

Third Quarter of the Fiscal Year Ending March 31, 2019
(FY2018 Q3)

Results of Operations

January 31, 2019
SoftBank Technology Corp.

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- Consolidated results for Q3 (October – December) of FY2018

Record high operating income was achieved in Q3.

- Robust demand for the utilization of cloud, security measures and operation and monitoring services continued.
- Results for Q3 remained in line with the plan.

- Consolidated results for the nine-month period (April – December) of FY2018

A record high operating income was achieved in the nine-month period.

- The trend in the first half continued, and results remained in line with the plan while advancing investment in growth.

- The full-year plan for FY2018

SBT aims to achieve consolidated operating income of 2.5 billion yen.

- Published values at the beginning of the term remain unchanged.
- Investment in growth (service development, demonstration experiment, strengthening of technical capabilities, recruitment) will continue until the end of the term.

- The Second Three-Year Plan (FY2016 – FY2018)

Expansion of focus businesses and preparations of improving the profit ratio (cloud integration, IoT business development) are making steady progress.

Results Overview

Record high operating income, ordinary income and net profit were achieved.

- Consolidated results remained in line with the plan, while advancing investment in growth.
- Net sales increased due to robust demand for IT investments and the change of business model for the e-commerce business.
- Operating income rose because the improved marginal profit ratio offset increased fixed costs.

(Millions of yen)	Nine months ended Dec. 31, 2018	Nine months ended Dec. 31, 2017	Amount of change	Ratio of change
Net sales	36,724	35,931	+793	+2.2%
Marginal Profit	10,509 (28.6%)	9,811 (27.3%)	+697 (+1.3pt)	+7.1%
Fixed costs	8,996	8,659	+336	+3.9%
Operating income	1,513 (4.1%)	1,151 (3.2%)	+361 (+0.9pt)	+31.4%
Ordinary income	1,279 (3.5%)	1,146 (3.2%)	+132 (+0.3pt)	+11.6%
Profit attributable to owners of parent	781 (2.1%)	724 (2.0%)	+56 (+0.1pt)	+7.8%

Record high operating income and ordinary income were achieved.

- Results for Q3 remained in line with the plan.
- Higher sales in the cloud and the security businesses contributed to higher operating income.
- Net profit declined year on year due to the effect of posting deferred tax assets in Q3 of FY2017.

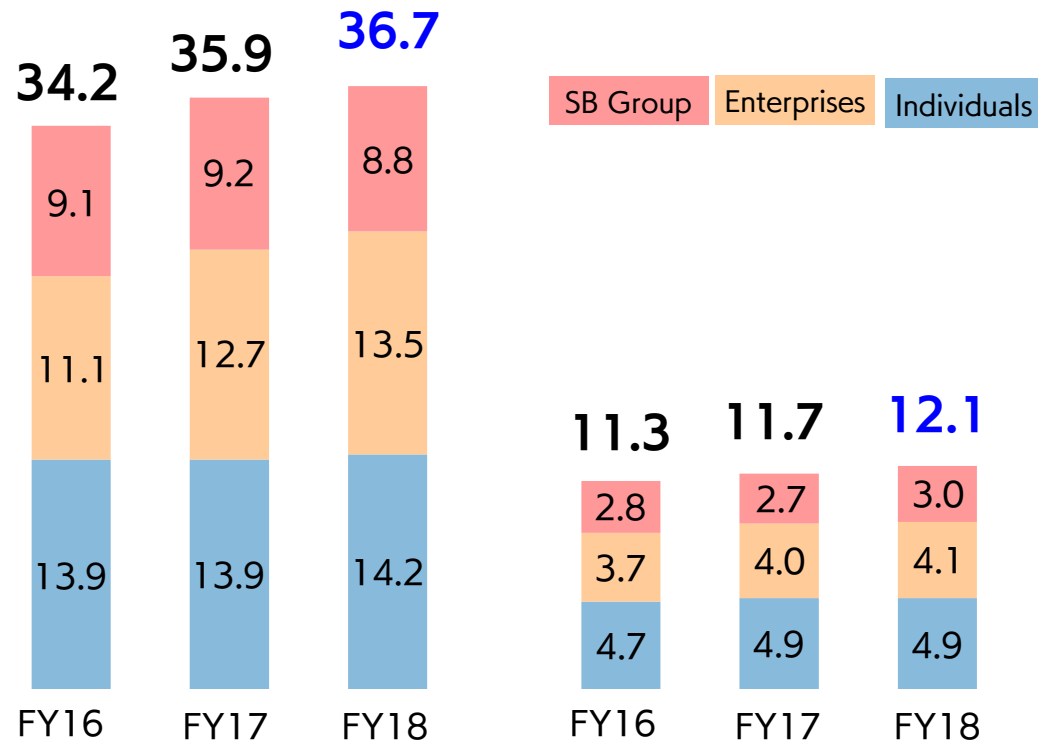
(Millions of yen)	FY18Q3	FY17Q3	Amount of change	Ratio of change
Net sales	12,162	11,727	+435	+3.7%
Marginal Profit	3,495 (28.7%)	3,331 (28.4%)	+164 (+0.3pt)	+4.9%
Fixed costs	2,996	2,900	+96	+3.3%
Operating income	499 (4.1%)	431 (3.7%)	+67 (+0.4pt)	+15.7%
Ordinary income	500 (4.1%)	453 (3.9%)	+47 (+0.2pt)	+10.4%
Profit attributable to owners of paren	293 (2.4%)	312 (2.7%)	▲18 (▲0.3pt)	▲6.0%

- In business for the SofBank Group companies, hardware sales declined, but operation and services grew. In Q3, cloud development increased.
- In business for enterprises, demand for the introduction of cloud and security measures expanded mainly in the manufacturing, chemical and construction industries.

By customer type

Q 1 - Q 3

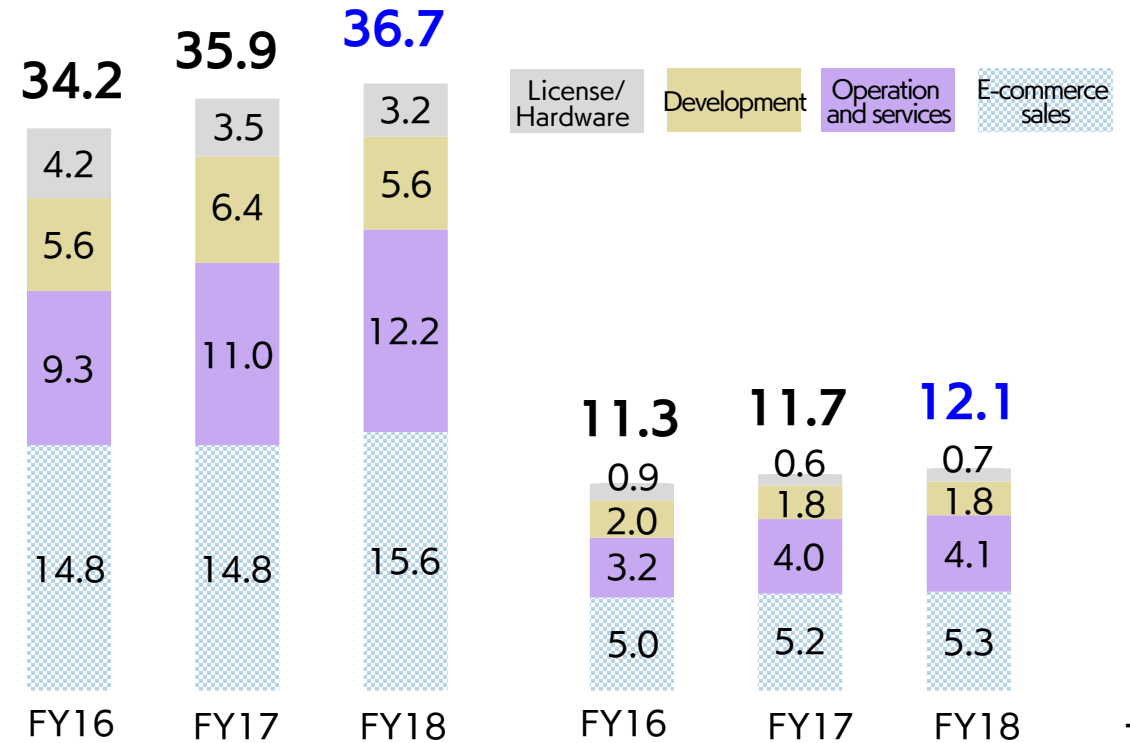
Q 3



By business type

Q 1 - Q 3

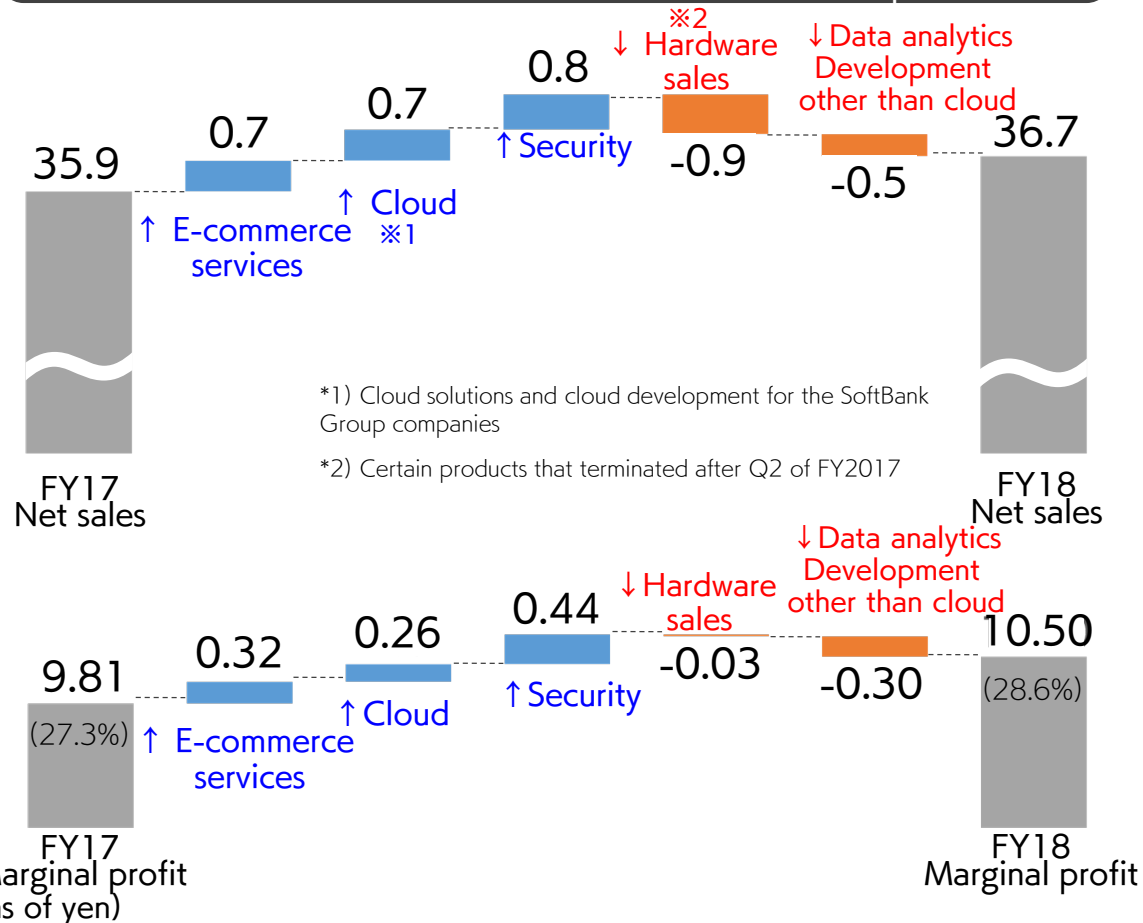
Q 3



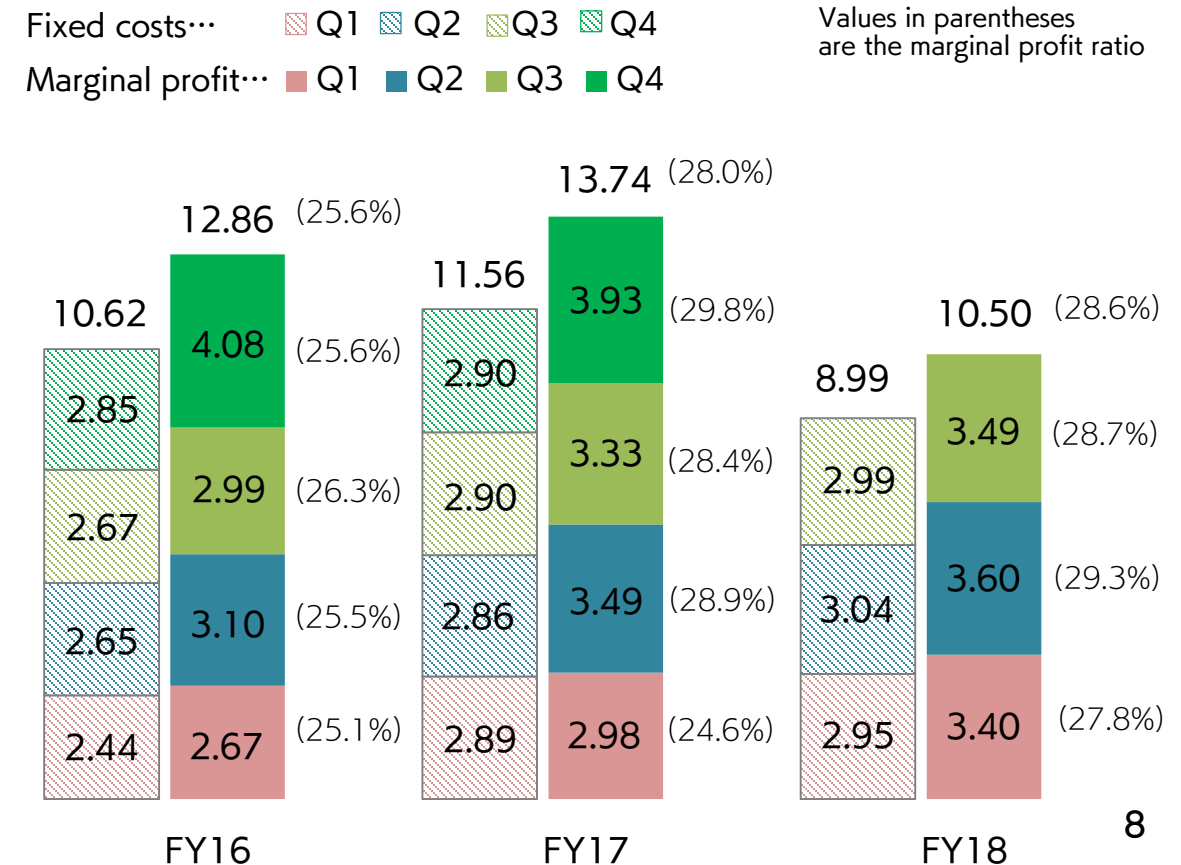
Analysis of Marginal Profit

- Growth in the security and the cloud businesses, which are focus areas, was driving an increase in marginal profit.
- Record high marginal profit and marginal profit ratio were achieved in Q3 (October – December).

