

Management Policies

Shinichi Ata, President & CEO

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In my presentation today, I will explain our business results more specifically with our management policies.

SoftBank Technology Group Management Policy



Achieve significant growth

Since my appointment as President of SoftBank Technology in 2012, I have been focusing our resources on measures that are aimed at achieving significant business growth.

Important Management Challenge

- Collaboration with the SoftBank Group
- Focus business growth
- Start new business platforms
- Build a solid profit structure

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The SoftBank Technology Group has four strategic business challenges.

- a. Collaboration with the SoftBank Group
- b. Focus business growth
- c. Start new business platforms
- d. Build a solid profit structure

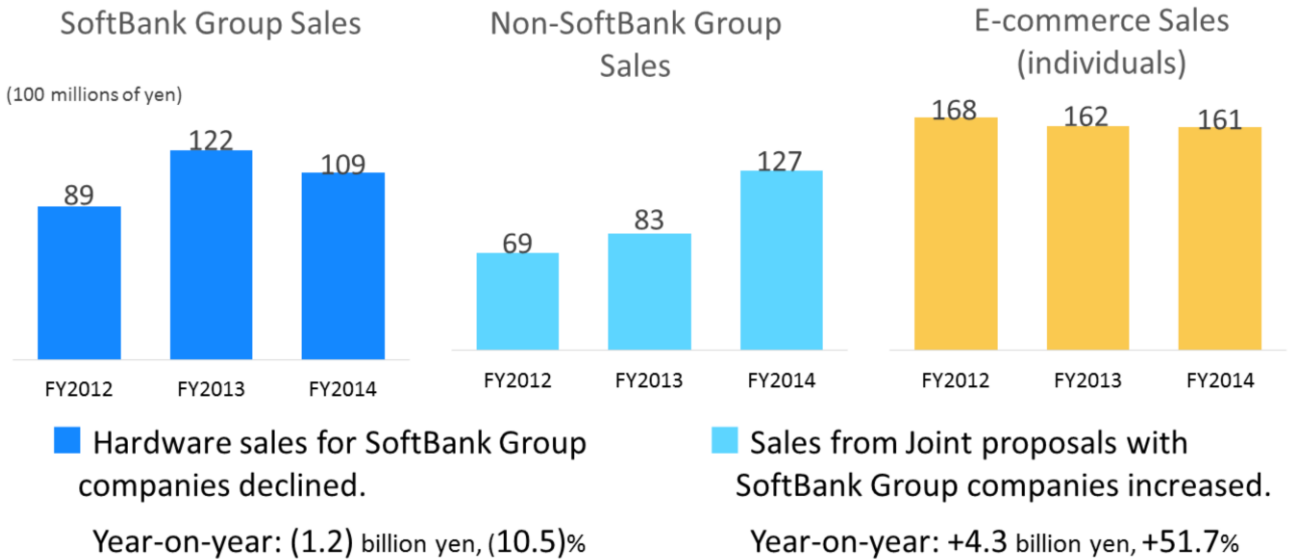
In the current fiscal year, which ends on March 31, 2016, we are implementing a number of business strategies to target these challenges.

Important Management Challenges

- Collaboration with the SoftBank Group
- Focus business growth
- Start new business platforms
- Build a solid profit structure

I will begin with an explanation of our actions involving collaboration with the SoftBank Group.

Collaboration with the SoftBank Group



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Engineering resources are a key strength of SoftBank Technology. We have been using this strength to support the operations of the SoftBank Group by selling inexpensive cutting-edge servers and communications equipment from overseas suppliers to SoftBank Group companies.

Major changes are taking place in the operating environment for ICT services industry, which is the primary market for SoftBank Technology. IT equipment is becoming generalized in Japan and overseas, the use of cloud computing is growing rapidly, and the yen's prolonged downturn is altering the business climate. As a result, companies require engineers with even more advanced technological knowledge to provide added value following the installation of IT equipment, develop cloud-based systems, build IT platforms and offer other services.

