the NTT Group and would be able to provide truly independent oversight of management execution.



Career History

Apr. 1987	Joined Nomura Computer Systems (currently Nomura Research Institute)
Apr. 2013	Executive Officer, Vice Head of Cloud Services Division
Apr. 2014	Executive Officer, Head of Cloud Services Division
Apr. 2018	Senior Executive Officer, Head of Cloud Services Business
Apr. 2020	Senior Executive Officer, Head of IT Infrastructure Services Division and Multi-Cloud Integration Division
Apr. 2021	Senior Managing Executive Officer, IT Infrastructure Services Segment
Apr. 2023	Advisor, Nomura Research Institute Director, Japan Information Technology Services Industry Association (JISA) Auditor, Japan Users Association of Information Systems (JUAS)
Aug. 2025	Retired from Nomura Research Institute Founded SopoWorks LLC (Present)

Reason for recommendation

He brings deep expertise in IT infrastructure and cloud platforms to support Exeo's growth beyond telecommunications construction

Mr. Tomoshiro Takemoto is a highly experienced IT infrastructure and cloud platform executive with a strong track record supporting enterprise digital transformation and the advancement of sophisticated IT services. He has held a series of senior leadership roles in cloud platform businesses at Nomura Research Institute.

Since 2013, Mr. Takemoto has overseen cloud platform businesses and, as an Executive Officer, played a central role in driving Japan's corporate IT infrastructure transformation. In recent years, he has also been involved in cybersecurity initiatives, R&D functions, as well as strategic M&A and external partnership opportunities.

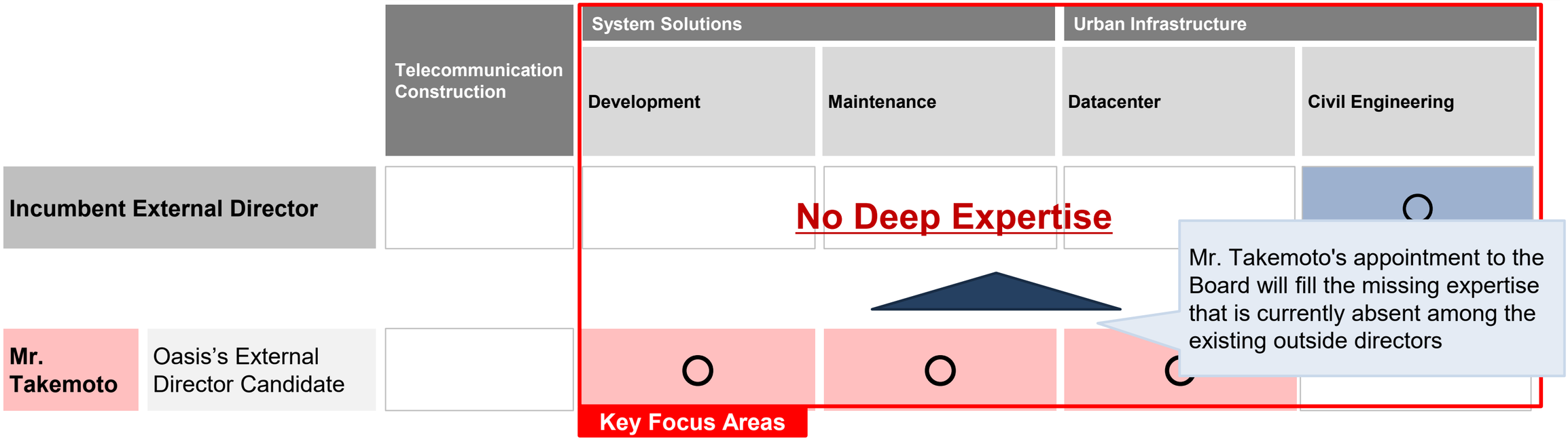
Mr. Takemoto's experience is particularly relevant to Exeo as the Company seeks to expand and strengthen its System Solutions business. His leadership background in cloud platforms and IT services is expected to provide valuable oversight and strategic input to Exeo's Board as it pursues growth in these areas.

