

Enterprise Group

Managing Executive Officer
COO, Enterprise Group
Takanori Minatohara

Enterprise Group: Business Overview

◆ Impact of the COVID-19 pandemic (for the first half)



- Introduction and strengthening of customers' teleworking environment (VDI and strengthening of network)
- Construction and strengthening of customers' business environment (contact centers at home and online lectures)



- Some industries and customers reduced and postponed investments due to uncertainty about the pandemic.
- Workers were puzzled about how to work in a teleworking environment at the beginning of the fiscal year.

◆ Topics in the first half

- New methods of sales activities and system engineers' manners of project implementation in the teleworking environment took root.
- Customers' shift to new work styles prompted by the pandemic accelerated digital transformation (DX) and IT introduction.

1 Expand actions for DX business

Go
Upwards

DIGITAL SHIFT & MODEL SHIFT

- With an eye on DX acceleration under the pandemic, systematize DX solutions envisioned by the Enterprise Group and propose them.
- Use Hybrid Agile* according to the needs of domestic customers and step into the line of business (LOB) domain through development of cloud native applications.

* Hybrid Agile is a composite software development method taking advantage of agile development and waterfall development.

Enterprise Group: Key Measures for 2nd Half of FY2020

2 Focus on product business

Go
Forwards

- Capitalize on the advantages of a multi-vendor approach to focus efforts on gaining customer investments in the product business.

3 Step into new markets and business domains

Go
Outwards

- Take medium- and long-term strategic actions for the digitalization businesses.
 - Collaboration with BIRD INITIATIVE, Inc. on core technologies and research
 - Full-scale entry into the data business market

Distribution Group

Managing Executive Officer
COO, Distribution Group
Noboru Omoto

Distribution Group: Business Overview

◆ Impact of the COVID-19 pandemic (for the first half)



- Inquiries on new normal-related projects increased.
- Projects on remote working
- Projects on digital transformation in body temperature detection and others



- Some projects were suspended or postponed after customers changed the order of investment priority.

◆ Topics in the first half

- Difficulty winning orders amid the pandemic and unprofitability
- Cultivation of businesses to create new revenue bases

Distribution Group: Key Measures for 2nd Half of FY2020

1 Deepen relationships with key customers

Go
Forwards

- Obtain large projects swiftly and implement them steadily.
- Achieve sales expansion of cross-sectoral expansion solutions.

2 Cultivate businesses to create revenue bases

Go
Upwards

- Encourage new solutions in the areas of ERP, mission-critical systems, cloud and security.
- Build closer ties with the ITOCHU Group to co-create digital businesses.
- Aim for new technologies to expand business coverage.

Distribution Group: Key Measures for 2nd Half of FY2020

3 Expand business coverage to new areas

Go
Outwards

- Advance collaboration with WingArc1st Inc. in the DX domain.
- Co-create and expand new services and businesses in collaboration with invested companies.

4 Solidify foundations supporting business expansion

Consolidate
Footholds

- Carry out personnel development and work style reform.
- Build closer alliances with development partners and discover new development partners.

Telecommunication Group

Managing Executive Officer
COO, Telecommunication Group
Yasuhiko Terada

Telecommunication Group: Business Overview

◆ Impact of the COVID-19 pandemic (for the first half)



- Projects related to teleworking increased.
- Expenses decreased due to restraints on business trips and more.



- Deliveries from manufacturers delayed.
- The operation ratio fell due to postponement of projects.
- After customers took time making decisions, orders were not received in the fiscal year expected.

◆ Topics in the first half

- 5G-related projects for individual carriers progressed.
- Customers were supported in DX implementation projects.

1 Increase profitability

- Toughen project management and heighten operation efficiency.
- Attempt to run high value-added service businesses.

Go
Forwards

Consolidate
Footholds

2 Carry out actions in areas with growth potential

- Carry out standalone 5G projects.
- Acquire new domains.

Go
Forwards

3 Establish the position as a partner for customers

Go
Upwards

- Obtain projects by strategically using the verification environment.
- Establish the position as a collaboration partner.

4 Solidify management foundations

Consolidate
Footholds

- Optimize system engineering resources and continuously improve the operation ratio of in-process projects.
- Focus on recruitment, retention and development of personnel.

