

First Quarter of the Fiscal Year Ending March 31, 2016  
(FY2015 Q1)

# Results of Operations

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July 29, 2015  
SoftBank Technology Corp.

# Important Information about this Presentation

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1. Starting in the fiscal year ended March 31, 2015, the eBusiness Services and Solutions segments have been combined to create a single segment called ICT Services. To provide additional financial information for reference, three service categories have been established: Digital Marketing, Platform Solutions and System Integration. The service category data for the fiscal years ended March 31, 2015 and earlier on this presentation uses the new business categories.
2. Starting with the fiscal year ending March 31, 2016, revisions have been made to the categorization of some services and to the method used for the allocation of the amount of elimination of internal transactions with subsidiaries for the marginal profit. These revisions have been used for sales and marginal profits for each service category in the same period of the previous fiscal year.
3. The marginal profits and fixed costs shown on this presentation have changed because of the partial revision in the recognition method for e-commerce services' expenses. Marginal profits and fixed costs for the fiscal years ended March 31, 2015 and earlier have been restated based on the new expense recognition method.
4. EBITDA figures shown on this presentation are the sum of operating income/loss, depreciation and amortization of goodwill.
5. Figures in all graphs in this presentation may differ slightly from figures in earnings announcements because of rounding.

## Disclaimer

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

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The background of the slide features a soft-focus image of a landscape. In the foreground, a dense forest of green trees is visible. In the middle ground, a white wind turbine stands prominently. The sky above is a pale blue with wispy white clouds, and several birds are captured in flight, scattered across the upper half of the frame. The overall aesthetic is clean and modern, with a focus on nature and sustainable energy.

# Results Overview

# FY2015 Q1 Results Summary

## Comparison with the previous fiscal year

### Overview

- Net sales decreased but operating income was higher as hardware sales declined sharply from FY14 Q3 onward.
- Subsidiaries providing original services also contributed to the growth in earnings.

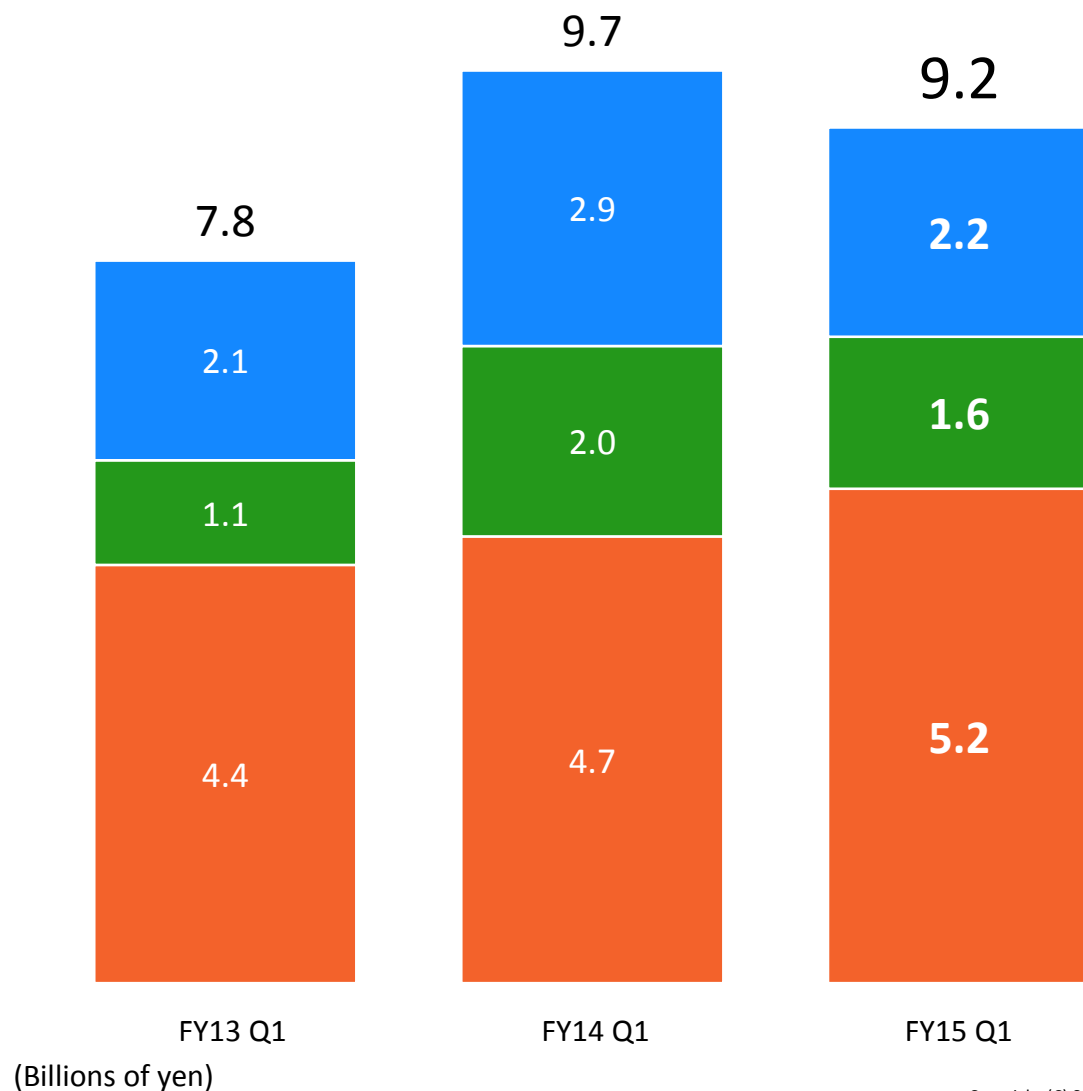
(Millions of yen)	FY15 Q1	FY14 Q1	Amount of change	Ratio of change
Net sales	9,201	9,734	(532)	(5.5)%
Operating income	180	133	+46	+34.9%
Ordinary income	185	135	+49	+36.3%
Profit attributable to owners of parent	78	74	+4	+6.3%
EBITDA	417	369	+47	+12.8%

Note: EBITDA = Operating income (loss) + Depreciation+ Amortization of goodwill

## Overview

- First quarter sales decreased because of lower hardware sales but are in line with the forecast for the first half.

(Millions of yen)	FY15 Q1	Forecast First half	Progress Ratio	Forecast Full year	Progress Ratio
Net sales	9,201	19,500	47.2%	42,000	21.9%
Operating income	180	680	26.5%	1,700	10.6%
Ordinary income	185	640	28.9%	1,600	11.6%
Profit attributable to owners of parent	78	400	19.7%	1,000	7.9%



FY15 Q1 consolidated sales

**9.2 billion yen**Year-on-year sales **(0.5)** billion yen, **(5.5)%**

Year-on-year sales by business category:

Platform solutions

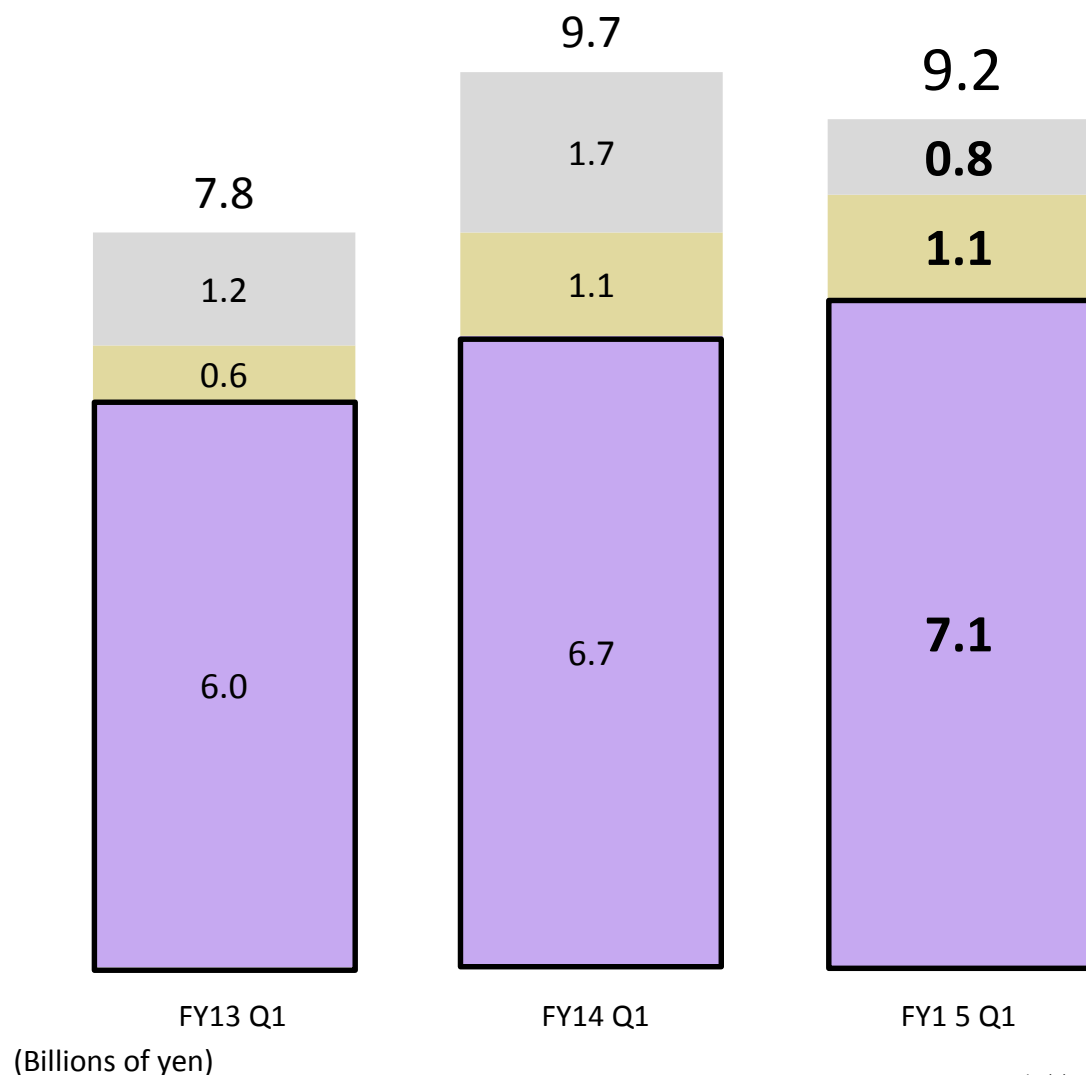
**(0.6)** billion yen, **(22.4)%**

System integration

**(0.3)** billion yen, **(18.8)%**

Digital marketing


**+0.5** billion yen, **+10.8%**





Steady progress with the structural reform of business operations.

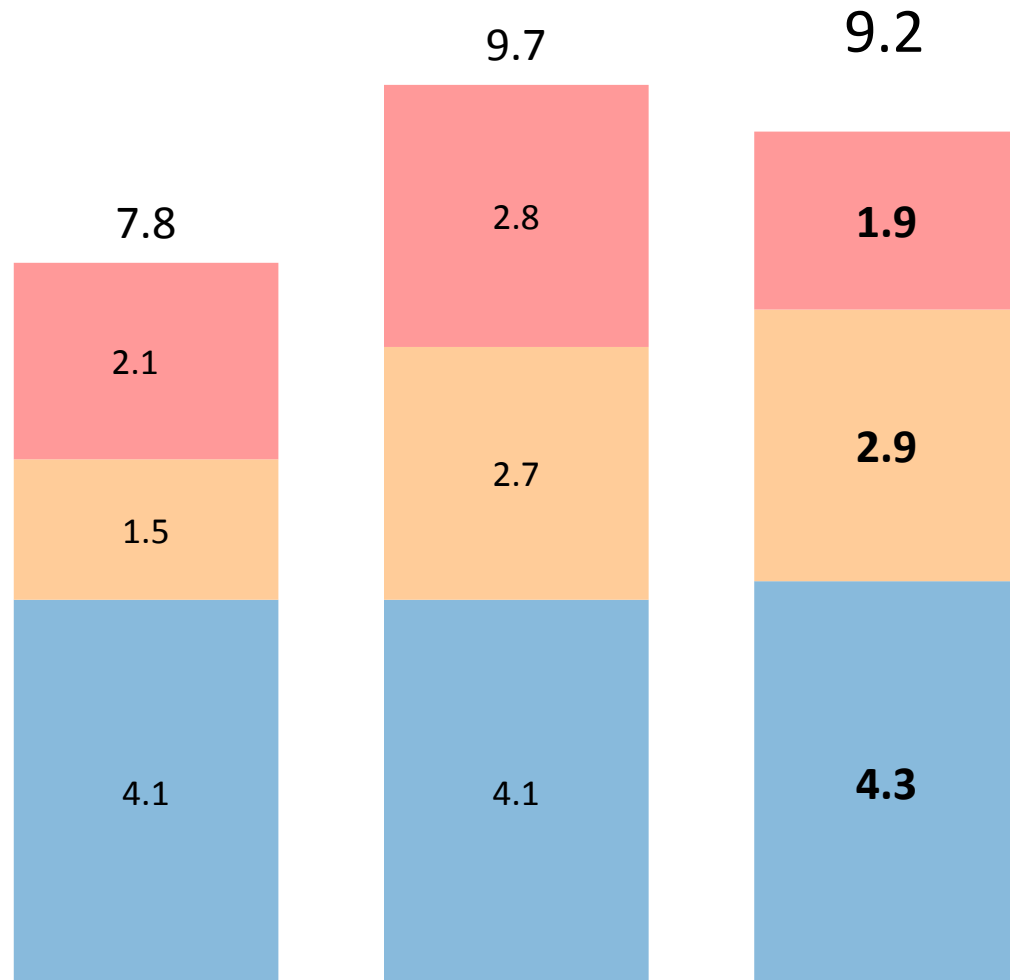
Operation and maintenance sales and SBT original services expanded steadily.

### Year-on-year sales by business formats:

Hardware sales  (0.9) billion yen, (52.3)%

Development  (7) million yen, (0.6)%

Operation and services  +0.4 billion yen, +6.1%




FY13 Q1

FY14 Q1

FY15 Q1

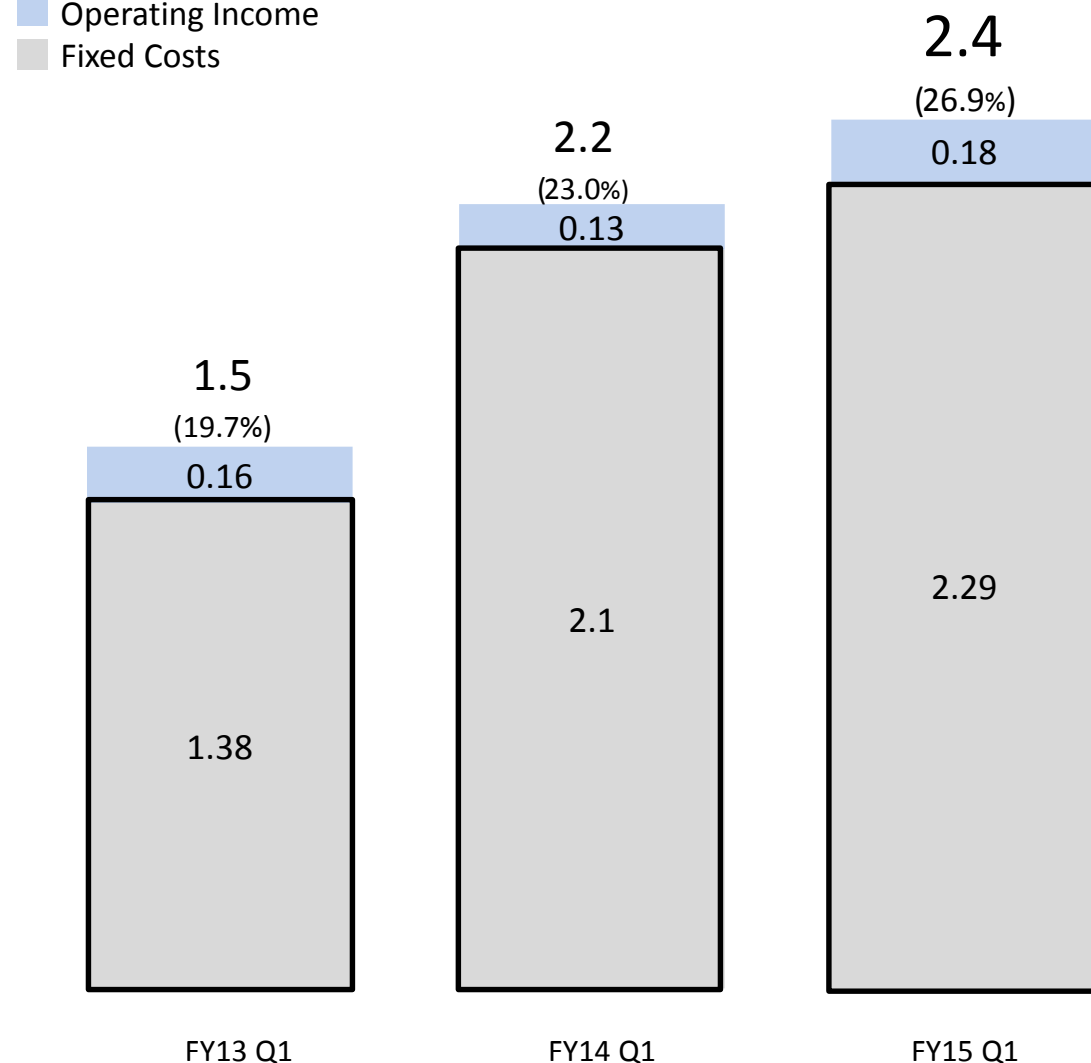
(Billions of yen)

Year-on-year sales:

**SoftBank Group** (860) million yen, (30.8)%  
Hardware sales and development projects decreased.**Non-SoftBank Group** +170 million yen, +6.4%  
Sales increased firmly, particularly in three focus businesses.**E-commerce services for individuals** +150 million yen, +3.8%