For the reasons above, Oasis recommends Mr. Takemoto as Independent Outside Director

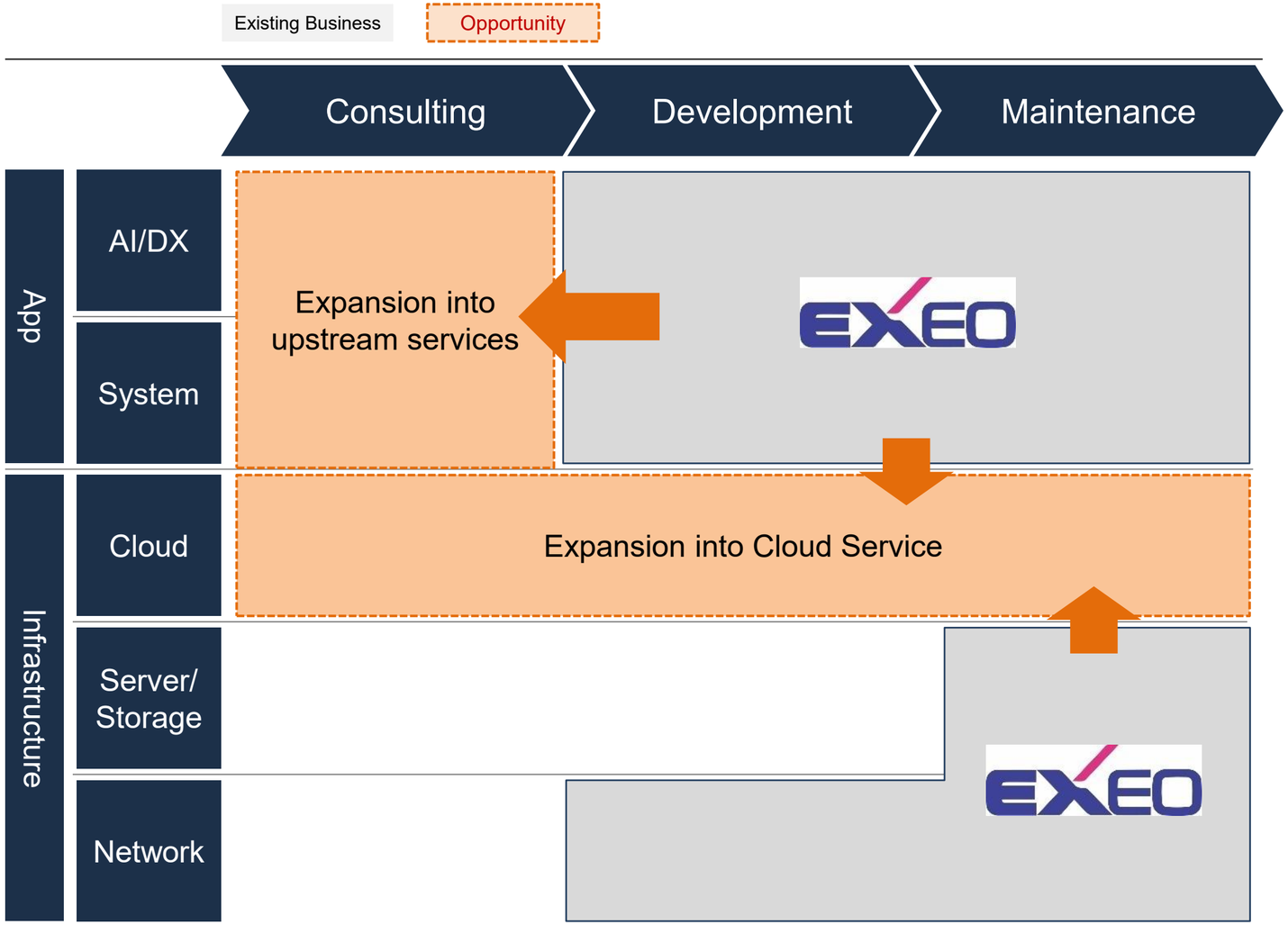
Oasis's candidate is expected to complement the skillset of the current outside directors

