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Summary of questions and answers at the Q2 FY2023 Earnings Results of Operations

Date of the event: October 30, 2023 16:00-16:40
Venue: SB Technology Corp. Head Office (Teams held)
Respondent: Shinichi Ata, President & CEO

< Questioner 1 >

(1) How do you look at the outlook for orders for the Telecommunication segment?

SoftBank Corp. is curbing investment, but it is optimistic to think that the demand may be demodulated at all, because the system renewal, etc. is also necessary.

We do not anticipate a significant decline in the ratio of vendor management projects from the next fiscal year onward, but if there are system renewal projects in the vendor management project area, it is assumed that we will not take the same form and become a prime company, so we think that it will gradually decrease at that timing.

(2) Please tell us about the progress of offshore utilization in Telecommunication and the prospect of contribution to profitability.

At present, about 30 people are in operation, but they intend to increase it further in the future.

While this is not just an offshore effect, we would like to combine various measures to aim for a gross profit margin of nearly 20%.

(3) Please tell us about the anticipated order for the Enterprise segment.

The areas in which we have defined our focus customers and are active are very strong, and we have received a variety of inquiries, including AI related demonstration tests.

On the other hand, for other customers, it is working to provide maintenance services rather than new developments, and in this area, it is also working to provide services and expand sales through partners, with the aim of accumulating orders.

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