

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

Results of Operations

January 31, 2019
SoftBank Technology Corp.

Table of Contents

| | | |
|----------------------|-------|-----|
| 1. Executive Summary | | P 3 |
| 2. Results Overview | | P 4 |
| 3. Numerical Data | | P15 |
| 4. Appendix | | P30 |

● 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% |

Analysis of Increases/ Decreases in Net Sales (by Customer Type and by Business Type)

- 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

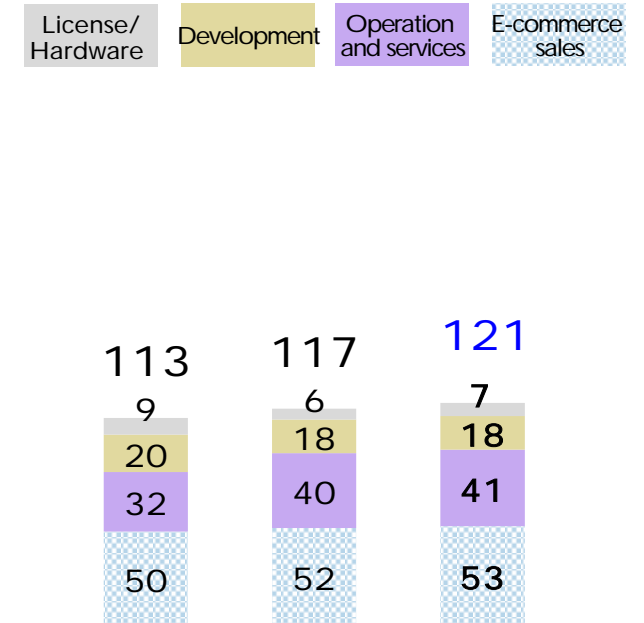
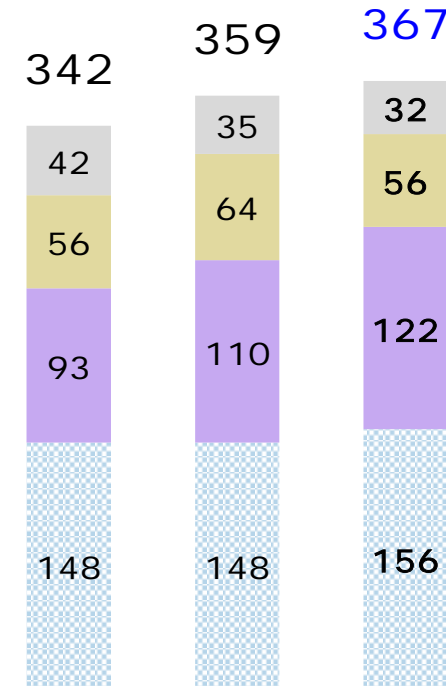
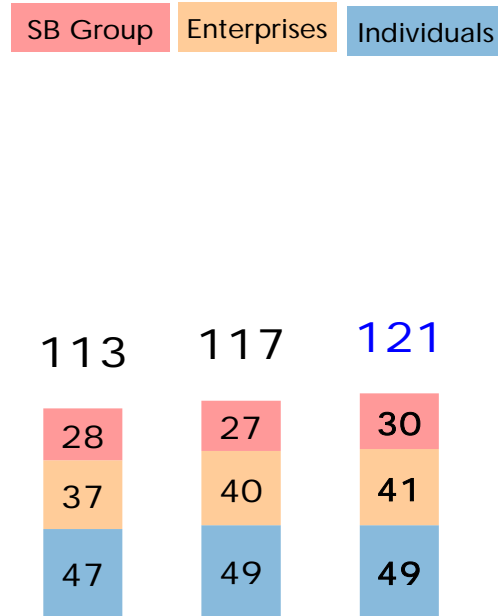
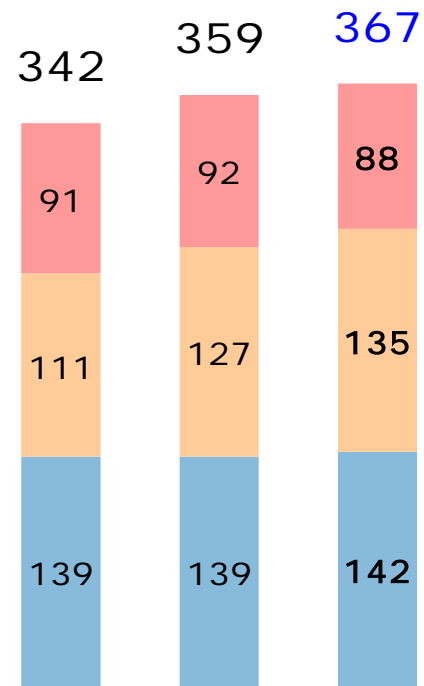
By business type

