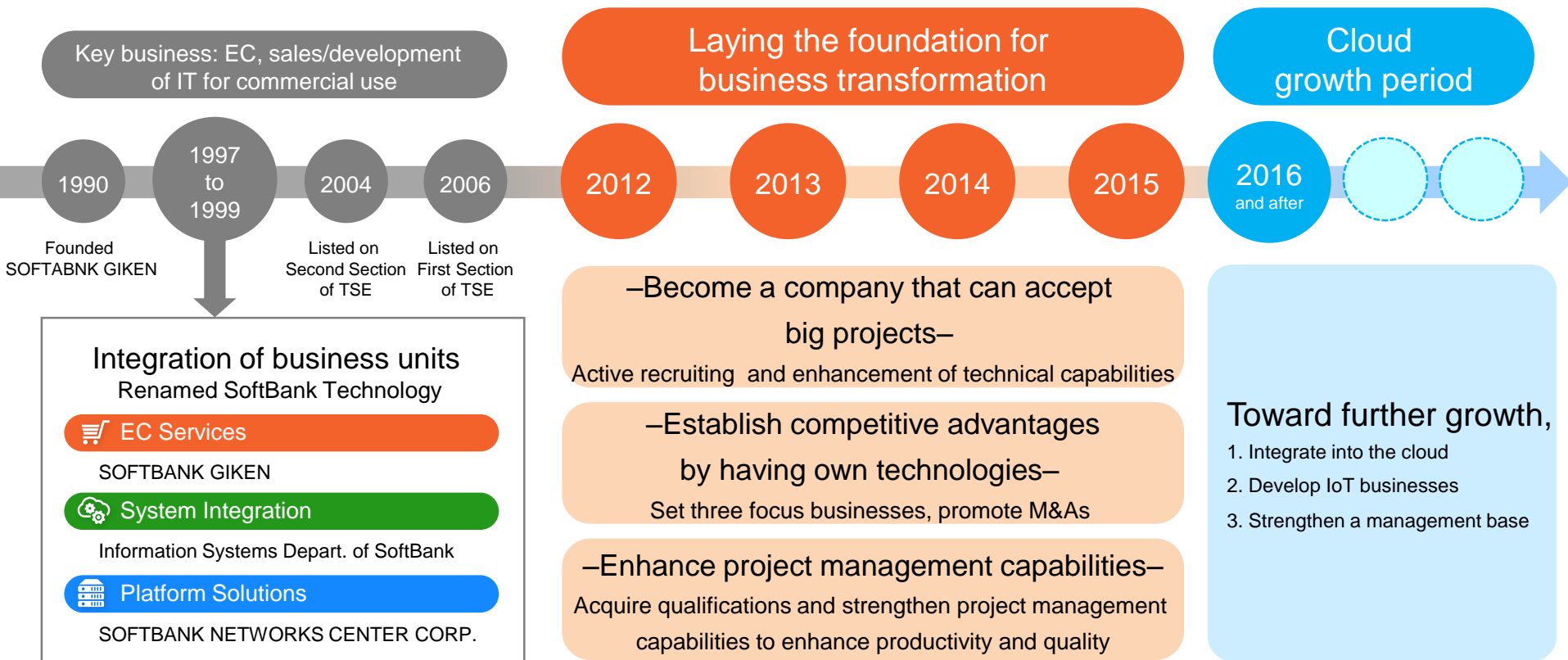


Management Policy

President & CEO Shinichi Ata

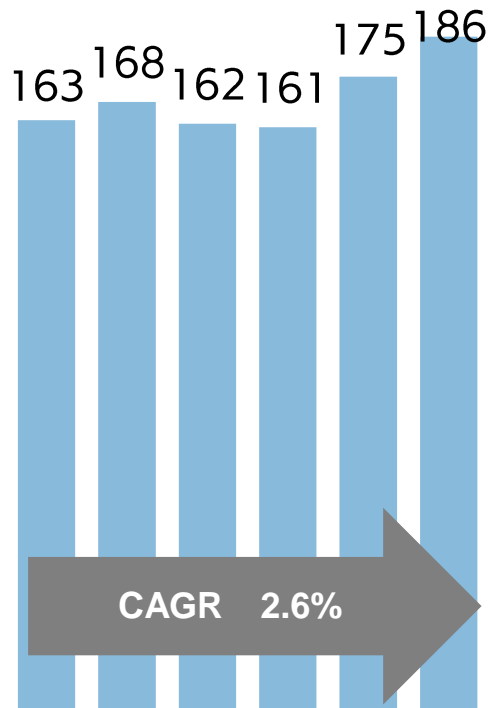
SBT's steps toward growing big



Consolidated

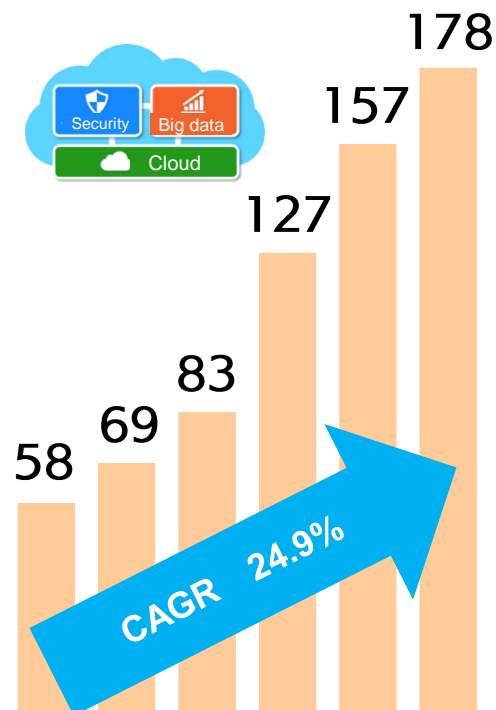
Growth Trend in Net Sales by Customer Type