Due to these market conditions, our hardware sales to the SoftBank Group were down by more than 2 billion yen. However, our total SoftBank Group sales decreased 1.2 billion yen (10.5%) because of growth in sales in categories where we are highly competitive: construction of IT platforms and system development, cloud services and solutions for transitions to the cloud. Furthermore, non-SoftBank Group sales increased 4.3 billion yen (51.7%).

Higher product and platform construction sales in the Microsoft solutions business, which is one of our focus businesses, was one reason for the growth in sales. An increase in joint projects with the SoftBank Group for large companies and government administration office also made a big contribution.

Maximize Synergies

Shifting from a SoftBank Group supporter to partnership with the SoftBank Group for the provision of SoftBank Technology services

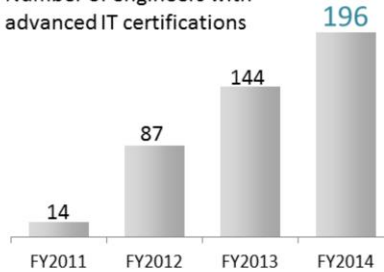
Cooperation for SoftBank New Businesses



Cooperation with SoftBank Group companies involving advanced technologies

ICT Certified Engineers

Number of engineers with advanced IT certifications



Acquire advanced technology experience and expertise by supporting commerce & service and telecommunications businesses

Expanding Sales Channels



Public-sector



Microsoft solutions

Jointly receive new orders centered on focus businesses

SoftBank Technology is expanding its relationship with the SoftBank Group to position this group as a partner for the provision of SoftBank Technology services. Our objective is to grow even faster by establishing superiority regarding three aspects of our operations.

1. The SoftBank Group is starting a variety of new businesses. Our group will take on the new challenge of supporting these new businesses through information and communications technologies. The robot application development business is one illustration. Our subsidiary M-SOLUTIONS has become the first company to develop a reception system using Pepper and is now performing demonstration tests.
2. The business activities of the SoftBank Technology Group uses experience and expertise gained from the use of advanced information and communications technologies associated with the support we provided to the SoftBank Group. For the visualization of our technological skills, we encouraged our employees to earn advanced technology certifications. The growth of non-SoftBank Group sales is one result of our initiatives to make our engineering resources and technological skills even more powerful. We will continue to accumulate more advanced ICT know-how and strengthen our technological skills by supporting the operations of the SoftBank Group.
3. We have been working with the SoftBank Group to sell original services with two central elements. One is the key technologies of our group, including recently acquired subsidiaries Miracle Linux and Cybertrust Japan. The other is our original services which combines experience and knowledge concerning system development, IT platform construction and other activities. Our goal is to enlarge sales channels by increasing collaboration with the SoftBank Group, particularly in the public-sector business and Microsoft solutions business.

