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Summary of questions and answers at the Q4 FY2020 Earnings Results of Operations

Date of the event: April 27, 2021 16:00-17:00
 Venue: SB Technology Corp. Head Office
 Respondent: Shinichi Ata, President & CEO

<Questioner 1>

(1) Please tell us the aim of integrating Enterprise Business & Public Sector Unit and the Solution & Service Unit in the organizational change this fiscal year, and the reason why you newly established the CFO.

Many users of our services will be Enterprises and government customers. In order to develop and provide services that better satisfy customer needs in a timely manner, we have integrated the Solution and Service Unit, which is responsible for the mission of planning and development services, into Enterprise Business & Public Sector Unit, which deals with customers on a daily basis.

In addition, in order to further increase corporate value, we have newly established the role of CFO, and Okazaki, who has previously served as CFO at SoftBank Corp. and Nidec, has been appointed. We plan to become a board member after the resolution of the general meeting of the shareowners in June.

(2) We would like to confirm whether the company expects to achieve the target of "BIT&CIT to account for 50% of sales" in the Third Medium-Term Management Plan in the context of significant growth in Technical solutions in FY20.

At the end of FY20, we were able to keep a backlog of orders for BIT and CIT solutions. We believe that the DX promotion and public-related demand among Enterprises customers will continue to be strong. Given this business climate, FY21 is planning to grow BIT and CIT solutions, which we believe are achievable at this time.

(3) By promoting vendor management projects for SoftBank Corp. in Technical Solutions, have you also been able to acquire projects for BIT Solutions and CIT Solutions?

That's right. Even within SoftBank Corp., which has been considered difficult to convert to cloud due to the nature of the data handled to date, demand is rising for systems other than those related to confidential information and security measures, and expectations are rising for us.

(4) It is unlikely that the Technical solutions will be profitable for many of the projects of the parent company, SoftBank Corp., but how will it be scaled in the medium to long term?

Trading with SoftBank Group Corp. is done by Arm's length.

Through our involvement in projects with SoftBank Corp., we have been able to utilize our expertise in large-scale projects and knowledge gained from projects that utilize leading-edge technologies for Enterprises and government customers, which we believe is also positive in this respect.

(5) What was the tender and acquisition status for public projects other than MAFF?

In addition to the explanation given by MAFF, we are also involved in the Japanese version of O-NET by the Ministry of Health, Labour and Welfare, and in a project by the National Institute of Advanced Industrial Science and Technology (AIST). I think there are other great opportunities, but MAFF's common application and digital maps we explained are unprecedented large projects for us as well. In FY21, we will focus on large-scale projects for which orders have been received, and steadily proceed with these projects.