Individuals



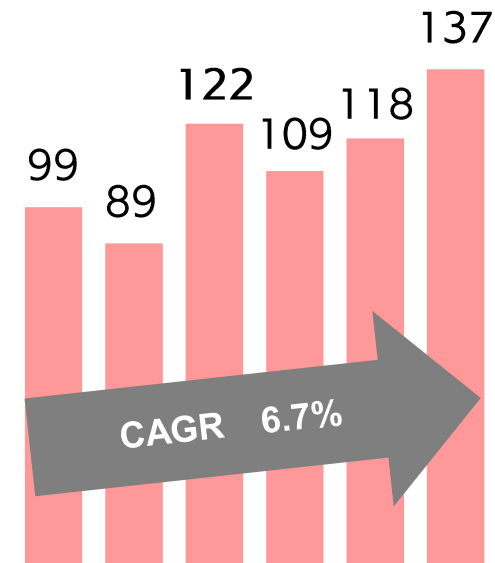
(100 million yen)

Enterprises and public offices



FY11 FY12 FY13 FY14 FY15 FY16

SB Group



FY11 FY12 FY13 FY14 FY15 FY16

Our Vision



Japan's leading **Cloud&IoT** service provider group

Targeting enterprises and public offices



Basic Strategies

Operating Company that

Evolves in the business model that is **high profit**



Technology Company that

Provides services from **IoT security to utilization of data**



B2B Company that

Is **indispensable** for the growth of customers' business



Three basic strategies to realize the vision

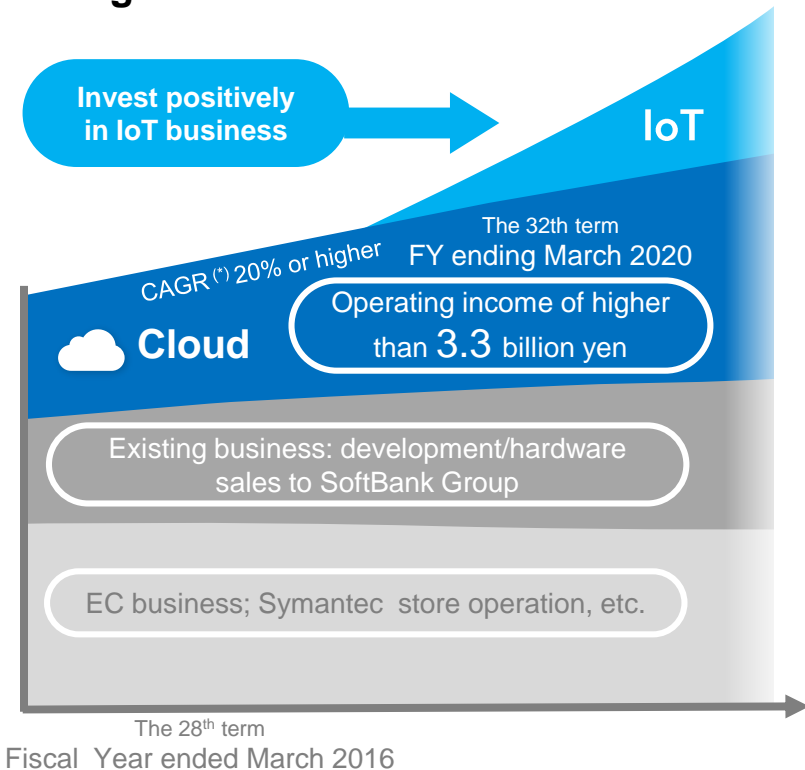
Strengthen a management base

Develop IoT businesses

Integrate into the cloud

Business Growth Image

Change in the sales distribution ratio



* Compound annual growth rate of the total sales of three businesses—cloud, security and data analytics.

Integrate into the cloud

- Shift from e-mail systems to customer relationship management and commercial systems.
- Strengthen sales ability for cloud/security business opportunities
- Shift the focus from development to business planning and

Develop IoT businesses

- Investing positively in training on cutting-edge technology and proof of concept
- Promote value creation for IoT devices by subsidiaries
- SBT promotes value creation by utilization of data and AI

Strengthen a management base

- Continuous acquisition of PMP certificates, enhance knowledge exchange
- Stronger relationships with development partner engineers
- Securing and retention of talents, changing ways of working to increase productivity

What is IoT in investment field?