Factors for increase/ decrease in the nine-month period



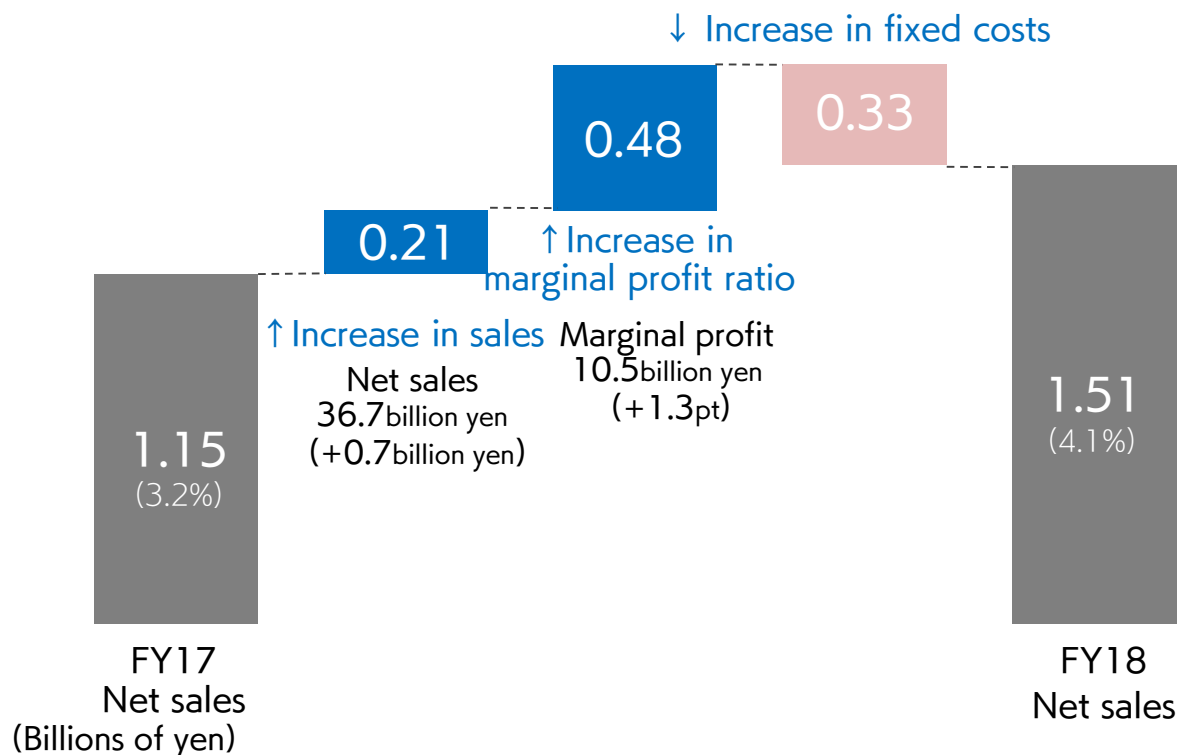
Quarterly changes in marginal profit



Analysis of Operating Income

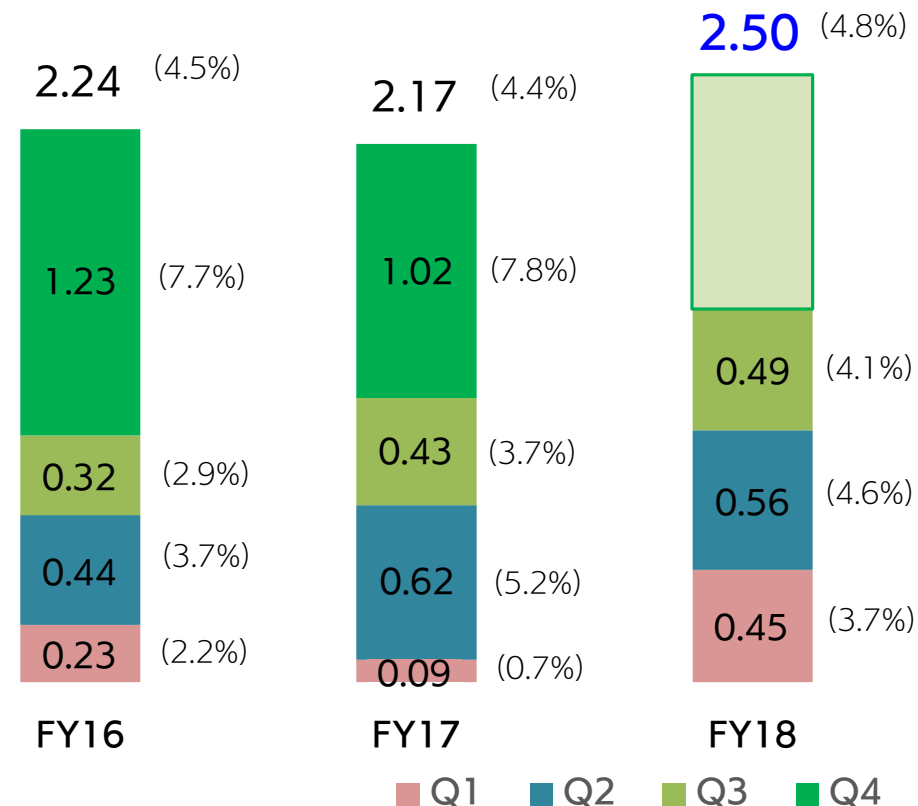
- While fixed costs increased due to continued investment in growth, the operating income ratio rose 0.9 percentage points.
- With the Second Three-Year Plan making progress, the term-end balance concentration showed signs of improving.

Factors for increase/ decrease in the nine-month period



Quarterly changes in operating income

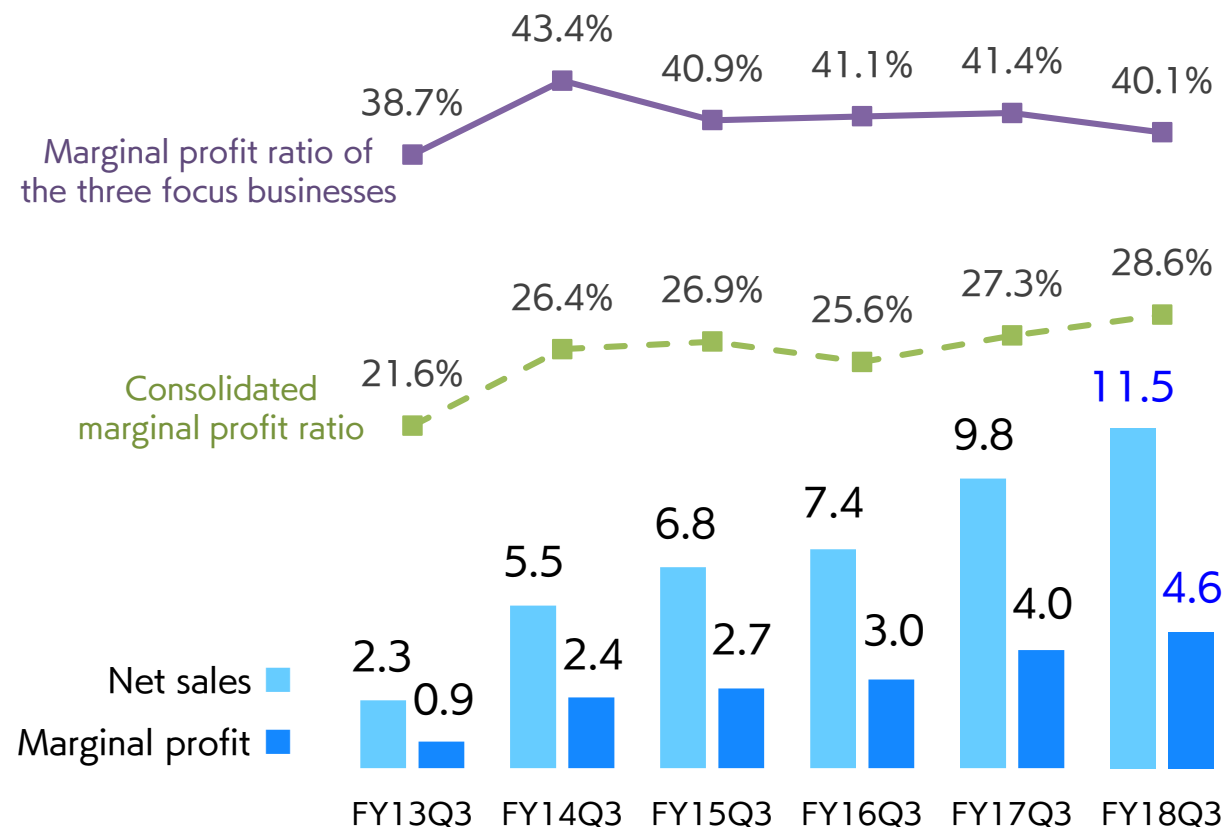
Values in parentheses are the operating income ratio



Changes in the results of the three focus businesses in Q3 ※

Net sales and marginal profit increased

+17% and **+14%** respectively year on year.

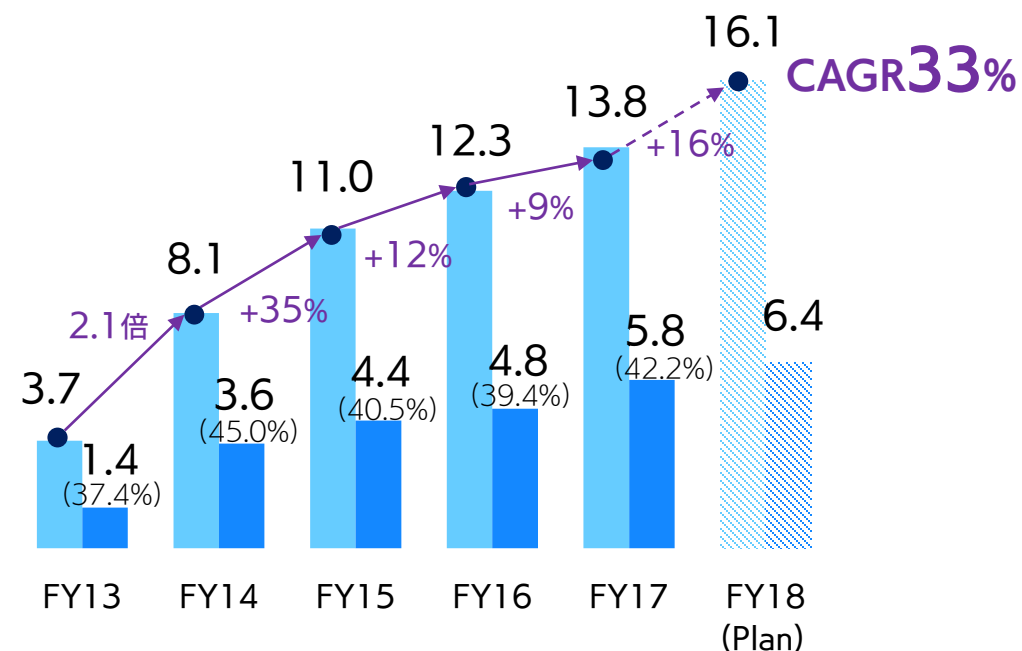


※The three focus businesses includes cloud development projects for the SoftBank Group Companies.

[Reference] Changes in the full-year results of the three focus businesses

SBT aims to improve the profit ratio by raising the sales weighting of focus businesses.

- Composition ratios of the three focus businesses
FY13) Net sales: 10% Marginal profit: 18%
FY17) Net sales: 28% Marginal profit: 43%



* The planned value of net sales is a growth target (FY2013: starting point, CAGR 20%).