- No current outside directors have sufficient expertise in the key focus areas, particularly in the System Solutions business
- **Mr. Takemoto, Oasis's proposed outside director candidate, possesses deep experience and an extensive network in the software industry, positioning him to provide appropriate oversight of this business**
- **In addition, his relationship with hyperscalers in Japan is expected to contribute to accelerating growth in the data center business**

Business Segments



Mr. Takemoto can assist Exeo's expansion into Cloud services, essential to drive further growth in the System Solutions business



Oasis's External Director Candidate

- **Mr. Takemoto**
  - Having held senior positions in IT infrastructure and cloud platforms at Nomura Research Institute, he has led initiatives in digital transformation, cybersecurity, and strategic partnerships
  - he is expected to provide valuable advice to drive the company's growth in this field



Source: Oasis research

Oasis urges Exeo's shareholders to vote FOR the election of Mr. Takemoto as an Independent Outside Directors

Key issues at Exeo	How Mr. Takemoto can solve these issues
Underperforming share price due to unpersuasive growth story	Accelerating growth in Exeo's focus businesses could drive earnings growth and lead to multiple expansion
While Exeo has significant growth potential in areas such as System Solutions, its oversight structure appears insufficient to fully support these businesses	Leverages expertise in the SI industry to oversee the System Solutions, while also driving growth in the data center business through his network with hyperscalers
The Board lacks an outside director with deep expertise and experience in the System Solutions business	Brings experience and expertise currently lacking on Exeo's Board
Exeo's board composition raises governance concerns, including limited diversity and potential conflicts of interest stemming from its Amakudari	Brings diversity and contribute to fairer director nomination process, as he does not have an NTT background

Oasis proposes Mr. Takemoto as a director candidate

We ask all shareholders of Exeo to VOTE FOR Oasis's proposal



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Current Internal Director - Exeo（1/2）

Position・Name	# of shares held(as of June 2025)	Background　：From NTT
 **Chairman** **Tetsuya Funabashi**	**94,000**	▪ 2014 Representative Director and Vice President, NTT Communications Corporation ▪ 2018 Representative Director and Vice President, Exeo ▪ 2025 Representative Director and Chairman, Exeo
 **President** **Keigo Kajimura**	**9,000**	▪ 2022 Representative Director, Vice President and Executive Officer, NTT Communications Corporation ▪ 2024 Representative Director and Vice President, Exeo ▪ 2025 Representative Director and President, Exeo
 **Senior Executive Officer** **Noriyuki Watabe**	**32,000**	▪ 1985 Joined Kyowa Densetsu Co., Ltd. (currently Exeo); held a series of senior leadership roles in the Electrical and Environmental Business Headquarters ▪ 2022 Director and Senior Executive Officer, General Manager, Electrical, Environmental and Smart Energy Business Headquarters, Exeo
 **Executive Officer** **Fumitoshi Imaizumi**	**29,000**	▪ 2014 General Manager, Data Center Services Division, Cloud Services Department, NTT Communications Corporation ▪ 2017 Joined Exeo ▪ 2022 Director and Executive Officer, General Manager, Global Business Headquarters, Exeo

- **The current Board lacks directors with specialized experience in both infrastructure/software design, implementation, maintenance and operations, as well as global business management**
- **7 out of 8 internal directors are from NTT Group**