Internet of Things



Technological innovation that significantly changes daily life and business

Analyze and utilize vast amounts of collected data



More convenient life

Home

- Refrigerators and air conditioners automatically control temperatures
- A wristwatch gives advice on the proper amount of exercise
- A video camera detects an intruder while the resident is away

City

- Cars show routes for avoiding traffic congestion
- City buses show the real-time status of operation
- Air conditioning systems in buildings reduce waste by automatic control

Work

- Sensors placed in the fields manage the growth of crops
- Sensors at construction sites ensure the safety of workers
- Production lines of factories predict the timing of equipment failure

Important Management Challenge

- Cooperation with Softbank group companies
- Maintain and improve relationships with customers
- Growth of the three key drivers
- Start new business platforms
- Build a solid profit structure
- Promote changing ways of working

Coordination with SoftBank Group Companies

Support the business environment of group companies and jointly develop proposals for customers

- Development and operation of internal/commercial systems
- Supporting security operation and data analysis



SoftBank
Technology



SoftBank Group
companies
(Domestic)

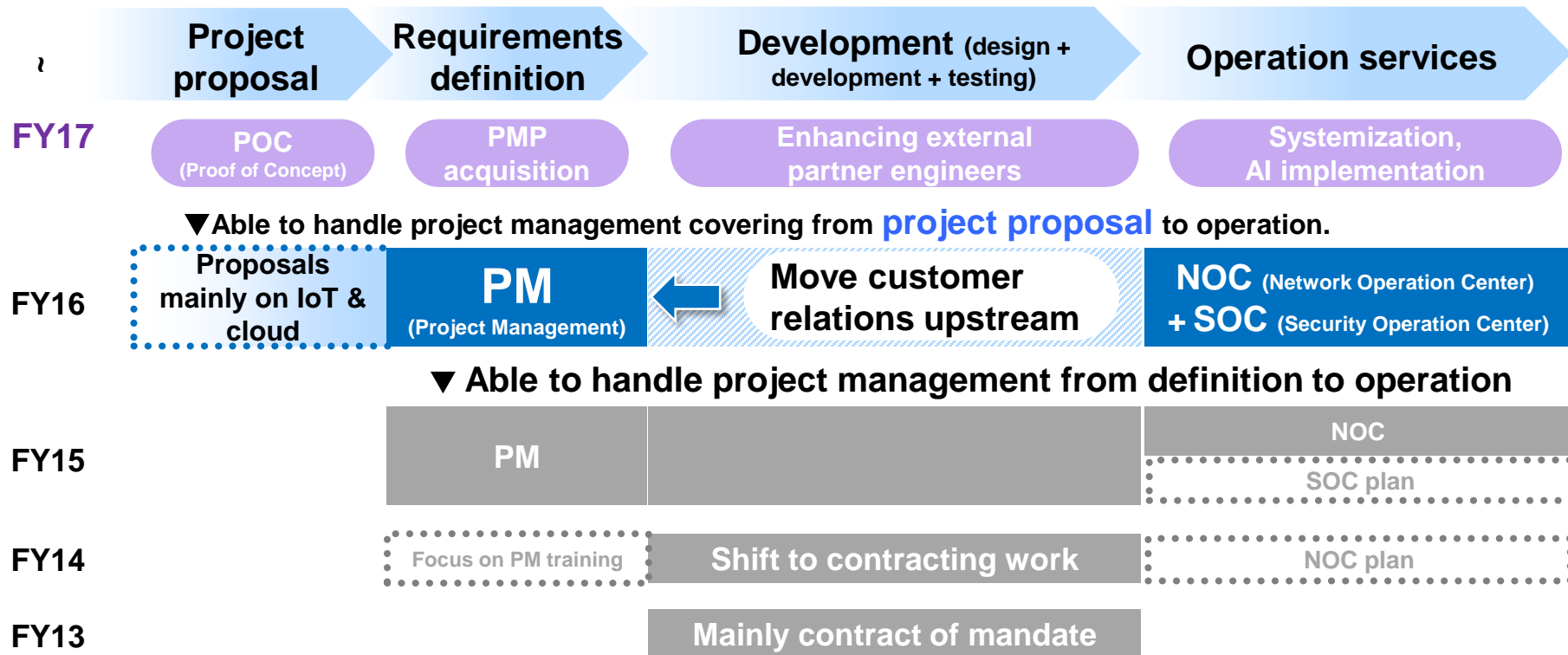
Coordinated solutions of
SB Group



Corporations,
government agencies

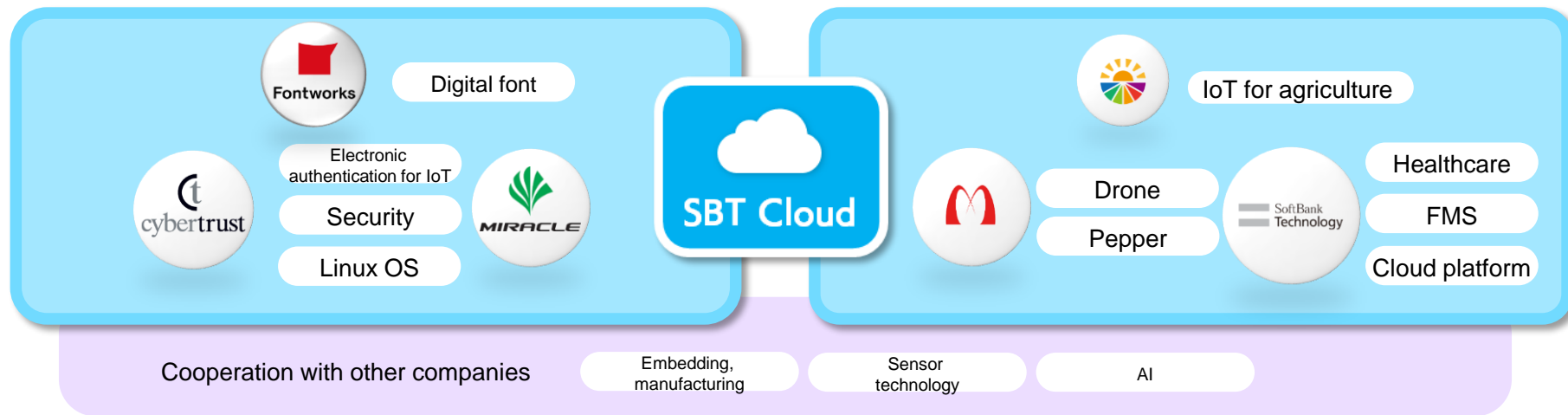
Maintain and Improve Relationships with Customers

Continue investment in training and efficient operation to move upstream
to be a **business partner** for customers