# Consolidated Marginal Profit

□ Marginal Profit \*Marginal profit ratios in parentheses  
■ Operating Income  
■ Fixed Costs



(Billions of yen)

FY15 Q1 marginal profit **2.4** billion yen

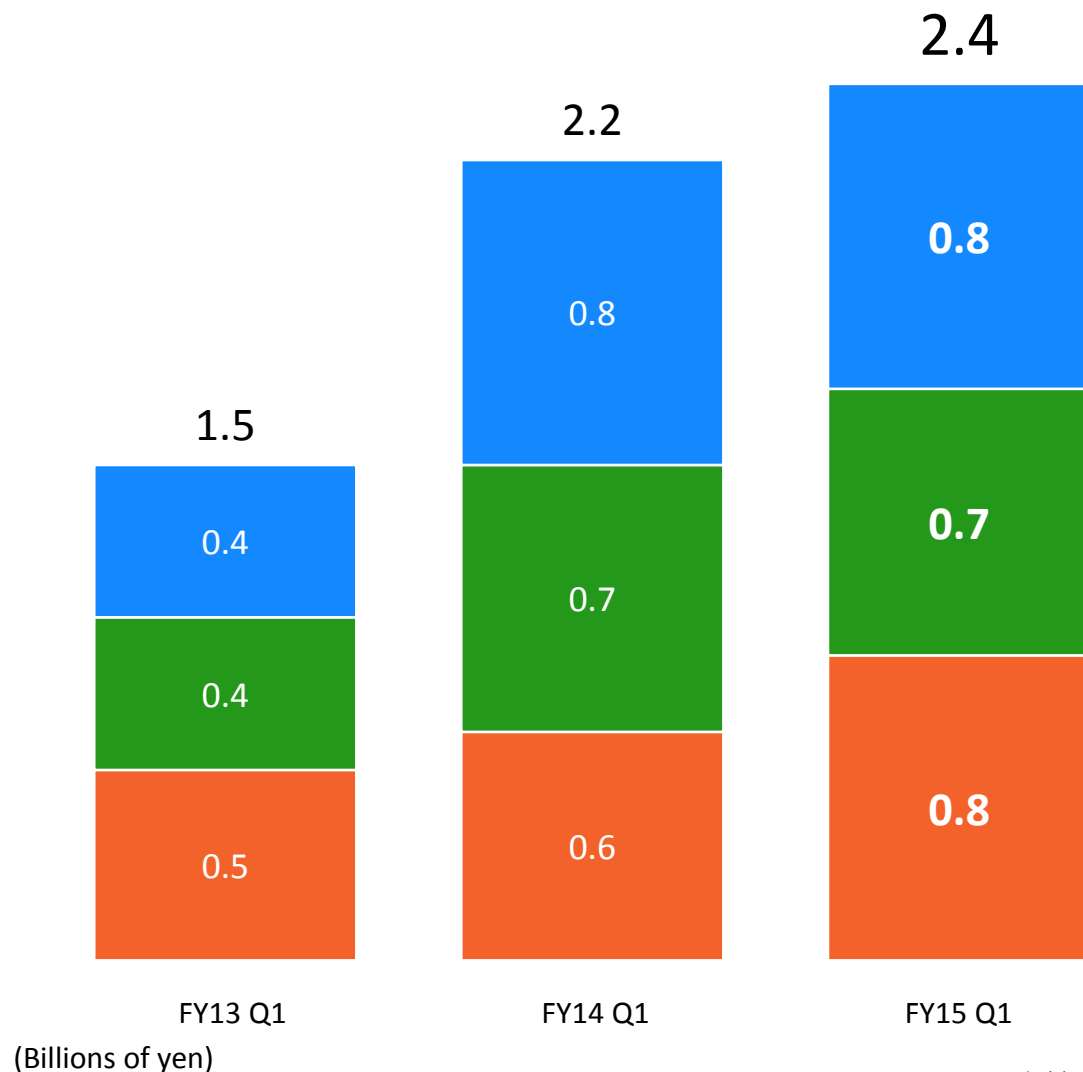
Year-on-year: +**230** million yen, +**10.5%**

FY15 Q1 operating income **180** million yen

Year-on-year: +**40** million yen, +**34.9%**

Increase in fixed costs resulting from  
M&A and an increase in personnel.

The marginal profit ratio was 3.9  
points higher than FY14 Q1.



## Platform solutions



Marginal profit **800** million yen  
Year-on-year: +18 million yen, +2.2%

## System solutions



Marginal profit **700** million yen  
Year-on-year: (13) million yen, (1.9)%

## Digital marketing



Marginal profit **800** million yen  
Year-on-year: +230 million yen, +36.1%

↑Improvement in marginal profit ratio

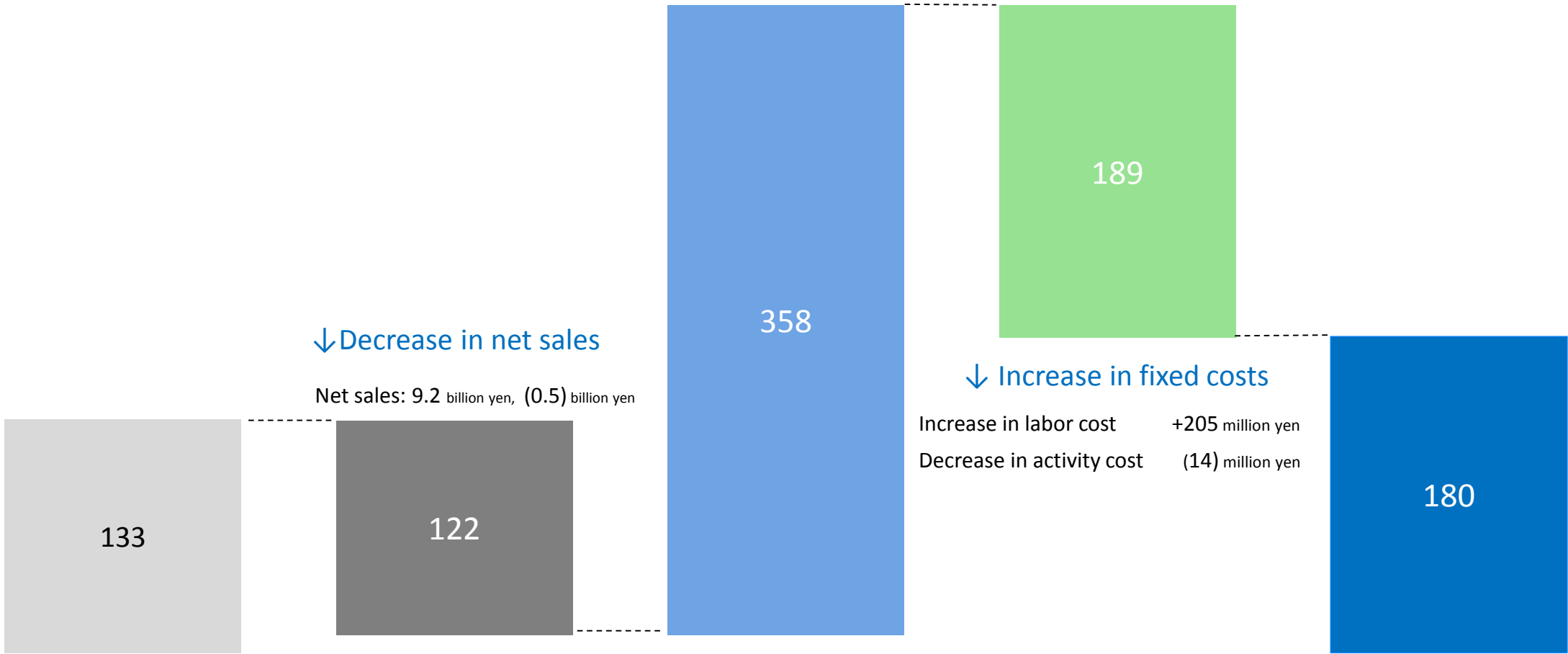
Marginal profit: 2.4 billion yen, +3.9Pts

↓Decrease in net sales

Net sales: 9.2 billion yen, (0.5) billion yen

↓ Increase in fixed costs

Increase in labor cost +205 million yen  
Decrease in activity cost (14) million yen

