May 15, 2026

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Questions from Investors and Our Responses

We sincerely appreciate your continued interest in our company. In accordance with the principle of fair disclosure, we are providing the following responses to the numerous questions we received from investors regarding our full-year financial results for the fiscal year ended March 2026, which were disclosed on May 8, 2026, as well as to questions that we were unable to fully address during the earnings briefing held on May 12, 2026.

Ｑ１． When will the next mid-term management plan be announced?

We are currently in the final year of our “Mid-Term Management Plan 2026,” which was announced on May 14, 2024. We plan to announce our next mid-term management plan at the full-year financial results briefing scheduled for May 2027.
Furthermore, regarding performance forecasts, investment projects, and other important matters related to the next mid-term management plan, we will disclose such information in a timely and appropriate manner should any matters arise during the current fiscal year that we deem necessary to disclose.

Ｑ２． Please explain why the plan for the fiscal year ending March 2027 is weighted toward the second half.

Since capital expenditure projects by major telecommunications carriers and other entities tend to be concentrated in the latter half of the fiscal year through the end of the fiscal year, particularly in the global telecommunications (wholesale) business, and since we expect to recognize revenue related to land-based stations (CLS) in the fourth quarter, we anticipate that both revenue and profit will be concentrated in the second half of the fiscal year.

Ｑ３．Please explain the reasons for the projected increase in revenue but decrease in profit for the domestic telecommunications business this fiscal year.

In addition to the growth of our existing call center solution services, we anticipate that our operator support services—which utilize AI voice bots—will contribute to revenue from the latter half of the first half through the second half of the fiscal year, as we continue to acquire new customers under a licensing agreement with the Indian AI startup Gnani.
Furthermore, we will begin offering our own numbers for the “0120” caller-pays service; however, as this is the first year of operation, the contribution to revenue for the current fiscal year is expected to be limited. On the other hand, depreciation expenses related to system development investments associated with the launch of this service will begin, and due to these and other factors, we anticipate a decline in profit for the current fiscal year.

Ｑ４．Please provide an update on the status of accounts receivable collection in the global telecommunications business and the initiatives being taken to improve operating cash flow.

In our Group’s global telecommunications business, connecting our network to customer lines and performing other related tasks may take a certain amount of time. As a result, there are cases where operational timing differences related to service commencement lead to delays in billing and collection.
These are not receivables for which there are concerns regarding collectability. Our Group is committed to expediting connection work and other procedures to accelerate the start of billing and the collection of receivables.
Our efforts in this area have contributed to a significant improvement in operating cash flow.
At the same time, we record an allowance for doubtful accounts based on specific criteria, such as the time elapsed since the due date, and we implement appropriate receivables management and accounting procedures.

Ｑ５．Please explain the company’s approach to recurring revenue in the next medium-term management plan.

We define recurring revenue as revenue generated from services expected to provide continuous earnings over the term of the customer contract, rather than one-time transactions. For the fiscal year ending March 2026, we anticipate that recurring revenue will account for approximately 60% of total revenue.
Regarding the new international submarine cable “Candle,” which will be one of the pillars of revenue in our next medium-term management plan, the previously announced IRU contracts will be recognized as revenue in a lump sum at the start of service for accounting purposes.
However, as these contracts are intended for long-term use, the related maintenance and operation services will contribute to stable revenue over the medium to long term.
In addition to stabilizing international line revenues through various transaction models, the Company plans to maintain and improve the ratio of recurring revenue for the business as a whole by building a business structure that combines landing stations, backhaul, and related infrastructure services.

Ｑ６．Could you please update us on the expected timing of InfiniVAN's IPO? I believe you previously mentioned that, although a postponement due to the pandemic was granted, 2026 is the deadline for the listing.

There is no set deadline for InfiniVAN's initial public offering (IPO) in 2026. We will determine the timing of the IPO by comprehensively evaluating InfiniVAN's business plan and stock market conditions, among other factors, with a view to maximizing corporate value.