Start New Business Platforms (1/2)

Integrated provision of services by the SBT Group

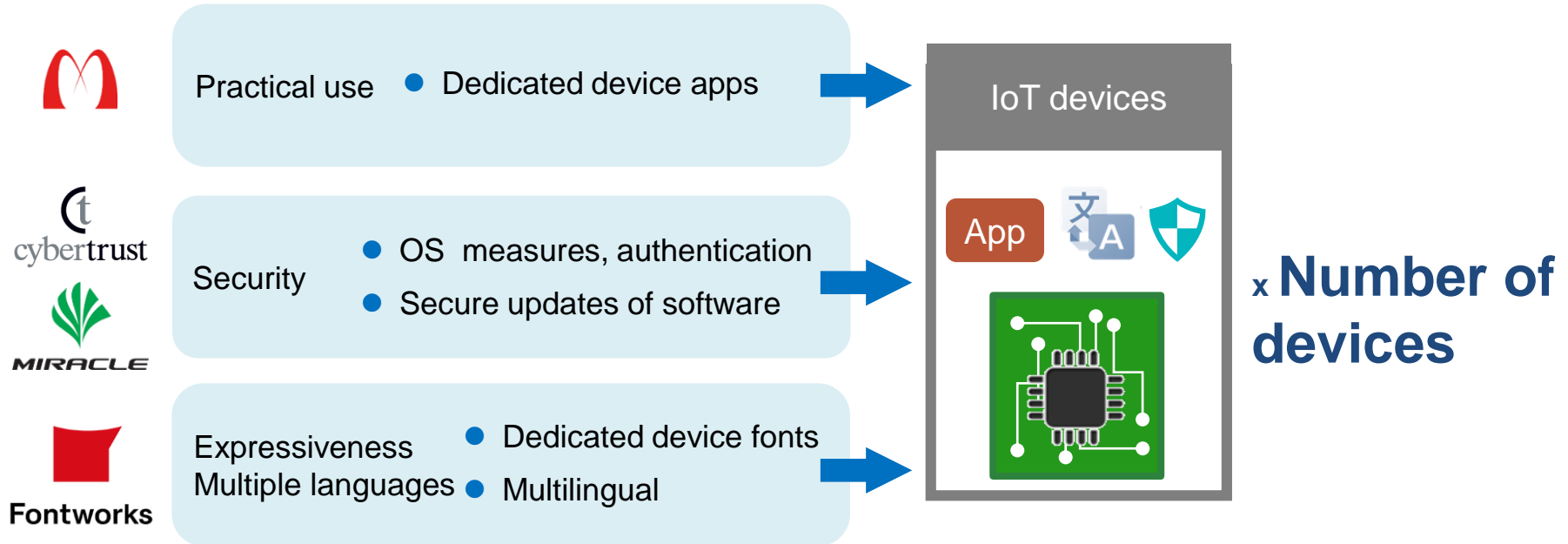


Manufacturer/platform-based approach

Approach based on industry/customer issues and needs

Start New Business Platforms (2/2)

Scalable model based on service x number of devices



Establishing a strong earnings base /driving forward work style reforms

Establishing a strong earnings base

Maximize project profits

Visualize earnings trends and resources

Share know-how and functions

Work style reforms

Drive forward personnel system reforms

Pursue high productivity through operational reforms

Take the initiative of using in-house services

The background of the slide features a soft-focus image of a landscape. In the center, a white wind turbine stands tall against a backdrop of dense green trees. Numerous birds are captured in flight, scattered across the sky. The overall color palette is a mix of light blues, greens, and whites, creating a clean and natural aesthetic.

SBT Social Initiatives

Contributing to Agriculture

Received an Order for Multiple-Year Operation of the Japan Farmland Navigator

One of key growth policies of the Japanese government

Accelerate farmland accumulation and consolidation toward aggressive agriculture
=> Oblige all agricultural committees across Japan to create and publish registers/maps



For general public

- Unify farmland information in Japan
- Computerize farmland register information
- Coordination with map systems



For agricultural committees across Japan

- Establish a cloud system environment for developing open systems
- Migrate the data of agriculture chambers to the systems developed.

