

# Management Policy

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\*This is an excerpt of the presentation material of  
the 28th Annual General Meeting of Shareholders

# SBT Focuses on Cloud

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What is cloud?

## On-premises



## Data center

Servers at companies

- Company requires its own servers
- Need to find a location for servers
- Need to operate and maintain servers
- Need for new equipment for expansion

Servers at specialized facilities



On-premises



On-premises



Data center

## Cloud

Utilize shared computer processing resources on the Internet

- Lower cost by servitization
- No need to purchase independent equipment
- No need to find a location for servers
- No need for operation and maintenance personnel
- Easy to expand or downsize

Servitization: The delivery of a service component as an added value, when providing products



On-premises



Cloud environment

# Characteristics of Cloud Computing / Growth of the Cloud Market

## Characteristics of Cloud Computing

Many advantages

Low start-up cost

A state-of-the-art environment

Fast expansion and downsizing

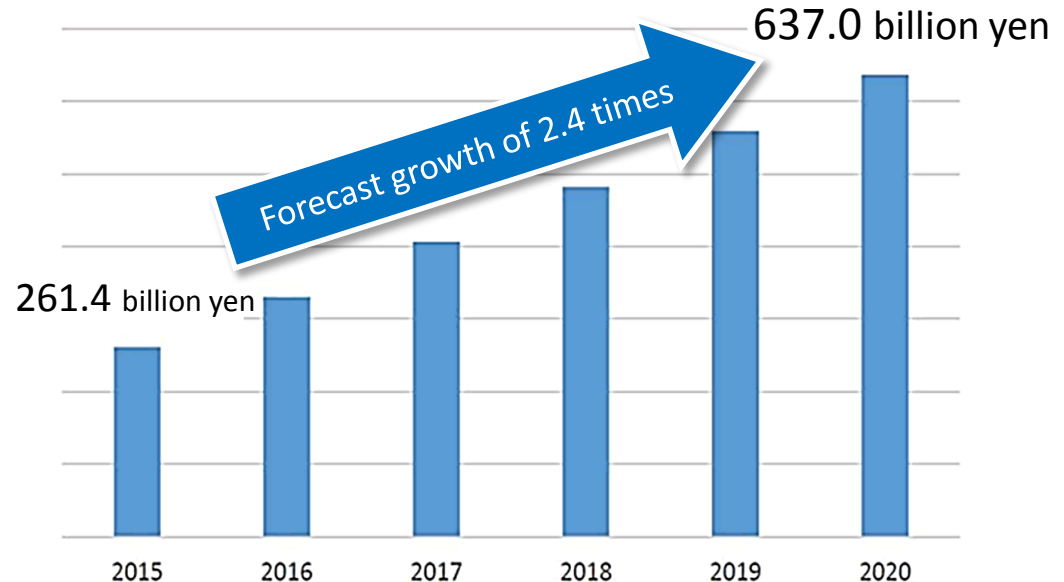
Access anytime and anywhere

No need to procure equipment

Better disaster recovery

## Outlook for Growth of the Cloud Market (\*)

\*Public cloud services in Japan  
Open cloud computing environment

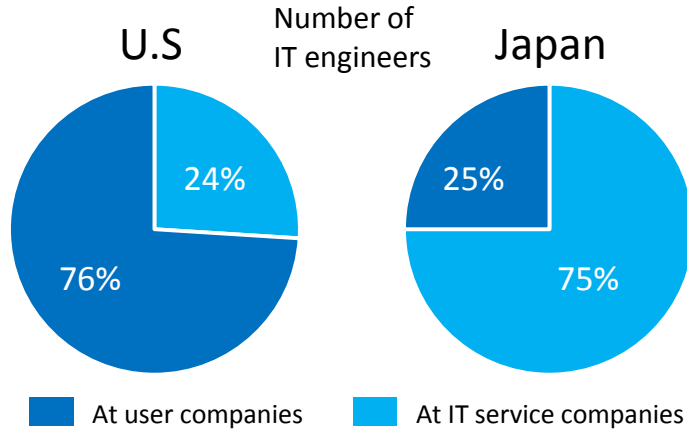


\* 2015 is actual results and all other years are forecasts.

