

SoftBank Technology Corp.

## Overview of Earnings Results Briefing for FY2016 Q2 (Outlook for FY2016)

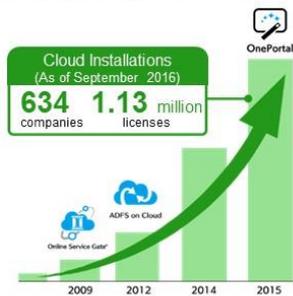
Date and time: October 28, 2016 (Friday) 10:30am - 11:30am

Venue: Daiwa Sky Hall M1/M2, 17F GranTokyo North Tower,  
9-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo

Speaker: Shinichi Ata, President & CEO  
SoftBank Technology Corp.

# Continue Receiving Orders for Cloud Projects and Transform Customer Relationships

Promote the cloud transformation to be a business partner for customers



- Leading provider in the deployment of Office 365 for enterprises in Japan
- Many services that work best with Azure
- Extensive product knowledge and the technology and development skills to precisely meet the requirements of enterprise customers

**Start advancing to Stage 2 while continuing to execute Stage 1**

\*Cloud installations are the number of installations for Office 365, Online Service Gate, ADFS on Cloud and Enterprise Mobility Suite.

Our accomplishments regarding installations of cloud technology and cloud development projects are growing steadily. Stage one mainly involves mail system and groupware. We have almost completed this stage for customers of Tokyo and the surrounding area. Recently, we have been receiving requests for a variety of consultations from our customers of Osaka, Nagoya and Fukuoka areas. We believe that next year will be the peak of stage-one services.

In the future, we would like to be recognized as a business partner not only as an IT partner by customers. To accomplish this, we plan to progress to stages two and three. We will provide ideas and services for moving many types of systems to the cloud. In addition, we would like to contribute to the customers' business success by providing our cloud computing expertise.

## Increase the Volume of Business for Public Sector Customers

The Japan Revitalization Strategy 2016

Public-Private Sector Strategy Project 10 for 600 trillion yen

1-1: Create new markets with excellent growth prospects

The fourth industrial revolution (IoT, big data, AI)



1-2: More progress with "local Abenomics"

A more aggressive forestry and fishery sector and more activities to increase exports



SBT's Priority Support Domain

### Create an environment for supporting the fourth industrial revolution

Cyber security and extensive use of IT

Local government data security cloud

### Aggressive business development for forestry and fishery sector and more activities to increase exports

Upgrade farmland intermediate management organization

Agricultural land data disclosure system (Nationwide Agricultural Land Navigation Website)

Develop and ensure management entities and consolidate and utilize outstanding knowledge

Use subsidiary REDEN Corp. to provide services

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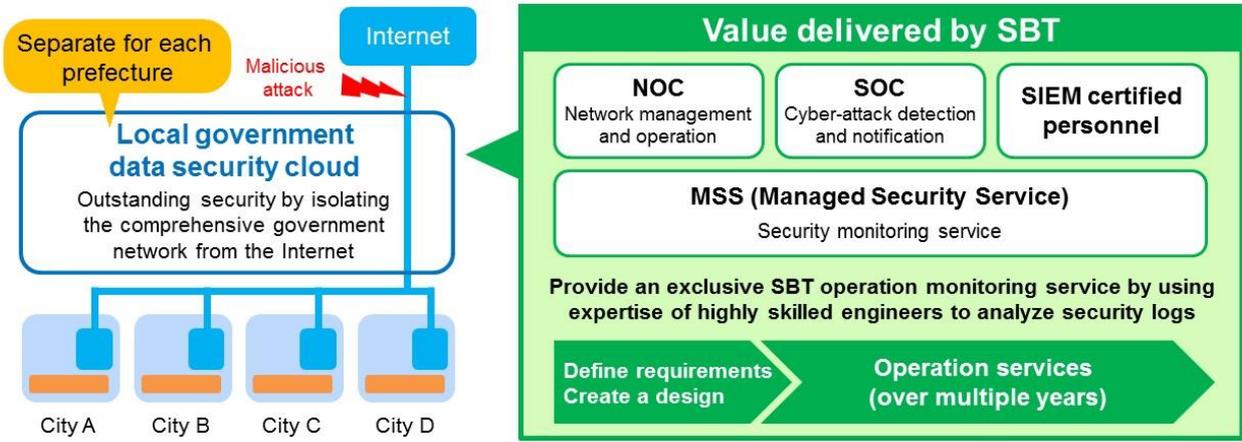
In the public sector, we received an order for a large cloud development project in 2014. We continue the next phase and the work advances smoothly. We are still working on this project by advancing to the next phase and providing other support. Overall, development work is proceeding as planned. We have been participating in public sector projects involving agriculture and agricultural land for about three years. In 2016, we added the new category of local government data security cloud.