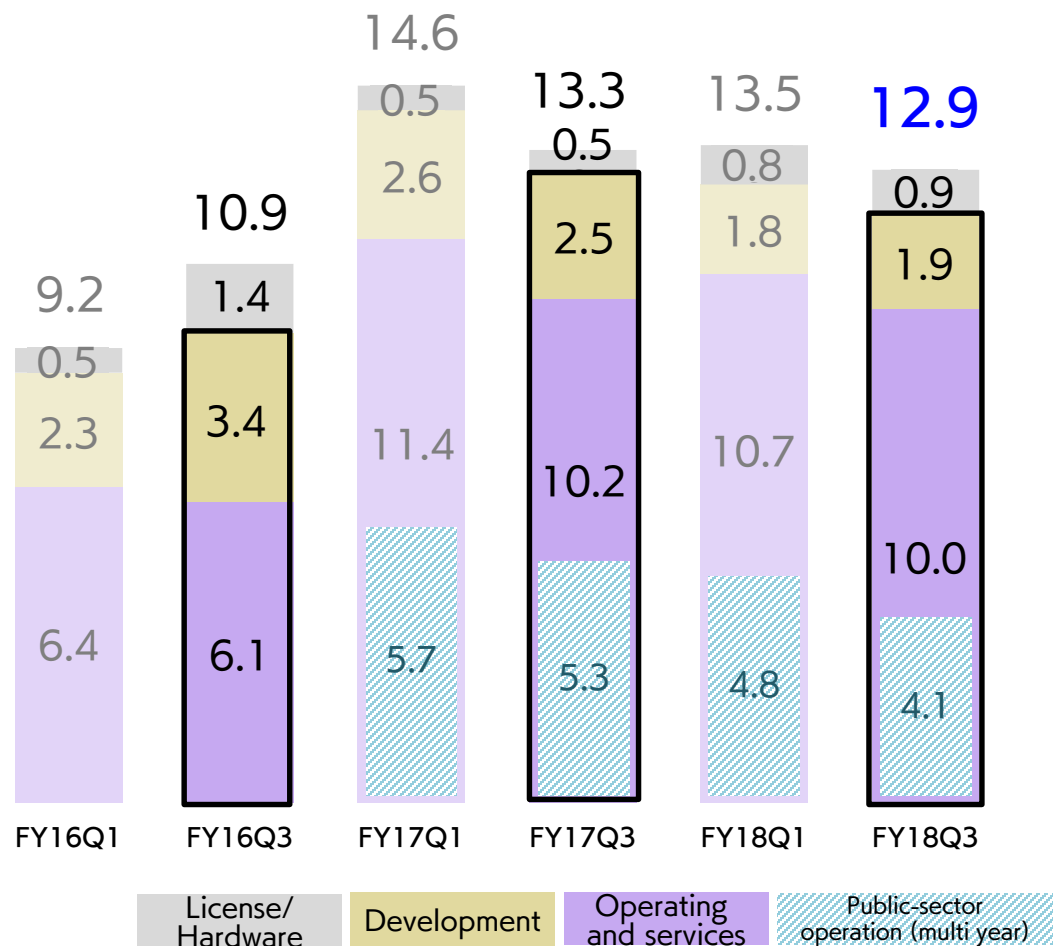
* The planned value of marginal profit is set on the assumption that the marginal profit ratio is 40%.

Unconsolidated

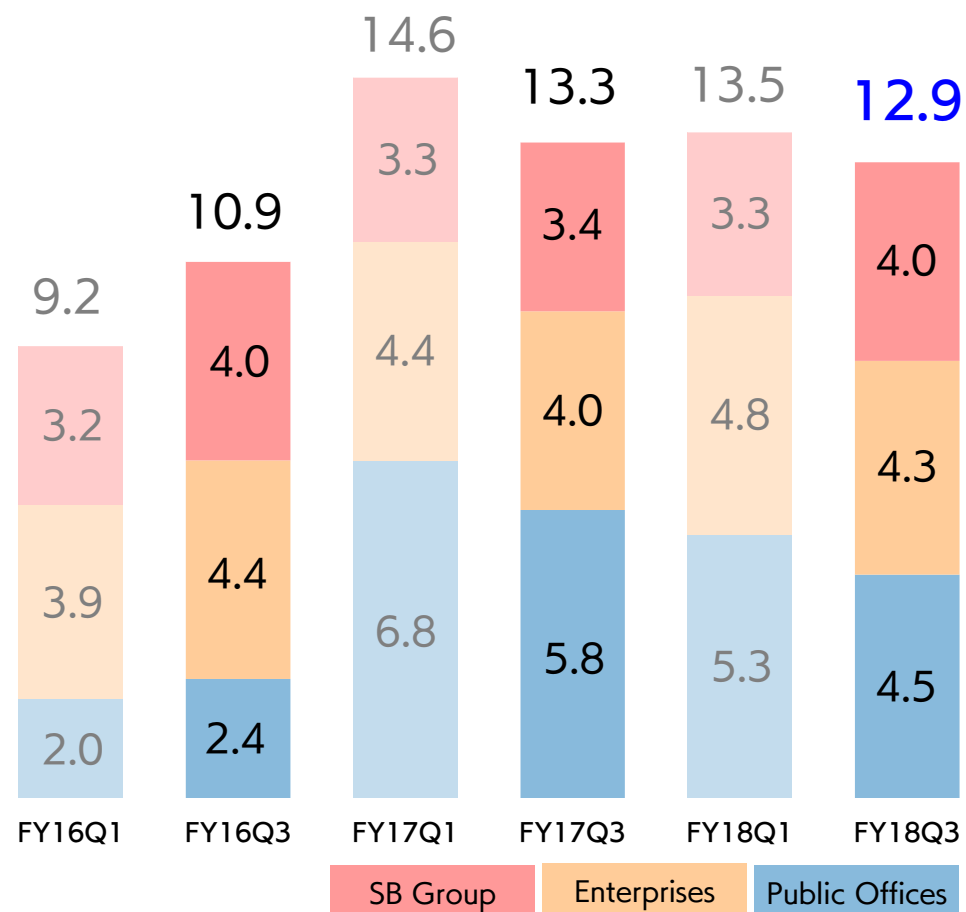
Order Backlog (excluding E-commerce Services)

- Public-sector operation projects were digested as planned, and development as well as operation and services for the SoftBank Group companies and enterprises increased.

By business type



By customer type



*Order backlog figures presented are after excluding those recorded under the percentage-of-completion method.

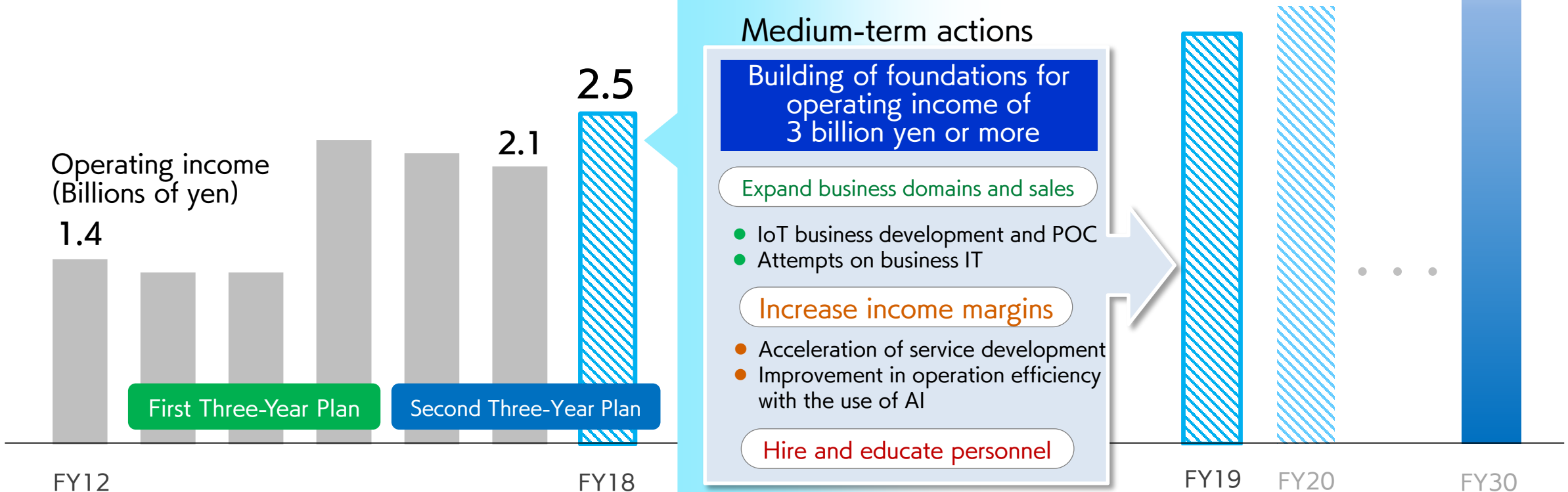
Results Outlook for FY2018 (compared with Results Forecast)

- Given that this fiscal year is the final fiscal year of the Second Three-Year Plan, top priority is given to investment in growth.
- SBT aims to achieve operating income of 2.5 billion yen as initially planned.

(Millions of yen)	Nine months ended Dec. 31, 2018	Initial results forecast (April 25, 2018)	Progress rate	FY17Q3 Results	Achievement vs full-year results
Net sales	36,724	52,000	70.6%	35,931 (49,140)	73.1%
Operating income	1,513 (4.1%)	2,500 (4.8%)	60.5%	1,151 (2,176)	52.9%
Ordinary income	1,279 (3.5%)	2,500 (4.8%)	51.2%	1,146 (2,399)	47.8%
Profit attributable to owners of parent	781 (2.1%)	1,600 (3.1%)	48.8%	724 (1,556)	46.6%

Actions in Final Fiscal Year of Second Three-Year Plan (Investment in Growth)

Medium- and long-term actions will be continued in FY2018Q4 with an eye toward FY2018 and beyond.



Information Revolution

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 SoftBank **Technology**

Numerical Data

[Reference] Descriptions and Characteristics of Businesses



E-commerce services

This business offers e-commerce website operation services, develops and sells font sets and provides web font services. Its Symantec Store business is run in Japan and four other countries and areas for consumers. It changed its business model for the font business in FY2018 from sending media to license downloads. This means that its sales will be concentrated in Q1, although they used to be concentrated in Q4.



IT infrastructure solutions

This business constructs IT platforms, offers operation and maintenance services and sells servers and network equipment mainly to SoftBank Group companies. It also offers integrated monitoring tools and system backups for using open source software (OSS) on Linux for embedded systems, server applications and mission-critical systems. It discontinued sales of poorly profitable equipment in Q2 of FY2017.



System integration

This business engages in the design and development of information systems, operation and maintenance services, the development of business applications and the development of applications for tablets, smartphones and robots mainly for SoftBank Group companies in the corporate IT (for information systems sections) and business IT (for business sections) domains. It is shifting from one-shot development to the offering of services.



Data analytics

Defined as a focus business since the first fiscal year of the First Three-Year Plan, namely FY2013, this business engages in the construction of websites and databases and in the offering of analysis and consulting services as well as analysis tools for the utilization of data in marketing activities. In Q2 of FY2016, it changed its strategy on marketing solutions and has since been shifting to the active use of internal data through cloud introduction and data analysis in the area of IoT.



Security solutions

Defined as a focus business since the first fiscal year of the First Three-Year Plan, namely FY2013, this business offers vulnerability examinations, measures against targeted attacks and authentication and encryption services using electronic certificates. In response to mounting demand for security measures against attackers' intrusions, it began offering a managed security service (MSS) in Q1 of FY2016, in which SBT experts conduct security operations (i.e. monitoring and analysis) on a 24/7 basis.



Cloud solutions

Defined as a focus business since the first fiscal year of the First Three-Year Plan, namely FY2013, this business offers solutions based on Microsoft Office 365 and Microsoft Azure as well as SBT's own services. As the introduction of cloud to communication platforms came to an end, it is now shifting to collaboration platform solutions for the digitalization of internal information, the cross-sectional utilization of data and the promotion of workstyle reforms, and to offering *clouXion* services.