In FY 2017 onwards, operate systems developed in the past for multiple years + individual development/handling

Integrated efforts of focus businesses are ongoing



Construction

Operation

Construction

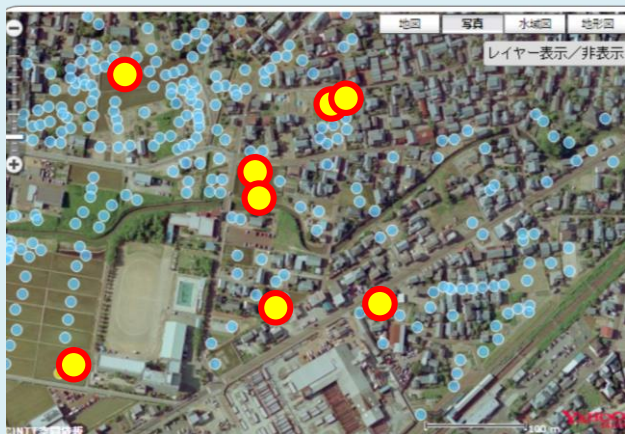
Operation

Data migration

Supporting “Active and Strong Agriculture” through the Cloud

Nationwide agricultural land navigation website

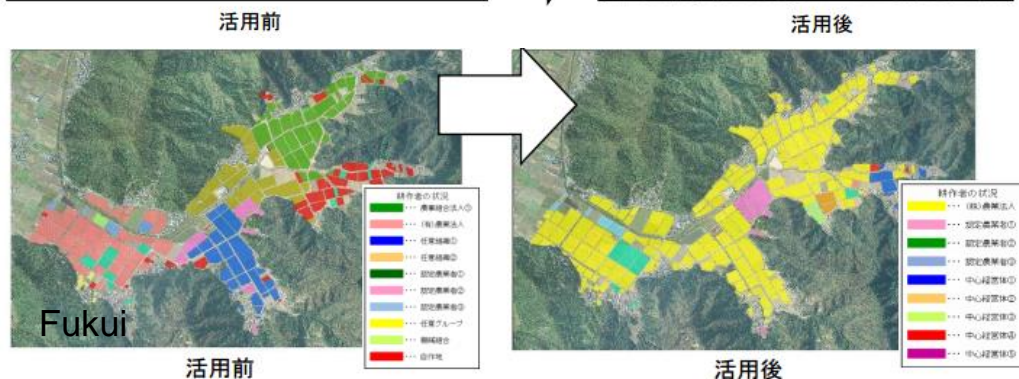
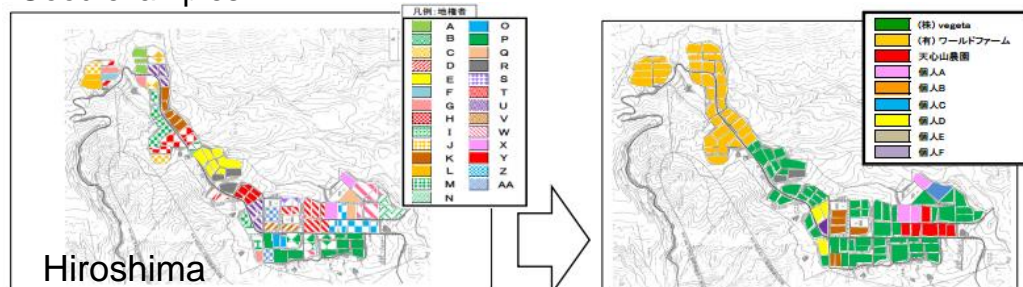
Farmland information is published on the website



Source: Nationwide Agricultural Land Navigation Website <<https://www.alis-ac.jp/>>

Farmland consolidation using the navigator is ongoing

Good examples



Source: Ministry of Agriculture, Forestry and Fisheries of Japan <<http://www.maff.go.jp/keiei/koukai/kikou/>>
Excerpts from images of good examples for farmland middle management business in FY2015

Contributing to Safety and Security

Promoting Awareness of Measures against Ransomware

(explaining weaknesses of security measures)



参考情報

- ランサムウェア "WannaCrypt" に関する注意喚起(JPCERT/CC)
<https://www.jpcert.or.jp/at/2017/at170020.html>
- 脆弱性情報
マイクロソフト セキュリティ情報 MS17-010 - 緊急
<https://technet.microsoft.com/ja-jp/library/security/ms17-010.aspx>
- ランサムウェア WannaCrypt 攻撃に関するお客様ガイダンス - 日本のセキュリティチーム
<https://blogs.technet.microsoft.com/jpsecurity/2017/05/14/ransomware-wannacrypt-customer-guidance/>

脆弱性検証報告

- Microsoft Windows 製品のSMBv1 サーバーの脆弱性により、リモートから任意のコードが実行可能な脆弱性 (MS17-010) に関する調査レポート | ソフトバンク・テクノロジー
<https://www.softbanktech.jp/information/2017/20170508-01/>