Q 1 - Q 3

Q 3

Q 1 - Q 3

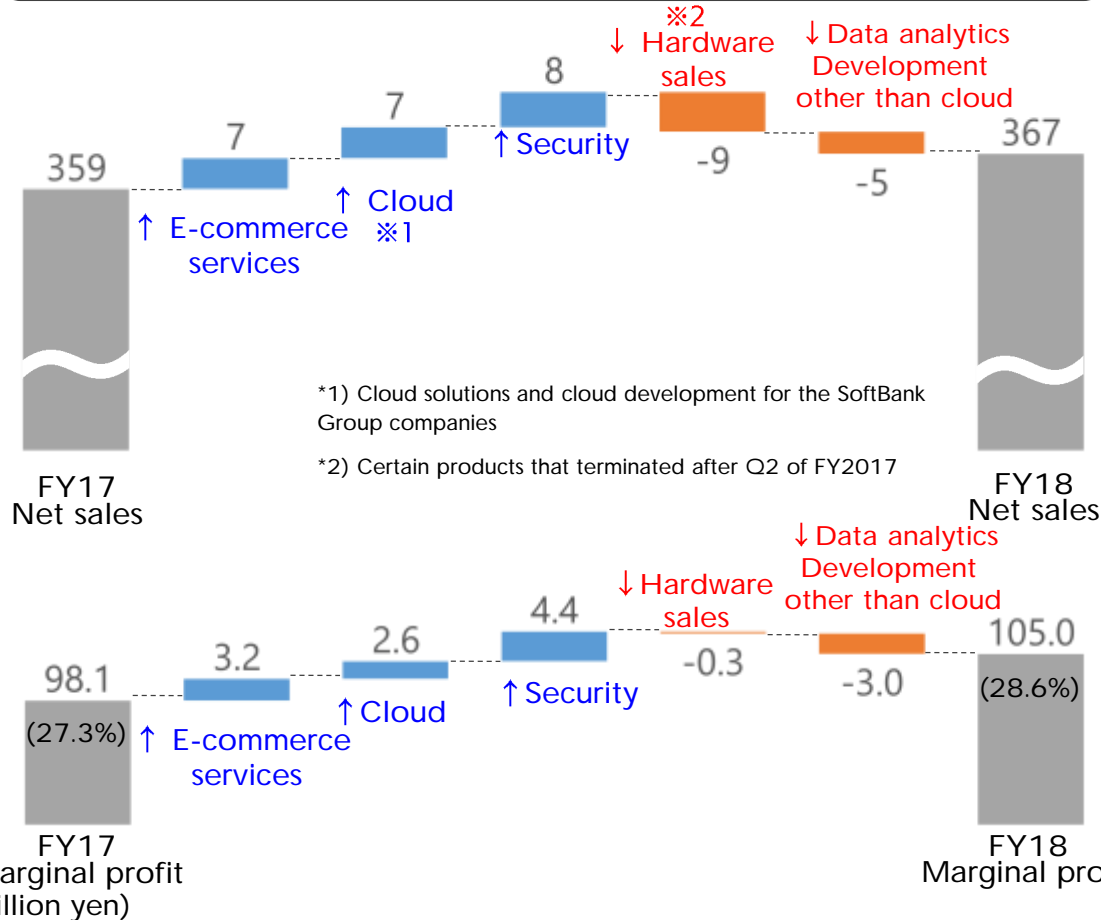
Q 3



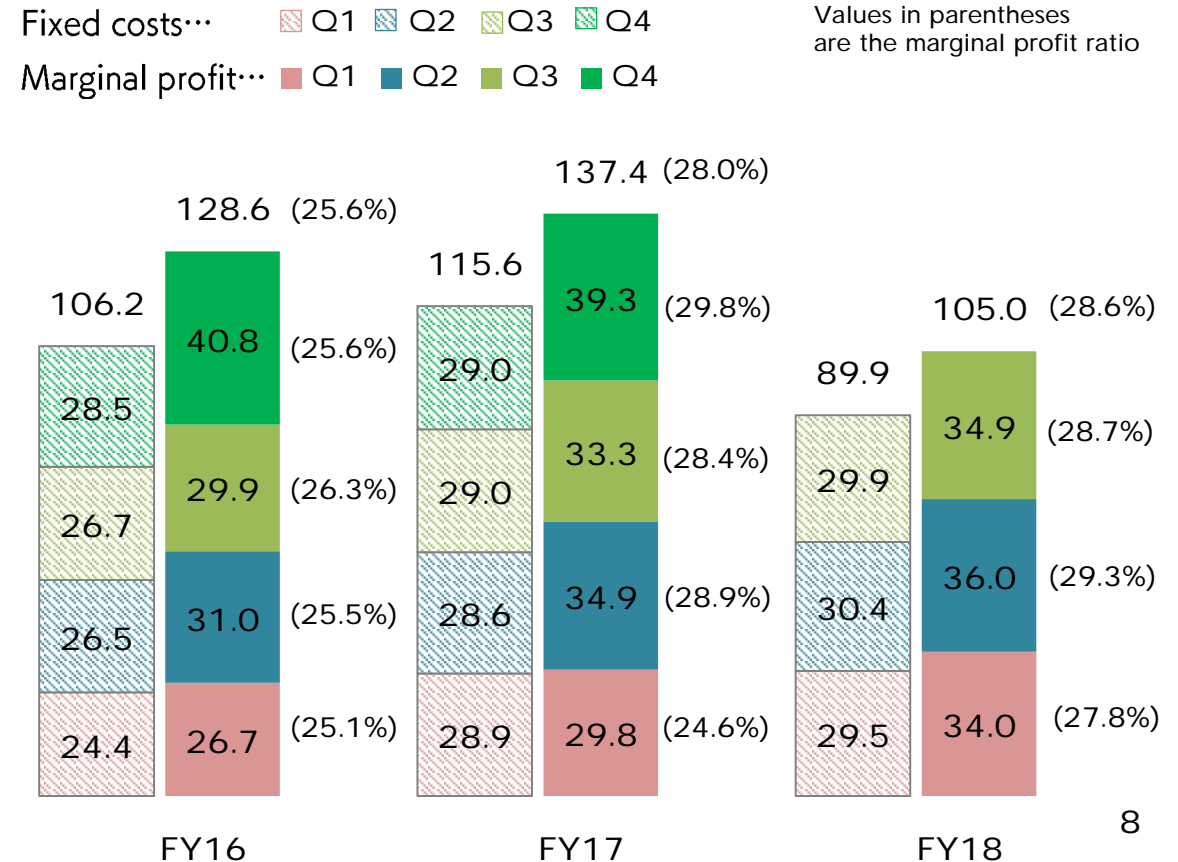
Analysis of Marginal Profit

- 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



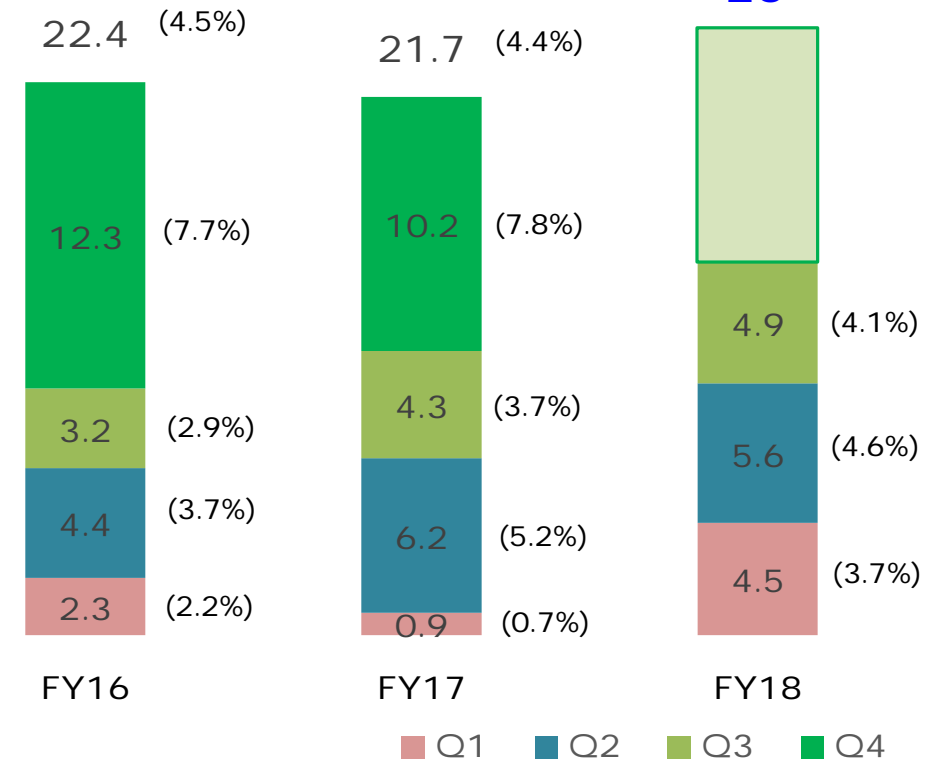
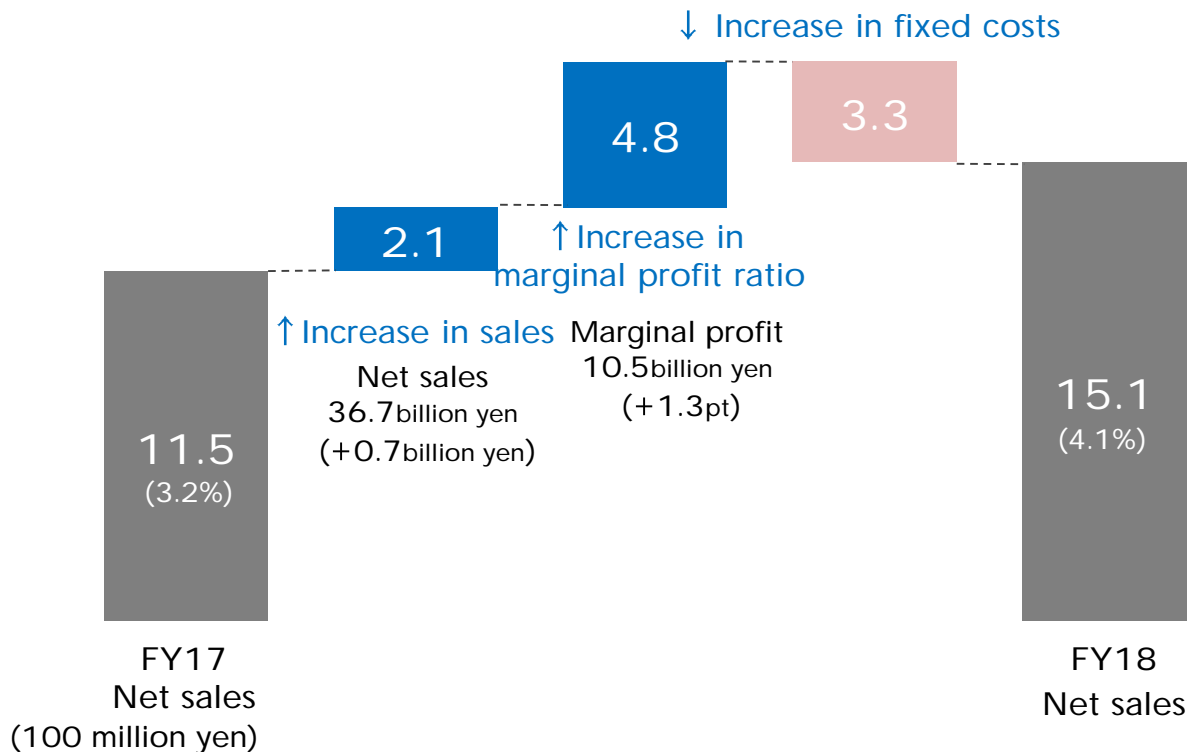
Analysis of Operating Income