Consolidated results (Millions of yen)	Nine months ended Dec. 31, 2018		Nine months ended Dec. 31, 2017		YoY change	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Net sales	36,724	-	35,931	-	+793	+2.2%
Digital marketing	16,876	-	16,405	-	+470	+2.9%
Platform Solutions	8,347	-	8,615	-	▲267	▲3.1%
Cloud Systems	11,499	-	10,909	-	+589	+5.4%
Cost of sales	30,695	-	30,336	-	+358	+1.2%
Gross profit	6,028	16.4%	5,594	15.6%	+434	+7.8%
SG&A expenses	4,515	-	4,442	-	+73	+1.6%
Operating income	1,513	4.1%	1,151	3.2%	+361	+31.4%
Non-operating income (loss)	▲233	-	▲4	-	▲228	-
Ordinary income	1,279	3.5%	1,146	3.2%	+132	+11.6%
Extraordinary gains (losses)	19	-	20	-	+0	▲3.8%
Profit attributable to owners of parent	781	2.1%	724	2.0%	+56	+7.8%
Consolidated marginal profit	10,509	28.6%	9,811	27.3%	+697	+7.1%
Consolidated fixed costs	8,996	-	8,659	-	+336	+3.9%
Unconsolidated order backlog	12,994	-	13,322	-	▲328	▲2.5%

(Millions of yen)	FY16Q1	FY16Q2	FY16Q3	FY16Q4	FY16	FY17Q1	FY17Q2	FY17Q3	FY17Q4	FY17	FY18Q1	FY18Q2	FY18Q3
Net sales	10,671	12,192	11,380	15,982	50,225	12,126	12,077	11,727	13,209	49,140	12,258	12,303	12,162
Digital marketing	5,496	5,333	5,582	5,641	22,053	5,388	5,232	5,785	5,564	21,970	5,683	5,419	5,773
Platform Solutions	2,656	3,995	3,060	5,146	14,859	3,446	2,691	2,477	2,940	11,555	2,669	2,904	2,774
Cloud Systems	2,518	2,863	2,736	5,194	13,312	3,290	4,153	3,465	4,704	15,614	3,906	3,978	3,614
Cost of sales	9,086	10,338	9,594	13,303	42,324	10,524	9,989	9,822	10,855	41,192	10,323	10,222	10,149
Gross profit	1,584	1,853	1,785	2,678	7,901	1,601	2,087	1,904	2,354	7,948	1,935	2,080	2,012
SG&A expenses	1,346	1,407	1,460	1,446	5,660	1,510	1,458	1,473	1,330	5,772	1,485	1,516	1,513
Operating income	238	445	324	1,232	2,241	90	629	431	1,024	2,176	450	563	499
Non-operating income (loss)	▲4	9	13	26	45	▲12	▲15	22	227	223	▲18	▲216	1
Ordinary income	234	454	338	1,258	2,286	78	614	453	1,252	2,399	431	347	500
Extraordinary gains (losses)	0	0	0	▲7	▲7	0	12	7	▲40	▲20	0	23	▲3
Profit attributable to owners of parent	133	277	202	985	1,598	12	400	312	831	1,556	256	231	293
Consolidated marginal profit	2,679	3,104	2,997	4,085	12,867	2,984	3,496	3,331	3,932	13,744	3,406	3,607	3,495
Consolidated fixed costs	2,440	2,658	2,673	2,853	10,626	2,893	2,866	2,900	2,907	11,567	2,955	3,043	2,996
Unconsolidated order backlog	9,252	9,348	10,991	14,990	14,990	14,696	13,767	13,322	14,330	14,330	13,553	13,164	12,994

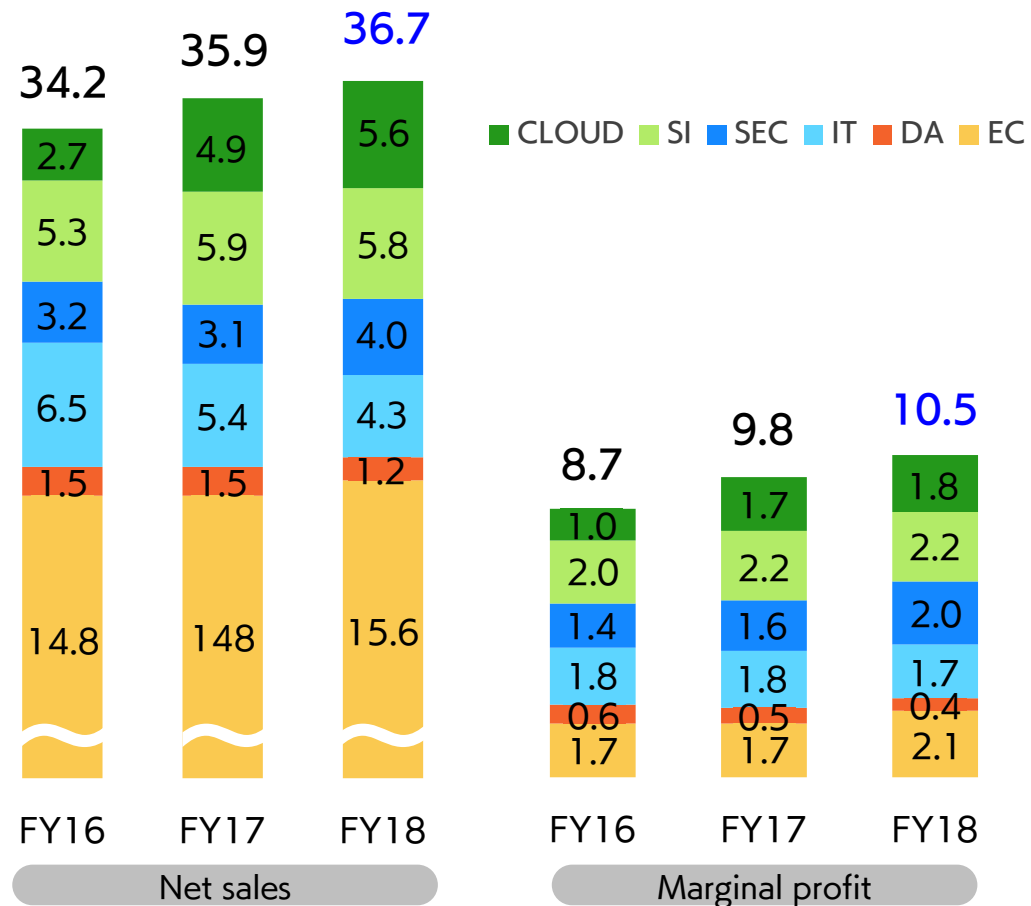
		(Millions of yen)	Nine months ended Dec. 31, 2018	Nine months ended Dec. 31, 2017	Amount of change	Ratio of change
Consolidated results	Net sales		36,724	35,931	+793	+2.2%
	Marginal profit		10,509	9,811	+697	+7.1%
	Margin		28.6%	27.3%	+1.3pt	-
Digital Marketing	Net sales		16,876	16,405	+470	+2.9%
	Marginal profit		2,555	2,377	+178	+7.5%
	Margin		15.1%	14.5%	+0.6pt	-
	E-commerce services	Net sales	15,615	14,850	+764	+5.1%
		Marginal profit	2,112	1,785	+327	+18.3%
		Margin	13.5%	12.0%	+1.5pt	-
	Data analytics Focus	Net sales	1,261	1,555	▲294	▲18.9%
		Marginal profit	443	591	▲148	▲25.1%
		Margin	35.1%	38.0%	▲2.9pt	-
Platform Solutions	Net sales		8,347	8,615	▲267	▲3.1%
	Marginal profit		3,808	3,430	+377	+11.0%
	Margin		45.6%	39.8%	+5.8pt	-
	IT infrastructure solutions	Net sales	4,323	5,454	▲1,130	▲20.7%
		Marginal profit	1,750	1,821	▲71	▲3.9%
		Margin	40.5%	33.4%	+7.1pt	-
	Security solutions Focus	Net sales	4,024	3,160	+863	+27.3%
		Marginal profit	2,057	1,608	+449	+27.9%
		Margin	51.1%	50.9%	+0.2pt	-
Cloud Systems	Net sales		11,499	10,909	+589	+5.4%
	Marginal profit		4,145	4,003	+141	+3.5%
	Margin		36.0%	36.7%	▲0.7pt	-
	System integration	Net sales	5,820	5,939	▲118	▲2.0%
		Marginal profit	2,254	2,213	+41	+1.9%
		Margin	38.7%	37.3%	+1.4pt	-
	Cloud solutions Focus	Net sales	5,678	4,970	+708	+14.2%
		Marginal profit	1,890	1,790	+99	+5.6%
		Margin	33.3%	36.0%	▲2.7pt	-
Total of three focus businesses	Net sales		11,593	9,890	+1,703	+17.2%
	Marginal profit		4,653	4,090	+562	+13.8%
	Margin		40.1%	41.4%	▲1.3pt	-

※The three focus businesses includes cloud development projects for the SoftBank Group Companies.

(Millions of yen)		FY16Q1	FY16Q2	FY16Q3	FY16Q4	FY16	FY17Q1	FY17Q2	FY17Q3	FY17Q4	FY17	FY18Q1	FY18Q2	FY18Q3
Consolidated results	Net sales	10,671	12,192	11,380	15,982	50,225	12,126	12,077	11,727	13,209	49,140	12,258	12,303	12,162
	Marginal profit	2,679	3,104	2,997	4,085	12,867	2,984	3,496	3,331	3,932	13,744	3,406	3,607	3,495
	Margin	25.1%	25.5%	26.3%	25.6%	25.6%	24.6%	28.9%	28.4%	29.8%	28.0%	27.8%	29.3%	28.7%
Digital Marketing	Net sales	5,496	5,333	5,582	5,641	22,053	5,388	5,232	5,785	5,564	21,970	5,683	5,419	5,773
	Marginal profit	793	772	781	872	3,220	753	794	829	823	3,200	923	795	836
	Margin	14.4%	14.5%	14.0%	15.5%	14.6%	14.0%	15.2%	14.3%	14.8%	14.6%	16.2%	14.7%	14.5%
E-commerce services	Net sales	5,020	4,816	5,058	5,119	20,015	4,882	4,722	5,245	5,049	19,900	5,241	4,995	5,377
	Marginal profit	603	563	566	648	2,381	569	594	621	623	2,408	776	643	692
	Margin	12.0%	11.7%	11.2%	12.7%	11.9%	11.7%	12.6%	11.8%	12.3%	12.1%	14.8%	12.9%	12.9%
	Net sales	475	516	523	522	2,038	505	510	539	515	2,070	441	423	395
	Marginal profit	189	209	214	224	838	183	200	207	200	791	146	152	144
	Margin	39.9%	40.6%	41.0%	43.0%	41.1%	36.3%	39.3%	38.5%	38.9%	38.2%	33.2%	36.0%	36.4%
Data analytics	Net sales	2,656	3,995	3,060	5,146	14,859	3,446	2,691	2,477	2,940	11,555	2,669	2,904	2,774
	Marginal profit	1,012	1,202	1,085	1,420	4,720	1,130	1,158	1,142	1,375	4,805	1,202	1,317	1,288
	Margin	38.1%	30.1%	35.5%	27.6%	31.8%	32.8%	43.0%	46.1%	46.8%	41.6%	45.1%	45.4%	46.4%
Platform Solutions	Net sales	1,846	2,831	1,824	3,499	10,001	2,463	1,577	1,412	1,677	7,131	1,448	1,584	1,290
	Marginal profit	581	716	566	740	2,605	628	615	577	678	2,500	554	633	562
	Margin	31.5%	25.3%	31.1%	21.1%	26.0%	25.5%	39.0%	40.9%	40.5%	35.1%	38.3%	40.0%	43.6%
IT infrastructure solutions	Net sales	809	1,164	1,236	1,646	4,857	983	1,113	1,064	1,263	4,424	1,221	1,319	1,483
	Marginal profit	430	485	519	680	2,115	501	542	564	696	2,305	647	684	725
	Margin	53.2%	41.7%	42.0%	41.3%	43.6%	51.0%	48.7%	53.1%	55.2%	52.1%	53.0%	51.9%	48.9%
Security solutions	Net sales	2,518	2,863	2,736	5,194	13,312	3,290	4,153	3,465	4,704	15,614	3,906	3,978	3,614
	Marginal profit	873	1,128	1,131	1,792	4,926	1,100	1,543	1,359	1,733	5,737	1,280	1,493	1,370
	Margin	34.7%	39.4%	41.3%	34.5%	37.0%	33.4%	37.1%	39.2%	36.9%	36.7%	32.8%	37.5%	37.9%
Cloud Systems	Net sales	1,411	1,832	2,103	2,472	7,820	1,828	2,073	2,037	2,667	8,606	1,800	2,067	1,952
	Marginal profit	544	701	852	899	2,997	672	776	764	945	3,158	717	790	746
	Margin	38.6%	38.3%	40.5%	36.4%	38.3%	36.8%	37.5%	37.5%	35.4%	36.7%	39.8%	38.3%	38.2%
	Net sales	1,106	1,030	633	2,722	5,492	1,462	2,080	1,427	2,036	7,007	2,105	1,911	1,662
	Marginal profit	329	426	279	893	1,928	428	766	595	788	2,579	562	703	624
	Margin	29.8%	41.4%	44.0%	32.8%	35.1%	29.3%	36.8%	41.7%	38.7%	36.8%	26.7%	36.8%	37.6%
System integration	Net sales	2,392	2,711	2,393	4,890	12,388	2,951	3,788	3,149	3,961	13,852	3,946	3,866	3,781
	Marginal profit	949	1,122	1,013	1,798	4,883	1,113	1,553	1,422	1,751	5,842	1,444	1,625	1,582
	Margin	39.7%	41.4%	42.3%	36.8%	39.4%	37.7%	41.0%	45.2%	44.2%	42.2%	36.6%	42.0%	41.9%
Cloud solutions	Net sales													
	Marginal profit													
	Margin													
Total of three focus businesses														
	Net sales	2,392	2,711	2,393	4,890	12,388	2,951	3,788	3,149	3,961	13,852	3,946	3,866	3,781
	Marginal profit	949	1,122	1,013	1,798	4,883	1,113	1,553	1,422	1,751	5,842	1,444	1,625	1,582
	Margin	39.7%	41.4%	42.3%	36.8%	39.4%	37.7%	41.0%	45.2%	44.2%	42.2%	36.6%	42.0%	41.9%

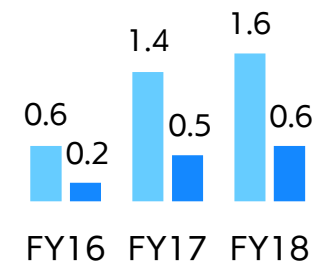
Net Sales and Marginal Profit by Segment