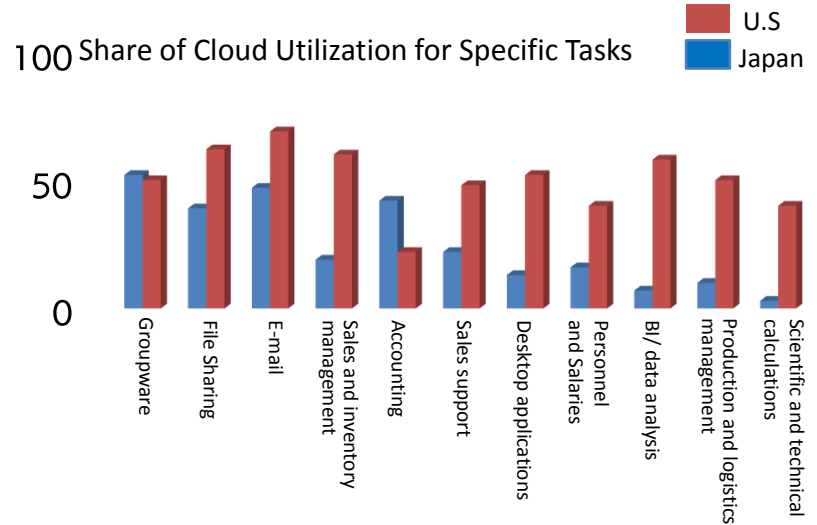
Source: IDC Japan, February 2016

# Cloud Use in Japan and the United States

Japan's IT infrastructure is shifting to the cloud, but a considerable amount of time will be needed because potential cloud users (companies) have fewer IT engineers than in the United States.

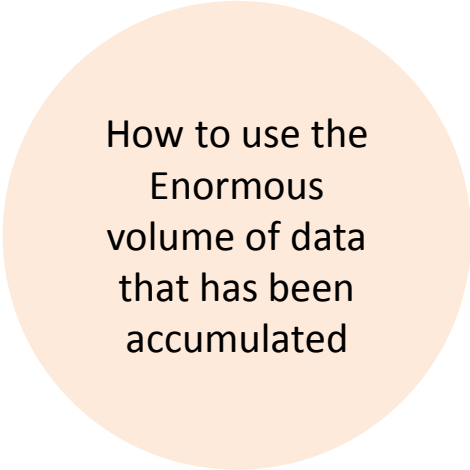


IPA report on survey concerning recruiting and training IT personnel for globalization, March 2011




Report on survey concerning skills, requirements and training methods for people able to use advanced ICT, Ministry of Internal Affairs and Communications

A reliable partner is needed for utilizing the cloud



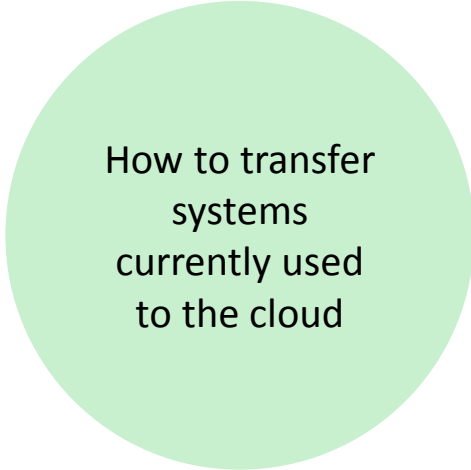
How to use the  
Enormous  
volume of data  
that has been  
accumulated

Problems concerning  
the use of data



Security  
concerns  
involving the  
convenience of  
using the cloud  
anytime and  
anywhere