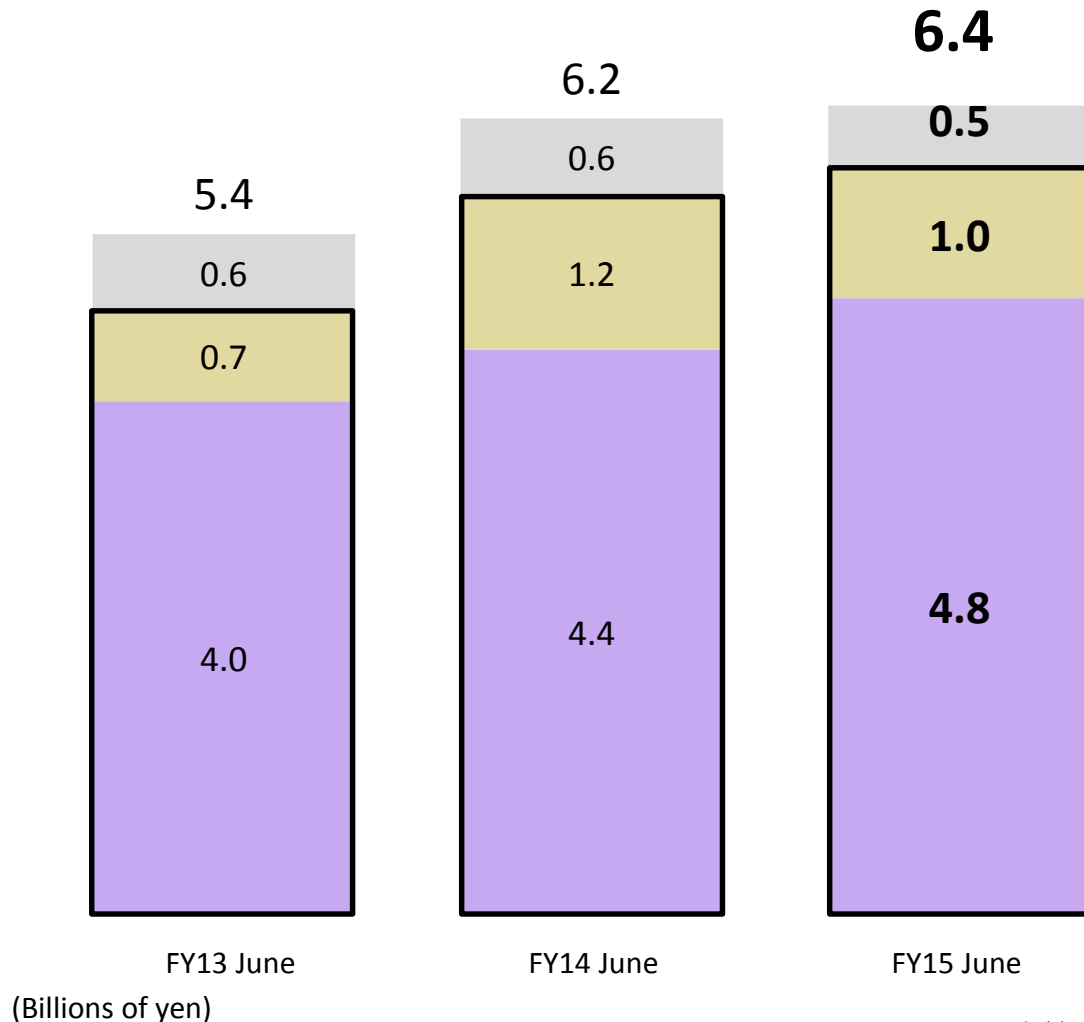


FY14 Q1 Operating income

FY15 Q1 Operating income

(Millions of yen)

	(Billions of yen)	FY15 Q1-end	FY14 Q1-end	Amount of change
Cash flows from operating activities		2.31	0.72	+1.59
Cash flows from investing activities		(0.18)	(1.74)	+1.56
Cash flows from financing activities		(0.37)	1.94	(2.32)
Cash and cash equivalents at end of period		7.47	4.67	+2.79



Order backlog (end-June 2015)  
**6.4 billion yen**  
Year-on-year: +120 million yen, +2.0%

Orders for development, operation and maintenance, but for hardware sales, increased 4.1% year-on-year.

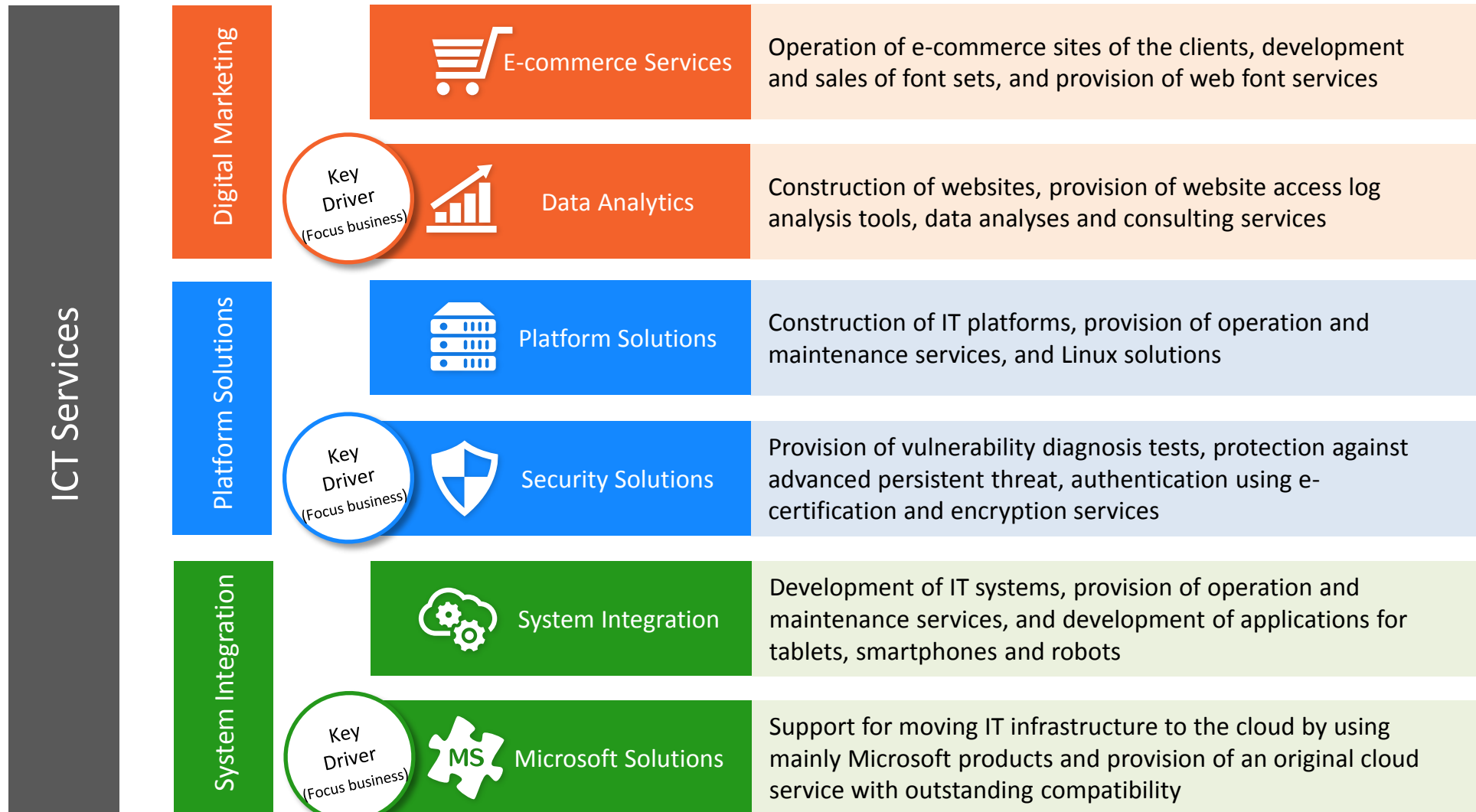
Hardware sales ➡ (100) million yen, (16.9)%

