

Disclaimer:

This financial report is solely a translation of the "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.

January 31, 2018

SoftBank Technology Corp.
Consolidated Financial Report for the Second Quarter of Fiscal Year Ending March 31, 2018
(Nine Months Ended December 31, 2017)

[Japanese GAAP]

Company name: SoftBank Technology Corp. (Tokyo Stock Exchange/Code No. 4726)

(URL <http://www.softbanktech.co.jp/>)

Representative: Shinichi Ata, President & CEO

Contact: Yoichiro Hatanaka, Senior Director of Corporate Planning

Phone: +81-3-6892-3063

Scheduled date of filing of Quarterly Report: February 13, 2018

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Nine Months Ended December 31 2017

(April 1, 2017 – December 31, 2017)

(1) Consolidated Results of Operations

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 31, 2017	35,931	4.9	1,151	14.2	1,146	11.7	724	18.2
Nine months ended Dec. 31, 2016	34,243	13.9	1,008	Δ0.6	1,027	9.8	613	26.3

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2017: 767 (up 22.8%)

Nine months ended Dec. 31, 2016: 624 (up 58.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2017	36.86	35.81
Nine months ended Dec. 31, 2016	31.60	30.80

Note: The Company conducted the 2-for-1 share split of the Company's common stock on June 1, 2017. Per share data for the FY2016 were calculated supposing the share split as conducted at the beginning of the fiscal year

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2017	24,544	13,602	52.2	651.46
As of Mar. 31, 2017	26,807	13,015	46.9	638.79

Reference: Shareholders' equity (million yen) As of Dec. 31, 2017: 12,821 As of Mar. 31, 2017: 12,566

Note: The Company conducted the 2-for-1 share split of the Company's common stock on June 1, 2017. Per share data for the March 31, 2017 were calculated supposing the share split as conducted at the beginning of the fiscal year.

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2017	-	0.00	-	30.00	30.00
Fiscal year ending Mar. 31, 2018	-	0.00	-		
Fiscal year ending Mar. 31, 2018 (forecast)				15.00	15.00

Note: Revisions to the most recently announced dividend forecast: None

Note: The Company conducted the 2-for-1 share split of the Company's common stock on June 1, 2017. The dividend for the previous fiscal year ending March 31, 2017 is the number before stock split. If not considering the stock split, the dividend for the fiscal year ending March 31, 2018 will be the same ¥30 as of FY2017.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2018

(April 1, 2017 – March 31, 2018)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	52,000	3.5	2,500	11.6	2,500	9.4	1,600	0.1	81.35

Note: Revisions to the most recently announced consolidated forecast: None

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Application of special accounting for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

- i. Changes in accounting policies due to revisions in accounting standards, others: None
- ii. Changes in accounting policies other than i. above: None
- iii. Changes in accounting estimates: None
- iv. Restatements: None

(4) Number of outstanding shares (common stock)

- i. Number of shares outstanding at the end of the period (including treasury shares)

As of Dec. 31, 2017:	21,982,800 shares	As of Mar. 31, 2017:	21,773,800 shares
----------------------	-------------------	----------------------	-------------------
- ii. Number of treasury shares at the end of the period

As of Dec. 31, 2017:	2,301,242 shares	As of Mar. 31, 2017:	2,101,242 shares
----------------------	------------------	----------------------	------------------
- iii. Average number of shares outstanding during the period

Nine months ended Dec. 31, 2017:	19,667,110 shares	Nine months ended Dec. 31, 2016:	19,399,246 shares
----------------------------------	-------------------	----------------------------------	-------------------

Note: The Company conducted the 2-for-1 share split of the Company's common stock on June 1, 2017. Numbers of share data for the March 31, 2017 were calculated supposing the share split as conducted at the beginning of the fiscal year.

*** Information regarding the implementation of quarterly review procedures**

The current quarterly summary report is not subject to the quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of this disclosure, the review procedures for the quarterly consolidated financial statements to be filed have not been completed.

*** Explanation for appropriate use of operating forecasts, and other special items**

Cautionary statement with respect to forward-looking statements

Forecasts regarding future performance in this report are based on assumptions considered appropriate and other reasonable information available to the Company at the time this report was created. This report is not promises by the Company regarding future performance. The actual performance may differ significantly from these forecasts for a variety of reasons.

How to view supplementary materials for quarterly financial results

Supplementary materials for the quarterly financial results will be disclosed on Wednesday, January 31, 2018, using the Timely Disclosure network (TDnet), and will be available on the Company's website (<http://www.softbanktech.co.jp/corp/ir/>).

Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	6,190,081	6,648,277
Notes and accounts receivable - trade	11,416,102	8,355,422
Merchandise	57,607	62,398
Work in process	251,738	566,144
Deferred tax assets	383,980	254,825
Other	1,046,406	1,378,118
Allowance for doubtful accounts	△2,155	△1,626
Total current assets	19,343,761	17,263,561
Non-current assets		
Property, plant and equipment		
Buildings, net	483,705	513,488
Tools, furniture and fixtures, net	743,942	709,265
Construction in progress	5,770	15,580
Total property, plant and equipment	1,233,418	1,238,334
Intangible assets		
Goodwill	1,021,599	904,874
Software	1,177,270	1,204,447
Software in progress	165,859	247,903
Customer Relationships	526,881	478,983
Other	255,261	234,655
Total intangible assets	3,146,872	3,070,863
Investments and other assets		
Investment securities	894,656	865,466
Deferred tax assets	349,554	377,323
Other	1,888,930	1,729,145
Allowance for doubtful accounts	△50,123	△61
Total investments and other assets	3,083,018	2,971,874
Total non-current assets	7,463,309	7,281,072
Total assets	26,807,071	24,544,634

(Thousands of yen)

	As of March 31, 2017	As of December 31, 2017
Liabilities		
Current liabilities		
Accounts payable - trade	7,136,775	5,001,986
Current portion of long-term loans payable	293,700	320,400
Lease obligations	75,294	75,943
Accounts payable - other	829,723	838,593
Income taxes payable	457,669	149,932
Advances received	1,493,516	1,754,589
Provision for bonuses	742,025	370,857
Provision for directors' bonuses	-	40,800
Provision for loss on order received	13,312	40,378
Provision for defect repair	-	5,737
Other	616,952	627,183
Total current liabilities	11,658,967	9,226,401
Non-current liabilities		
Long-term loans payable	345,100	104,800
Lease obligations	370,744	313,506
Deferred tax liabilities	160,471	144,689
Long-term advances received	906,401	771,349
Net defined benefit liability	53,836	51,445
Asset retirement obligations	275,649	307,023
Other	20,016	23,089
Total non-current liabilities	2,132,220	1,715,904
Total liabilities	13,791,188	10,942,306
Net assets		
Shareholders' equity		
Capital stock	785,238	850,383
Capital surplus	695,566	824,556
Retained earnings	11,938,762	12,368,509
Treasury shares	△872,336	△1,230,979
Total shareholders' equity	12,547,231	12,812,469
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,644	4,541
Foreign currency translation adjustment	3,719	4,733
Total accumulated other comprehensive income	19,363	9,274
Subscription rights to shares	108,797	122,433
Non-controlling interests	340,488	658,150
Total net assets	13,015,882	13,602,327
Total liabilities and net assets	26,807,071	24,544,634

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(For the Nine-month Period)

(Thousands of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net sales	34,243,235	35,931,002
Cost of sales	29,020,254	30,336,993
Gross profit	5,222,980	5,594,009
Selling, general and administrative expenses	4,214,007	4,442,169
Operating profit	1,008,973	1,151,839
Non-operating income		
Interest income	775	504
Dividend income	-	450
Share of profit of entities accounted for using equity method	30,012	13,567
Subsidy income	-	12,629
Miscellaneous income	4,950	4,467
Total non-operating income	35,738	31,618
Non-operating expenses		
Interest expenses	14,541	10,491
Foreign exchange losses	2,160	20,393
Miscellaneous loss	783	5,634
Total non-operating expenses	17,484	36,519
Ordinary profit	1,027,226	1,146,939
Extraordinary income		
Gain on sales of investment securities	-	20,670
Total extraordinary income	-	20,670
Profit before income taxes	1,027,226	1,167,609
Income taxes - current	178,627	300,124
Income taxes - deferred	190,037	90,264
Total income taxes	368,664	390,388
Profit	658,562	777,220
Profit attributable to		
Profit attributable to owners of parent	613,037	724,835
Profit attributable to non-controlling interests	45,524	52,385
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ32,418	Δ10,766
Foreign currency translation adjustment	Δ1,401	914
Total other comprehensive income	Δ33,819	Δ9,852
Comprehensive income	624,742	767,368
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	579,218	714,745
Comprehensive income attributable to non-controlling interests	45,524	52,622

(4) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Disclaimer:

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.