- 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

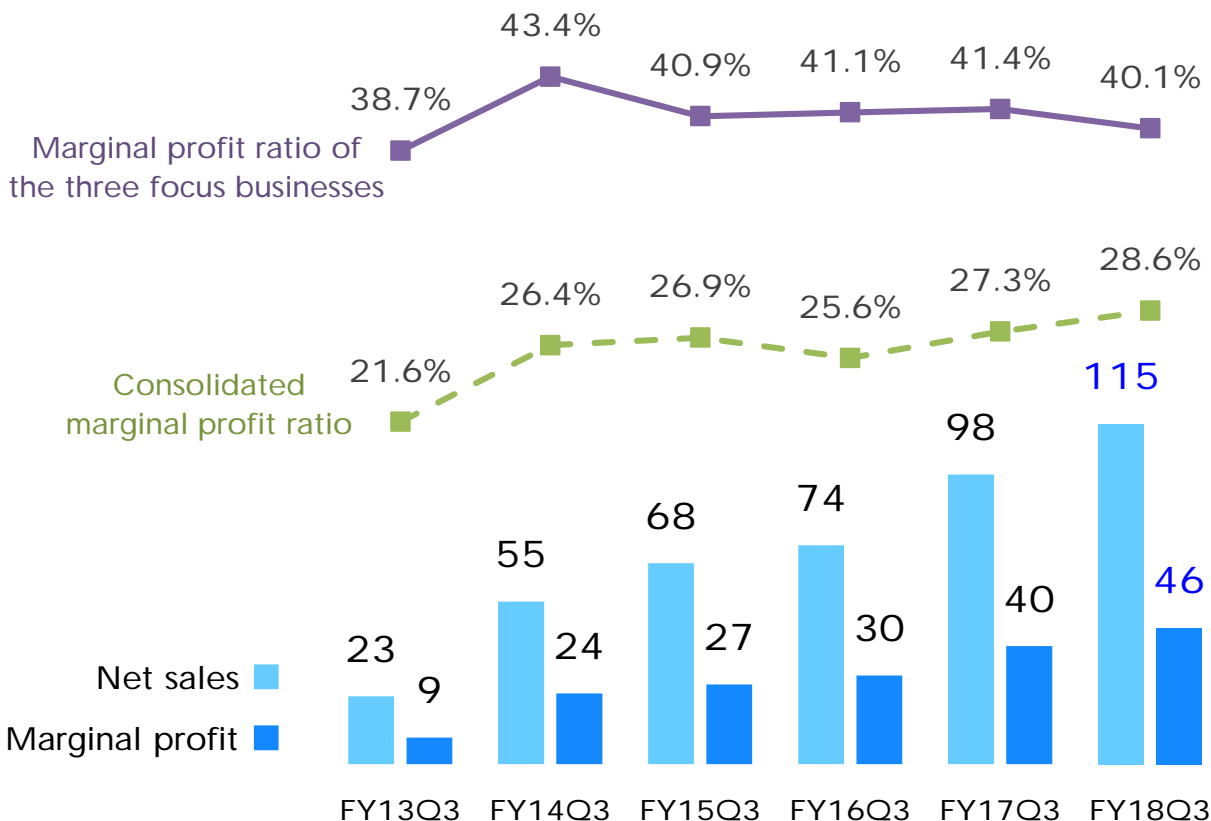
Quarterly changes in operating income

Values in parentheses are the operating income ratio



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

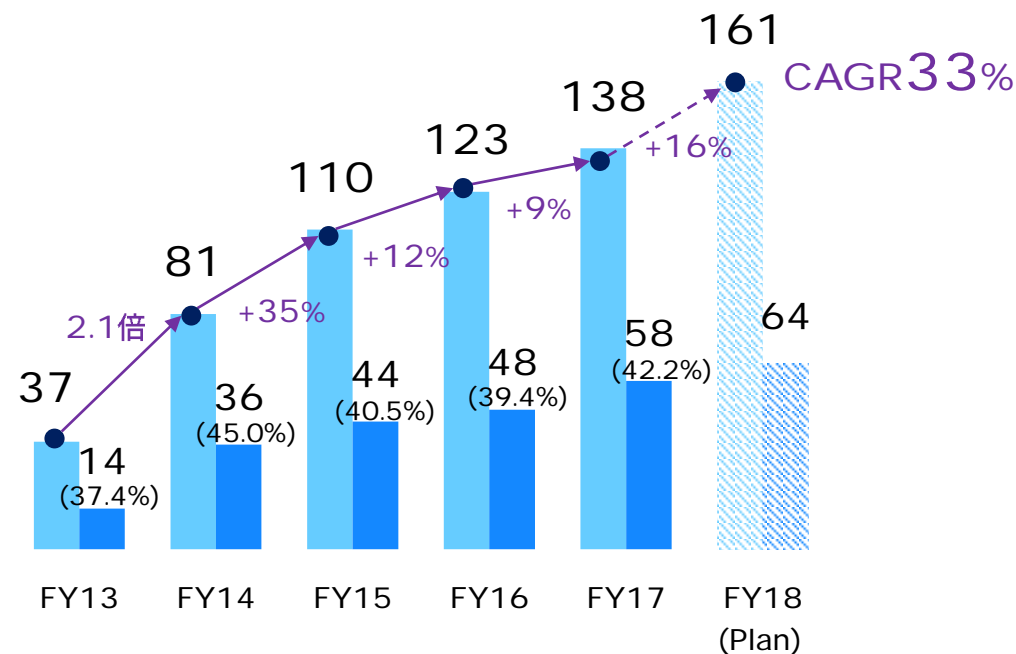
Net sales and marginal profit increased
 +17% and +14% respectively year on year.



[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%



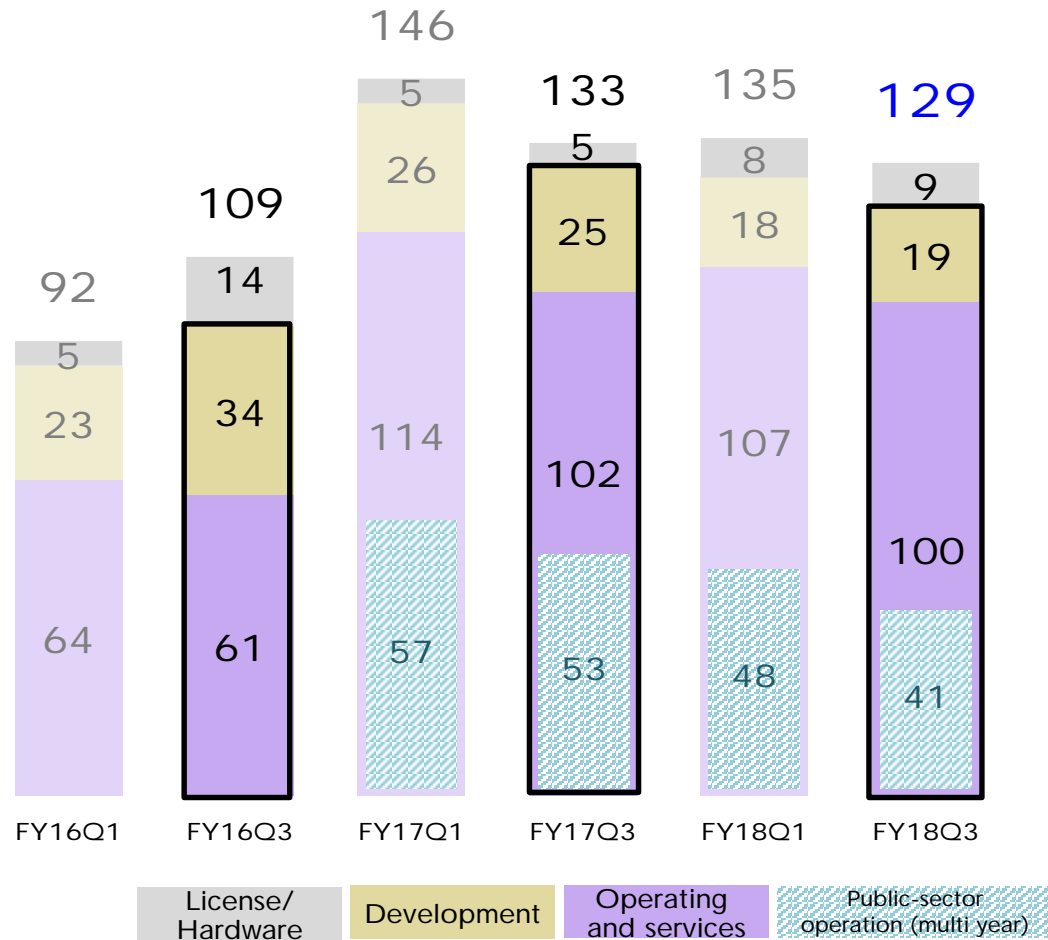
※The three focus businesses includes cloud development projects for the SoftBank Group Companies.

* 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%.

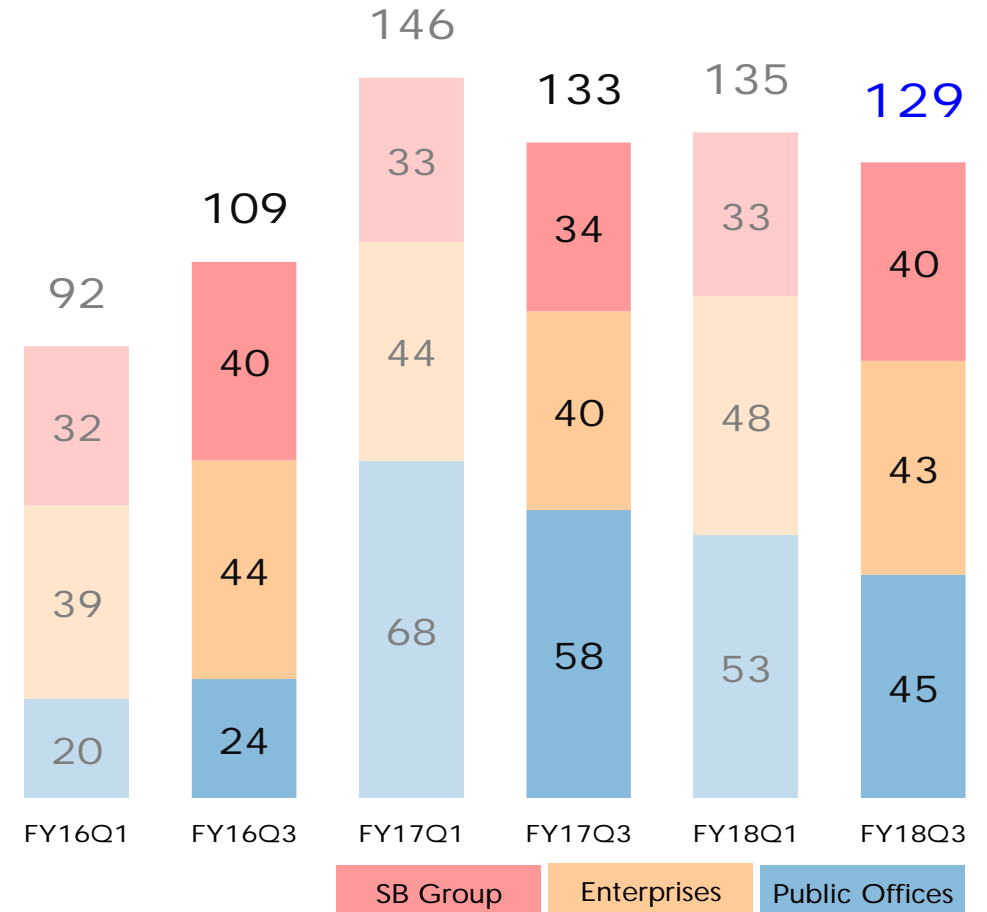
Order Backlog (excluding E-commerce Services)

- 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.

Long-term actions

Implementation of Vision 2030

Discussing what SBT should be like in 10 years within the whole group

Program for employees' shareholding association

Employees working as one toward meeting the target

Medium-term actions

Building of foundations for operating income of 3 billion yen or more

Expand business domains and sales

- IoT business development and POC
- Attempts on business IT

Increase income margins

- Acceleration of service development
- Improvement in operation efficiency with the use of AI

Hire and educate personnel

Operating income
(100 million yen)

14

21

25

First Three-Year Plan

Second Three-Year Plan

FY12

FY18

FY19

FY20

FY30

Information Revolution

- Happiness for everyone

Harnessing the Power of Technology
to Build a Brighter Future

 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 | Nine months ended Dec. 31, 2018 | | Nine months ended Dec. 31, 2017 | | YoY change | |
|---|---------------------------------|-------|---------------------------------|-------|-----------------------------|--------|
| | Amount (Millions of yen) | Ratio | Amount (Millions of yen) | Ratio | Amount (Millions of yen) | 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 |