Development ➡ (140) million yen, (11.5)%

Operation and services ➡ +370 million yen, +8.4%

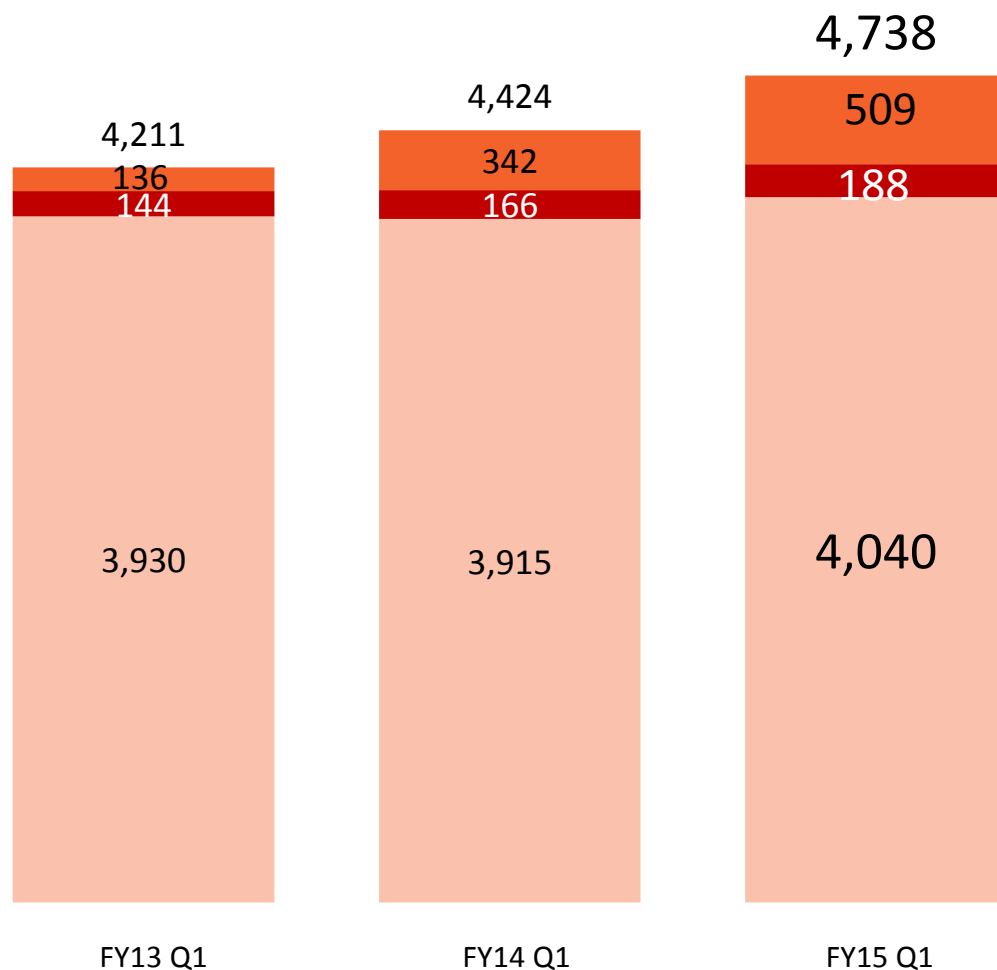
The background of the slide features a soft-focus image of a wind turbine standing in a field of green trees. The sky is a clear, bright blue, and several birds are seen in flight, scattered across the upper half of the frame. The overall aesthetic is clean and modern, with a focus on nature and sustainable energy.

# Business Overview





- Symantec Store sales (Japan)
- Symantec Store sales (Asia)
- Font/other e-commerce services sales



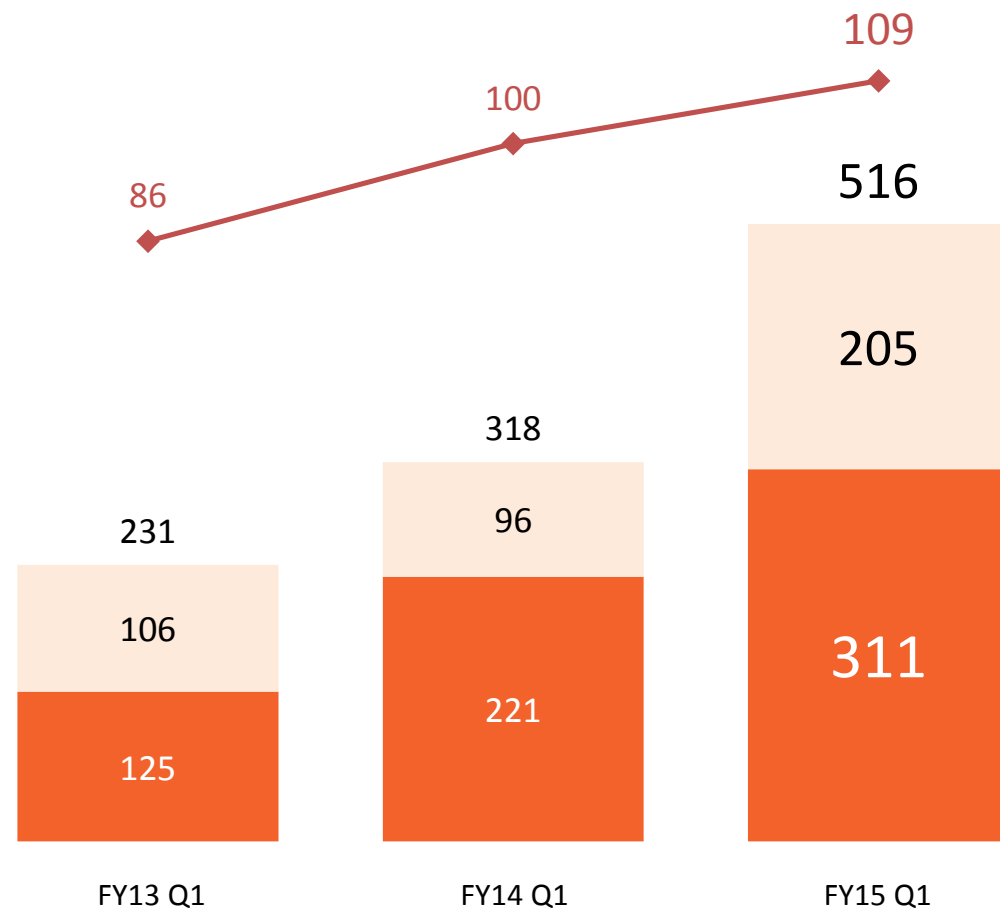
Sales in the Symantec Store business were strong.

Year-on-year: +146 million yen, +3.6%

To maintain profitability, various measures are promoted including the introduction of IT systems to improve operating efficiency.



- Project revenue (license sales/individual development projects)
- Consistent revenue (analysis tools/consulting/operation and maintenance services)
- Number of clients (companies)



(Millions of yen)

FY15 Q1 consistent revenue: **311** million yen

Year-on-year: +89 million yen, +40.3%

Highlights**-Established the Digital Marketing Department**

Strengthening sales strategies and raising awareness of SoftBank Technology's Digital Marketing services by using a team dedicated exclusively to these tasks

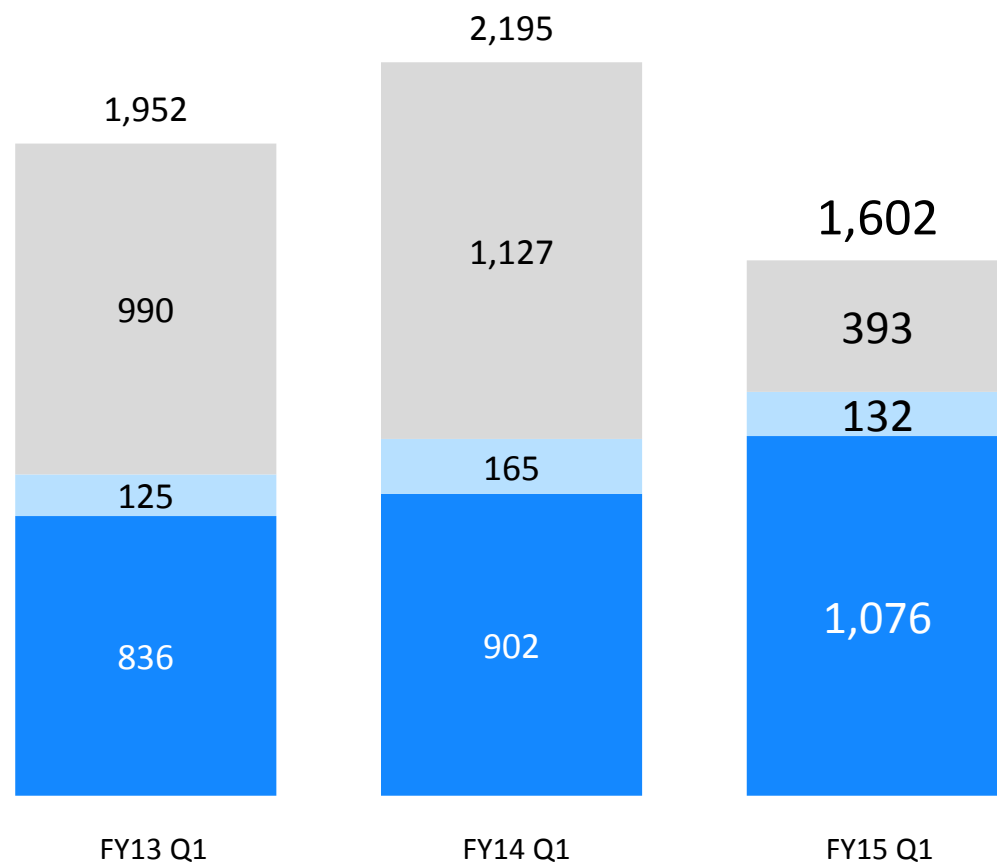
**-Expand the lineup of original services**

- April 16 "Miyasui Kaiseki" web analysis tool for the public-sector public-service companies
- May 13 The AdMetrics the measurement of advertising effectiveness
- May 15 Support for building digital marketing frameworks<sup>\*1</sup>

<sup>\*1</sup> A fully integrated support service for building a digital marketing platform that uses SoftBank Technology's knowledge and experience involving the introduction of new services and solving problems. Centering on the next-generation CMS that build on the cloud platform, this service encompasses website strategy proposals, access analysis, targeting, security measures, multi-language and global capabilities, web font services and other components.



- Project revenue (hardware/software sales)
- Project revenue (system construction/consulting)
- Consistent revenue (operation and maintenance/support)



Steady growth of sales from operation and maintenance services.

FY15 Q1 consistent revenue: **1.0** billion yen  
Year-on-year: +173 million yen, +19.2%

-Hardware sales to SoftBank Group companies declined sharply from FY14 Q3 onward.