感染状況の報告

- Statement on reported NHS cyber attack - NHS Digital
<https://digital.nhs.uk/article/1491/Statement-on-reported-NHS-cyber-attack>

Microsoft Windows 製品の SMBv1 サーバーの脆弱性により、リモートから任意のコードが実行可能な脆弱性 (MS17-010) に関する調査レポート

【概要】

Microsoft Windows 製品の SMBv1 (サーバー メッセージ ブロック 1.0) サーバーに、リモートより任意のコードが実行可能な脆弱性 (MS17-010) 及び、その脆弱性を利用する攻撃コードが発見されました。本脆弱性は、SMBv1 サーバーが特定のリクエストを処理する際に不具合に起因する脆弱性で、この脆弱性を利用した攻撃が成立した場合、リモートから Windows の SYSTEM 権限で任意のコードを実行される危険性があります。また、本脆弱性は、「Shadow Brokers」と名乗るグループによって公開された、米国家安全保障局 (NSA) が使用したとする攻撃コードの一つである「EternalBlue」が悪用する脆弱性で、本脆弱性が存在するターゲットに対して同コードを使用し、ターゲットを「DOUBLEPULSAR」と呼ばれるリモートから任意のコードが実行可能なバックドアに感染させる攻撃を観測したとの報告もあります。

本レポート作成 (2017年5月8日) 時点において、ベンダーより脆弱性を解決する更新プログラムがリリースされております (2017年3月15日付)。しかしながら、攻撃が容易であること、また攻撃を受けた際にシステムへの影響が大きいことから、今回、この脆弱性 (MS17-010) の再現性について検証を行いました。

【影響を受ける可能性があるシステム】

- Windows Vista Service Pack 2
- Windows Vista x64 Edition Service Pack 2
- Windows 7 for 32-bit Systems Service Pack 1
- Windows 7 for x64-based Systems Service Pack 1
- Windows 8.1 for 32-bit Systems
- Windows 8.1 for x64-based Systems
- Windows RT 8.1
- Windows 10 for 32-bit Systems
- Windows 10 for x64-based Systems
- Windows 10 Version 1511 for 32-bit Systems
- Windows 10 Version 1511 for x64-based Systems
- Windows 10 Version 1607 for 32-bit Systems
- Windows 10 Version 1607 for x64-based Systems
- Windows Server 2008 for 32-bit Systems Service Pack 2
- Windows Server 2008 for 32-bit Systems Service Pack 2 (Server Core インストール)
- Windows Server 2008 for x64-based Systems Service Pack 2
- Windows Server 2008 for x64-based Systems Service Pack 2 (Server Core インストール)
- Windows Server 2008 for Itanium-based Systems Service Pack 2

Written by the SBT research team

Quotation from IPA website: <https://www.ipa.go.jp/security/ciadr/vul/20170514-ransomware.html>

Information-technology Promotion Agency, Japan (IPA) is an incorporated administrative agency created in 2004 as an organization for implementing policies under the responsibility of the Ministry of Economy, Trade and Industry of Japan

Security Cloud for Local Government Information

We are engaged in the local government information security enhancement project of **four prefectures**.

FY16

FY17 onwards

Multiple-year operation of systems constructed

Construction

Operation

Value provided by SBT

Management and operation of NOC networks

MSS security monitoring services

SOC cyberattack detection/notification

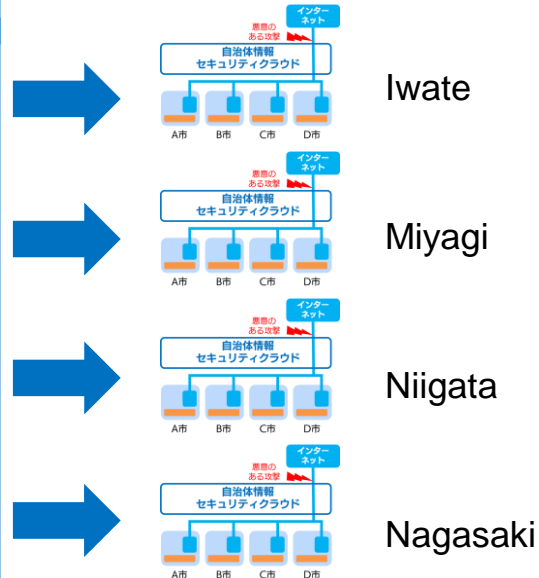
SIEM
Certification
holders

Analyzing security logs with know-how of highly skilled engineers.

Operation monitoring services independently provided by SBT.

Building a security cloud for local government information that meets requirements of each prefecture.