Concerns about security



How to transfer  
systems  
currently used  
to the cloud

Concerns about continuing  
to use current systems



## Data Analytics

From digital marketing infrastructures to data analysis

Support the growth of customers' business

One-stop services



## Security Solutions

Analysis, evaluations and countermeasures by security experts

Reduce risk exposure in business operations

One-stop services



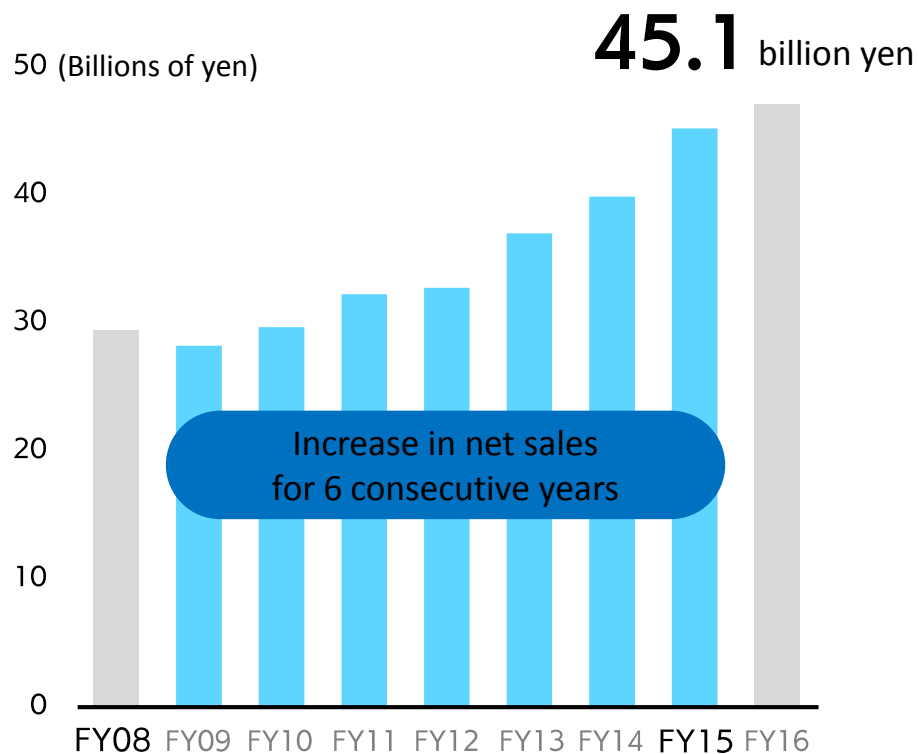
## Microsoft Solutions

Used by more than 500 companies and one million users

Convert business operations to the cloud

One-stop services

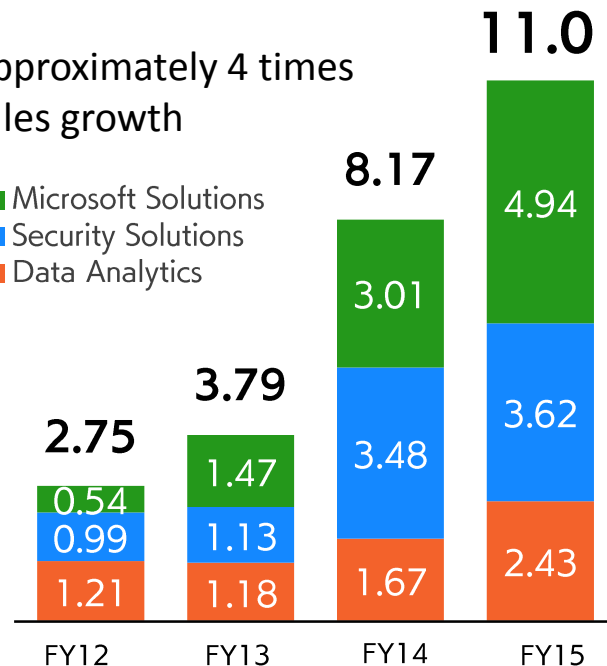
# Growth of Net Sales



## Growth of the three key drivers

Approximately 4 times sales growth

- Microsoft Solutions
- Security Solutions
- Data Analytics





# Shifting Businesses and Composition of Sales to Internal/External Groups



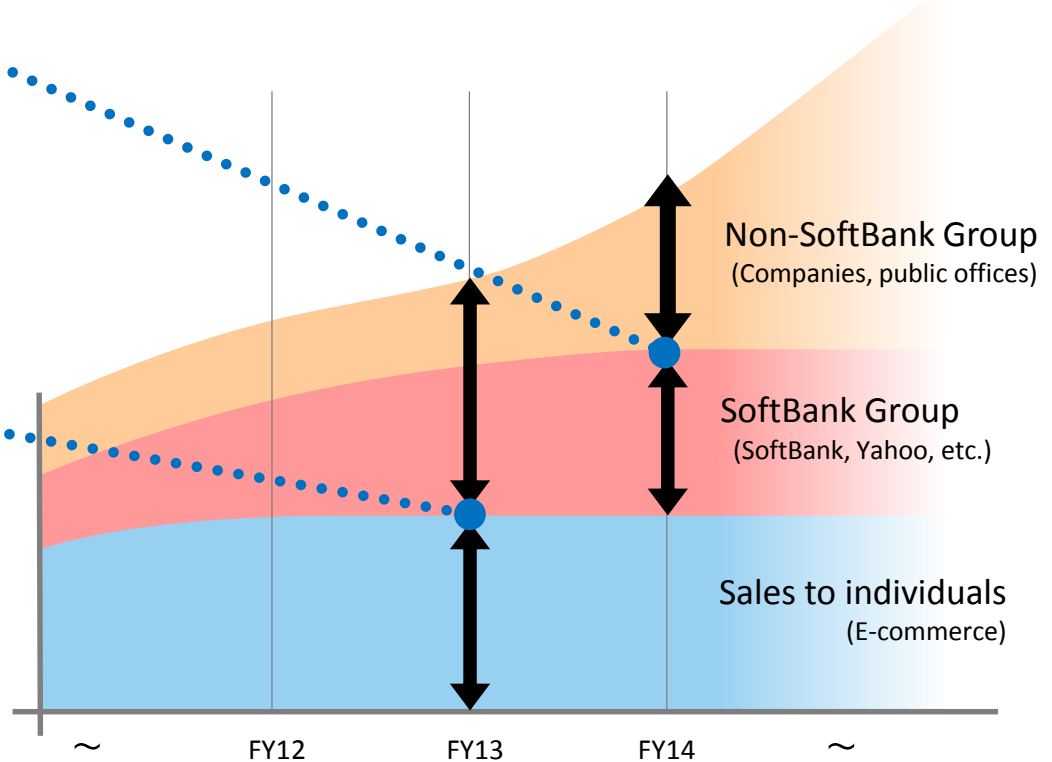
## Composition of Sales to Internal/External Groups