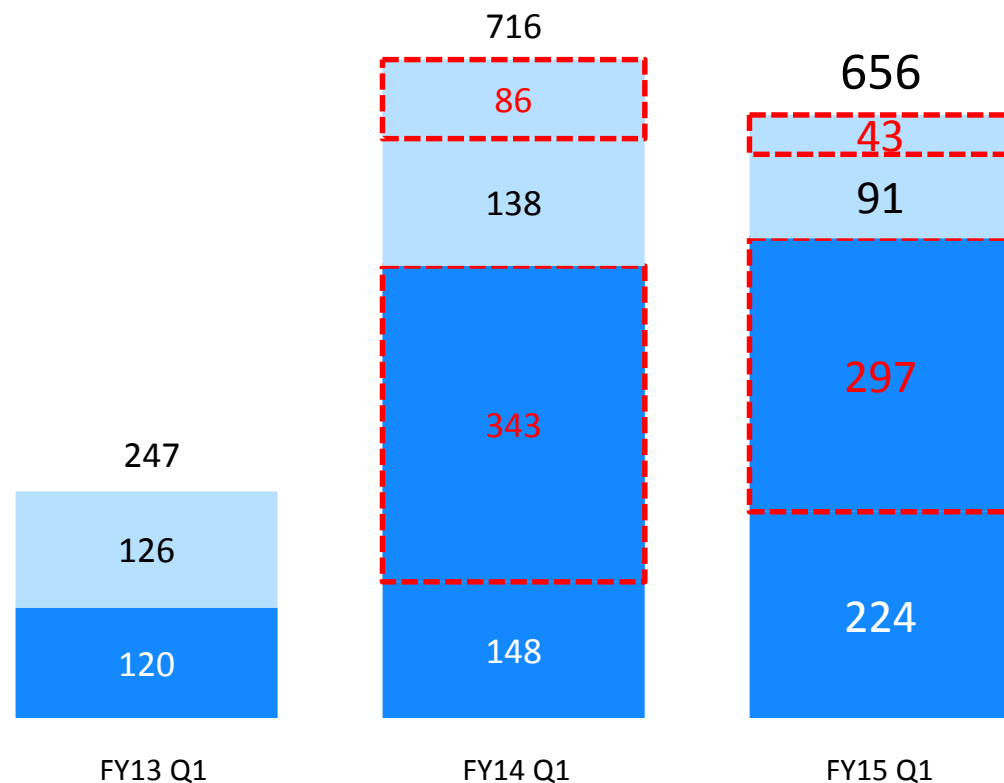
■ Project revenue (CT) (vulnerability diagnoses/individual development projects)

■ Project revenue (SBT) (hardware sales/system construction)

■ Consistent revenue (CT) (certification service)

■ Consistent revenue (SBT) (operation and maintenance services)

FY15 Q1 consistent revenue: **521** million yen  
Year-on-year: +29 million yen, +6.1%



### Highlights

#### -Extensive activities to raise awareness of the need for security solutions

**Announced 11 vulnerability diagnosis reports** (April 1 to July 29, 2015)  
Also posted reports at the Information Technology Promotion Agency

#### -Expand more original services and security products

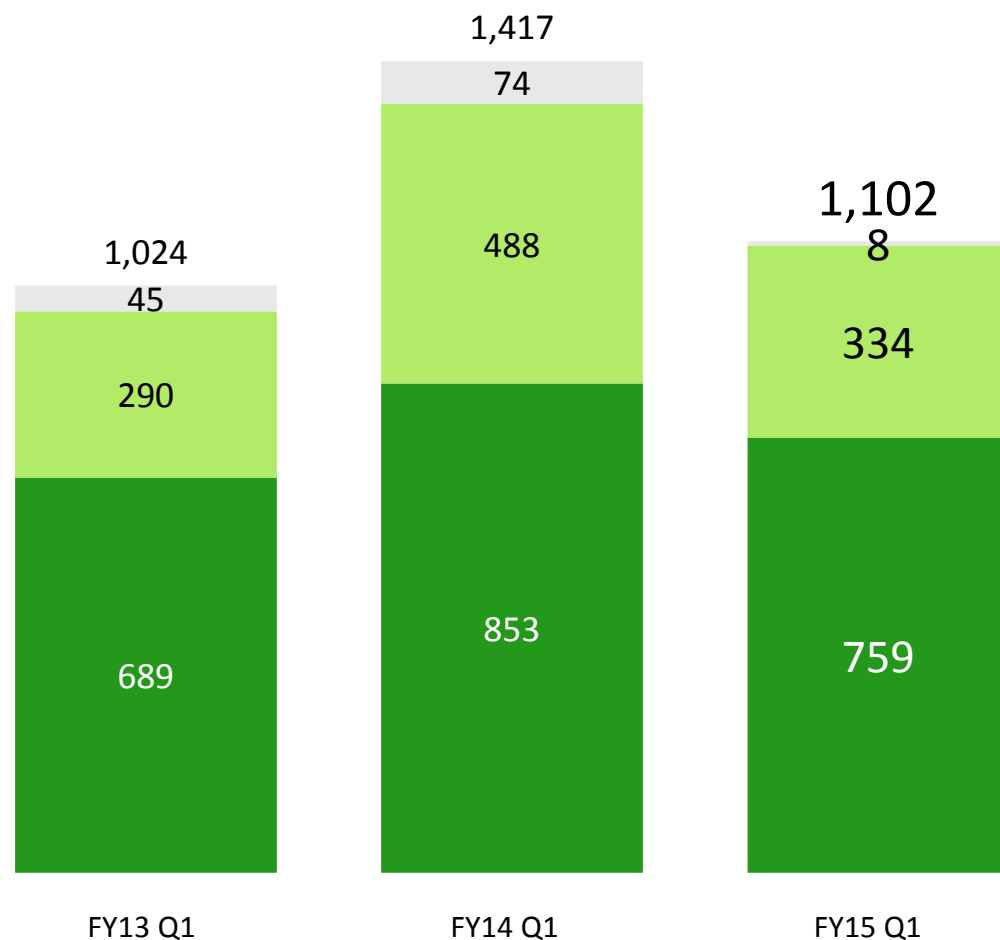
May 11 Public Opened Email Protection (PEP) service  
May 29 The Imperva Incapsula web security service  
July 15 FireEye + i-FILTER for Advanced Persistent Threat and countermeasures solution

#### -Diversification of the e-certification business

June 1 Established the Secure Drone Consortium for enabling the use of drones for agriculture  
July 7 Formed an alliance with DigiCert to increase sales in Eastern Asia and Japan



- Project revenue (hardware and software sales)
- Project revenue (development projects)
- Consistent revenue (operation and maintenance services)