Source: Company disclosures, as of June 2025

Current Internal Director - Exeo（2/2）

Position・Name	# of shares held(as of June 2025)	Background　：From NTT
 **Executive Officer** **Shigeki Hayashi**	**9,000**	▪ 2019 General Manager, Corporate Planning Department, NTT Ltd. Japan ▪ 2021 Joined Exeo ▪ 2024 Director and Executive Officer, CFO, Department Manager, Finance Department and Corporate Planning Department, Exeo
 **Executive Officer** **Kouji Tanaka**	**8,000**	▪ 2021 Executive Officer, NTT West Corporation ▪ 2023 Executive Officer, Exeo ▪ 2024 Director and Executive Officer, Representative of the West Japan Headquarters and General Manager, Kansai Branch, Exeo
 **Executive Officer** **Koichi Maeda**	**13,000**	▪ 2014 General Manager, Planning Division, ICT Consulting Headquarters, NTT Communications Corporation ▪ 2019 Joined Exeo ▪ 2025 Director and Executive Officer, Head of the System Solutions Segment and General Manager, Solutions Business Headquarters, Exeo
 **Executive Officer** **Masaki Kobayashi**	**3,000**	▪ 2023 Director and Executive Officer, General Manager, Smart Infra Promotion Department and General Manager, Solutions Business Promotion Headquarters, NTT Infranet Corporation ▪ 2024 Executive Officer, Exeo ▪ 2025 Director and Executive Officer, General Manager, Civil Engineering Business Headquarters, Exeo

- **The current Board lacks directors with specialized experience in both infrastructure/software design, implementation, maintenance and operations, as well as global business management**
- **7 out of 8 internal directors are from NTT Group**

Source: Company disclosures, as of June 2025

1. About Exeo
1-1. Company profile and engagement history
1-2. Financial and share price performance relative to peers
2. Issues at Exeo
2-1. Insufficient board expertise in growth and priority areas
2-2. Strong influence by the NTT Group
3. Oasis's Proposal
4. Appendix
4-1. Profiles of Internal Directors
4-2. Profiles of Outside Directors
4-3. Adverse Effects of "Amakudari"

Current Outside Director - Exeo

Position・Name	# of shares held(as of June 2025)	Background
 **Director** **Yasushi Kohara**	**6,000**	▪ 2015 Representative Director and President, Osaka Toyota Motor Co., Ltd. ▪ 2018 Outside Director, Exeo
 **Director** **Naoko Iwasaki**	**1,000**	▪ Professor Institute of d-Government, Waseda University; Chairperson, NPO Japan CIO Association(Digital and IT Policy) ▪ 2019 Outside Director, Exeo
 **Director** **Tatsushi Mochizuki**	**4,000**	▪ 2012 Director-General, Local Administration Bureau, Ministry of Internal Affairs and Communications ▪ 2020 Outside Director, Exeo
 **Director** **Keiji Yoshida**	**7,000**	▪ 2016 Representative Director and Senior Executive Vice President, JFE Engineering Corporation ▪ 2021 Outside Director, Exeo
 **Director** **Tomoko Aramaki**	**-**	▪ Aramaki Certified Public Accountant Office; Representative Partner (Certified Public Accountant and Tax Accountant) ▪ 2023 Outside Director, Exeo

- **The current Board of Directors lacks members with specialized experiences in both the infrastructure and software lifecycle and global business.**

Source: Company disclosures, as of June 2025

Current Outside Auditor - Exeo

Position・Name	# of shares held(as of June 2025)	Background　　: From NTT
 **Standing Statutory Auditor** **Naruhiko Yamada**	**16,000**	▪ 1987 Joined Kyowa Densetsu Co., Ltd. (currently Exeo); held a series of senior leadership roles including General Manager, Tokai Branch, and General Manager, Human Resources Department ▪ 2024 Standing Statutory Auditor, Exeo
 **Standing Statutory Auditor** **Yuichi Koyama**	**58,000**	▪ 2014 Director, Deputy General Manager, Business & Office Sales Promotion Headquarters, and General Manager, Office Sales Department, NTT East Corporation ▪ 2016 Executive Officer, General Manager, Telecommunications Business Headquarters, Exeo ▪ 2025 Standing Statutory Auditor, Exeo
 **Statutory Auditor** **Eiko Osawa**	-	▪ 2021 Retired as Partner, Ernst & Young ShinNihon LLC; Representative, Osawa Certified Public Accountant Office (Certified Public Accountant) ▪ 2023 Outside Statutory Auditor, Exeo
 **Statutory Auditor** **Akira Harashima**	-	▪ 2022 Representative Director and Vice President, Tokyo Marine Holdings, Inc. ▪ 2024 Outside Statutory Auditor, Exeo
 **Statutory Auditor** **Yukako Oshimi**	-	▪ 2014 Partner Attorney (incumbent), Shibata, Suzuki & Nakata Law Office ▪ 2025 Outside Corporate Auditor, Exeo