FY2014: The ratio of Non-SoftBank Group sales surpassed that of SoftBank Group sales

Gain a good reputation from outside the SoftBank Group

FY2013: Total non-SoftBank and SoftBank Group sales surpassed E-commerce sales

Shift from e-commerce outsourcing to the three key drivers



## Microsoft's leading partner in the world with four awards in 2016



### Country Partner of the Year Award

Recognizes SBT's contribution to the growing use of cloud products in Japan

### Cloud Packaged Solutions Award

successfully scaled out its cloud practice by packaging two or more Microsoft cloud solutions with their own services and solutions

### Messaging Award

Recognizes accomplishments in the mail services domain

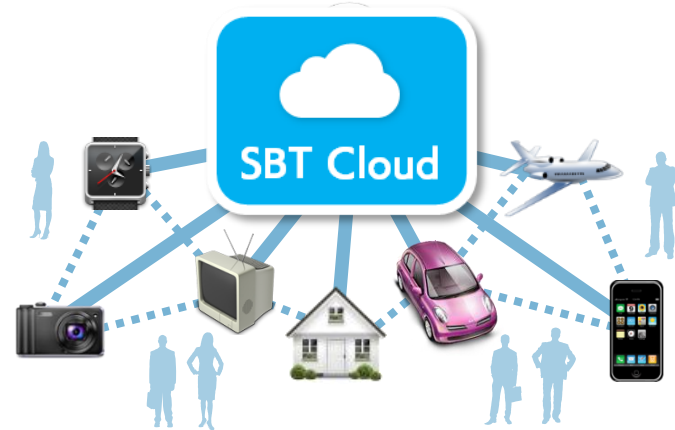
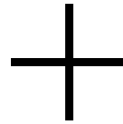
### Public Sector-Government Award

Recognizes SBT's contribution to increasing public sector use of the cloud

# Two Core Strategies for Significant Growth

Core strategy 1 : Centralize services on the cloud

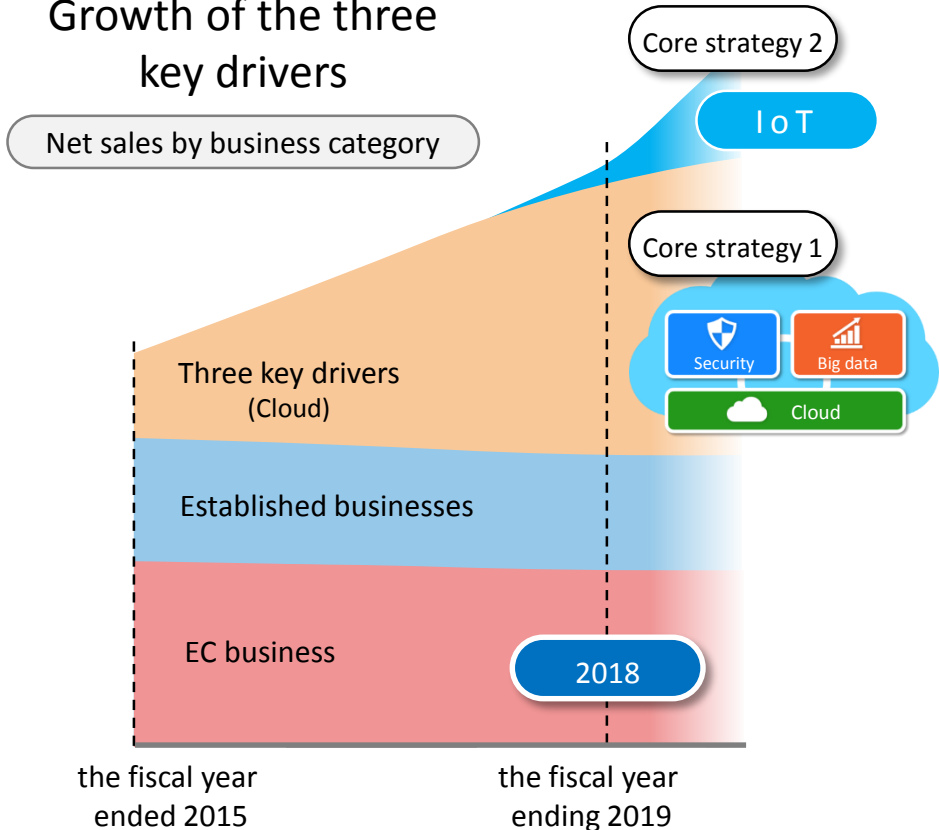
Core strategy 2 : Launch IoT businesses



Utilize the cloud to transform business activities.