The nine-month period

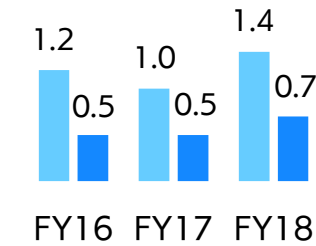


Changes in Q3

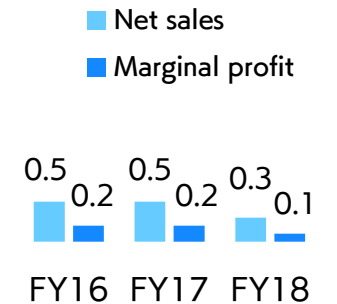
Cloud solutions



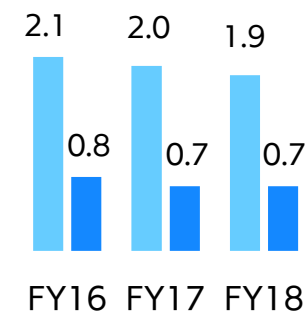
Security solutions



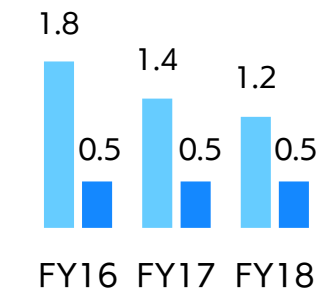
Data analytics



System integration



IT infrastructure solutions



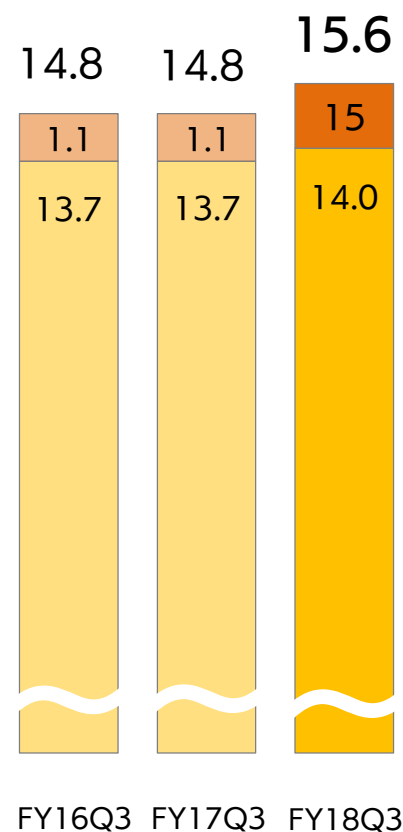
E-commerce services



Progress in E-commerce Services

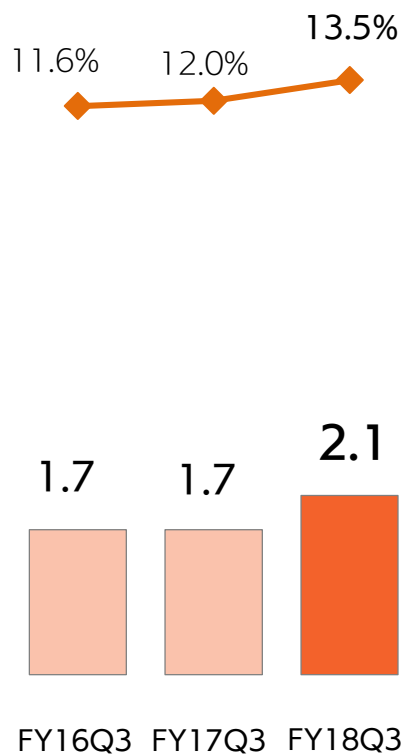
Net sales

Font, etc. Symantec Store



Marginal profit

Marginal profit ratio



E-commerce services (mainly serving individual customers)

- E-commerce website operation services
- Development and sales of font sets and web font services and more

[Net Sales]

- In the Symantec Store business, net sales grew as a result of a steady transition to high performance products.
- The font service gained new users and changed its business model.

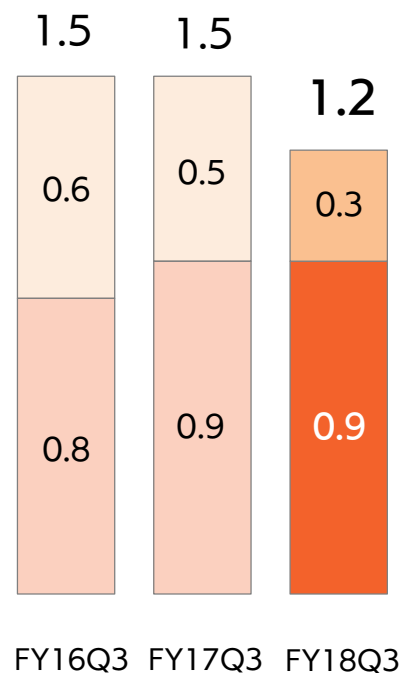
[Marginal Profit]

- Marginal profit rose following the expansion of the highly profitable font business.

Progress in Data Analytics

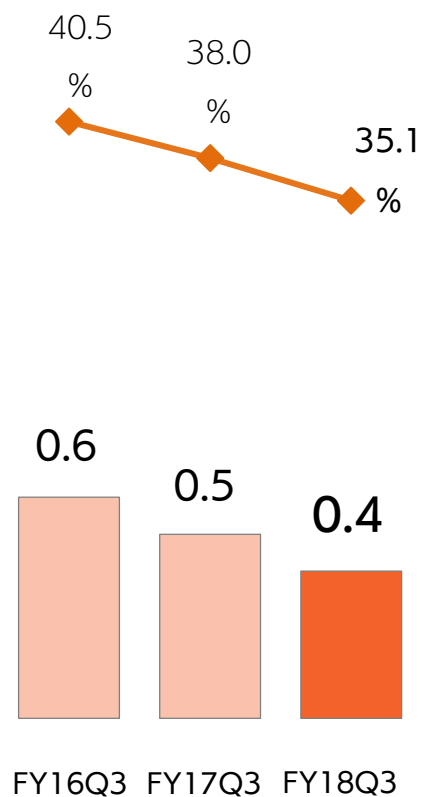
Net sales

- Project revenue
- Consistent revenue



Marginal profit

- Marginal profit ratio



Data analytics

(mainly serving enterprises, public offices and municipalities)

- Construction of websites and databases
- Access log analysis tools
- Data analysis and consulting services and more

[Net Sales]

- Projects on the development of digital content management platforms were gradual decreasing, mainly due to the growing share of advertising agencies in digital marketing for e-commerce operators and the change in the partner sales policy of manufacturers.

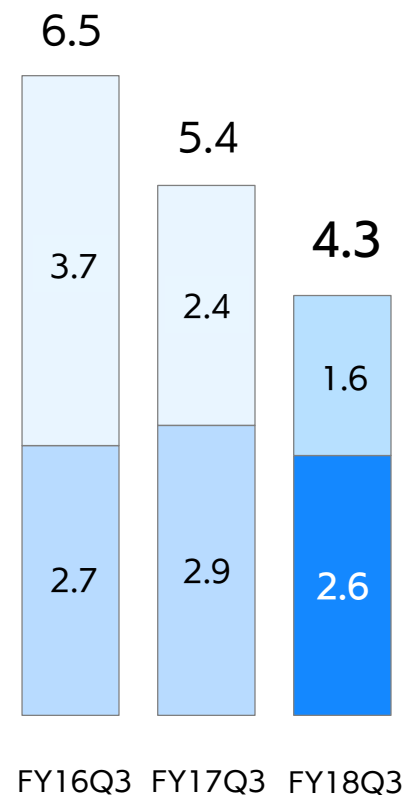
[Marginal Profit]

- Margin profit declined associated with a fall in net sales.

Progress in IT Infrastructure Solutions

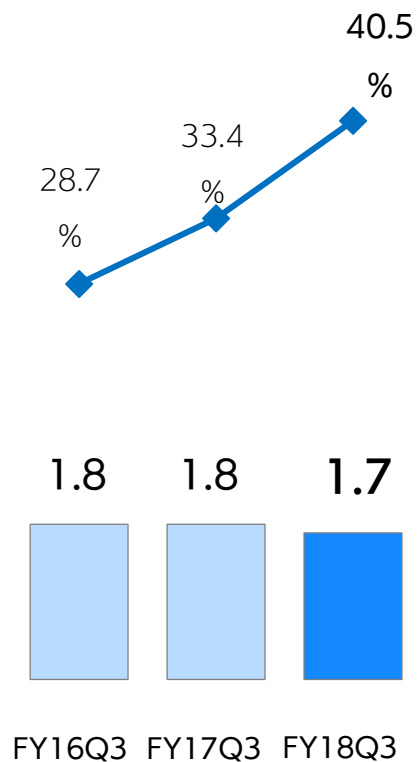
Net sales

- Project revenue
- Consistent revenue



Marginal profit

- Marginal profit ratio



IT infrastructure solutions

(mainly serving customers in the SoftBank Group Companies)

- Construction of IT platforms, operation and maintenance services, and sales of servers and network equipment
- Integrated monitoring tools for utilizing Linux and other open source software (OSS) for server applications and mission-critical systems, and system backups and more

[Net Sales]

- Net sales contracted due to the termination of sales of specific hardware with difficulties creating and maintaining extra value in Q2 of FY2017.
* A decline of 950 million yen has an impact throughout the fiscal year.

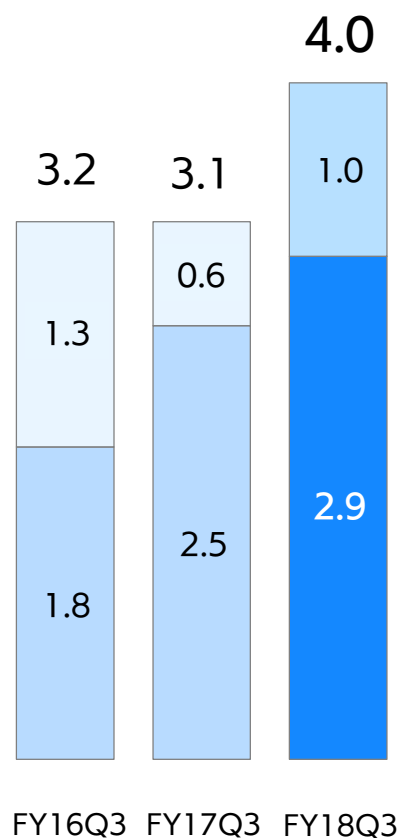
[Marginal Profit]

- The marginal profit ratio surged after the termination of specific hardware, marginal profit was nearly unchanged from the same period of the previous fiscal year.

Progress in Security Solutions

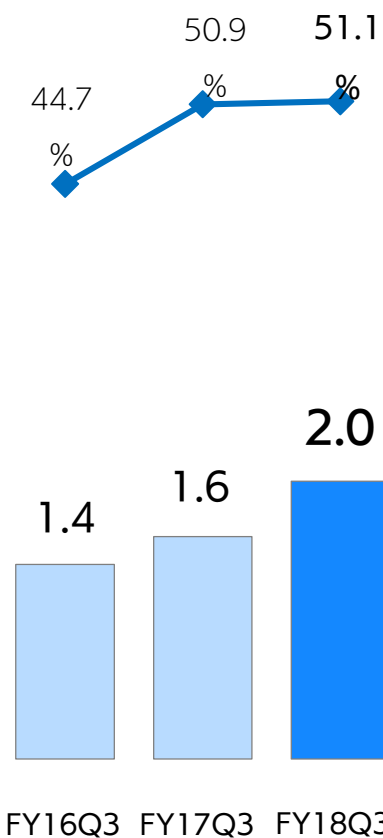
Net sales

- Project revenue
- Consistent revenue



Marginal profit

- Marginal profit ratio



Security solutions

(mainly serving enterprises, public offices and municipalities)

- Vulnerabilities examinations and measures against targeted attacks
- Authentication and encryption services using electronic certificates
- 24/7 security operation (monitoring and analysis) services and more

[Net Sales]

- Orders for security operation and monitoring services (*MSS) that quickly detect and deal with cyber attacks and web security increased, following the growing threat of cyber attacks and the shortage of security personnel.

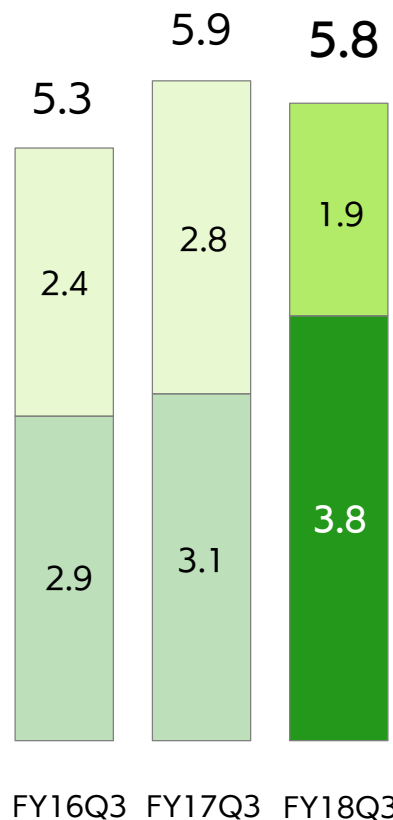
[Marginal Profit]

- Marginal profit rose due to an increase in SBT's own services with high profitability, such as MSS.