- **Even the Board of Corporate Auditors is being used as a “Amakudari” place for former NTT Group personnel, which could potentially affect the auditors’ oversight of directors’ execution of duties.**

Source: Company disclosures, as of June 2025

Skill matrix of directors disclosed by Exeo

- While the Company's disclosed skill matrix indicates broad expertise in areas such as "Corporate Management / ESG," relatively few directors appear to possess meaningful expertise in Exeo's strategic growth areas

		Key Skills					
		Corporate Management / ESG	Innovation / DX	Engineering	Marketing / Global Business	Finance / Accounting	Legal / HR / Labor
Tetsuya Funabashi	Chairman and Representative Director	○	○	○	○		○
Keigo Kajimura	President and Representative Director	○	○	○	○		○
Noriyuki Watabe	Director and Executive Operating Officer, Head of Urban Infrastructure segment	○			○		
Fumitoshi Imaizumi	Director and Managing Operating Officer, General Manager of Global Business Division	○	○	○	○		
Shigeki Hayashi	Director and Managing Operating Officer, CFO	○			○	○	
Koji Tanaka	Director and Managing Operating Officer, Representative of West Japan Head Office	○	○	○	○		
Koichi Maeda	Director and Managing Operating Officer, Head of System Solutions segment	○	○		○		
Masaki Kobayashi	Director and Managing Operating Officer, General Manager of Civil Engineering Business Division	○	○	○			○
Yasushi Kohara	Outside Director	○			○		
Naoko Iwasaki	Outside Director	○	○		○		
Tatsushi Mochizuki	Outside Director	○					○
Keiji Yoshida	Outside Director	○		○	○		○
Tomoko Aramaki	Outside Director	○			○	○	

Source: Company disclosures

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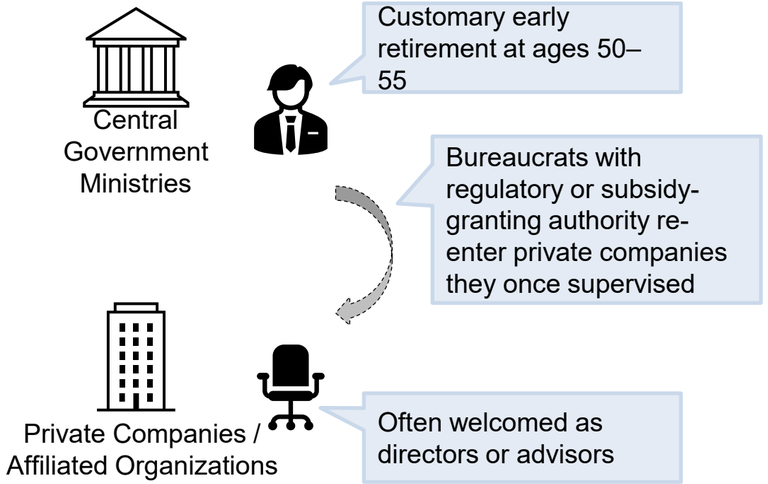
Definition and Governance Issues of Amakudari and Their Relevance to the Exeo–NTT Relationship

- Amakudari can distort competition, create conflicts of interest, and weaken governance
- NTT employees and officers are subject to regulations equivalent to those applicable to public officials in certain respects, including penalties for bribery. The practice of amakudari of NTT executives raises serious questions about the effectiveness of corporate governance

Definition and Problems of Amakudari

What is Amakudari?

- The practice whereby bureaucrats and public servants of central government ministries, after retirement, take up new positions at private companies or affiliated organizations over which they had exercised regulatory or subsidy-granting authority during their tenure.



Why is it problematic?