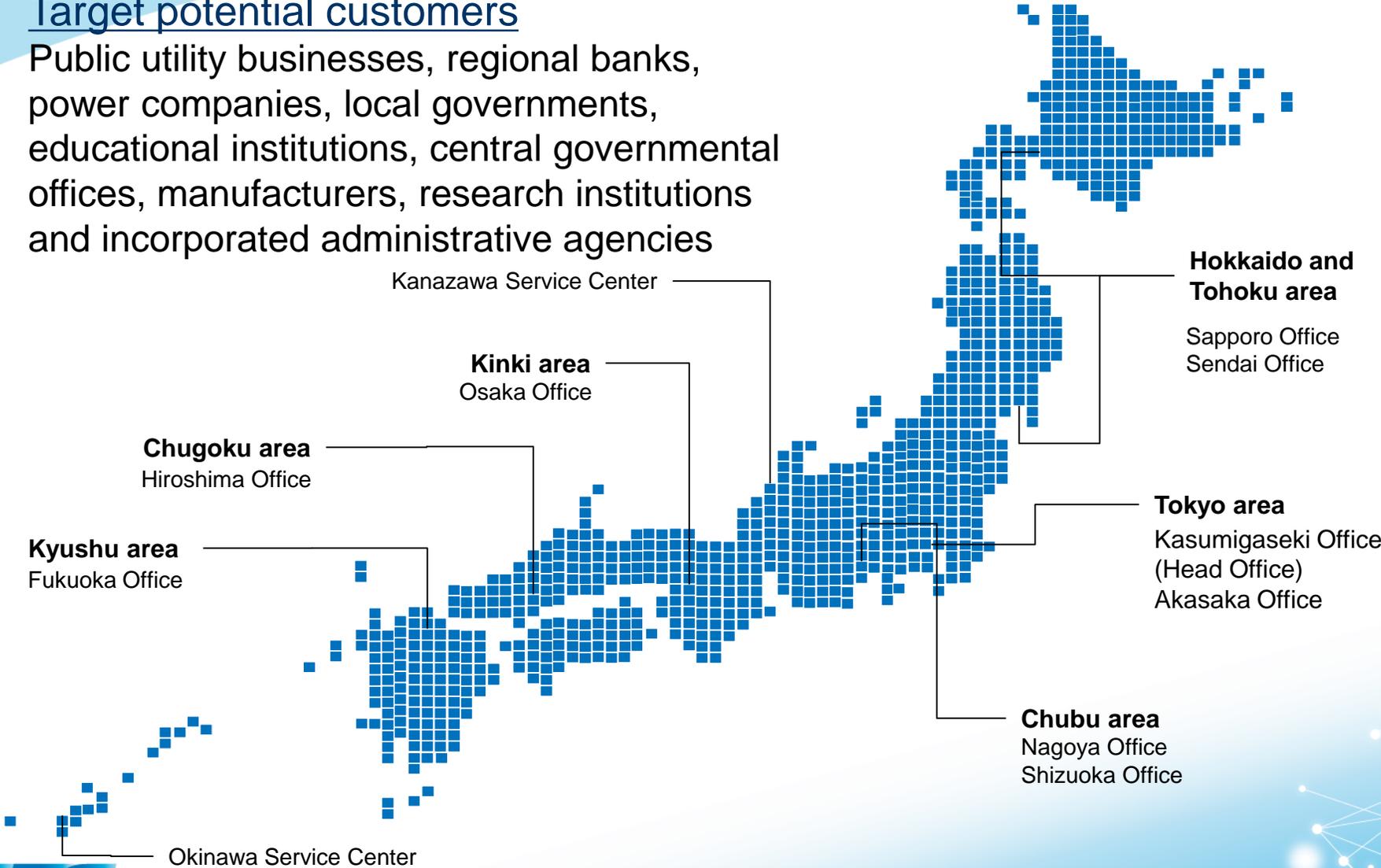
Regional & Social Infrastructure Group

Managing Executive Officer
COO, Regional & Social Infrastructure Group
Hisashi Eda

Regional & Social Infrastructure Group at a Glance

Target potential customers

Public utility businesses, regional banks, power companies, local governments, educational institutions, central governmental offices, manufacturers, research institutions and incorporated administrative agencies



Regional & Social Infrastructure Group: Business Overview

◆ Impact of the COVID-19 pandemic (for the first half)



- New teleworking-related projects came into being mainly at governmental offices.



- Investments were frozen or postponed mainly in the manufacturing and transport industries.
- Restrictions on face-to-face meetings with customers made it difficult to cultivate new projects.

◆ Topics in the first half

- Orders received increased after obtaining a large project.
A large infrastructure project was won for a regional electric power company.
- Support was provided for achieving customers' DX strategies.
They include JR East's congestion prediction system and Keio University's demonstration trial for a digital ID platform.

1

Work to win new projects to capture demand related to the new normal

Go
Upwards

- Monitor changes in demand due to the COVID-19 pandemic.
- Teleworking, GIGA School, local 5G and cloud security

2

Deepen relationships with key customers

Go
Upwards

Go
Forwards

- Make proposals and support customers with DX.
- AI, IoT, agile development and video analysis

3 Carry out large project steadily

Go
Forwards

Consolidate
Footholds

- Implement large electric power, railway and other projects without fail.
- Carry out agile assignment, including the inter-regional shift of resources and short-term and remote environment.

4 Develop new solutions

Go
Outwards

- Develop and expand sales of AI, IoT and other leading-edge technology solutions.
- Enhance collaboration with Intumit Inc. with an eye toward expansion in Asia.