# Local Government Data Security Cloud

FY2015 supplementary budget of **25.5** billion yen for upgrading local government data security

Reinforce local government data systems: **16.4** billion yen

Build a local government data security cloud (prefectures): **7.1** billion yen



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In March 2016, the Japanese government approved the distribution of about 25.5 billion yen to local governments' data security.

SBT can provide these professional operation services below.

- NOC service, a network operations center service, that performs monitoring of servers and terminals and isolates this equipment from dangerous networks.
- SOC service, a security operations center service, that can cut off communications from cyber attacks.
- SIEM service, a security information and event management service, that performs real-time and correlation analysis of security alerts generated by network hardware and applications.

Furthermore, we are the most committed in Japan in training engineers that can perform the security information and event management service of McAfee.

The 47 prefectures of Japan are accepting bids for local government data security cloud projects. We have been adopted by the bid of four prefectures, which evaluated our ideas for integrated managed security services based on these technological strengths of ours.

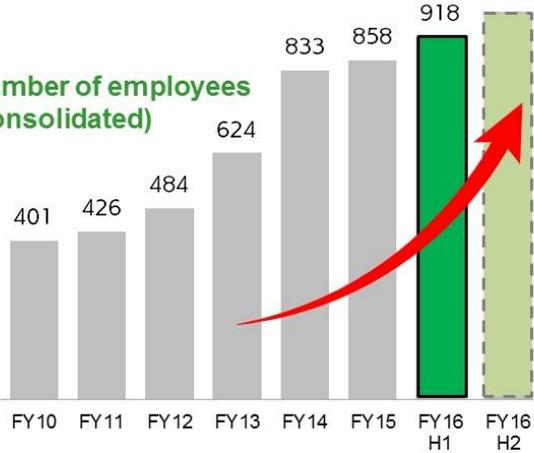
Reference (Japanese version): [http://www.soumu.go.jp/main\\_content/000402431.pdf](http://www.soumu.go.jp/main_content/000402431.pdf)

## Continue to recruit and train engineers and other technicians

SoftBank  
Technology

- Promote aggressive recruiting activities and upgrade the technological skills of employees who are the primary drivers of growth.
- More activities for improving productivity and promoting work-life balance

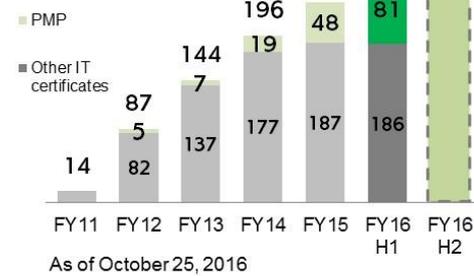
### Number of employees (consolidated)



### The number of acquired high-level IT certifications including \*PMP

\*International standard certification of project management

Target : 100 PMP holders



As of October 25, 2016

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Although our workforce is increasing, we still need more people.

In addition, we have consistently focused on improving the quality of our engineers. As the number of large cloud development projects increases, we need to improve the quality and profitability of each project.

We have programs to assist our employees earn advanced technical certifications in the IT field and earn the Project Management Professional qualification, an international standard for project management. We plan to increase the number of Project Management Professionals at our group to 100 by the end of this fiscal year. There were 48 at the end of March 2016 and 81 as of October 28. We will continue to provide extensive technical training programs for our workforce.

Consolidated

**FY2016 Earnings Forecast**SoftBank  
Technology

**Planning on more progress in H2 toward the forecast announced at the start of FY2016**

(Millions of yen)	<b>FY2016 Forecast Full year</b>	FY2015 Results Full year	Amount of change	Ratio of change
Net sales	<b>47,000</b>	45,163	+1,836	+ 4.1%
Operating income	<b>2,400</b>	2,308	+91	+4.0%
Ordinary income	<b>2,300</b>	2,230	+69	+3.1%
Profit attributable to owners of parent	<b>1,500</b>	1,405	+94	+6.7%

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There is no change to our forecast for the fiscal year ending in March 2017. We are aiming for more growth of cloud projects and public-sector projects and are preparing in many ways for the age of the Internet of Things. Overall, we expect to reach our fiscal year sales and earnings targets.