

Business Segments

Information and Telecommunications Business

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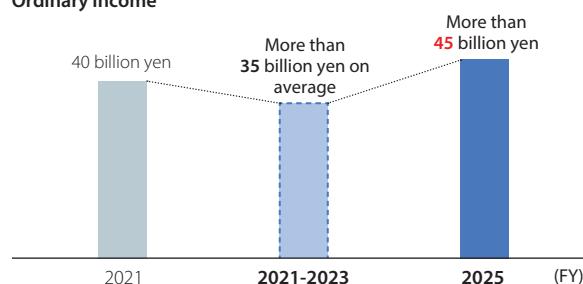


Overview

Arranging an extensive menu of options properly that respond to customer needs, we are providing comprehensive IT services for households and business firms utilizing AI, IoT, and other digital technologies. Going forward, we are committed to building on our contribution to our customers and society by capitalizing on our Group's strengths in development of new businesses and services, such as provision of 5G-based high value-added solutions, creation of new solutions that support cloud computing and DX needs, and promotion of data center businesses to meet increasing demand.

Medium-term Management Plan Targets

Ordinary income



Business environment

Opportunities

- Growing need for high-speed and stable communication against the backdrop of video viewing, remote work, etc.
- Growing needs for business efficiency and automation, with the acceleration of DX promotion

Risks

- Changes in competitive environment caused by new entrants
- Changes in business structure with the emergence of innovative new technologies
- Intensifying price-cutting competition

Business strategies

Directions to take

- 1 Demonstrate overwhelming competitiveness in information and communication infrastructure services in the Kansai region, and increase profits.
- 2 Promote provision of high value-added services and creation of new solutions that contribute to increasing the value of information and communication infrastructure services as well as operating outside the Kansai region.

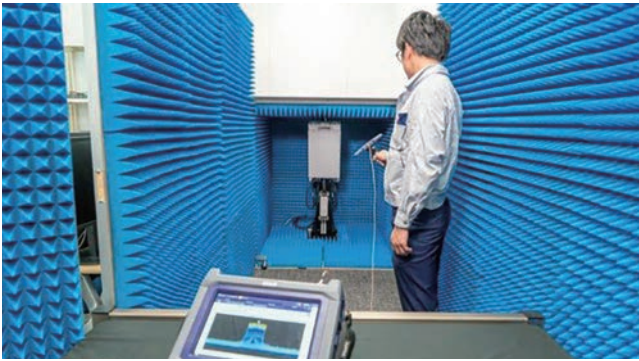
5-year Efforts

1 Increase profitability

- Provide eo's ultra high-speed services and mineo's (Personal / Business) unique community-based services.
- Develop next-generation data centers.
- Provide Group assets (optical fiber, station buildings, transmission towers, utility poles, etc.) toward the spread of 5G communications.

2 Solutions

- Provide IoT and high value-added solutions centering on the 5G core network.
- Provide new solutions to respond to the needs of cloud computing and DX.
- Set up new green data centers and promote green power source procurement.



Initiatives in fiscal 2021

Consumer services

eo Optical services, offered by the group company OPTAGE Inc., are FTTH services consisting of eo Optical Fiber Internet, eo Optical Fiber Telephone and eo Optical Fiber Television, each of which utilizes a proprietary high-speed, reliable optical fiber network extending throughout the Kansai area. In fiscal 2021, to meet the growing demand for high-capacity communication, OPTAGE lowered the basic monthly rate for its “eo Optical 10/5 GB Services,” an ultra-high-speed service, and expanded the service area, the largest in the Kansai region. More than 50% of new subscribers have chosen this service.

OPTAGE will continue to provide infrastructure services that form the basis for comfortable living, developing attractive services to keep customers satisfied in accordance with their varying needs.



OPTAGE also offers the cell-phone service mineo (Personal / Business), where various services such as the Ambassador System and “Yuzurune” service are provided to mineo customers under the theme of co-creation. In fiscal 2021, the company’s efforts in improving customer convenience in launching its unique “Maisoku” and “Unlimited Calls for Unlimited Time” services won first place in recommendable cell phone services.

The values unique to mineo (namely the co-creation strategy: co-creation and co-imagination) will be further enhanced to provide services to as many customers as possible.

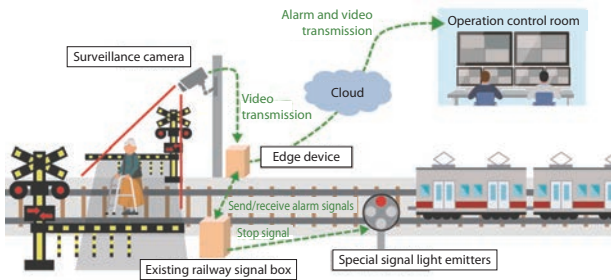


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Furthermore, in fiscal 2021, with the “eo-mineo Combination Discount,” reducing eo Optical Net monthly rates applicable to customers subscribing to eo Optical Net and mineo as a set, OPTAGE made their services more affordable and convenient. Through both services, OPTAGE will continue to support comfort, convenience, and affluence in the lifestyles of customers.

Services for corporate customers

As services for corporate customers, in addition to fiber-optic internet services for enterprises, we provide comprehensive services covering consulting, system development, cloud computing, AI/IoT, etc. We are also taking on new challenges such as creation of new solutions that meet digital needs for sustainable growth. In fiscal 2021, we began providing a “Railroad Gate AI Security Camera Solution” which uses AI image analysis technology to detect abnormalities during railroad crossing blockages, with the aim of enhancing safety when crossing railroad crossings.



Overview of Railroad Gate AI Security Camera Solution

Aiming to develop local 5G-based new services, we are also engaged in demonstration experiments for infrastructure monitoring using local 5G and 4K-support drones at power plants. We will continue to contribute to the DX promotion for our customers and society by providing total solutions and creating new services.



Illustrated demonstration experiment at power plant