- Amakudari constitutes a "privileged employment" practice that leverages personal connections and influence built up during prior public service. It has long been identified as a source of structural problems — chief among them, the collusion between government and industry.

Risk of Collusion and Corruption

Close ties between regulators and industry can become a breeding ground for bribery and misconduct

Risk of Distorted Fair Competition

Personal networks within former supervising ministries may be exploited to manipulate regulation and bidding processes

Risk of Public Fund Misuse

Subsidies and outsourcing fees flowing to amakudari destinations may become inflated

Risk of Eroded Regulatory Neutrality

Collusion may hollow out the regulatory and oversight functions of government

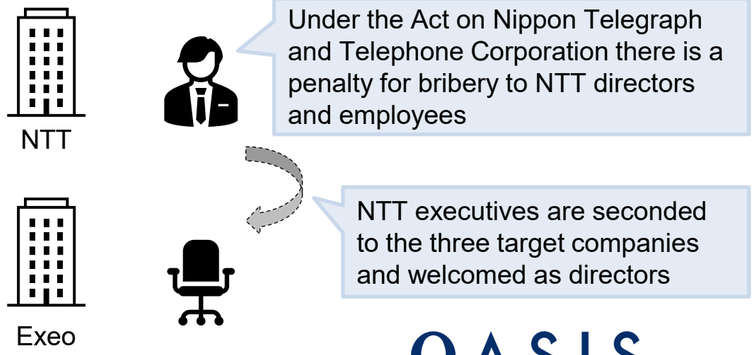
Application to the Exeo–NTT Relationship

Act on Nippon Telegraph and Telephone Corporation, etc.

Article 19

If any director, accounting advisor (or, where the accounting advisor is a corporation, the employee responsible for performing its duties), auditor, or employee of the Company or a regional company accepts, solicits, or promises to accept a bribe in connection with their duties, such person shall be subject to imprisonment for up to three years.If such conduct results in a wrongful act or failure to perform an appropriate act, such person shall be subject to imprisonment for up to seven years.

- Oasis believes that leveraging influence and networks developed through telecommunications administration in private-sector management **constitutes amakudari**



NTT Law and Governance Concerns in Director Appointments

- The massive influence of NTT Group alumni as directors is unacceptable from a corporate governance perspective

Evolution of the NTT Law

【At the Time of Enactment】 Nippon Telegraph and Telephone Corporation Law (Act No. 85 of 1984), Article 2

- The Company shall engage in telecommunications business in order to achieve its objectives.
- In addition to the business set forth in the preceding paragraph, the Company may engage in any business necessary to achieve its objectives.

> **NTT's business scope is effectively limited to telecommunications services,** rendering direct investment or acquisition of telecom construction and IT services difficult under current interpretations

【Current Law】 Act on Nippon Telegraph and Telephone Corporation, etc.,

Article 2(1)

In order to achieve its objectives, the Company shall engage in the following businesses:
(i) Underwriting and holding of shares issued by regional companies (omitted)
(iv) Businesses incidental to the businesses listed in the preceding items

Article 2(2)

In addition to the businesses set forth in the preceding paragraph, the Company may engage in any business necessary to achieve its objectives.
In such cases, the Company shall notify the Minister for Internal Affairs and Communications in advance (partially omitted).

> NTT Law regulations remain in place for NTT Holding and regional companies, **while subsidiaries engaged in telecom construction and IT services (e.g., NTT Data, NTT Com Engineering, NTT InfraNet, NTT Facilities) are exempt**

Governance Concerns in Director Appointments

The continued involvement of individuals with NTT backgrounds, despite NTT being a competitor, risks structurally impairing independent decision-making and is not justifiable under sound governance principles

- NTT can deliver telecom construction and IT services entirely within its multiple group companies operate in these areas:
  - NTT Data
  - NTT Com Engineering
  - NTT InfraNet
  - NTT Facilities

Governance Concerns

- Despite being competitors, NTT-affiliated individuals continue to occupy director and executive roles

Source：Bloomberg as of April 2026

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