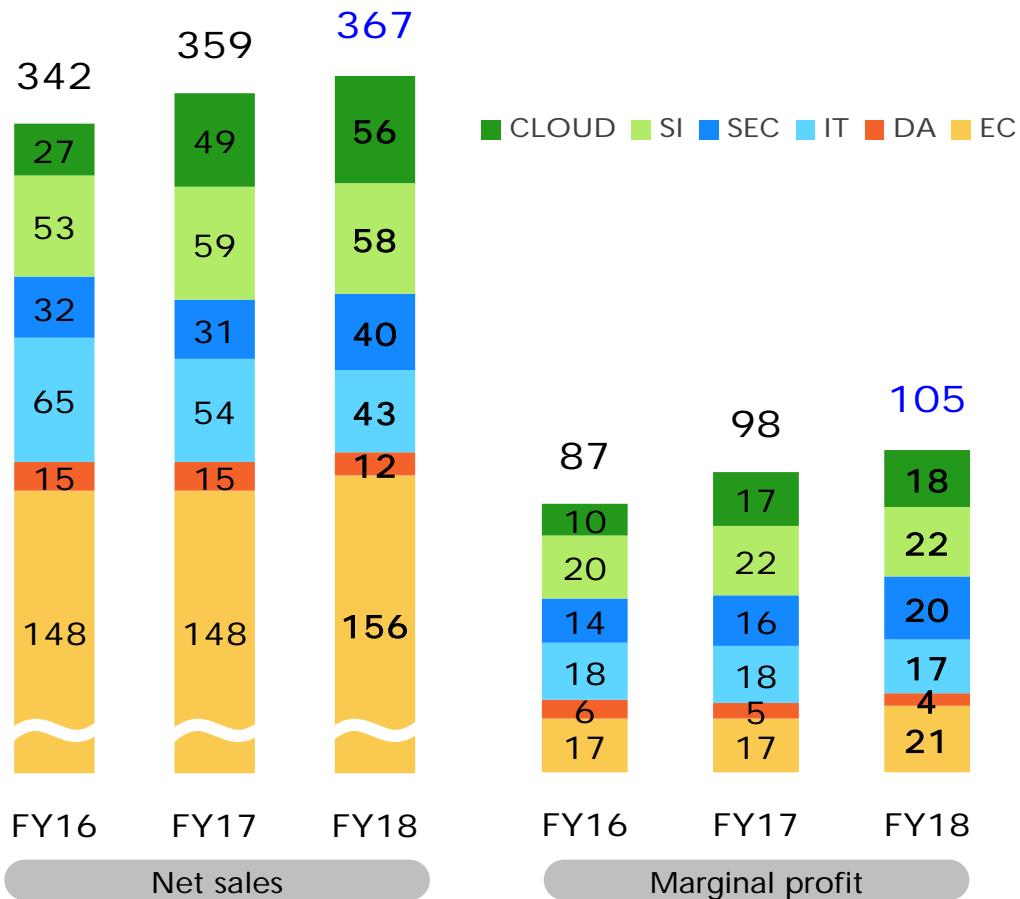
| | | Nine months ended Dec. 31, 2018 | Nine months ended Dec. 31, 2017 | Amount of change | Ratio of change |
|--|-----------------|------------------------------------|------------------------------------|------------------|-----------------|
| Consolidated results (Millions of yen) | Net sales | 36,724 | 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.

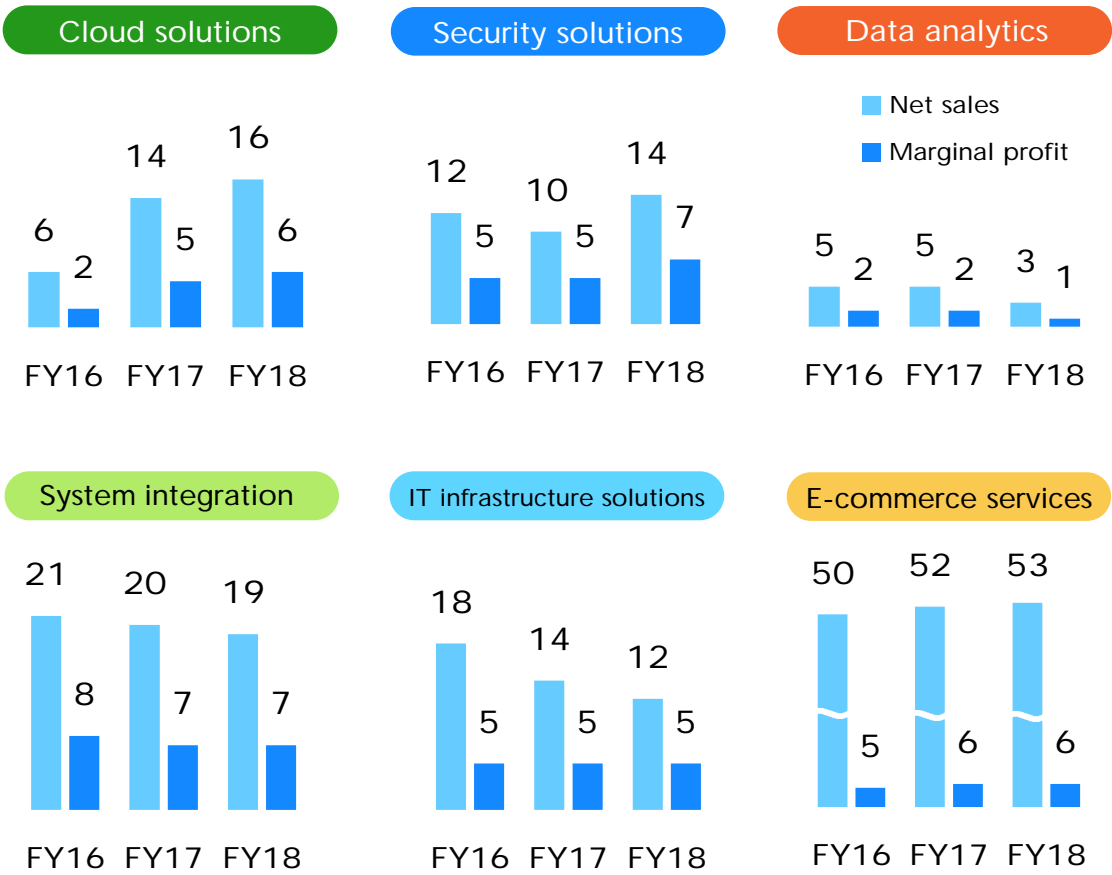
| | | FY16Q1 | FY16Q2 | FY16Q3 | FY16Q4 | FY16 | FY17Q1 | FY17Q2 | FY17Q3 | FY17Q4 | FY17 | FY18Q1 | FY18Q2 | FY18Q3 |
|---|-----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Consolidated results (Millions of yen) | 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% |
| Data analytics Focus | 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% |
| Platform Solutions | 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% |
| IT infrastructure 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% |
| Security solutions Focus | 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% |
| Cloud Systems | 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% |
| System integration | 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% |
| Cloud solutions Focus | 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% |
| 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



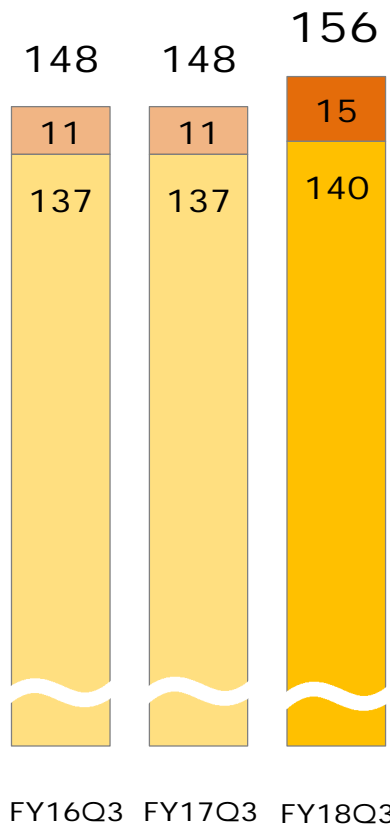
Changes in Q3



Progress in E-commerce Services

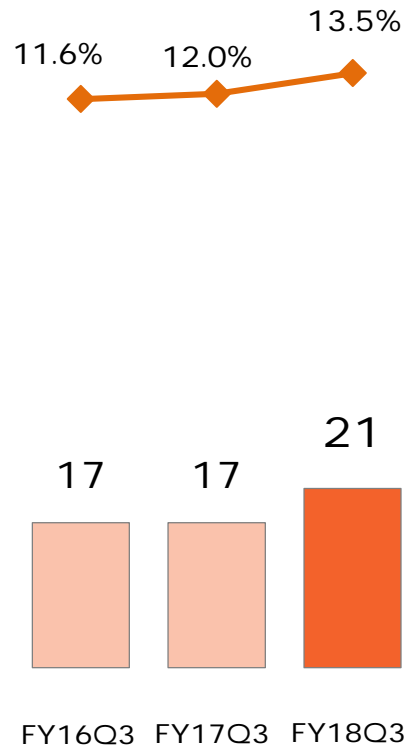
Net sales

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.

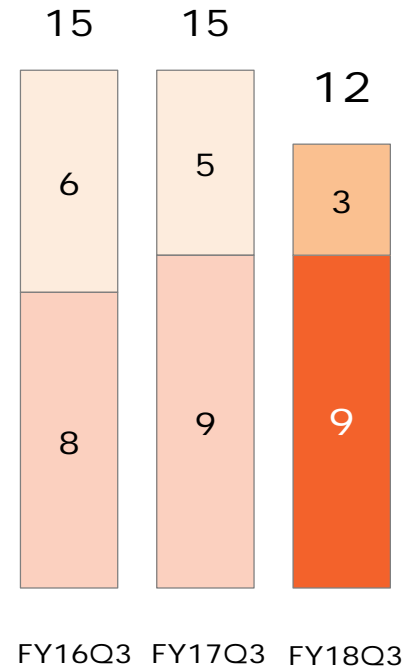
[Marginal Profit]

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

Progress in Data Analytics

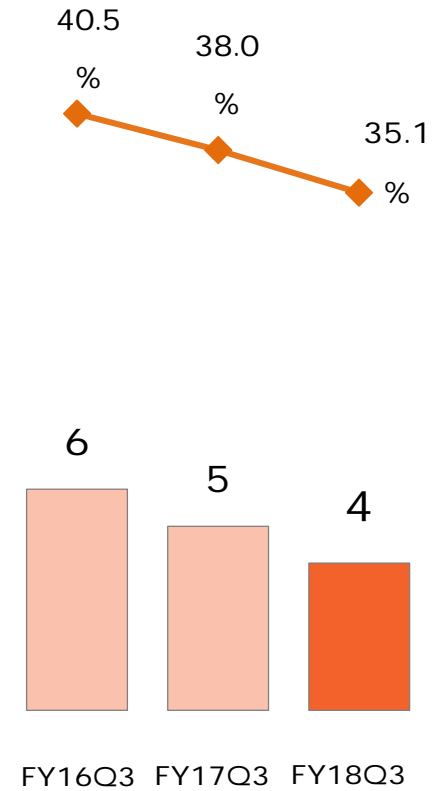
Net sales

- 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.