Progress in System Integration

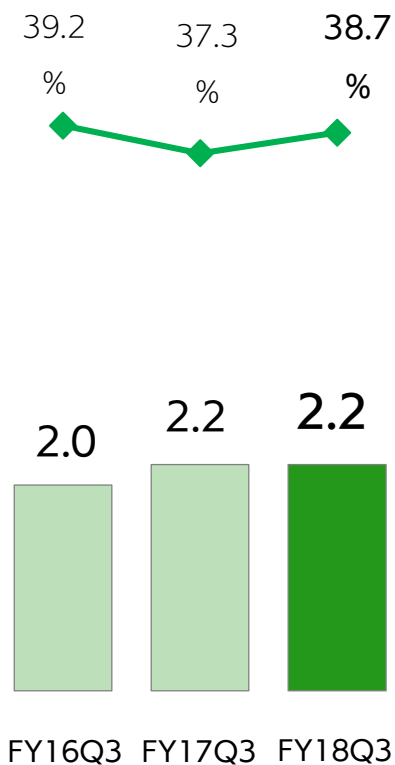
Net sales

- Project revenue
- Consistent revenue



Marginal profit

- Marginal profit ratio



System integration

(mainly serving customers in the SoftBank Group Companies)

- Design and development of internal systems and operation and maintenance services
- Development of business applications and systems for business divisions and operation and maintenance services
- Development of applications for tablets, smartphones and robots and more

[Net Sales]

- A business shift to the business IT domain and operation service projects.

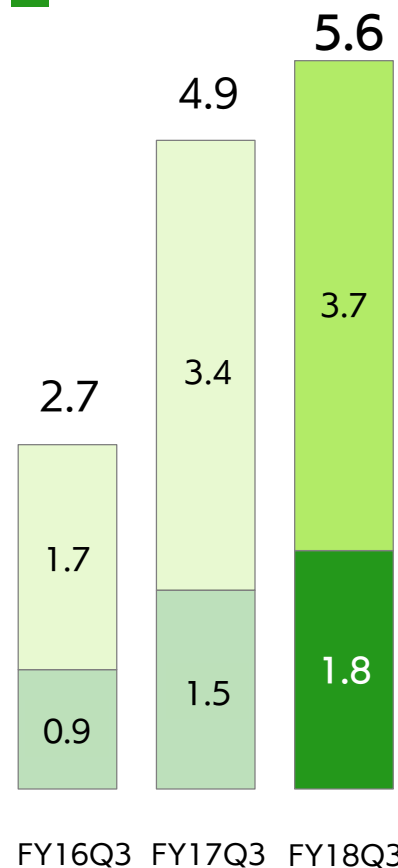
[Marginal Profit]

- The marginal profit ratio soared after the expansion of nearshoring and the promotion of the core partner system.

Progress in Cloud Solutions

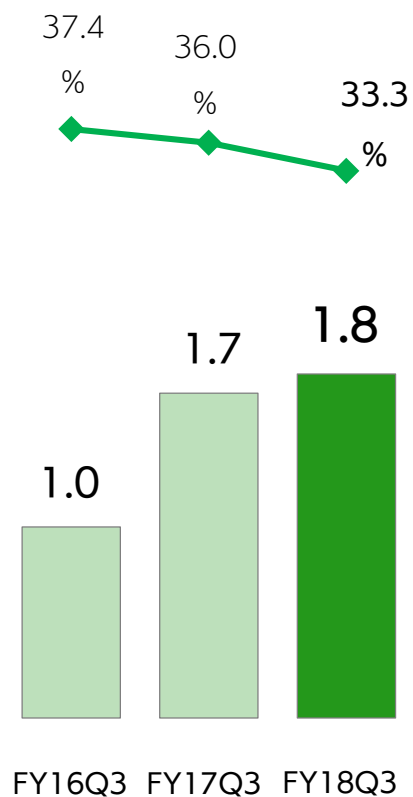
Net sales

- Project revenue
- Consistent revenue



Marginal profit

- Marginal profit ratio



Cloud solutions

(mainly serving enterprises, public offices and municipalities)

- Sales of licenses for Microsoft solutions
- Design, development and introduction support concerning the transition of information systems to the cloud
- Operation efficiency improvement, authentication and security services and more

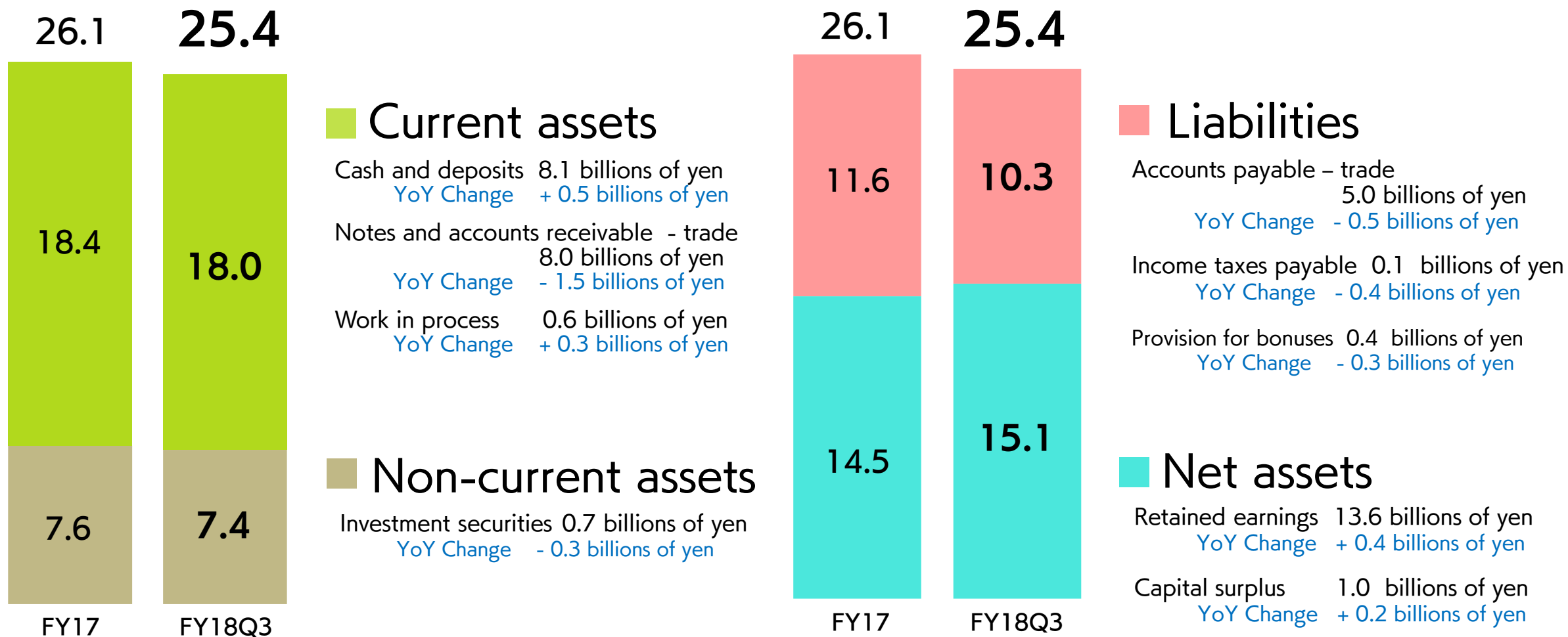
[Net Sales]

- Office 365-related solutions remained firm.
- Unified management of devices and mobility services (*) increased.
- Projects concerning clouXion services and operation services attained brisk sales.

[Marginal Profit]

- In the business IT domain, some projects became unprofitable in Q2.
- The marginal profit ratio fell due to the rising ratio of license sales.

Balance Sheet Comparison with Previous Fiscal Year-End

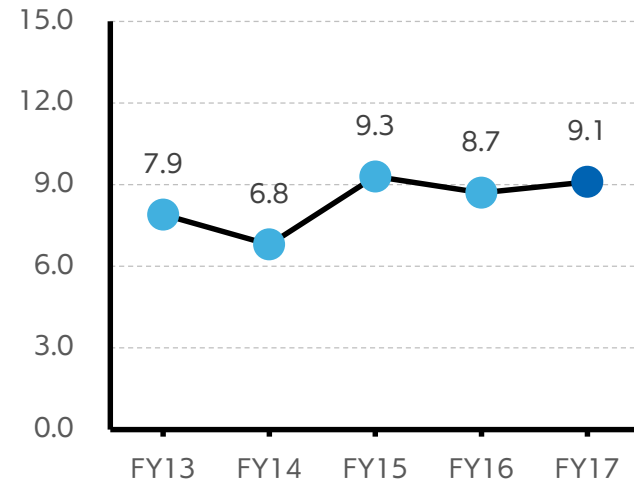


* "Partial Amendments to Accounting Standard for Tax Effect Accounting" is retroactively applied from the beginning of the first quarter of the current fiscal year.

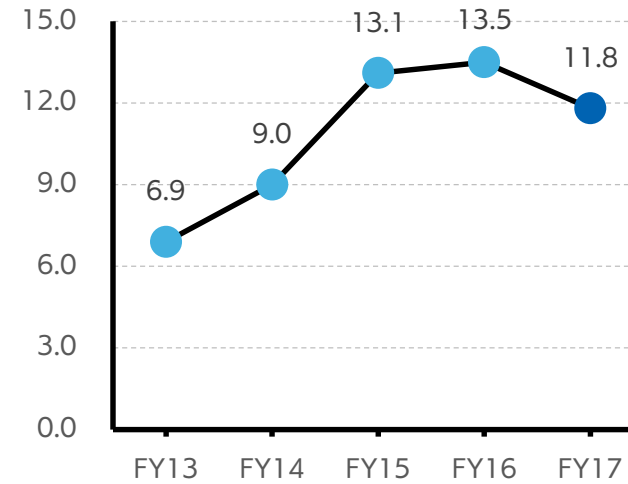
Key Management Ratios

SoftBank
Technology

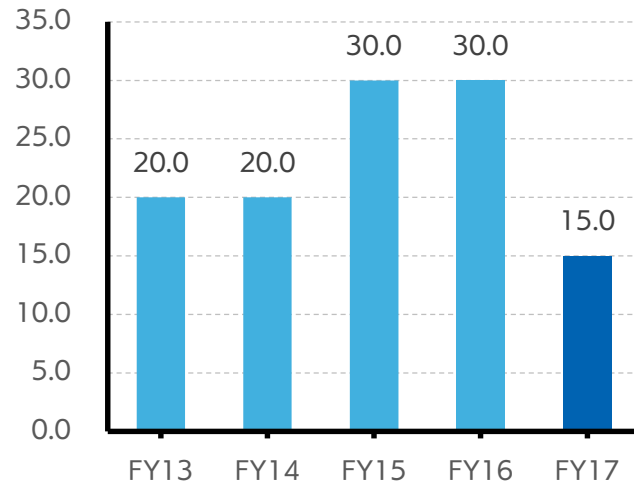
Return on assets
(ROA)



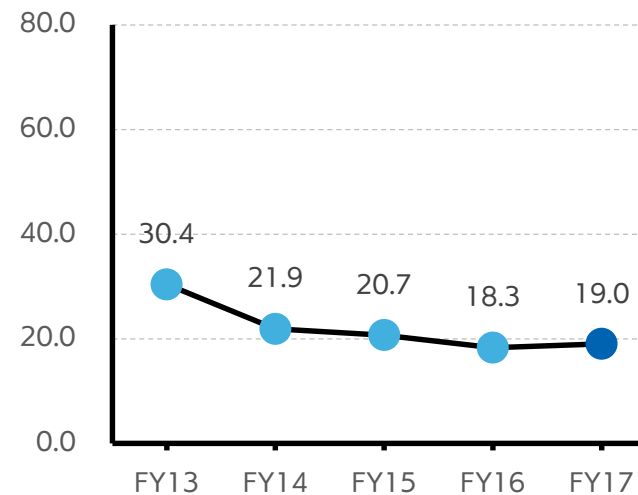
Return on equity
(ROE)



Dividend (yen)(※)



Payout ratio (%)



(※) The Company conducted the 2-for-1 share split of the Company's common stock on June 1, 2017. The amount is the same as that at the end of the previous consolidated fiscal year if the stock split is taken into consideration.