Vision

Profitable Growth and Business Expansion

Value

Modest and never arrogant/Persistence pays off

Group strategy pillars

Deepening of relationship

Key customers

Increase OutSystems projects and deepen more LOB projects

Expansion

Enhancement

Business unique to the Group

Persistently seeking profitability and higher efficiency

Attempts

Approaching new potential customers and markets

Develop appealing solutions (IoT/AI/RPA/chatbot)

Solidifying business foundations

Offering of ICT technologies and value of solutions

Procurement of resources and personnel development

Strict project management

Financial Services Group

Managing Executive Officer
COO, Financial Services Group
COO, Global business Group
Junji Hirooka

Financial Services Group: Business Overview

◆ Impact of the COVID-19 pandemic (for the first half)

Infrastructure projects:

Introduction of teleworking accelerated among governmental financial institutions.

Securities accounts at online securities firms increased.

Development projects:

After leading banks and others changed their project policies, orders were not received in the fiscal year expected.

◆ Topics in the first half

- Leading banks continued to suppress their domestic IT investments.
- Governmental financial institutions moved up their work style reform projects.
- Actions were taken towards expanding business in ASEAN, where investments are strong.

Financial Services Group : Key Measures for 2nd Half of FY2020

1 Expand global business

Go Outwards

Go Forwards

Establish a base for central control of financial services in ASEAN in Singapore



IT Services Group

Managing Executive Officer
COO, IT Services Group
Toshiyuki Awai

IT Services Group: Business Overview

◆ Impact of the COVID-19 pandemic (for the first half)



- Introduction of remote working led to a growth in projects related to secure remote access and VDI.

- None

◆ Topics in the first half

- Capital alliance was formed with Megazone Corporation to strengthen the cloud business (AWS).
- An organization specializing in DX/Build service was launched.
- Collaboration occurred with Hitachi Systems, Ltd. in security services (MSS).

1 Expand multi-cloud platform

Go
Forwards

- Hyper scale cloud (AWS)

Expand the customer base by taking advantage of Megazone Corporation's price competitiveness and technological capabilities. Develop cloud-native engineers.

- Private cloud: CUVIC Series

Broaden the lineup of services combined with hosted private cloud (Zero/VP).

- Managed Service

Prepare to be a next-generation managed service provider (MSP).

2 Gain DX projects with value creation

Go
Upwards

- Develop a build service for the Japanese market.
- Form alliances with outside partners.
Supplement design thinking and marketing-based ideas.
- Secure personnel.

Service Design Group

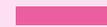
Managing Executive Officer
COO, Service Design Group
Eiji Haraguchi

Service Design Group: Business Overview

◆ Impact of the COVID-19 pandemic (for the first half)



- Japan's largest virtual desktop and endpoint security were introduced and showcased.
- Internal DX made progress (BPR and process mining).



- A decrease in face-to-face communication slowed down activities for the co-creation of new businesses.
- Demand for entry control solutions with AI-based face recognition contracted.

◆ Topics in the first half

- TriValue was established to enter the logistics business in September.
- A collaboration agreement on a rural MaaS project was signed with the Saga City government. Negotiations are underway with several other municipal governments.
- The Association of Process Mining Japan was established, which gave momentum to projects.
- A teleworking environment was constructed (new desktop and endpoint security).

Service Design Group : Key Measures for 2nd Half of FY2020

1

Develop and push ahead with new businesses

Go
Outwards

- Carry out a demonstration trial of a local MaaS project.
- Take full-scale action on logistical DX based on TriValue

2

Increase sales of DX solutions

Go
Upwards

- Expand sales of process mining solutions.
Digital twin solution (with Witness), RPA solution (UiPath) and ERP solutions (SAP's McFrame)
- Expand sales of AI-based facial recognition solutions.
Develop with Ayonix Corporation a face authentication function that works with Citrix Cloud for Windows Virtual Desktop (WVD)

3 Implement internal DX

Consolidate
Footholds

- Carry out IT modernization and business process reengineering (BPR).
 - Construct a digital workplace platform.
 - Optimize the internal operation process.
 - Apply process mining and robotic process automation (RPA).
 - Apply cognitive AI search.
 - Carry out a trial implementation of AI audit.
- Use the internal DX as a showcase.

Global Business Group

Managing Executive Officer
COO, Financial Services Group
COO, Global business Group
Junji Hirooka

Global Business Group: Business Overview

◆ Impact of the COVID-19 pandemic (for the first half)



- Projects related to remote working increased.
- IT investments aimed at increasing productivity and cutting costs increased.
- Expenses decreased.



- Some projects in Indonesia won by bidding were cancelled or postponed.
- Sales activities slowed down.

◆ Topics in the first half

- Investment was made in Cardzone Sdn. Bhd.
- A base for central control of financial services in ASEAN was established in Singapore.

Global Business Group : Key Measures for 2nd Half of FY2020

1 Increase bases

Go Outwards

Go Forwards