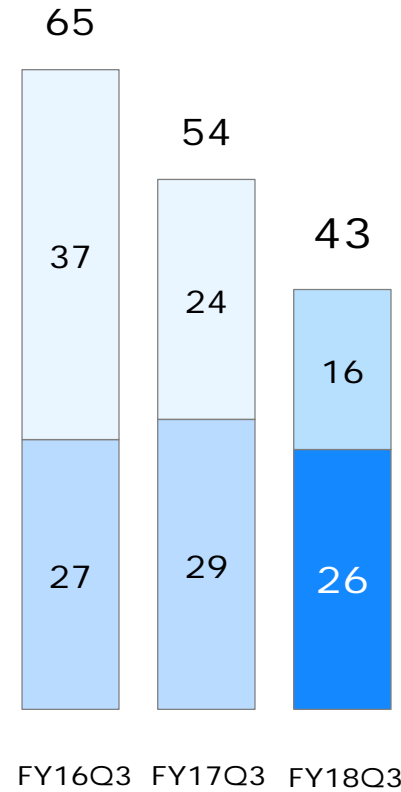
[Marginal Profit]

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

Progress in IT Infrastructure Solutions

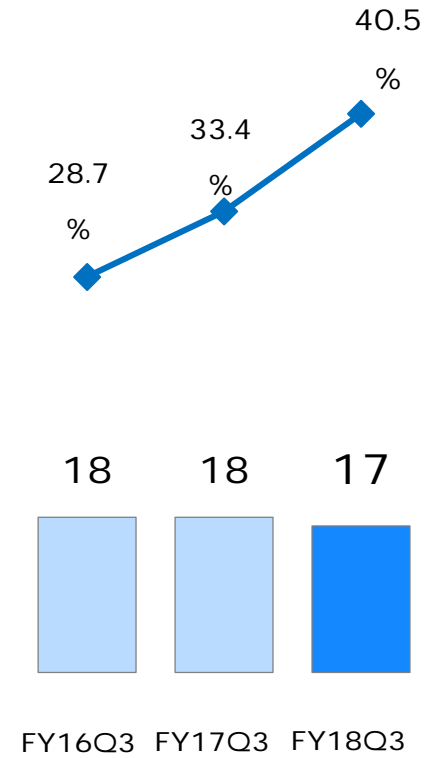
Net sales

- 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]

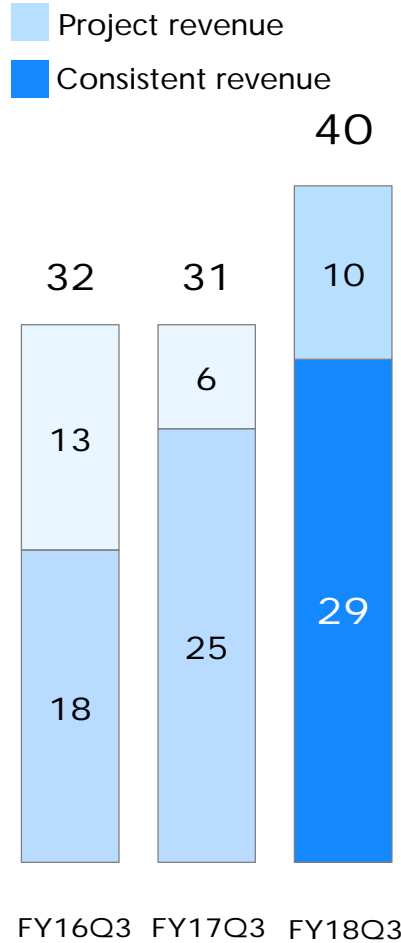
- Net sales contracted due to the termination of sales of specific hardware with difficulties creating and maintaining extra value in Q2 of FY2017.
* A decline of 950 million yen has an impact throughout the fiscal year.

[Marginal Profit]

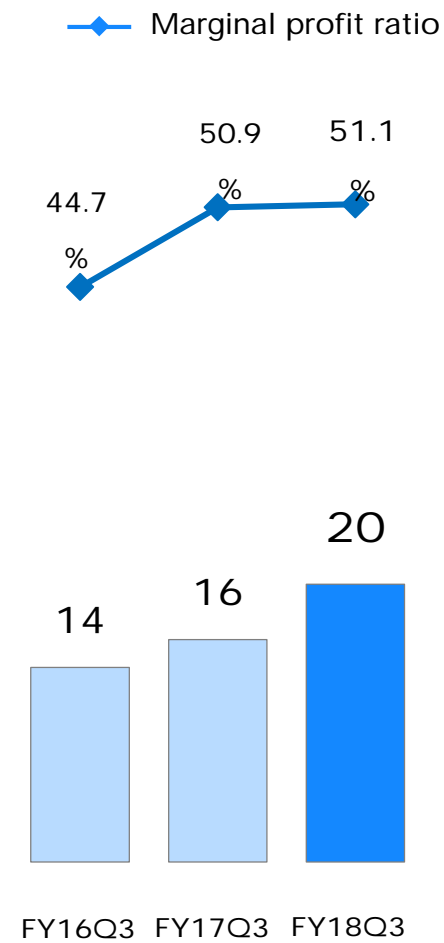
- The marginal profit ratio surged after the termination of specific hardware, marginal profit was nearly unchanged from the same period of the previous fiscal year.

Progress in Security Solutions

Net sales



Marginal profit



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.

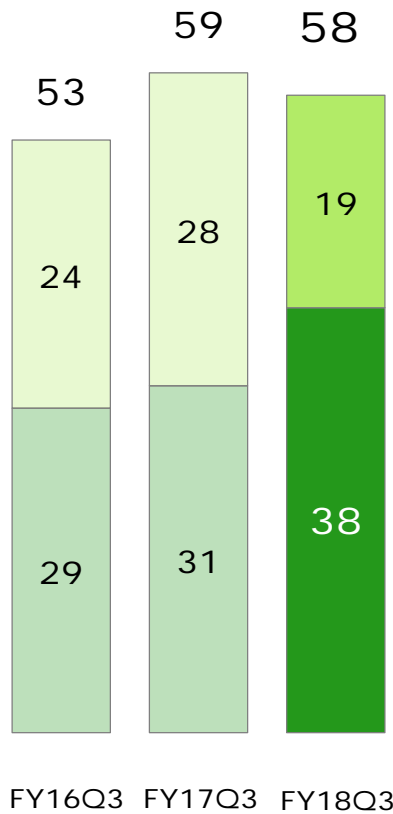
[Marginal Profit]

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

Progress in System Integration

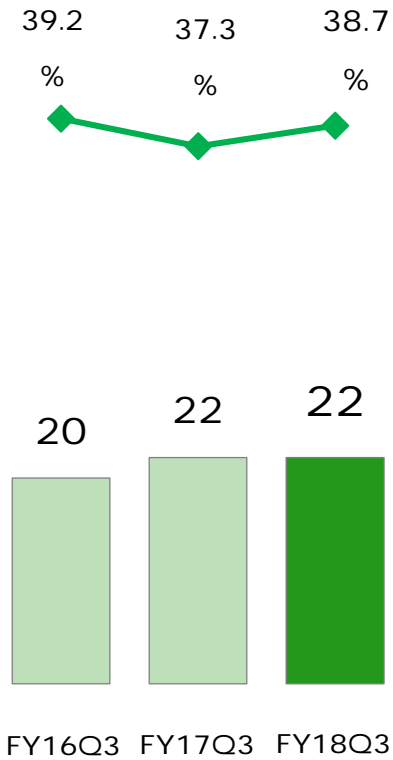
Net sales

- 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]

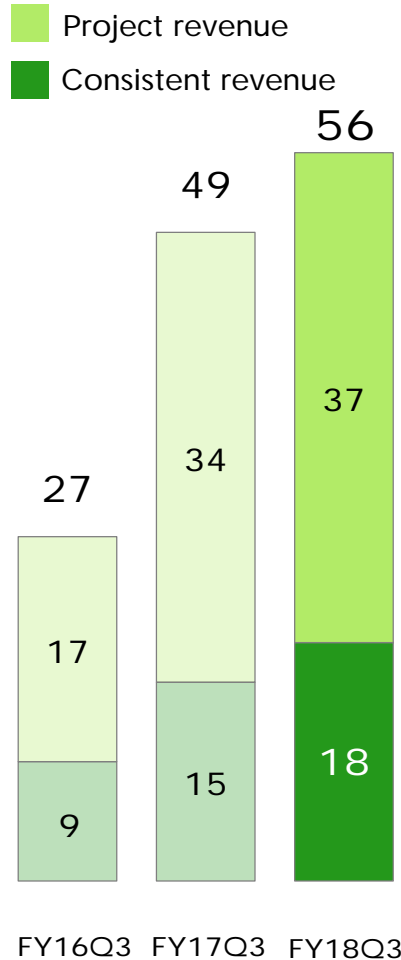
- A business shift to the business IT domain and operation service projects.

[Marginal Profit]

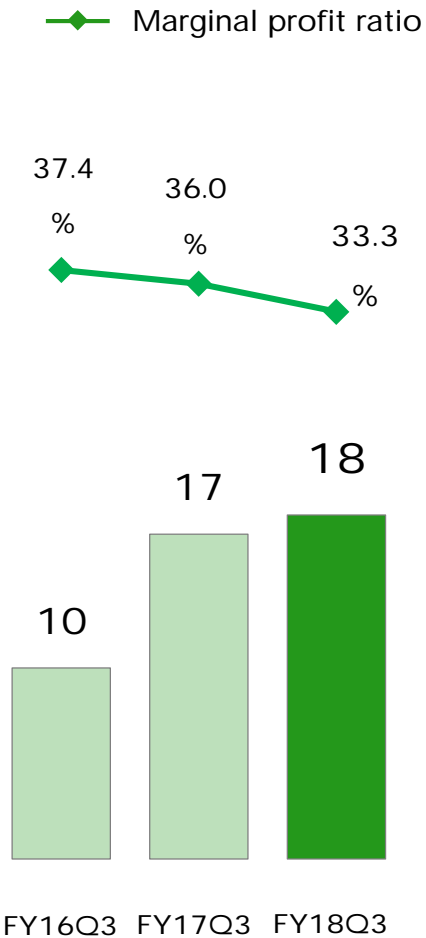
- The marginal profit ratio soared after the expansion of nearshoring and the promotion of the core partner system.