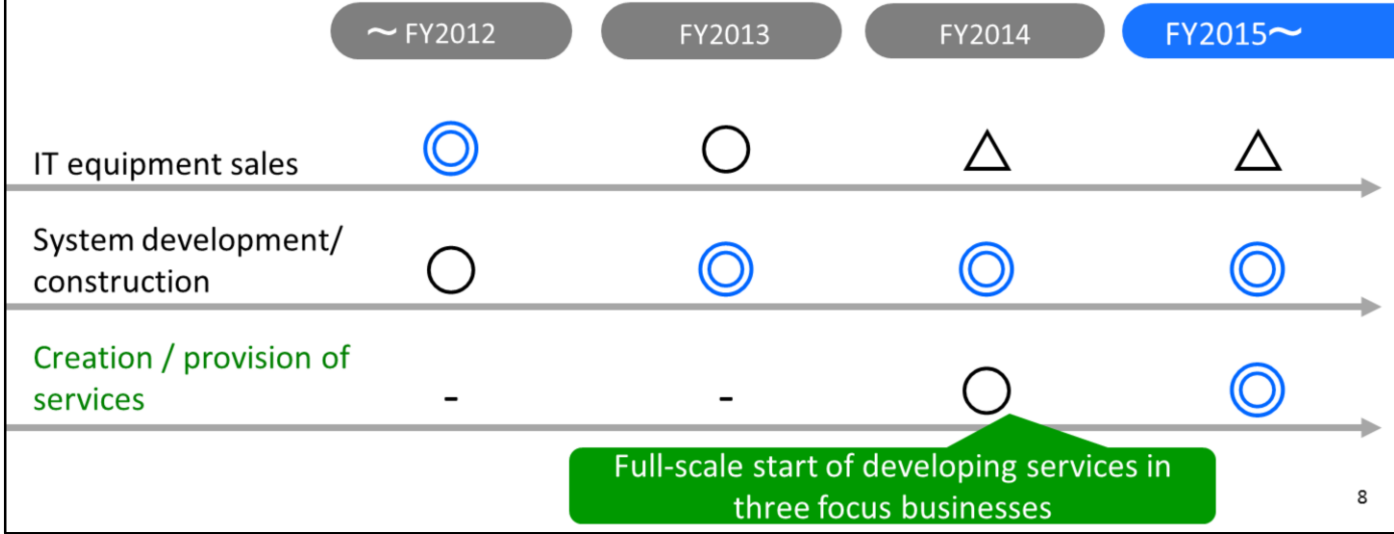
Important Management Challenges

- Collaboration with the SoftBank Group
- **Focus business growth**
- Start new business platforms
- Build a solid profit structure

Next, I will explain the focus business growth.

Shift in Business Operations

From hardware sales to service sales



IT equipment sales are expected to continue declining at SoftBank Technologies. As a result, the focus of our operations has shifted from hardware sales to a service-based business model. Centered on the development of IT systems, the construction of IT platforms and the provision of original services.

We are currently in the midst of this change in our business model. We are concentrating on three business domains: security, the cloud and big data. Our plan is to develop and sell original services for our security solutions business, Microsoft solutions business and data analytics business.

Security Solutions



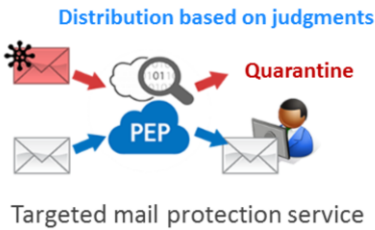
Security solutions

Accomplishments

Advanced solution for Advanced Persistent Threat & Data Breach

Initiatives

Expand from individual services to comprehensive solutions



Vulnerability diagnoses report



The industry's first Active Directory vulnerability diagnosis 9

For security solutions in the security business, which is a focus business, we have increased activities for creating services that meet needs for preventing Advanced Persistent Threat and Data Breach.

For example, personnel, public relations and other departments with e-mail addresses available to the public are vulnerable to Advanced Persistent Threat. Conventional security measures do not protect against some types of attacks. We developed the targeted mail protection service to offer further protection. The service uses a state-of-the-art “sandbox” technology that improves safety by checking and segregating e-mail messages in a virtual space.

We will continue to make investments in this business sector to actively recruit security specialists and create security services that meet our clients' requirements.

Data Analytics



Data analytics

Accomplishments

Developed an analytic service for security and marketing

Initiatives

Increased sales and market awareness of SoftBank Technology services



4DP LogSearch

Visualization service for internal logs



AdMetrics

Advertising optimization service

みやすい解析

Miyasui Analytics

A web analysis solution for the public sector

My next subject is data analytics for the big data business, which is another focus business.

We have hired a large number of data scientists during the past two years. We used their expertise and specialized knowledge in numerous industries to develop a data analysis and consulting services for security, the measurement of advertising effectiveness and other applications that match on how clients utilize their data.

From now on, we want to increase the awareness of these services and increase sales of our data analytics services.

Microsoft Solutions



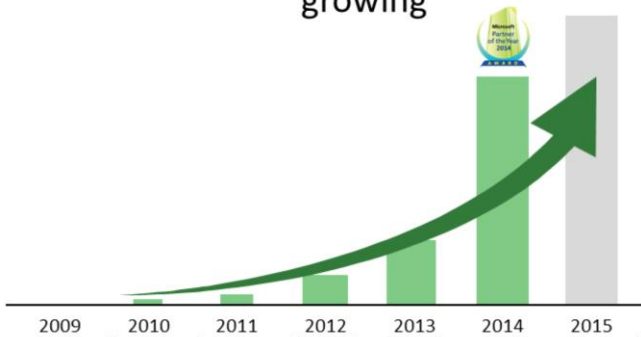
Microsoft solutions

Accomplishments

Number one in the deployment of Office 365 for enterprise

Initiatives

Use industry leading track record and knowledge to continue growing



Note 1: Cloud installations are the number of installations for Office 365, Online Service Gate (OSG), ADFS on Cloud (AoC) and Sitcore on Cloud.