# Sales Growth Projections

## Growth of the three key drivers



### Core strategy 1

#### Targeted users

More than 1,000 companies and government agencies

#### Services provided

Solutions for business growth

#### Expected growth

Aiming for consistent annual growth of at least 20%

### Core strategy 2

#### Start of contribution to sales and earnings

Expected to begin in 2018

# Important Management Challenge

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- Cooperation with Softbank group companies
- Promotion of Industry-specific Services
- Growth of the three key drivers
- Start new business platforms
- Build a solid profit structure
- Environment for supporting the growth of employees

## Joint Cloud Solutions with the SoftBank Group

 SoftBank  
Technology

 SoftBank

Accumulation of knowledge about  
cloud services and accomplishments



Sales activities for companies /  
Current customer relationships

Increase cooperation for supplying solutions for protection against advanced persistent threat, dedicated customer connections, etc.

## Services with Added Strengths for Specific Industries and Business Sectors

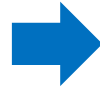
Experience with handling large projects



Industry leader



Gain expertise for meeting various requirements



Convert expertise into services for the entire industry

Also serving other companies in the same industry

Construction industry



Distribution and retail industry



Manufacturing industry



Example of the construction industry

[Common Issue] Sharing information between location in Japan and other countries for business globalization is a frequent need in the construction industry.

- ➡ Communication infrastructure (Office 365) + Development of original services for specific requirements
- ➡ Also serving other companies in the same industry

Combine the three key drivers on the cloud and provide one-stop services

Support for business growth



Data Analytics

Business risk countermeasures



Security Solutions

Increase cloud use for business activities



Microsoft Solutions

24-hour/365-day operation



Security  
Solutions

Visualization Data  
utilization support

Data  
Analytics



Centralize each  
key driver business

on SBT Cloud

SBT Cloud

Microsoft Solutions

Office 365 SharePoint Microsoft Dynamics CRM など



# Example of Convergence in Three Key Drivers: Nationwide Agricultural Land Navigation Website

One key element  
of the national  
growth strategy

Japan is moving faster to consolidate agricultural land to facilitate a more offensive stance in the agriculture industry

→ Require all agricultural committees in Japan to create ledgers and maps and make them accessible to the public



Government  
agricultural land data

- Agricultural land owners and borrowers
- Unused agricultural land
- Tax payments, etc.