Progress in Cloud Solutions

Net sales



Marginal profit



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

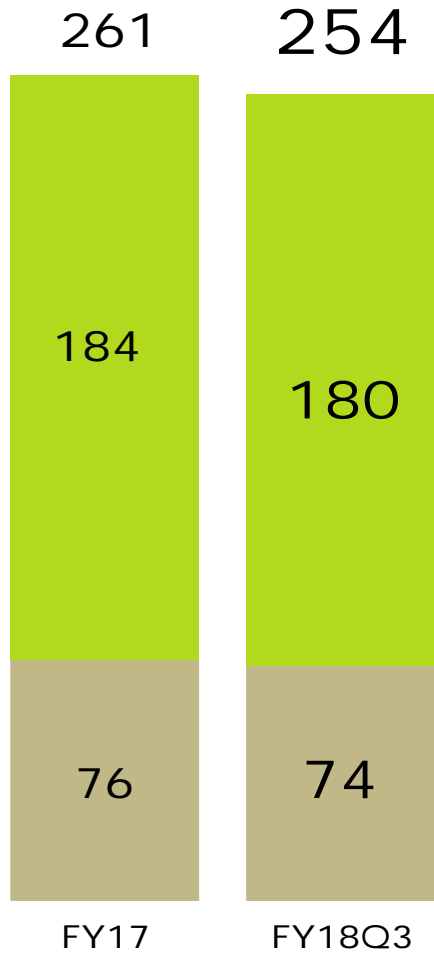
[Net Sales]

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

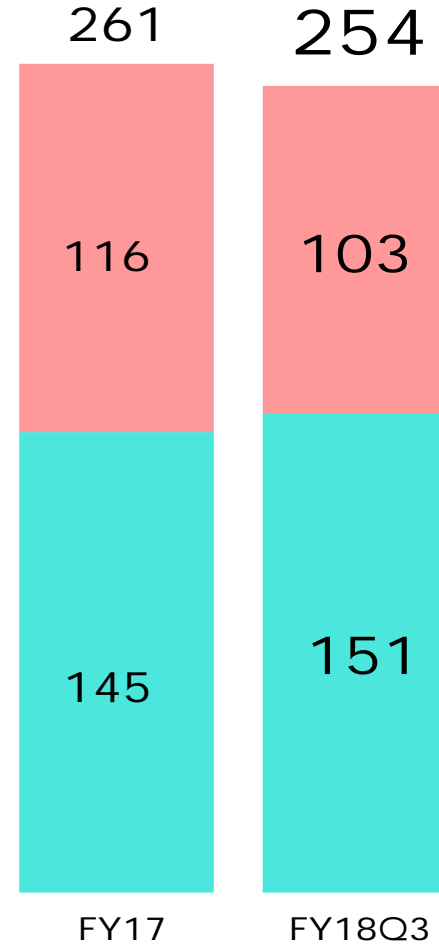
[Marginal Profit]

- 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



- Current assets**
 - Cash and deposits 8.1 billion yen
YoY Change + 0.5 billion yen
 - Notes and accounts receivable - trade 8.0 billion yen
YoY Change - 1.5 billion yen
 - Work in process 0.6 billion yen
YoY Change + 0.3 billion yen
- Non-current assets**
 - Investment securities 0.7 billion yen
YoY Change - 0.3 billion yen

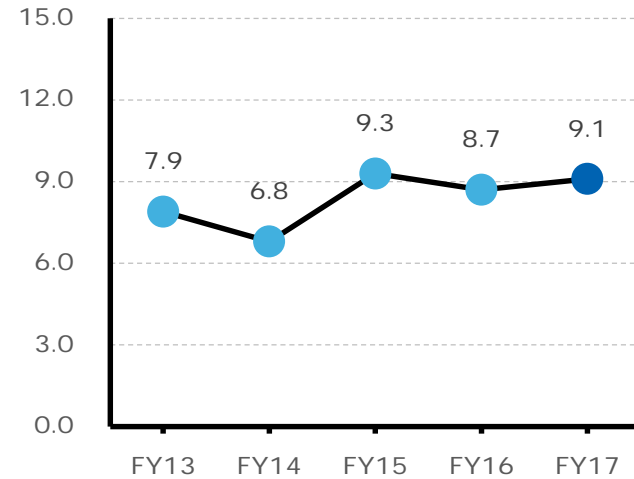


- Liabilities**
 - Accounts payable – trade 5.0 billion yen
YoY Change - 0.5 billion yen
 - Income taxes payable 0.1 billion yen
YoY Change - 0.4 billion yen
 - Provision for bonuses 0.4 billion yen
YoY Change - 0.3 billion yen
- Net assets**
 - Retained earnings 13.6 billion yen
YoY Change + 0.4 billion yen
 - Capital surplus 1.0 billion yen
YoY Change + 0.2 billion yen

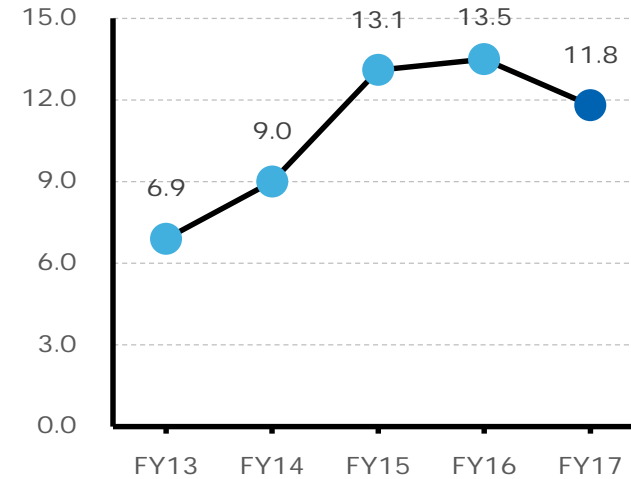
Key Management Ratios

SoftBank
Technology

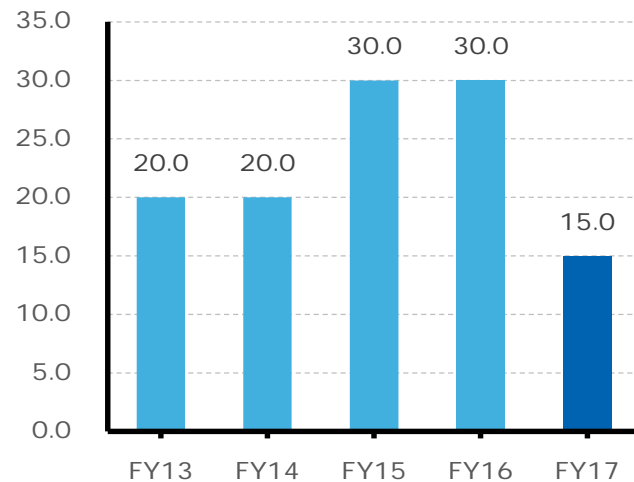
Return on assets
(ROA)



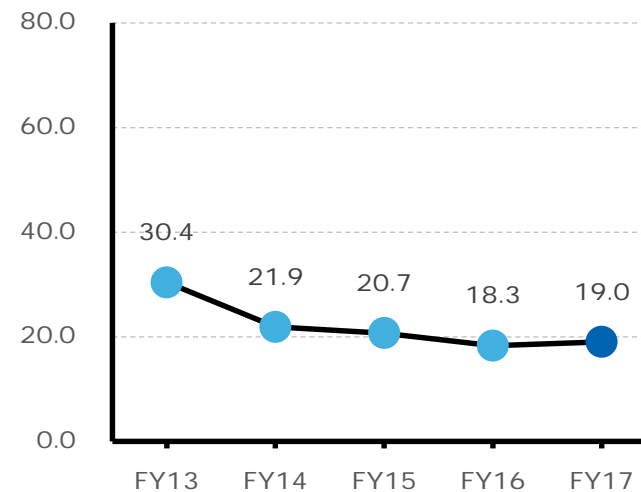
Return on equity
(ROE)



Dividend (yen)(※)



Payout ratio (%)



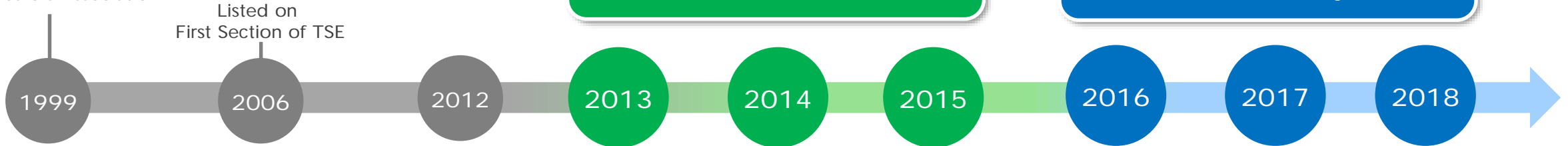
(※) The Company conducted the 2-for-1 share split of the Company's common stock on June 1, 2017. The amount is the same as that at the end of the previous consolidated fiscal year if the stock split is taken into consideration.

Appendix

The Second Three-Year Plan

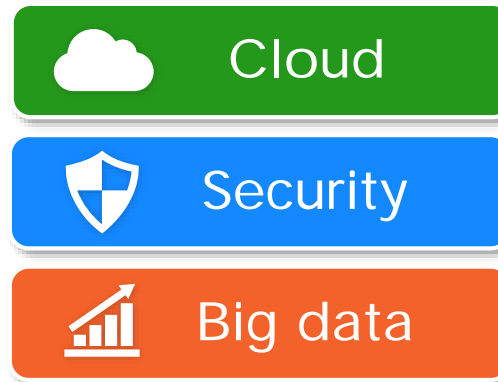
Growth Trajectory

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



- Sales and construction of EC/IT
- System Integration
- Platform Solutions
- E-commerce Services