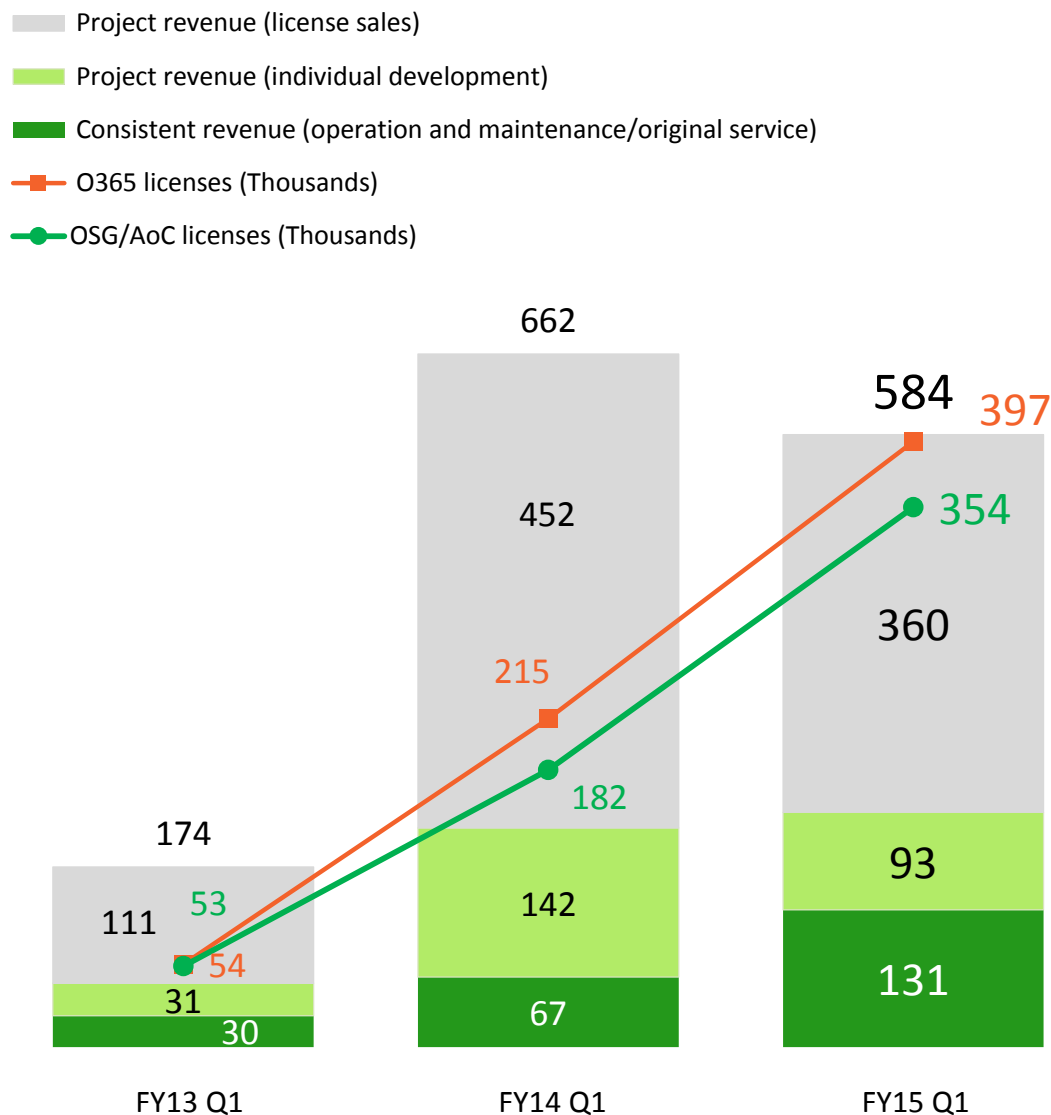


FY15 Q1 project revenue (development projects):

**334** million yen

Year-on-year: (154) million yen, (31.5)%

-Decreases in project revenue (development projects) and consistent revenue from SoftBank Group companies.



FY15 Q1 consistent revenue: **130** million yen

Year-on-year: +63 million yen, up about 100%

### Highlights

#### -Number one in the deployment of Office 365 for enterprises

The number of Microsoft Solutions users continues to grow rapidly

Cumulative number of Office 365 licenses exceeded 390,000 (+84%)

Cumulative number of our original service licenses<sup>\*1</sup> exceeded 350,000 (+94%)

#### -Awards from two companies

The Office 365 Sales Award of the Microsoft Champ Program<sup>\*2</sup>

Territory Partner of the Year Award (APAC/MEA)<sup>\*3</sup>

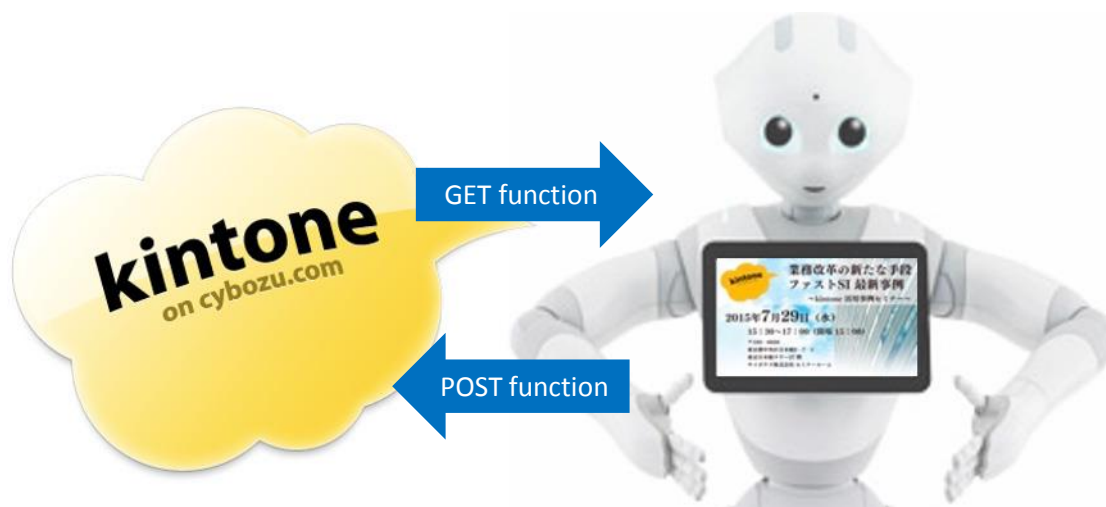
<sup>\*1</sup> Total number of licenses for our original services ADFS on Cloud and Online Service Gate.

<sup>\*2</sup> Microsoft Champ is the Japanese name of the Microsoft program for its global partners. There is a sales and a technology winner in each of three categories. SoftBank Technology won an award in the Office 365 sales category.

<sup>\*3</sup> This award is given by BitTitan (a vendor of migration tools) to the best partner in the Asia-Pacific/Middle East/Africa region based on the volume of migration from Google Apps to Office 365 using BitTitan tools.



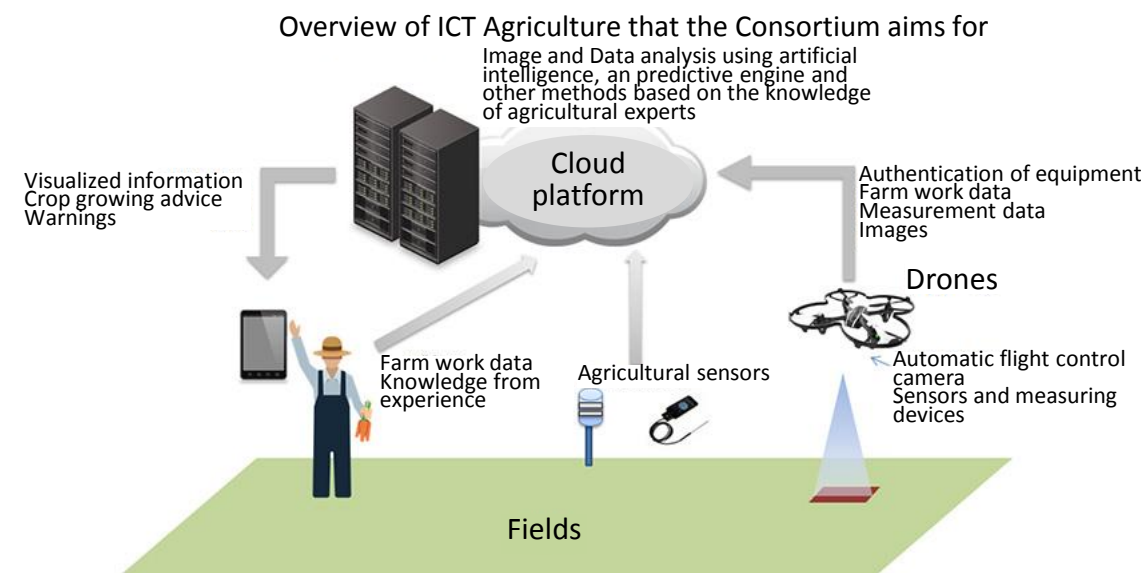
## Pepper x kintone data linkage



Pepper is the world's first personal robot capable of recognizing and reacting to emotions. It was developed by SoftBank Robotics Corp. and Aldebaran. This robot has been linked with kintone, an app development platform created by Cybozu, Inc. Even people with no system development skills, such as administrative or marketing personnel, can easily give Pepper instructions about what to say and do. For example, Pepper can collect questionnaires from customers at a store and then perform analysis and prepare reports on a real-time basis.



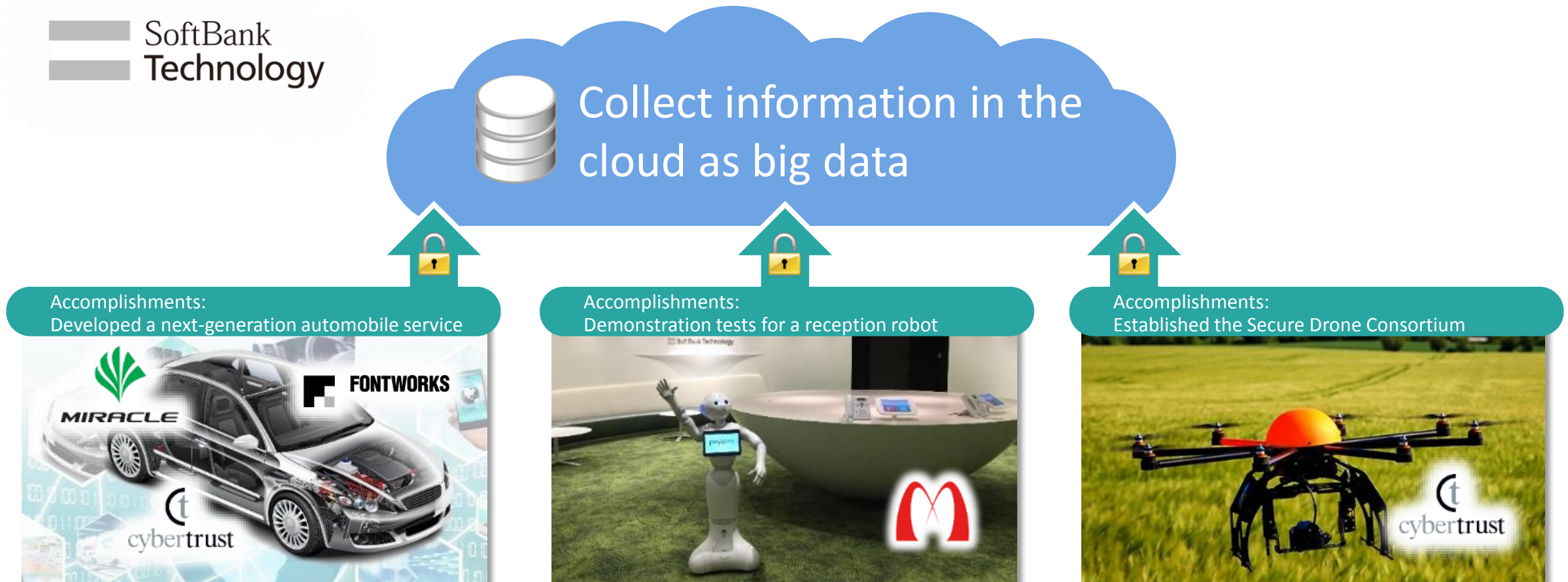
## Established the Secure Drone Consortium