Create e-systems  
and a link to map  
data systems

Information accessible to everyone



Work that combines the three key drivers is progressing at this project

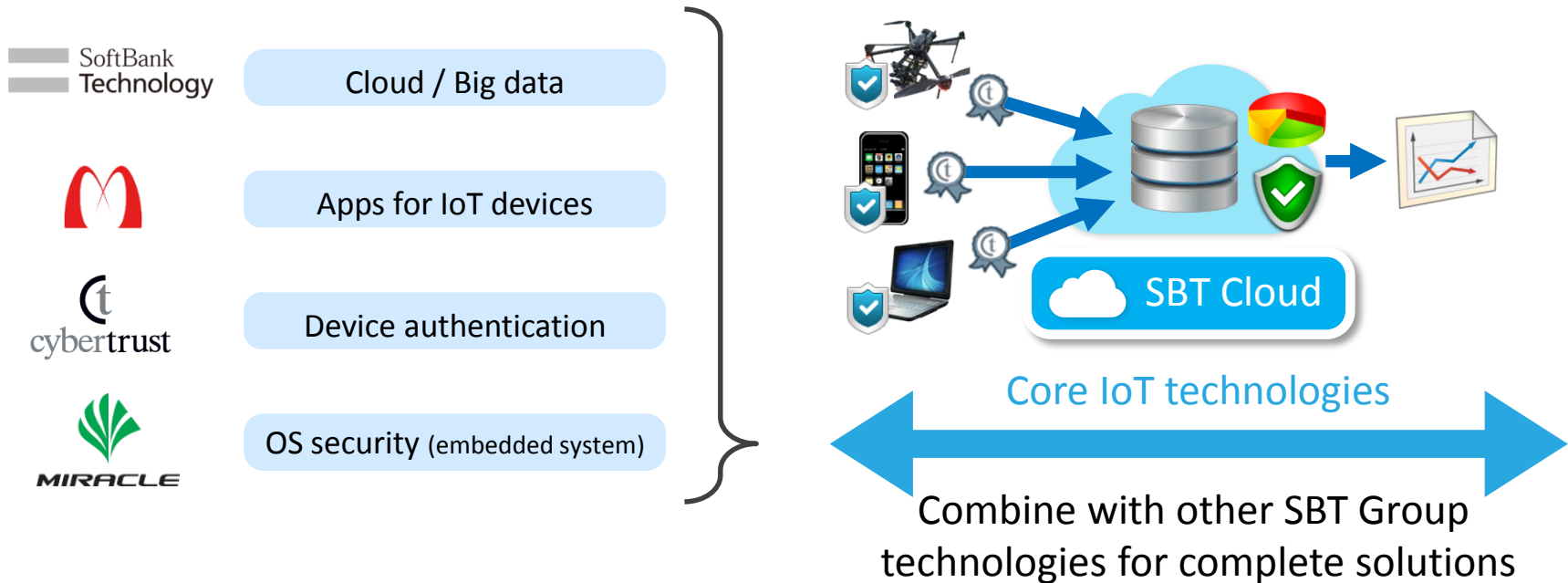
## Phase 1

Create the centralized system for Japanese agricultural land data and public accessibility