Set three focus businesses



Business Transformation

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

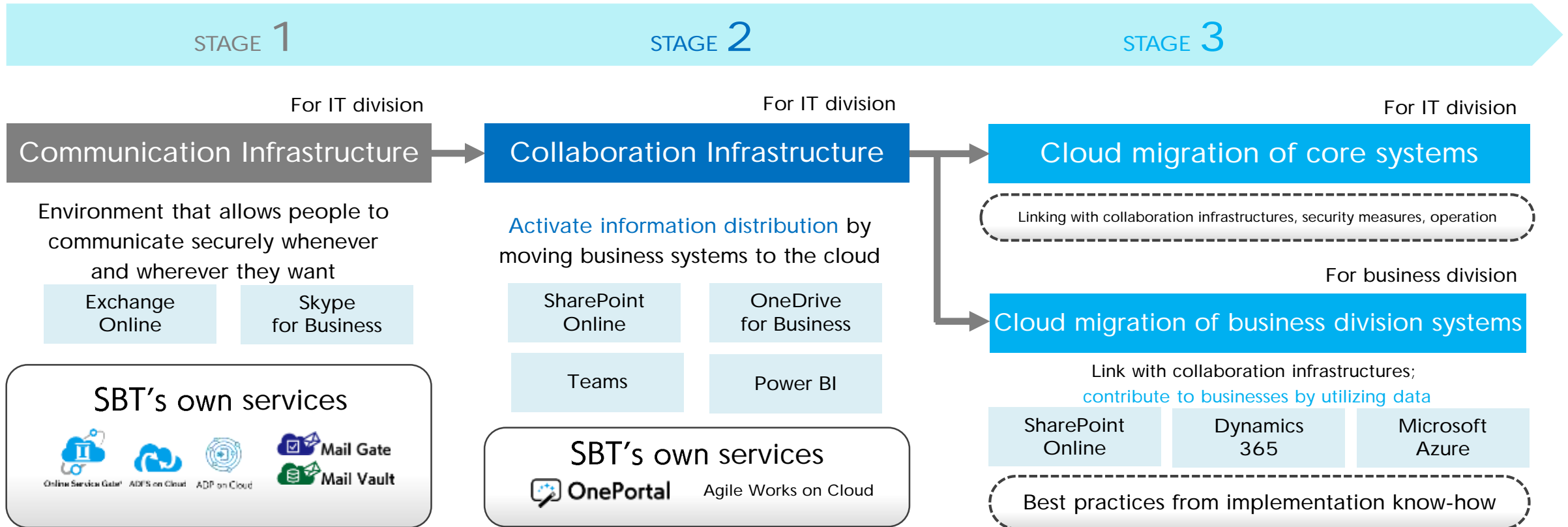
Cloud Integration



IoT Business Development



Cloud Integration: Accumulate Collaboration Infrastructure Knowledge

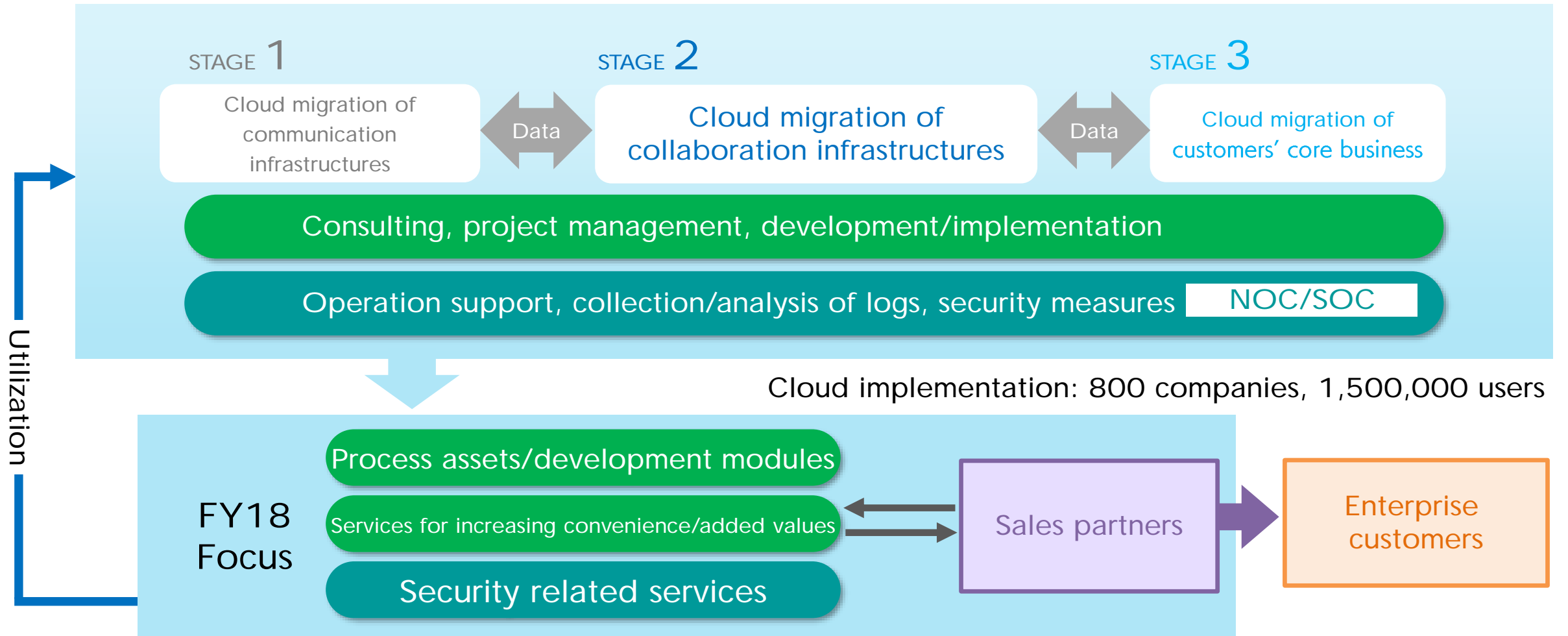


STAGE 2 Goals

- 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

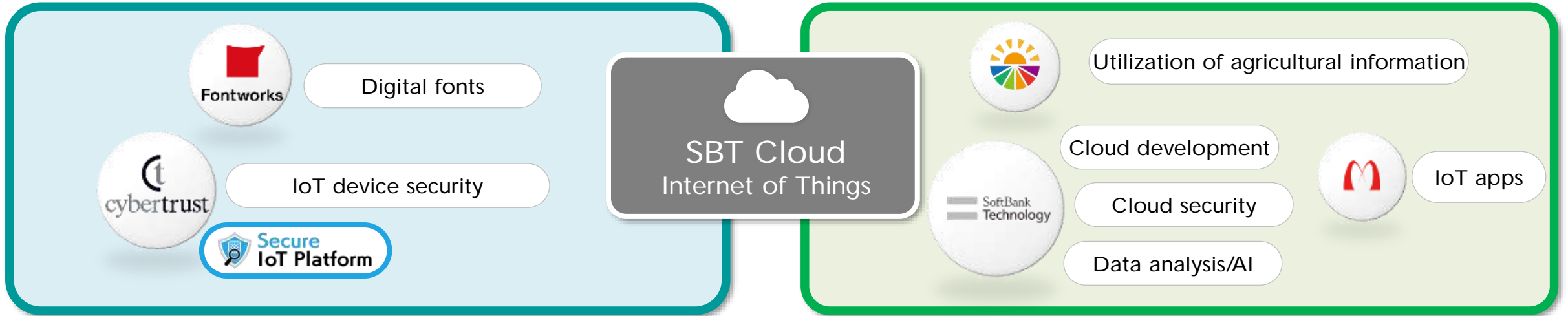


Cloud Integration: Monetize Accumulated Knowledge



Use acquired knowledge and assets in projects and accelerate channel sales

IoT Business Development: Policy



From chips, boards, embedding fields

From software, data utilization

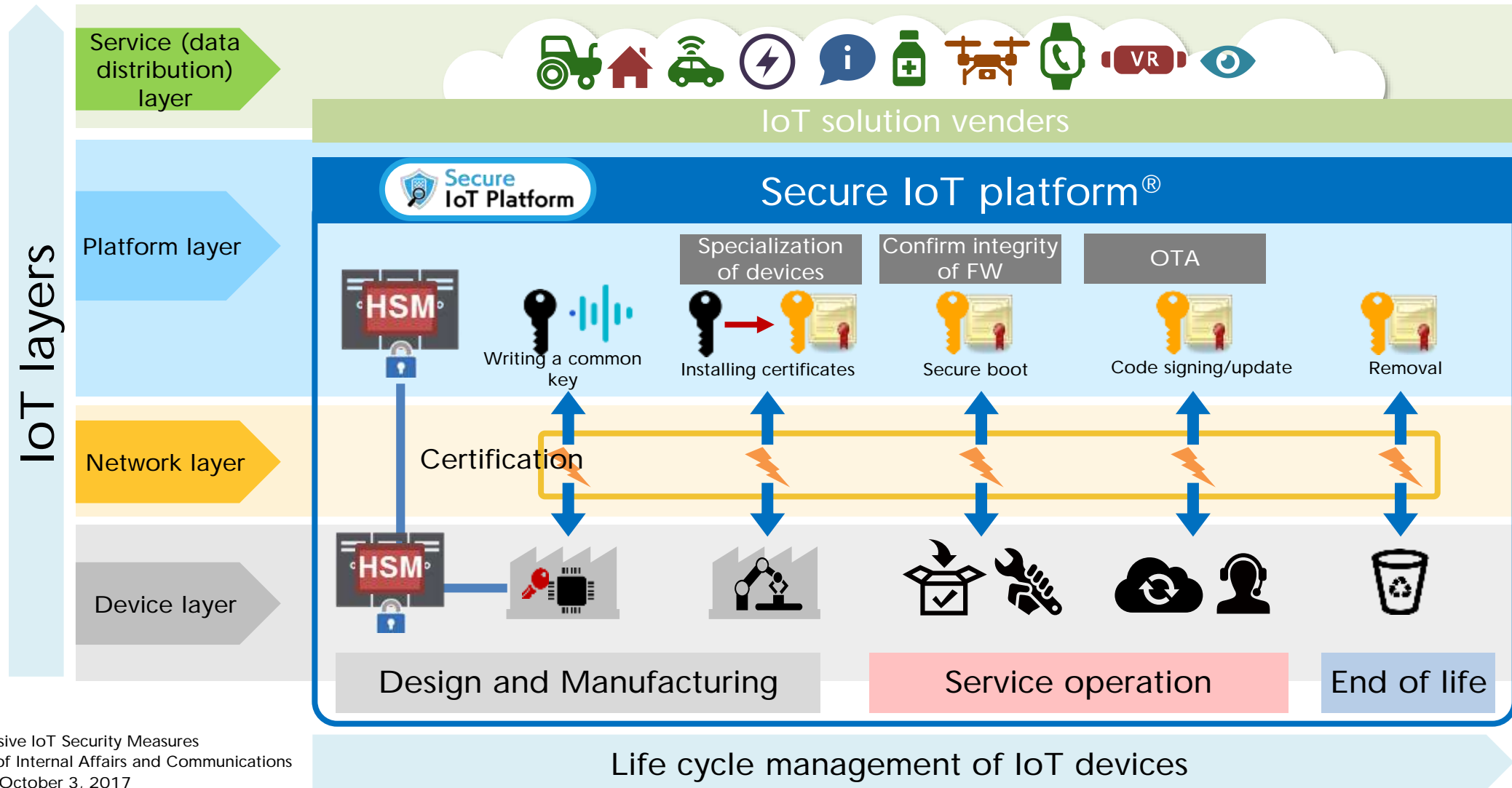
Business model:
monthly service fees, revenue sharing

