

Business Segments

Information and Telecommunications Business



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Customer satisfaction ranking No. 1
for 16 years in a row

No. 1 provider in the Kinki region in the RBB TODAY
Broadband Awards 2022 (announced in January 2023)
Awarded for 16 consecutive years from 2007 to 2022



Low-Cost SIM Awards in the 2022 2nd Half
Won the highest overall satisfaction rate

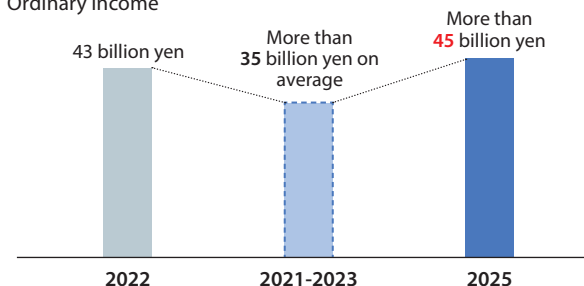
Source: RBB TODAY
"2022 2nd Half Low-Cost SIM Awards"



Overview

Arranging an extensive menu of options that respond to customer needs, we provide comprehensive IT services led by OPTAGE Inc., our group company, for households and business firms utilizing AI, IoT, and other digital technologies.

Our Group's IT business has been growing as a primary source of revenue along with the comprehensive energy business through its strengths in both tangible aspects, such as its tightly woven optical fiber networks extending throughout the Kansai region, and intangible aspects, such as our high-quality service and robust support system, earning a high degree of customer satisfaction over a long term.

Medium-term Management Plan Targets
Ordinary income

	2021 result	2022 result
ROA	12.06%	13.21%

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.

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Initiatives in fiscal 2022

Consumer services

eo Optical services, offered by the group company OPTAGE Inc., are FTTH services utilizing a proprietary high-speed, reliable optical fiber network spreading all over Kansai, and have established the largest market share in the Kansai region for detached houses. Their bundled service package of eo Optical Fiber Internet, eo Optical Fiber Telephone, and eo Optical Fiber Television is a major contributor to revenue growth in our IT business.

In fiscal 2022, “eo Optical 10/5 GB Services” became available in almost all areas with Optical Fiber Internet, and with the growing demand for high-speed internet, the service has been chosen by approx. 60% of new subscribers, driving the growth of the company’s FTTH services even amid market maturity.



Moreover, focusing on creating new services to help customers to live more affluent lives and to further promote the smart home IoT business, the company has launched “IOPT,” a service that enables home appliances to be operated by apps or voice and connected to sensors.

OPTAGE will continue to provide infrastructure services that form a basis for comfortable living and develop quality

services to keep customers satisfied in accordance with their varying needs, so its services will continue to be chosen by more and more customers.



OPTAGE also offers the cell phone service mineo, which was launched in 2014 nationwide and has more than 1.2 million subscribers in the MVNO industry, crowded with more than 1,000 companies. It offers original value through “co-creation with fans” mainly on a community website, as well as low prices and unique services not offered by other providers. In fiscal 2022, in order to meet customer expectations, new menus and enhanced functions were added to mineo, including the introduction of a new course to “Maisoku,” an unlimited data plan, and the launch of the eSIM service. These one-of-a-kind services have been successful in steadily expanding the customer base.

The values unique to mineo, “co-creation with fans,” will be further enhanced to provide services to as many customers as possible.



Services for corporate customers

As services for corporate customers, in addition to fiber-optic internet services for enterprises, extensive services are provided covering consulting, system development, cloud computing, AI/IoT, etc. Line services in which OPTAGE has an advantage and solution services combined with the provision of lines are chosen by many customers.

The number of subscriptions to its line services continued to grow steadily in fiscal 2022, and the company has satisfied diverse customer needs by providing one-stop support for line, cloud, security, and operation.

Additionally, in response to the growing need for data centers that can communicate with cloud services, etc. with low latency and excellent connectivity, OPTAGE has decided to develop a connectivity data center in Kita-ku, Osaka (scheduled to start operation in fiscal 2025). Through this and other projects, the company is also taking on new challenges toward sustainable growth.



Rendering of OPTAGE Sonezaki Data Center