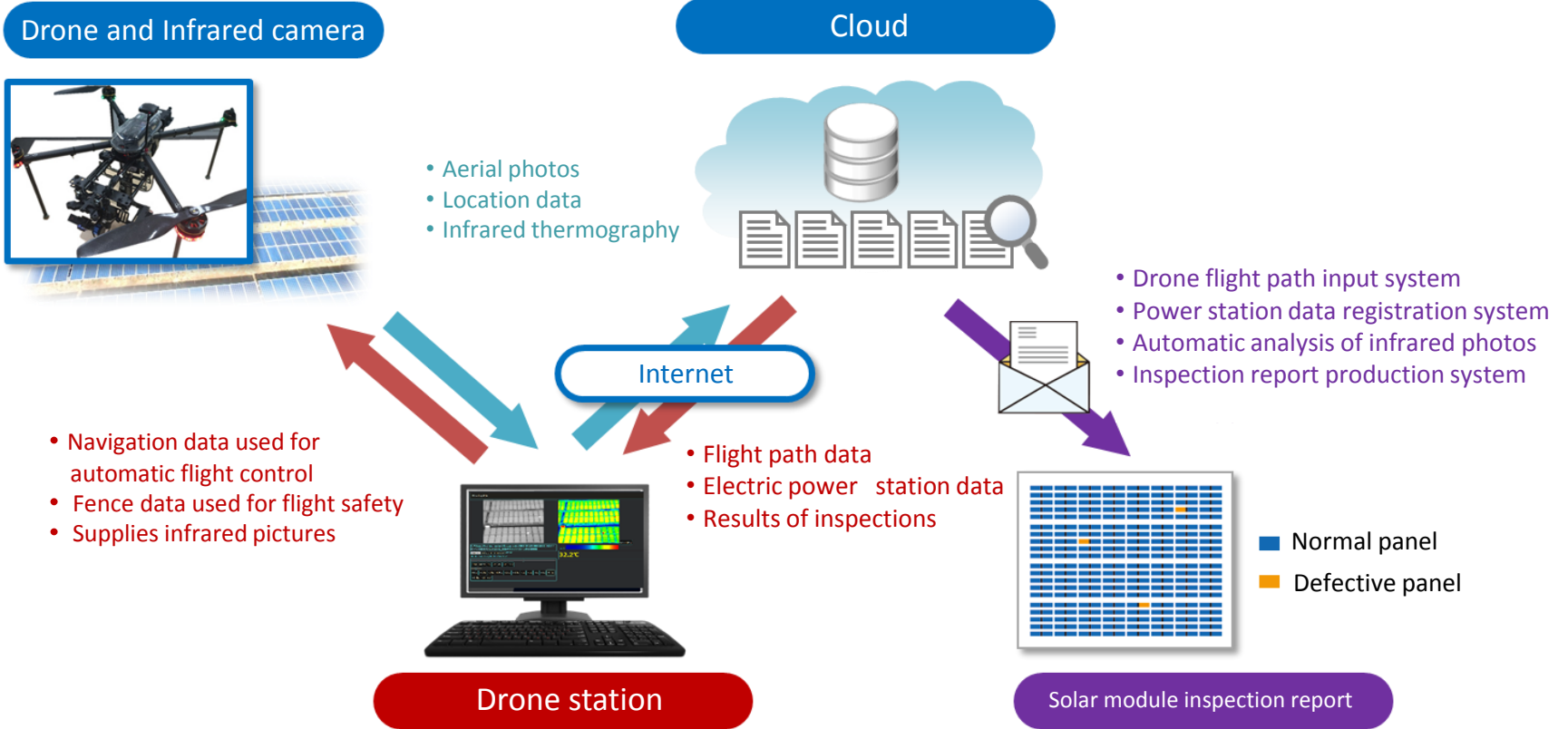
## Phase 2

Place the system on the cloud and combine with an information management system

## Combine SBT Group Technologies for Secure Data Sharing and Data Analysis



# [Pick Up] Solar Panel Inspection Service



# [Pick Up] Precision Agriculture Demonstration Test

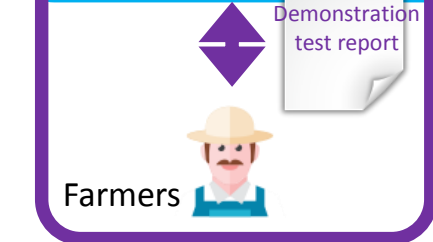
## Technology



## Participants



## Business



Demonstration tests and farmer interviews

Create practical IoT services to solve problems for farmers

## Maximize Earnings from Projects and Build a Sound Consolidated Management Framework

### Maximize Earnings from Projects

#### Improving Project Management

- Improvement in productivity
- Improvement in quality
- Prevent unprofitable projects outbreak

### Build a Sound Consolidated Management Framework

#### Offer more shared services

- Consolidate internal systems and processes
- Achieve low-cost operations
- Visualization for performance outlooks and resources

## Increase Employee Motivation + Maintain Proper Work-Life Balance



### Environment

Maximize performance

- Balance between advancement and nature
- Efficiency and collaboration
- Convenience and security



### System

Challenges and vigor

- Enable employees to acquire a variety of experience
- Assignments that prioritize roles and capabilities
- Expand training programs



### Opportunity

Use interactions to create synergies

- Meetings for employees to share knowledge
- Events for the entire company
- Assistance for a fulfilling life outside work

## Core strategy 1

### Centralize services on the cloud

#### Alter the security business structure

- Provide services using the expertise of SBT specialists
- Provide security systems as a cloud service

#### Help customers transform their businesses

- Speed up the growth of customers' businesses and develop services for specific industries

## Core strategy 2

### Launch IoT businesses

#### Conduct demonstration tests

- Extensive use of joint activities with business partners
- Tests for creating practical applications and business models

#### Recruit more people to become even more competitive

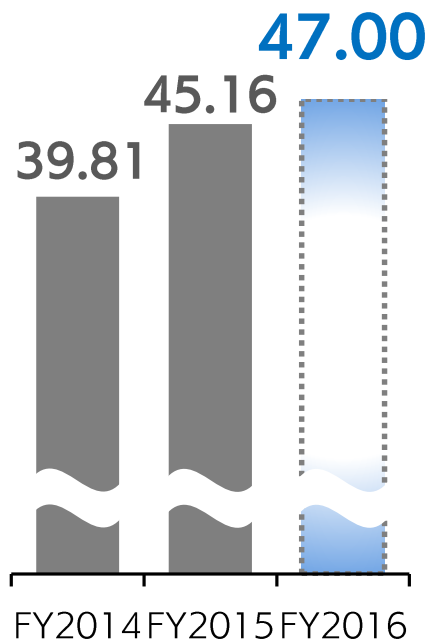
- Add more human resources with specialized skills to the three key driver businesses

# FY2016 Earnings Forecast

SoftBank  
Technology

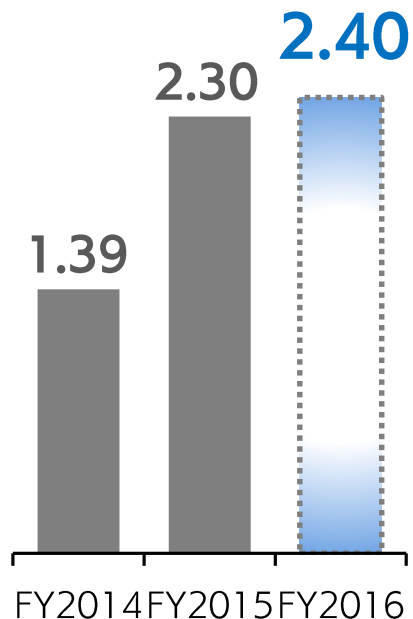
## Net sales

(Billions of yen)