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



* Comprehensive IoT Security Measures
by Ministry of Internal Affairs and Communications
Published on October 3, 2017

IoT Business Development: Cloud Side

Cloud computing



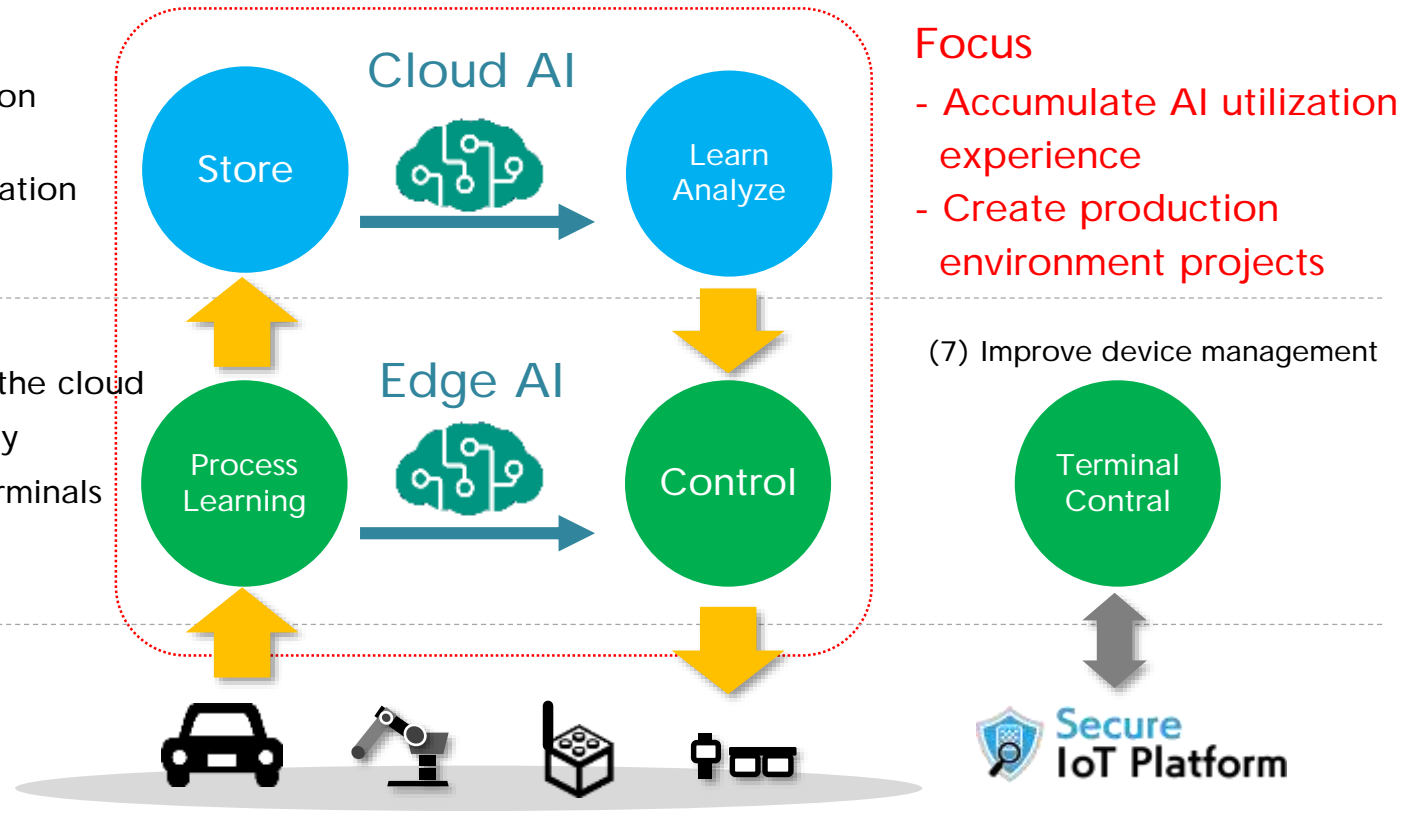
- (1) Make communication data lighter
- (2) Improve communication robustness

Edge computing



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

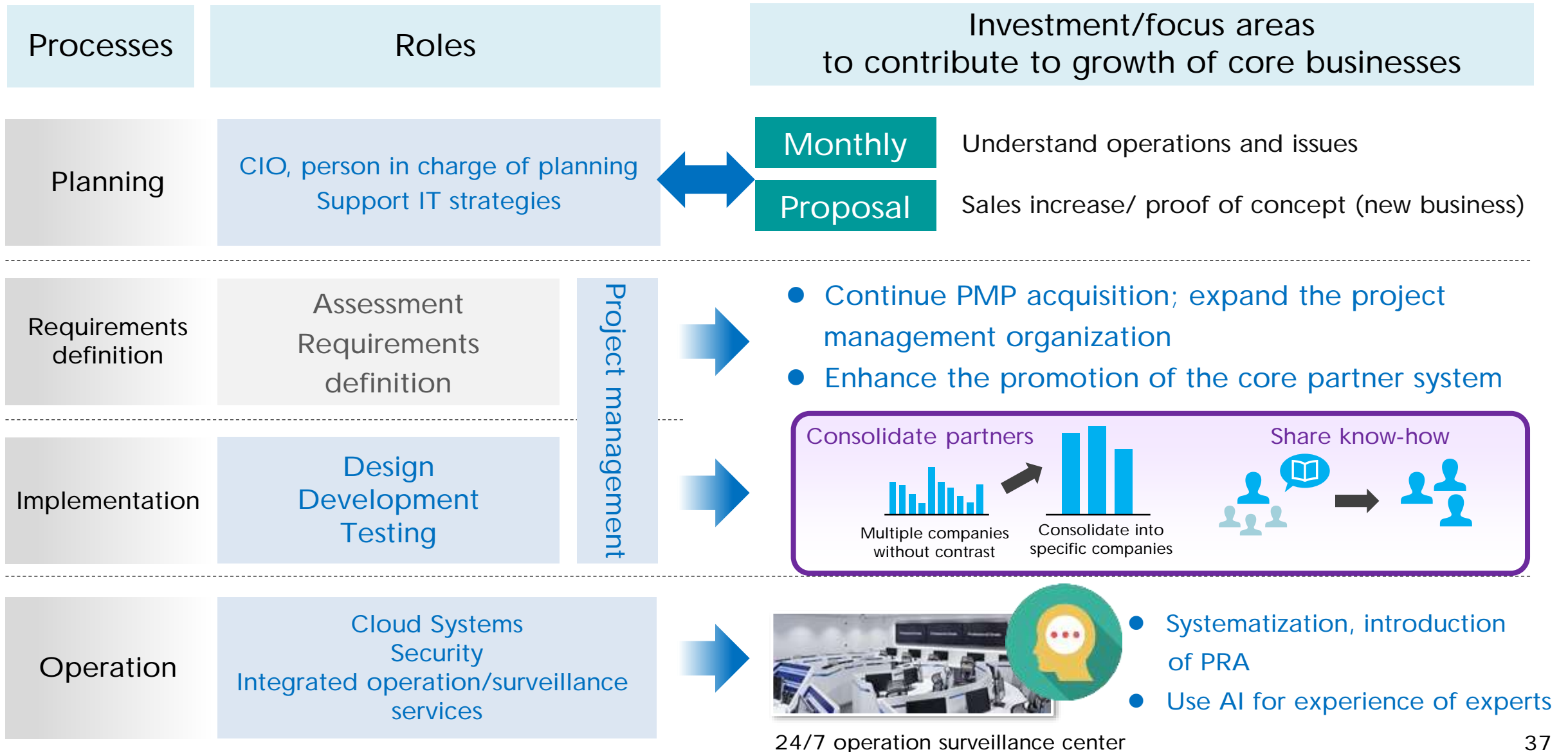
Devices



- 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



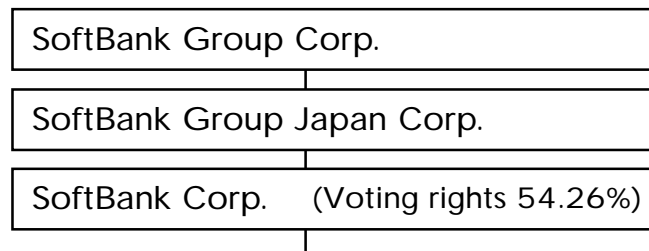
24/7 operation surveillance center

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

| | |
|---|--|
| <p>M-SOLUTIONS , Inc System design, development and operation, and development of mobile, Pepper, IoT and other applications</p> | <p>Fontworks, Inc. Development of clear, attractive digital fonts (typefaces) for computers and IoT equipment</p> |
| <p>Kan Corporation Development of tools for using and analyzing website data and educational business</p> | <p>Cybertrust Japan Co., Ltd. IoT security and other security authentication business and embedded software business</p> |
| <p>ASORA Tech Corporation Development and operation of Zenkoku Nochi Navi, a national agriculture database commissioned by the Ministry of Agriculture, Forestry and Fisheries</p> | <p>Reden Corp. ICT services to support the development of growing industries including entry to the agriculture industry and subsequent expansion</p> |

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

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)

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.

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)

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.

The contents of this presentation, including results of operations, business activities and other information, are provided solely for informational purposes and are not intended to solicit purchases, sales, or other investment activities concerning shares of SoftBank Technology Corp. and its group companies.

Company names, logos, or service names appearing in this presentation are registered trademarks or trademarks of the relevant companies, or SoftBank Technology Corp. and its group companies.

Information Revolution

- Happiness for everyone

Harnessing the Power of Technology
to Build a Brighter Future

 SoftBank **Technology**