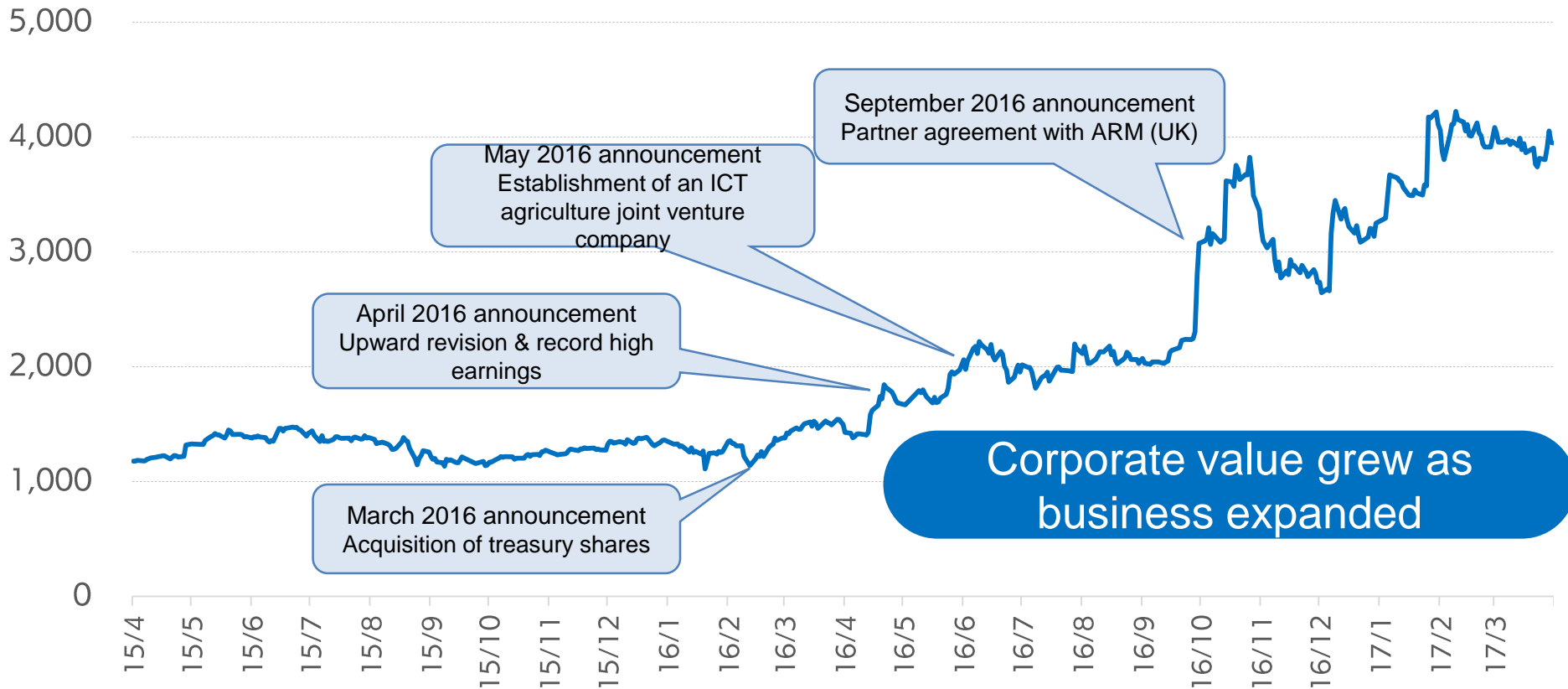
-> Expand NOC / SOC service know-how to these prefectures



The background of the slide features a soft-focus image of a wind turbine standing amidst a field of trees. The sky is a clear, bright blue, populated by several birds in flight, scattered across the upper and middle portions of the frame. The overall aesthetic is clean and modern, with a color palette dominated by blues and greens.

Return to Shareholders

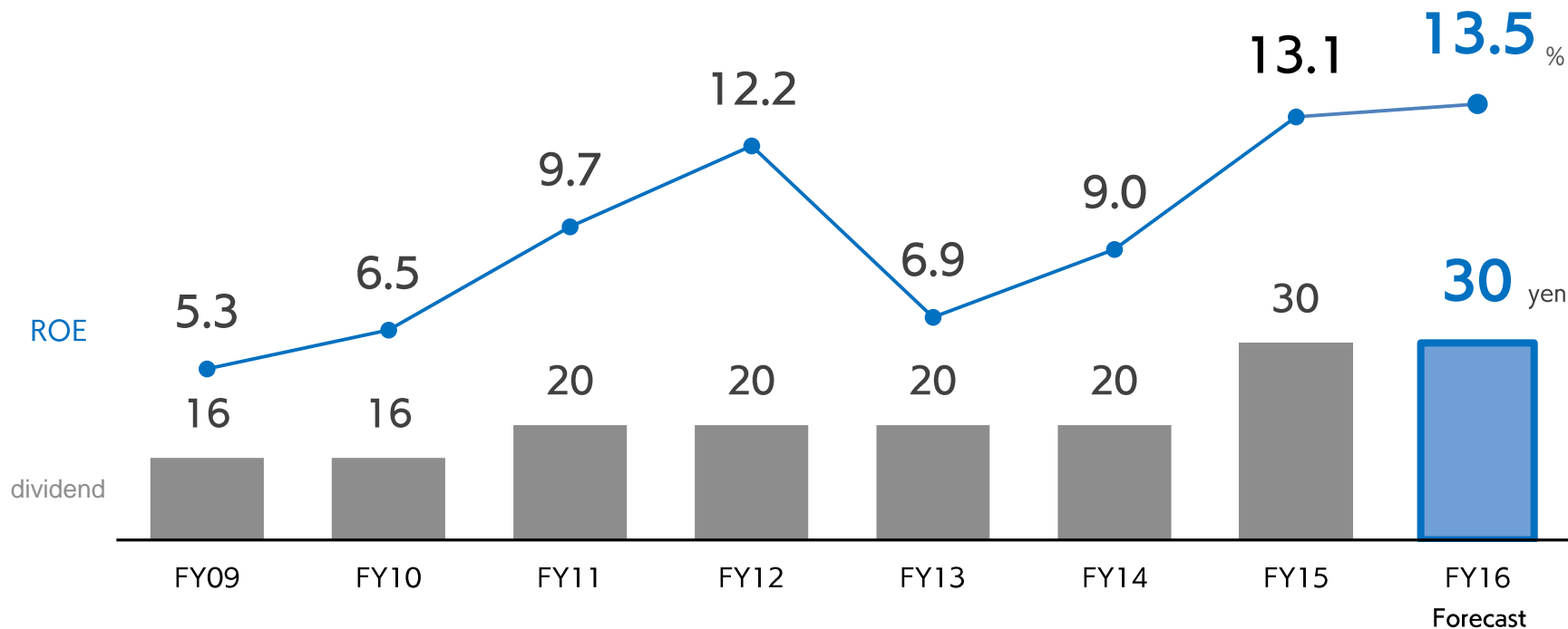
Trends in Stock Prices and Major Announcements



