

※It is translated by AI

Summary of questions and answers at the Q2 FY2021 Earnings Results of Operations

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

<Questioner 1>

- (1) Although the full-year performance forecast has been revised, please tell us about the points where the situation has changed drastically from the initial forecast for the fiscal year.

The main reasons for this upward revision are: the next-generation information security cloud, which was unclear at the beginning of the fiscal year, has been able to receive orders including projects in the vicinity; the IT investment by enterprise customers, which had been conservative in expectations, has been recovering steadily; and in addition, the scope of support for IT support projects for SoftBank Corp. has expanded beyond expectations.

- (2) You said that you are promoting large-scale development for the MAFF*. What is the current state of progress?

Regarding the electronic application project for the MAFF, staff members of MAFF have created a platform to create electronic applications on their own, and we have provided support and education together. These efforts have been highly appreciated. We will continue to support the computerization of the application flow.

In addition, we have included an order loss reserve for the digital map project as explained earlier, but we are currently dealing with it, including a demonstration experiment. It is a system that can be utilized not only in agriculture but also in other fields, so I hope that it will grow in the next fiscal year and beyond.

- (3) I think your company's strength lies in its experience and know-how in building an electronic application infrastructure for the MAFF. I think it is very wonderful that staff can implement electronic applications, but could you tell us your thoughts on the horizontal development?

I have great expectations. However, at the present point in time, no other ministries have decided on the development or development of a similar mechanism.

- (4) Please let me know if you have decided on a theme or direction for the fourth medium-term plan that will start next term.

In the first semester, we are proceeding with an analysis of the content of the opinions and ideas that all employees gathered to discuss, and from November, we will begin full-fledged discussions at the management level. We are reviewing what we did in the Third Medium-Term Plan to make it better. We are committed to the policy of "significant growth" set forth at the time of the appointment of the president, and are studying the next medium-term plan. The specific content of the plan is scheduled to be announced at the current financial results in April next year.

*MAFF: Ministry of Agriculture, Forestry, and Fisheries