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## Summary of questions and answers at the Q3 FY2022 Earnings Results of Operations

Date of the event: January 25, 2023 16:00-17:00

Venue: SB Technology Corp. Head Office (Teams held)

Respondent: Shinichi Ata, President & CEO --- Question3, Question4

Masaaki Okazaki, Member of the Board Executive Vice President, CFO --- Question1, Question2

< Questioner 1 >

(1) Regarding the downward revision of sales, please tell us the sense of scale by segment and the background?

We have revised our full-year sales forecast from ¥70 billion to ¥67 billion. From the initial plan, the forecasts are for a decline in sales of about ¥1 billion for Telecommunication and about ¥2 billion for Enterprise. In Telecommunication, sales declined amid a shift in vendor management projects to high-value-added areas. In Enterprise, the number of personnel assigned to deal with incidents and the decline in cloud development projects, etc. were affected.

(2) Will sales for Telecommunication continue to decline in the next fiscal year from Q4?

It is currently in the process of shifting to areas with high added value, and the impact on this Quarter's results is greater.

(3) What are the growth drivers since the next term?

The policy of growing with cloud and security remains unchanged. In particular, in-house services, such as managed security services, have relatively high profit margins and will contribute to improving profitability. And, the customer base of 405 local governments was able to be acquired by the order of next Local Government Information Security Cloud. In the future, we would like to propose optional services, such as security monitoring and operation and remote desktop, in the form of packages that can be easily introduced by local governments.

< Questioner 2 >

(4) The full-year forecast for operating income of ¥5.4 billion is unchanged, but I would like to ask you about your outlook for achieving this target.

While there are some positive aspects to the initial forecast, such as a reduction in the impact of the change in the contract with NortonLifeRock Co., Ltd., in addition to the growth in cloud and security and the improvement in profitability, the Company will continue to work to achieve its targets.

*Disclaimer:*

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