Note 2: The number of SBT users is the sum of OSG and AoC users.

Cloud installations as of the end of March 2015 (Note 1)

409 users 660,000 licenses

Office 365	SBT original services (Note 2)
350,000 licenses	290,000 licenses



My next subject is Microsoft solutions, which is a focus business associated with the cloud.

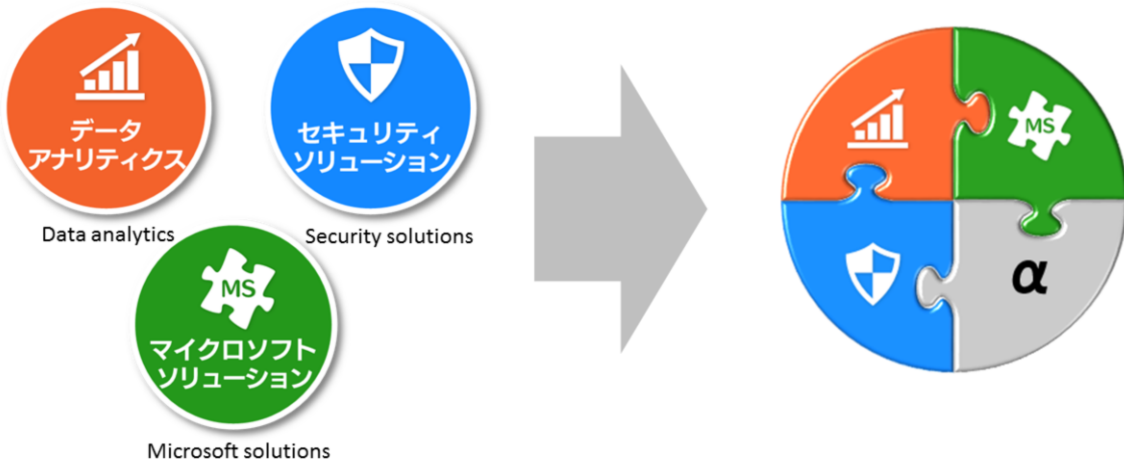
Our Microsoft solutions business has ranked first in Japan for the past two years in the deployment of Office 365 for enterprises.

We will use our industry leading experience and knowledge to solidify our competitive edge by expanding sales channels and using our original services to increase our added value.

Creation of Business Synergy

Separate provision of original services

Combine services for a competitive advantage



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In addition, we will reinforce SoftBank Technology's position as the market leader by combining the original services, technologies, experience and expertise in the three focus business sectors.

To reinforce and preserve our superiority, we will also conduct activities aimed at starting new businesses.

Important Management Challenges

- Collaboration with the SoftBank Group
- Focus business growth
- **Start new business platforms**
- Build a solid profit structure

Next, I will explain our actions involving the establishment of new business platforms.

Start New Business Platforms (Public-sector Business)



Public-sector

Accomplishments

- Collaboration with Yahoo
- Concentrated on website projects
- About 40 projects yearly

Initiatives

- Capture SBT-led projects
- Expand business platform from website projects
- Cross selling of the three focus businesses solutions



The public-sector business is one activity we are using to establish a new business platform.

We have established a platform for the public-sector business by collaborating with Yahoo and other members of the SoftBank Group. We have accumulated considerable knowledge due to experience gained from completing about 40 public-sector projects yearly.

Our next goal is to be able to handle an even larger number of local government and other public-sector projects and while taking measures so that SoftBank Technology can win more projects on its own. While actively acquiring new projects, we aim to expanding the scope of our public-sector business is another goal. We want to go beyond website construction by providing solutions for website infrastructures and other services.