Appendix

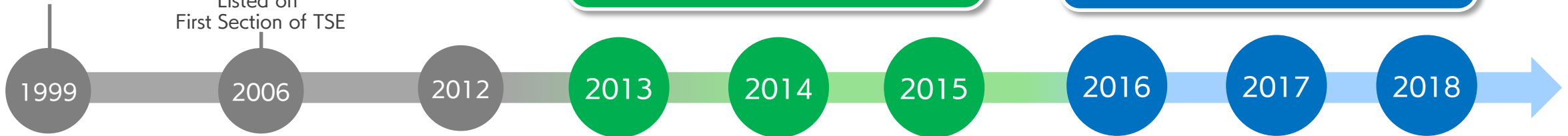
The Second Three-Year Plan

Growth Trajectory

SoftBank
Technology

Changed trade name to SOFTBANK TECHNOLOGY CORP.
Registration of Over-the-Counter at Japan Securities Dealers Association

Listed on
First Section of TSE



the First Three-year Plan

the Second Three-year Plan

Sales and construction of EC/IT

System Integration

Platform Solutions

E-commerce Services

Set three focus businesses



Cloud



Security

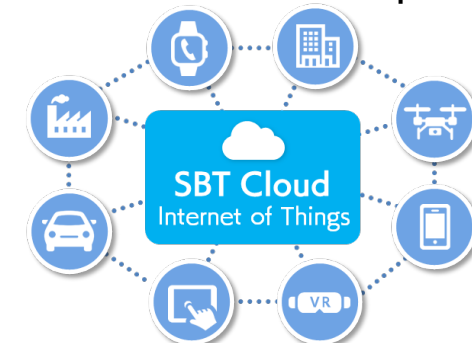


Big data

Cloud Integration



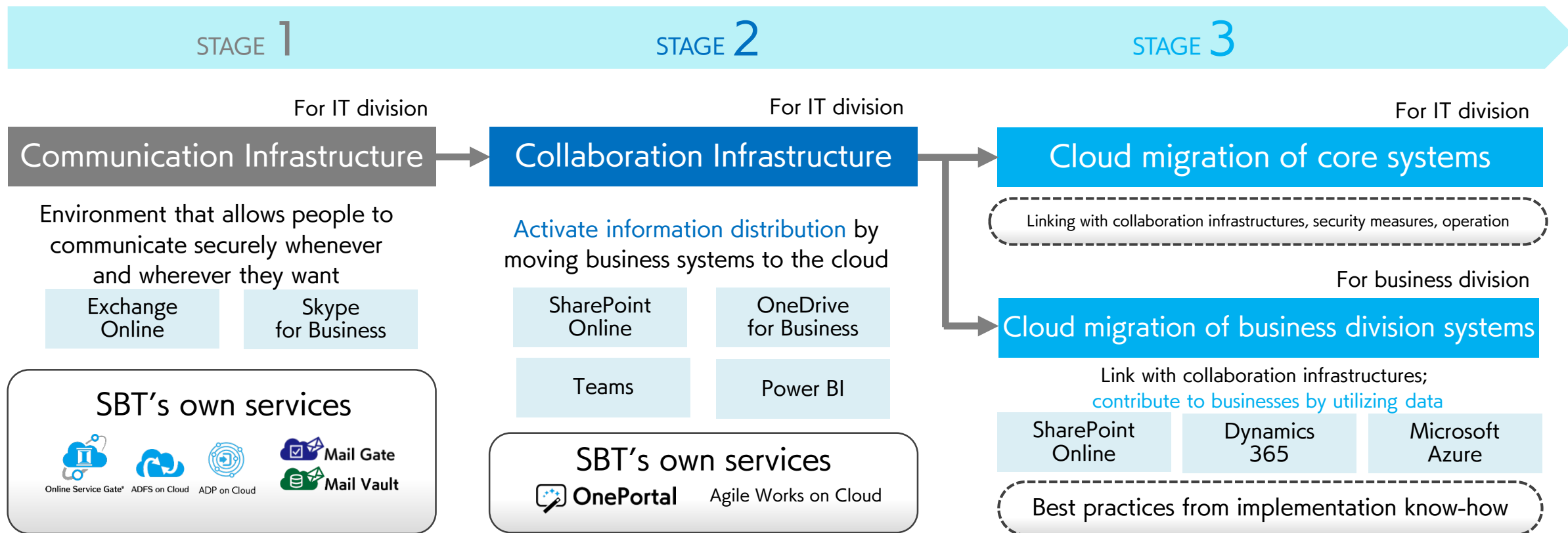
IoT Business Development



Business Transformation

- A company capable of taking on large projects
- Original technologies to establish a key competitive edge
- Strengthen our project management framework

Cloud Integration: Accumulate Collaboration Infrastructure Knowledge

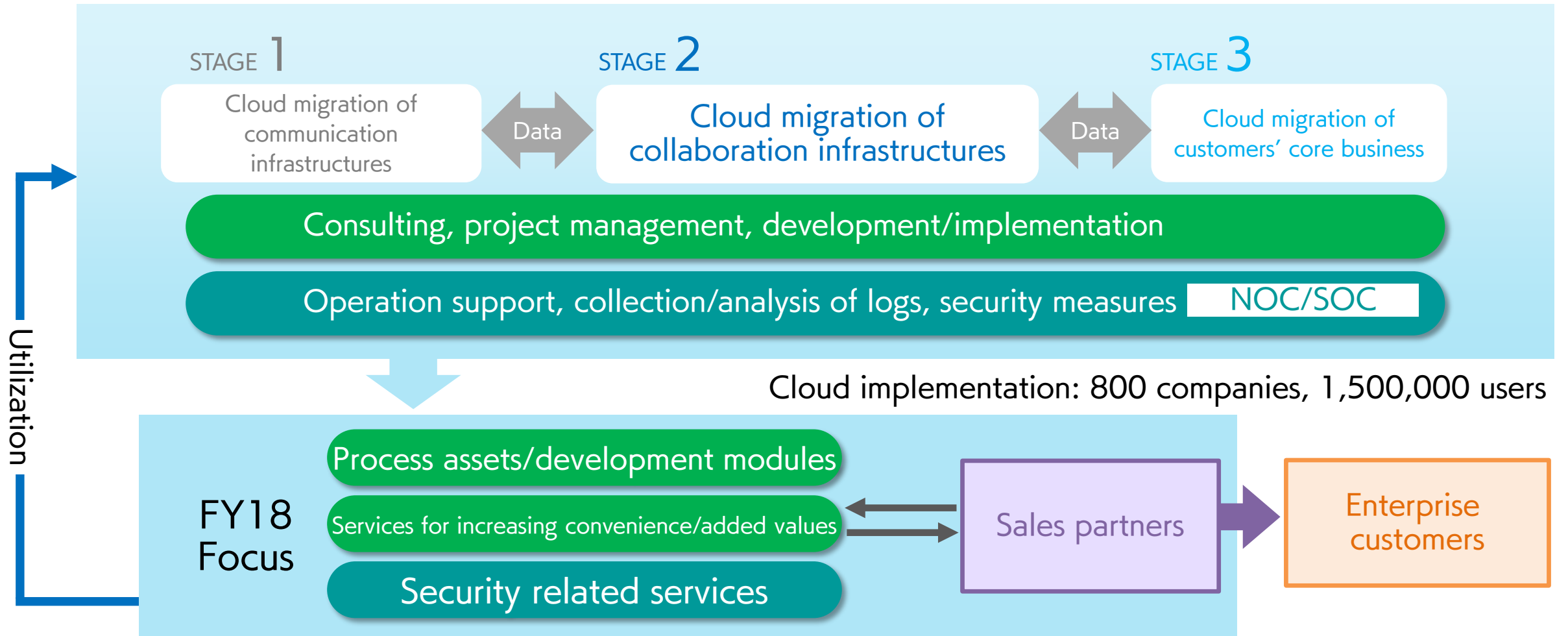


STAGE 2 Goals

- Identify common features across industries and industry-specific characteristics
- Accumulate successful models for initiatives such as workstyle reform through a shift to cloud-based collaboration infrastructures
- Establish best practices of security measures incidentally required

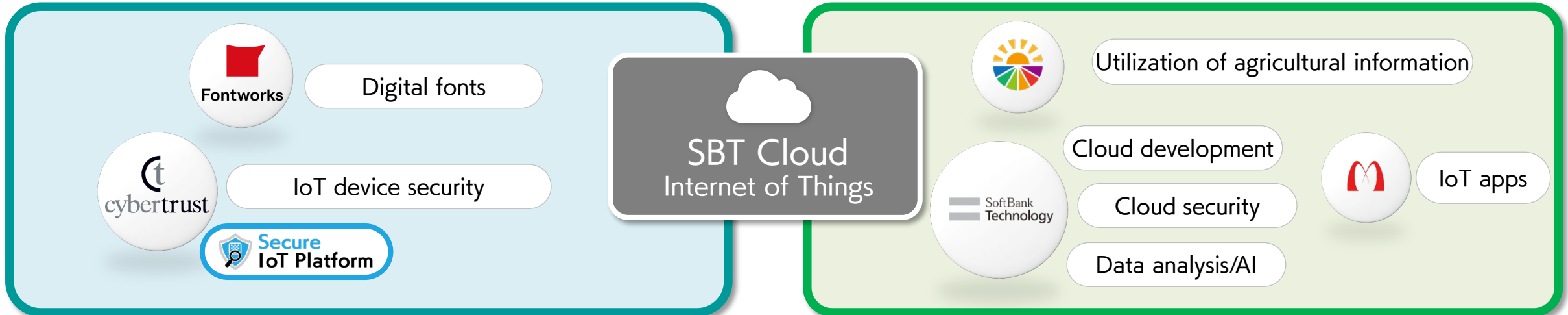


Cloud Integration: Monetize Accumulated Knowledge



Use acquired knowledge and assets in projects and accelerate channel sales

IoT Business Development: Policy



From chips, boards, embedding fields

Business model:
monthly service fees, revenue sharing

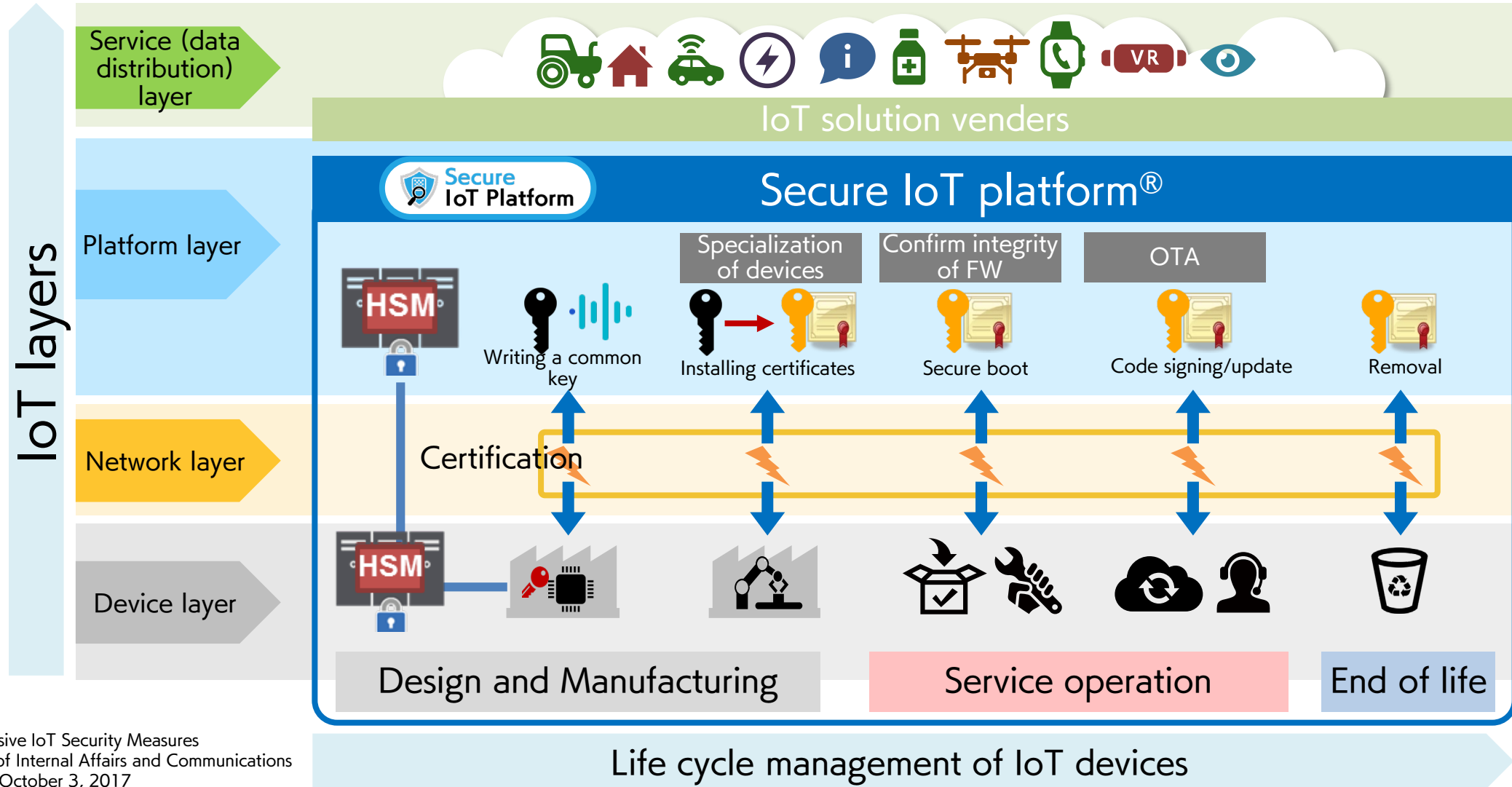
From software, data utilization

Extension of cloud business
From development to operation services

Provide values through integrated services from the device side to the cloud side

IoT Business Development: Device Side

Establish a structure for business promotion (merger) → shift to handling of actual projects