*A 2-for-1 stock split was made effective on June 1, 2017. The prices indicated above are before the stock split.

Dividend Policy

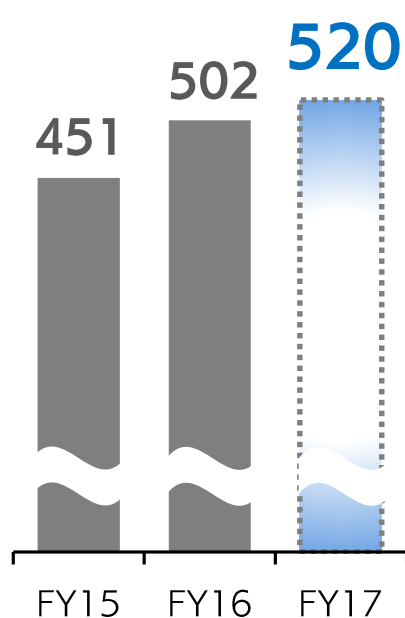
Pay a stable dividend, while continuing to invest in businesses



FY2017 Earnings Forecast

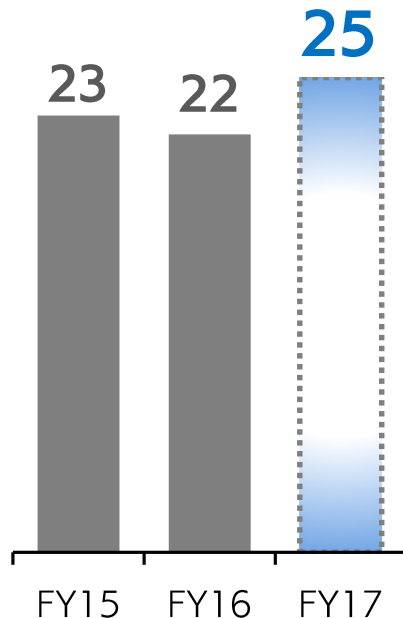
Net sales

(Billions of yen)



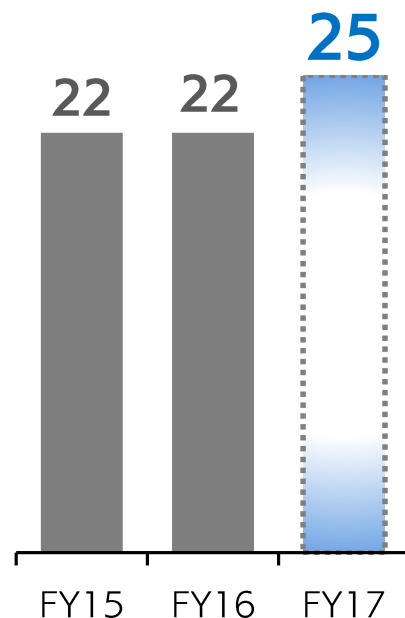
Operating income

(Billions of yen)



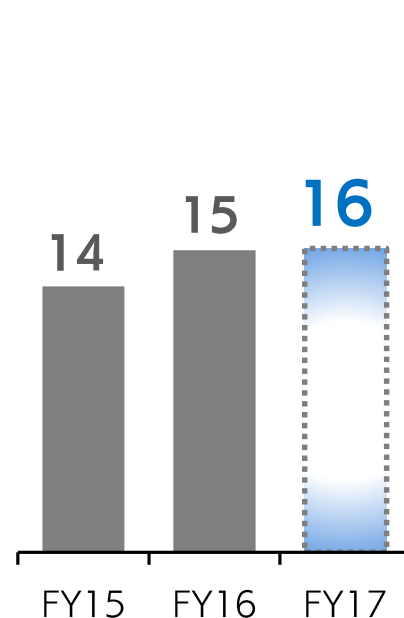
Ordinary income

(Billions of yen)



Profit

attributable to owners of parent
(Billions of yen)



Information Revolution –Happiness for everyone

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

The SoftBank Technology Group