Start New Business Platforms (IoT)



Accomplishments

- Developed a next-generation automobile service
- Demonstration tests for a reception robot
- Established the Secure Drone Consortium

Initiatives

- Developed the Platform Service for safe data exchanges and the creation of added value



A drone for precision agriculture

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The Internet of Things business is another current initiative of SoftBank Technology.

Subsidiaries Miracle Linux and Cybertrust Japan are active in the field of next-generation automobiles with the Linux solutions applicable to automatic driving. Furthermore, demonstration tests for rapid and safe transmission of authorization and driving data for operating automobiles to the cloud are under way.

In the robot domain, subsidiary M-SOLUTIONS is developing robot applications. This company is performing demonstration tests for a reception robot using Pepper, which has been placed at the SoftBank Technology reception desk.

For ICT agriculture, Cybertrust Japan established the Secure Drone Consortium, which has six member companies. This is one step toward establishing a safe environment for operating drones and a secure cloud environment. Cybertrust Japan plans to start a business that will provide solutions for agricultural drone use in Japan.

Start New Business Platforms (IoT)



Collect information in the cloud as big data



A drone for precision agriculture

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In the age of the Internet of Things, we will see information collected from automotive devices, robots and drones and consolidated in the cloud as big data .

SoftBank Technology aims to build a new business platform for the Internet of Things. We are supporting the growth of Internet of Things business activities in our group and we are working on ways to supply client companies data with added value, for example by analyzing big data stored in the cloud.

Important Management Challenges

- Collaboration with the SoftBank Group
- Focus business growth
- Start new business platforms
- **Build a solid profit structure**

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Next, I will explain our actions for building a solid profit structure.

Build a solid profit structure

Prevent large unprofitable projects



Build a consolidated management framework



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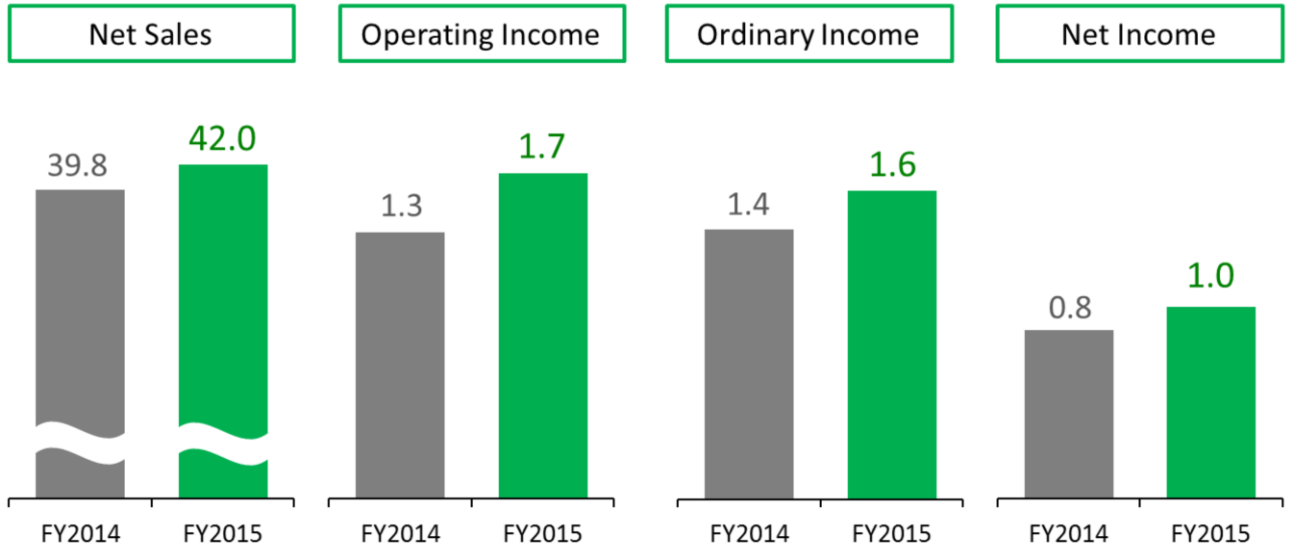
The central goal of the SoftBank Technology Group's growth strategy is to achieve significant growth.