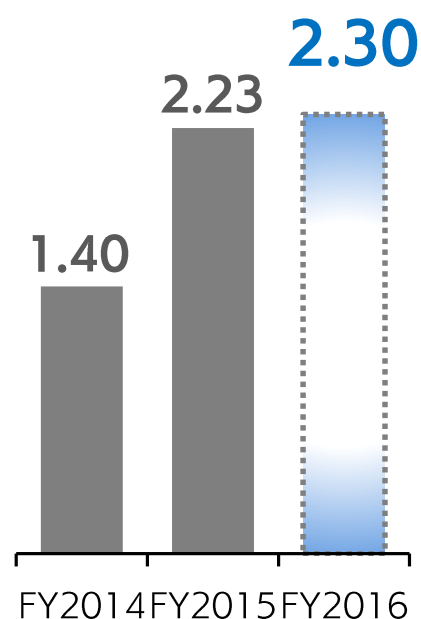
## Operating income

(Billions of yen)



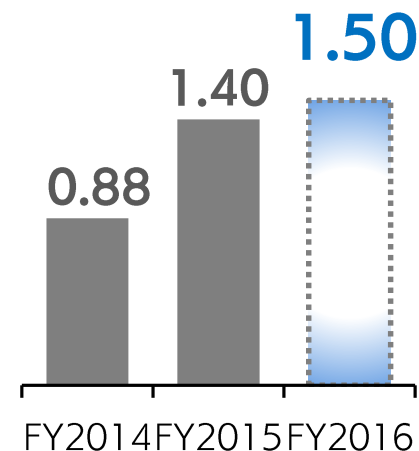
## Ordinary income

(Billions of yen)



## Profit

attributable to owners of parent  
(Billions of yen)

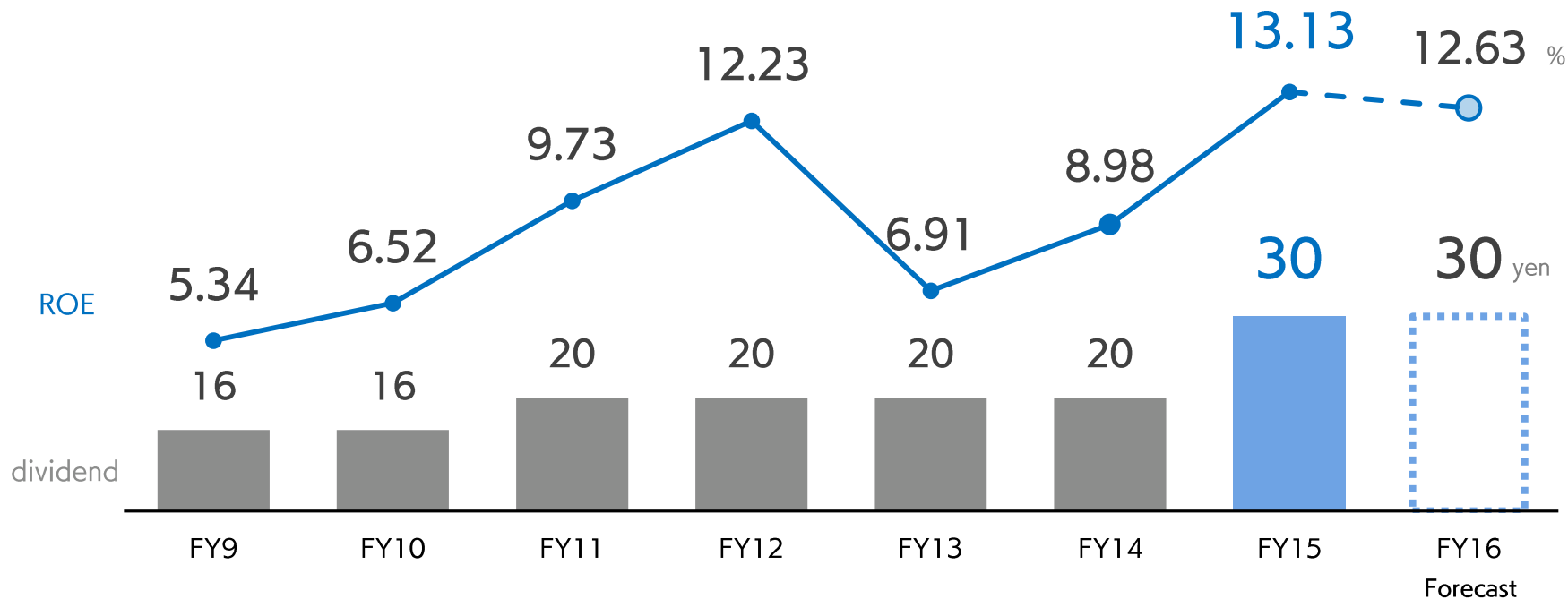




# Dividend Policy

SoftBank  
Technology

Pay a stable dividend, while continuing to invest in businesses



# Information Revolution –Happiness for everyone

～ Harnessing the power of Technology to build a Brighter future ～

## The SoftBank Technology Group



SoftBank Technology



M-SOLUTIONS



Fontworks



Kan



Cybertrust Japan



Miracle Linux



Mode2



ASORA Tech