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## Summary of questions and answers at the Q4 FY2022 Earnings Results of Operations

Date of the event: April 27, 2023 16:00-16:40 (JST)  
Venue: SB Technology Corp. Head Office (Teams held)  
Respondent: Shinichi Ata, President & CEO

< Questioner 1 >

(1) Within this fiscal year's guidance, the outlook is for Telecommunication sales to decline by around ¥3 billion YOY, but I would like to know the target for the gross profit margin and the policy for low-profit projects.

The gross profit margin on Telecommunication improved to 18.4% on FY22 Q4, and was 17.1% for the full-year FY22. In the current fiscal year, through the use of offshore, etc., the Company aims to improve the gross profit margin by more than 1 percentage point for the full year and to achieve around 20% in the future.

The company generally returned low-margin projects in the previous fiscal year, but expects to return some of these projects in the current fiscal year.

(2) Does the guidance for the current fiscal year incorporate improvements through offshore utilization and expansion of Share of wallet?

Although the effects are not immediately apparent from the beginning of the period, they are factored in with the assumptions that the effects will gradually emerge.

(3) I think it was planned to apply for a common application for the Ministry of Agriculture, Forestry and Fisheries to other ministries and agencies, but is there any progress?

There are no concrete orders at this point, but we have received several inquiries and consultations.

(4) Regarding the efforts to ChatGPT, please teach us the sense of schedules, such as the implementation of demonstration tests and the time of receiving orders for specific projects.

The other day, the Ministry of Agriculture, Forestry and Fisheries has reported that ChatGPT will be used for some operations, and customers of Enterprise have received inquiries, but there are still no specific orders.

We hope to develop a form suitable for each customer based on Azure OpenAI.

Though there are various challenges such as charge and usage, we would like to develop the service by packaging in the future.

*Disclaimer:*

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