One part of this strategy is aggressively acquiring large projects. In the previous fiscal year, these activities resulted in a number of large projects that were unprofitable. We responded by establishing several preventive measures. For example, we have established a team that is responsible solely for project audits and quality assurance. In this fiscal year, we are determined to prevent the occurrence of large unprofitable projects by effectively implementing these preventive measures.

Furthermore, we are taking steps in this fiscal year to improve the efficiency of the administrative department. We are reexamining the selling and administrative processes of group companies, actively switching to shared services for redundant functions in personnel, general affairs and other departments, and taking other actions to build a sound framework for consolidated management.

Forecast

(Billion yen)



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Forecasts for the 28th fiscal year ending March 2016 are as follows.

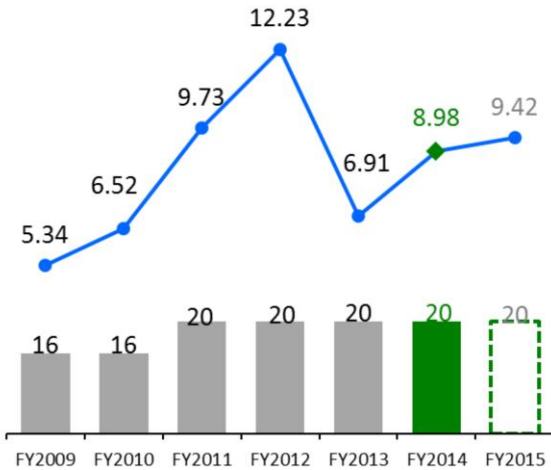
Net sales: 42.0 billion yen
Operating income: 1.7 billion yen
Ordinary income: 1.6 billion yen
Net income: 1.0 billion yen

The SoftBank Technology Group has a strong commitment to reaching this forecast for sales and earnings for the 28th fiscal year ending March 2016 . To accomplish our goals, we are taking the actions needed to collaborate with the SoftBank Group, the growth of focus businesses, starting new business platforms and building a solid profit structure.

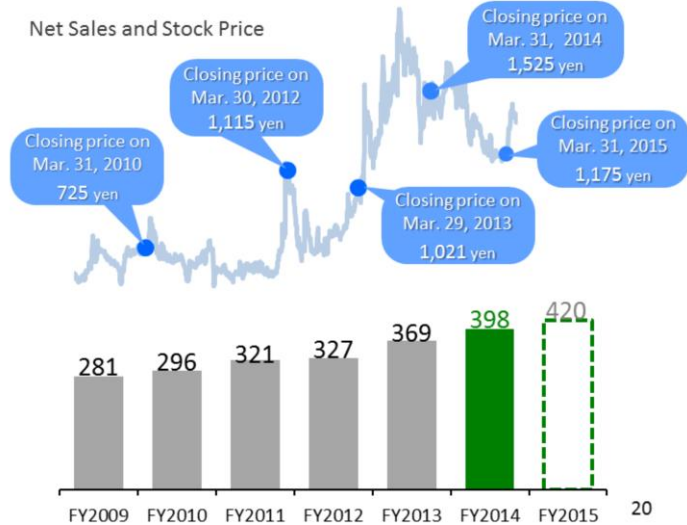
Dividend Policy

Pay a stable dividend and reward shareholders with higher corporate value backed by the growth of businesses.

ROE and Dividend



Net Sales and Stock Price



Distributing earnings to shareholders is one of our highest priorities.

Achieving significant growth is currently our primary goal. Therefore, our policy for the distribution of earnings is to pay a stable dividend while taking actions for medium to long-term growth in corporate value and shareholder value.



**We are determined to achieve significant growth
for the benefit of our shareholders**

Information Revolution –Happiness for everyone

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

Everyone at the SoftBank Technology Group is dedicated to achieving significant growth by working as a unified team that is guided by this corporate philosophy.



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SoftBank Technology Group



SoftBank Technology



M-SOLUTIONS



FONTWORKS

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MIRACLE

Miracle Linux



mode2

Mode2

This completes my presentation.