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## Summary of questions and answers at the 2Q of the FY2019

Date of the event: October 29, 2019 16:00~17:00

Venue: BERSARL Yaesu 3F Co., Ltd.  
Room5 (1-3-7 Yaesu, Chuo-ku)

Respondent: Shinichi Ata, President & CEO . . . (1)、(4)~(6)  
Takashi Kodama, Member of the Board, Senior Vice President, General Manager, Solution  
Unit . . . (2)~(3)

[Questioner 1]

(1) In addition to shortening overtime and teleworking, what are your unique "work style reforms."

Institutionally, we have a system that makes it easier to take off and a system that makes it easier to raise children. I think that other companies are also managing time, but we are doing this very strictly.

We are also taking on the challenge of creating a role model for working styles that are realized by using cutting-edge technologies. We are promoting highly productive working styles by utilizing Microsoft Teams. We hope to make use of the know-how we have gained in this project to launch the product in packaging and other applications in about 6 months' time.

[Questioner 2]

(2) What are your responses and challenges in packaging services?

I feel that this is a very good response. I am a Microsoft Teams seminar instructor who speaks directly to customers, and I am confirming that our solutions are very suited to areas that pose a bottleneck to customers' problems and raise productivity.

At the same time, the issue is how to sell through our partners. In the 1H of the fiscal year, we signed new partnership agreements with several companies, and some of the partners we want to collaborate with include our competitors as a Sier. It will take some time for us to create a scheme to collaborate in this process.

(3) In the IoT field, you became a worldwide finalist. What points were highly evaluated, and what are your strengths that are different from those of other companies?

We have an IoT service called "IoT Core Connect," which includes Microsoft's "Microsoft Azure" service. First, the service itself has not been very popular around the world. Another reason is that, as illustrated by examples such as Asahi Facilities, this service is actually used as a customer service.

[Questioner 3]

(4) Is the stock sales of companies other than the SB Group (enterprises/public) proceeding according to plan?

We are steadily executing orders received by the end of the previous fiscal year, and are generally in line with our plan. From the perspective of accumulating recurring revenue, we are making proposals that combine the development of "Microsoft Azure" with subsequent operations. In addition, there is an increasing trend among customers that they would like to transfer engineers from the Information Systems Division to the Business Division, and that they would like to entrust maintenance and operation of their own systems and help desk operations to us.

(5) I feel that the business sentiment in the manufacturing industry is getting worse and there is a movement toward reluctance to invest. How do you view this?

We are focusing on the global manufacturing industry. The number of inquiries from these customers is on the rise, and we do not feel any signs of reluctance to invest in areas where we are strong. We believe that we can contribute to cost reductions and enhanced competitiveness for our customers.

(6) At the end of August, there was a large-scale failure in Amazon Web Service, but did it affect your business, which is good at Azure?

As long as you're a public cloud, Microsoft Azure can also fail, and you don't move from an AWS failure to a Microsoft Azure.