IoT Business Development: Cloud Side

Cloud computing



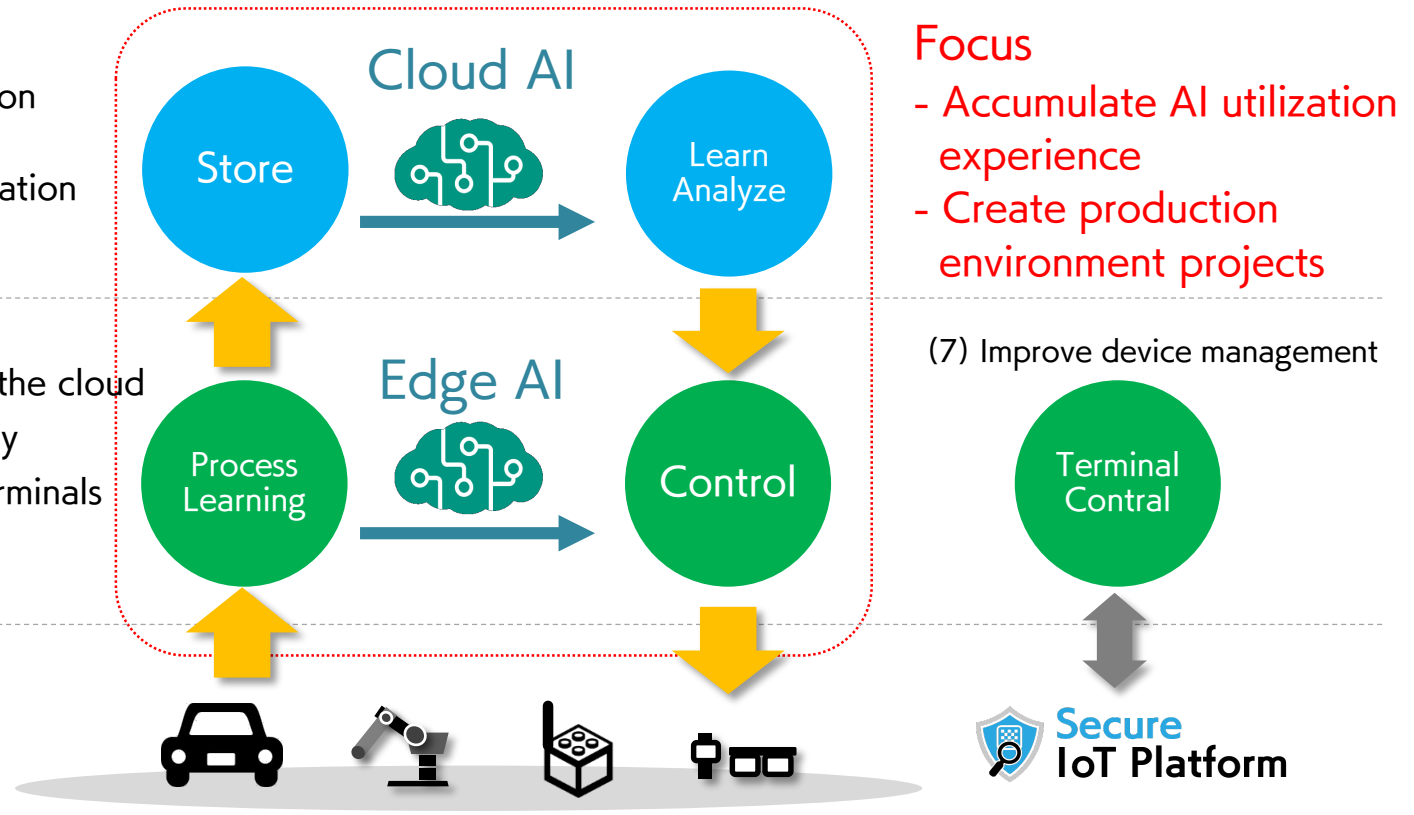
- (1) Make communication data lighter
- (2) Improve communication robustness

Edge computing

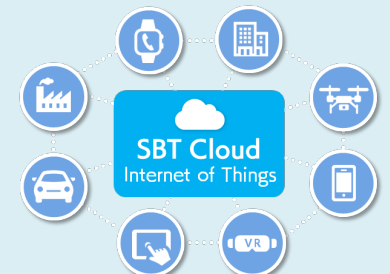


- (3) Reduce burden of the cloud
- (4) Protect data privacy
- (5) Assist powerless terminals
- (6) Control terminals with low latency

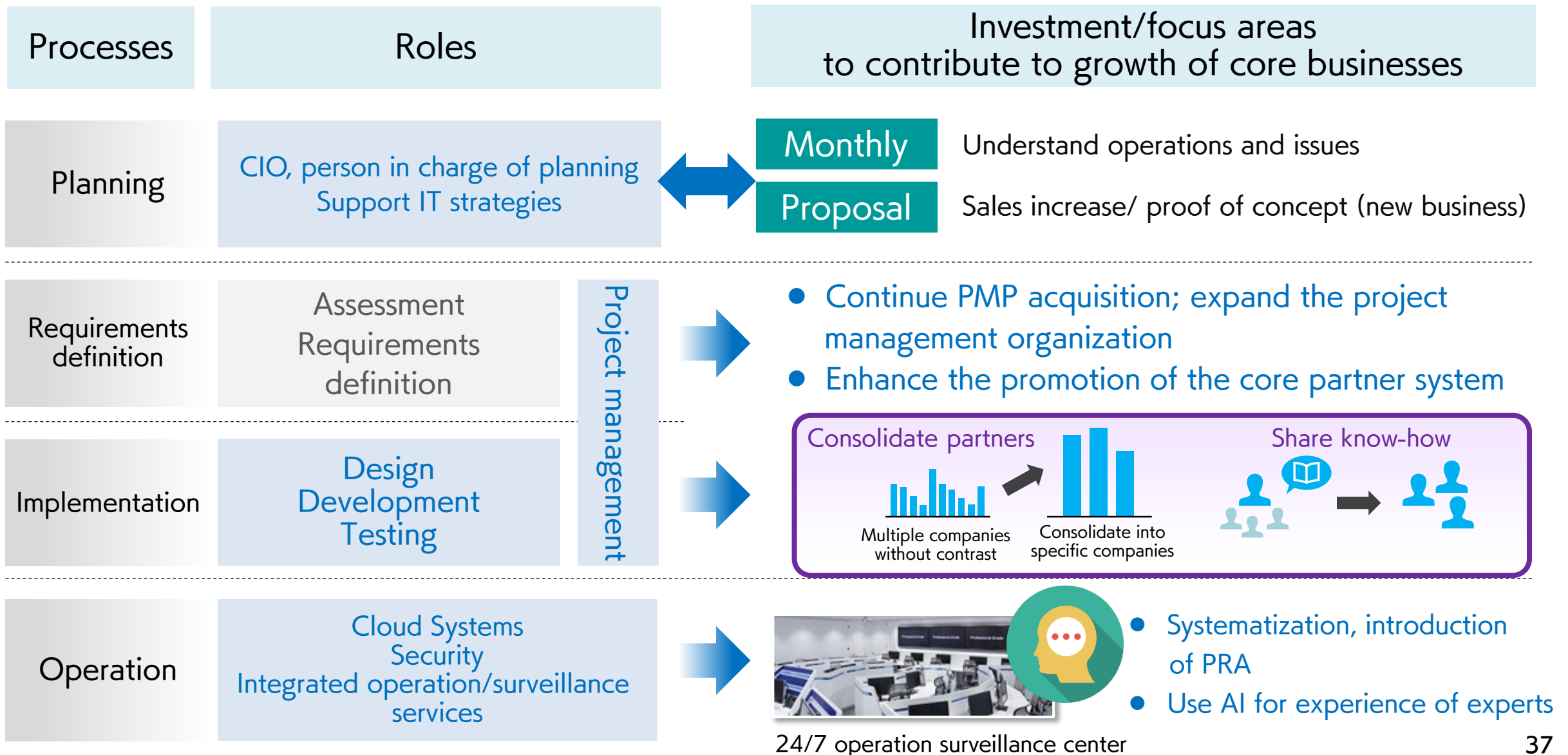
Devices



- Use AI for expert knowledge on cloud and security operations
- Promote utilization of data that combines big data, the area of strength, and AI
- Establish business models that combine data utilization models and IoT devices



Initiatives to the Goal of Becoming a Business Partner

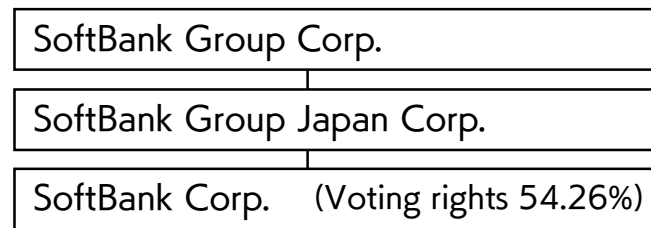


Corporate Profile

About Softbank Technology



Group Structure



* As of April 1, 2018, SoftBank Group International GK (which reorganized from a Godo Kaisha (LLC) to a Kabushiki Kaisha (corporation) and changed its trade name to SoftBank Group Japan Corp. on June 15, 2018.) made a contribution in kind of all shares it had held in the Company to SoftBank Corp. ("SoftBank"). As a result, SoftBank became the Company's controlling company, directly owning shares in the Company.

SoftBank Technology

M-SOLUTIONS , Inc
System design, development and operation, and development of mobile, Pepper, IoT and other applications

Fontworks, Inc.
Development of clear, attractive digital fonts (typefaces) for computers and IoT equipment

Kan Corporation
Development of tools for using and analyzing website data and educational business

Cybertrust Japan Co., Ltd.
IoT security and other security authentication business and embedded software business

ASORA Tech Corporation
Development and operation of Zenkoku Nochi Navi, a national agriculture database commissioned by the Ministry of Agriculture, Forestry and Fisheries

Reden Corp.
ICT services to support the development of growing industries including entry to the agriculture industry and subsequent expansion

As of March, 2018

Trade name	SoftBank Technology Corp.
Establishment	October 16, 1990
Head Office	17F Shinjuku Eastside Square 6-27-30, Shinjuku, Shinjuku-ku, Tokyo
Representative	Shinichi Ata, President & CEO
Stock Exchange listing	Tokyo Stock Exchange, First Section (Code No:4726 Industry classification: Information and Communications)
Paid-in Capital	885 million yen (end-March 2018)
Consolidated net sales	49,140 million yen (end-March 2018)
Number of employees (consolidated)	970 (end-March 2018)
Business sites	Shinjuku Office(Headquarters), Sendai Development Center, Shiodome Office, Shiodome Development Base, Shiodome Development Center, Nagoya Office, Osaka Office, Fukuoka Office, Fukuoka Development Center, Taiwan Branch
Main Business	ICT services including Data Analytics, E-commerce Services, IT infrastructure Solutions, Security Solutions, System Integration and Cloud Solutions
Main Phone number	+81-3-6892-3050
Certification	

Corporate Philosophy

Information Revolution Happiness for everyone - Harnessing the Power of Technology to Build a Brighter Future -

Since its foundation, the SoftBank Group has always sought to contribute to people and society through the Information Revolution. At SoftBank Technology, we will aim to further enrich the information society by solving various problems faced by customers with our ICT services.

ICT Services

Transform workstyles



Cloud Solutions



System Integration

Create safe info-structures



Security Solutions



IT Infrastructure Solutions

Support internet business



Data Analytics



E-commerce Services

Employees and Workstyle

Employees

As of April 1, 2018, the number of employees on a consolidated basis topped 1,000. We employ many highly skilled IT professionals to support customers in their business and operations.

We also employ other experts such as security researchers and data scientists who are mainly engaged in lecture activities and the provision of information to the media and the public sector.

Number of advanced level
IT qualifications held

350^{*1}

Percentage of
female employees

17.5%^{*2}

New graduate recruits
in 2018

46

Average age

37.3 years^{*2}

^{*1} : Non-consolidated basis, number of advanced level qualifications such as internationally recognized project management and information security qualifications and Microsoft system advanced level engineer qualifications held as of March 31, 2018

^{*2} : Non-consolidated basis, as of March 31, 2018

^{*3} : "Eruboshi" certification is based on the ACT on Promotion of Women's Participation and Advancement in the Workplace.

The considerable growth of our employees is the driving force behind the significant growth of SBT.

We work to enhance the skills of all employees and pursue initiatives to bolster productivity.



On/off switching (Providing variety to keep workers refreshed)

- Flextime system without core time requirements
- Project completion leave



No overtime days
Premium Fridays, etc.



Growth Support (Securing and retaining talented human resource)

- Grade skipping system for new employees
- Certification acquisition support



Obtaining the high
grade of "Eruboshi"
Certification^{*3}



Use of ICT (Reduction and creation of time)

- Sharing information across the organization
- Use of web meetings, mobile devices



Major Award Wins in Recent Years

Cloud



Microsoft Japan
Partner of the Year 2018



2018 Titan Award
APAC category



Award in Microsoft MVP
for Microsoft Azure(2017)



Microsoft Japan
Partner of the Year 2017



Three crowns of Microsoft Japan
Partner of the Year 2016,
the greatest number of crowns in Japan



Four crowns of 2016
Microsoft Worldwide Partner Award

Security



Imperva, Inc.
Top Growth Partner Award



McAfee
Partner Award 2016 in two divisions



Special prize in 2016 JNSA Awards
by Japan Network Security Association



Office Security Award of
the 27th Nikkei New Office Award

Other



Japan HR Challenge Awards 2018
for recruitment by Ministry of
Health, Labor and Welfare, etc.
(2018)

Digital Marketing



Five employees received
a Sitecore MVP Award (2018)
for the second consecutive year,
the greatest number of wins
in Japan



Five employees received
a Sitecore MVP Award (2017),
the greatest number of wins
in Japan



Sitecore MVP Award (2016)



GOOD DESIGN AWARD 2018

Activities of "Study Group on Text Layout for
Next-Generation Web Browsers" received a
Good Design Award 2018. SBT's FONTPLUS service
contributes to the action.

Notes on Material

1. The classification of some solutions to service categories has been revised. Net sales and marginal profit figures in the individual service categories for the preceding fiscal year and earlier are based on the current accounting method.
2. The figures shown in the diagrams in this material may not be identical to those stated in the consolidated financial reports due to rounding.
3. The Partial Amendments to the Accounting Standard for Tax Effect Accounting, etc. apply to accounting for the first quarter of the current fiscal year and later.

Disclaimer

This presentation was prepared based on information available and views held at the time it was made. The statements that are not historical fact, including, without limitation, plans, forecasts and strategies, are forward-looking statements, which are by their nature subject to risks and uncertainties. The actual results may differ materially from those expressed or implied in any forward-looking statement due to a change in the operating environment or other reasons.

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Information Revolution

- Happiness for everyone

Harnessing the Power of Technology
to Build a Brighter Future

 SoftBank Technology