The Secure Drone Consortium was formed by six companies to establish an environment for safe and secure system operations and secure cloud services. The member companies have ICT expertise and experience in the fields of drone or security technologies, IoT cloud and embedded software technologies, and energy management systems. A variety of demonstration tests are planned to establish environments for safe drone system operations and data transmissions.



SoftBank Technology is developing an IoT platform service for securing data linkage and creation of added value.



The background of the slide features a soft-focus image of a wind turbine standing in a field of green trees. The sky is a clear, bright blue, and several birds are seen in flight, scattered across the upper half of the frame. The overall aesthetic is clean and modern, with a focus on nature and technology.

# Financial Data

The highest sales and earnings are usually in the second and fourth quarters.

(Millions of yen)

	FY13					FY14				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Net Sales	7,840	8,446	9,408	11,256	36,951	9,734	9,944	8,961	11,177	39,816
Composition (%)	21.2%	22.9%	25.5%	30.5%	100%	24.4%	25.0%	22.5%	28.1%	100%
Operating income	163	407	176	623	1,370	133	439	57	768	1,398
Composition (%)	11.9%	29.7%	12.9%	45.5%	100%	9.5%	31.4%	4.1%	55.0%	100%

Consolidated results		FY14 Q1		FY15 Q1		YoY change	
		Amount (Millions of yen)	Ratio	Amount (Millions of yen)	Ratio	Amount (Millions of yen)	Ratio
Net sales		9,734	-	9,201	-	(532)	(5.5)%
	Digital Marketing	4,743	-	5,254	-	+511	+10.8%
	Platform Solutions	2,911	-	2,259	-	(652)	(22.4)%
	System Integration	2,078	-	1,687	-	(391)	(18.8)%
Cost of sales		8,471	-	7,752	-	(719)	(8.5)%
Gross profit		1,262	13.0%	1,448	15.7%	+186	+14.7%
SG&A expenses		1,128	-	1,268	-	+139	+12.4%
Operating income		133	1.4%	180	2.0%	+46	+34.9%
Non-operating income (loss)		2	-	5	-	+2	-
Ordinary income		135	1.4%	185	2.0%	+49	+36.3%
Extraordinary gains (losses)		(0)	-	4	-	+4	-
Profit attributable to owners of parent		74	0.8%	78	0.9%	+4	+6.3%
Marginal profit		2,242	23.0%	2,478	26.9%	+235	+10.5%
Fixed costs		2,108	-	2,298	-	+189	+9.0%
Non-consolidated order backlog		6,279	-	6,407	-	+127	+2.0%

Consolidated results (Millions of yen)		FY14 Q1	FY15 Q1
Digital Marketing	Net sales	4,743	5,254
	Marginal profit	638	869
	Margin	13.5%	16.5%
	(1) E-commerce services	Net sales	4,424
		Marginal profit	515
		Margin	11.6%
	(2) Data analytics <span>Focus business</span>	Net sales	318
		Marginal profit	123
		Margin	38.9%
Platform Solutions	Net sales	2,911	2,259
	Marginal profit	873	892
	Margin	30.0%	39.5%
	(1) Platform solutions	Net sales	2,195
		Marginal profit	496
		Margin	22.6%
	(2) Security solutions <span>Focus business</span>	Net sales	716
		Marginal profit	376
		Margin	52.6%
System Integration	Net sales	2,078	1,687
	Marginal profit	730	716
	Margin	35.1%	42.5%
	(1) System integration	Net sales	1,417
		Marginal profit	564
		Margin	39.8%
	(2) Microsoft solutions <span>Focus business</span>	Net sales	661
		Marginal profit	165
		Margin	25.0%

Amount of change	Ratio of change
+511	+10.8%
+230	+36.1%
+3.1 Pts	-
+313	+7.1%
+152	+29.6%
+2.4 Pts	-
+198	+62.2%
+78	+63.1%
+0.2 Pts	-
(652)	(22.4)%
+18	+2.2%
+9.5 Pts	-
(593)	(27.0)%
+51	+10.3%
+11.6 Pts	-
(59)	(8.3)%
(32)	(8.6)%
(0.2) Pts	-
(391)	(18.8)%
(13)	(1.9)%
+7.3 Pts	-
(314)	(22.2)%
+16	+2.8%
+12.8 Pts	-
(77)	(11.7)%
(29)	(17.9)%
(1.8) Pts	-

The background of the slide features a bright, hazy sky with several birds in flight. In the lower portion, there is a blue-tinted image of a wind turbine standing in a field of trees.

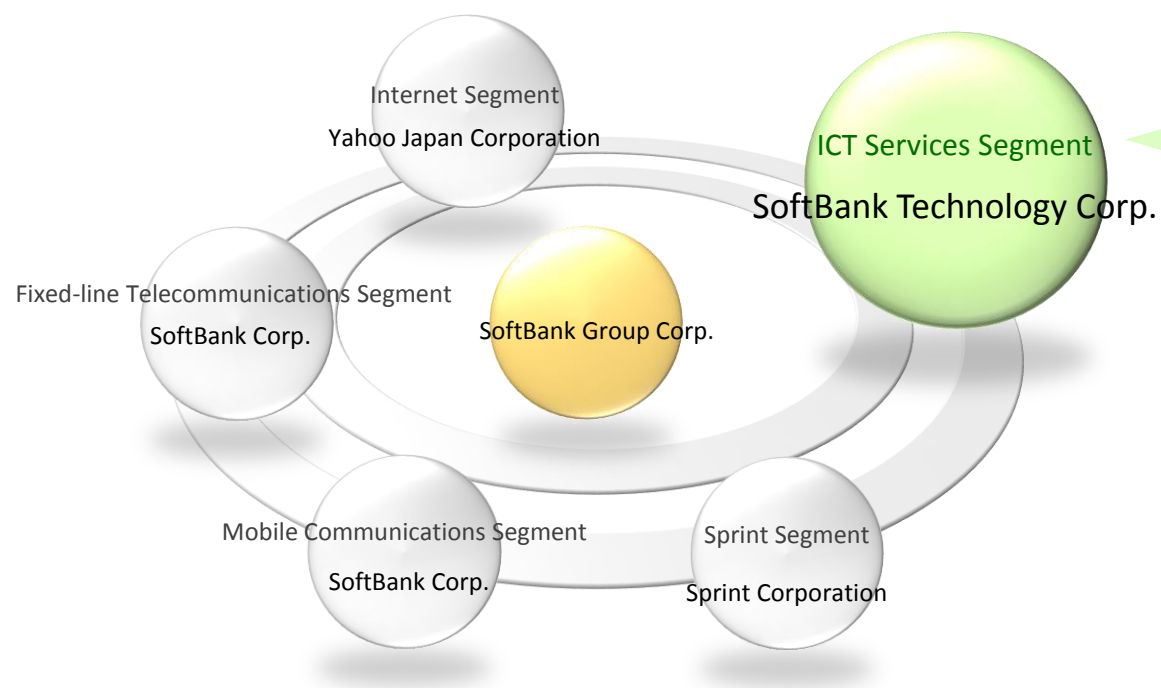
# Appendix

Supplementary explanations of SoftBank Technology Group profile, Business Fields and Focus Businesses

# SoftBank Technology's Role within the SoftBank Group

## Information Revolution – Happiness for everyone

Become the corporate group needed most by people around the world



Shinichi Ata

President & CEO

SoftBank Technology Corp.

Information Revolution –Happiness for everyone  
Harnessing the power of Technology to build a Brighter  
future

Since its founding, the SoftBank Group has been using the Information Revolution to contribute to wellbeing of people and society.

As the ICT services provider of the SoftBank Group, SoftBank Technology will continue to take on the challenge of using advanced technologies to create added value that meet our clients' requirement.

\*On April 1, 2015, SoftBank Mobile Corp. absorbed SoftBank BB Corp., SoftBank Telecom Corp., and Ymobile Corporation in a merger.

\*On July 1, 2015, SoftBank Corp. renamed SoftBank Group Corp., and SoftBank Mobile Corp. renamed SoftBank Corp.

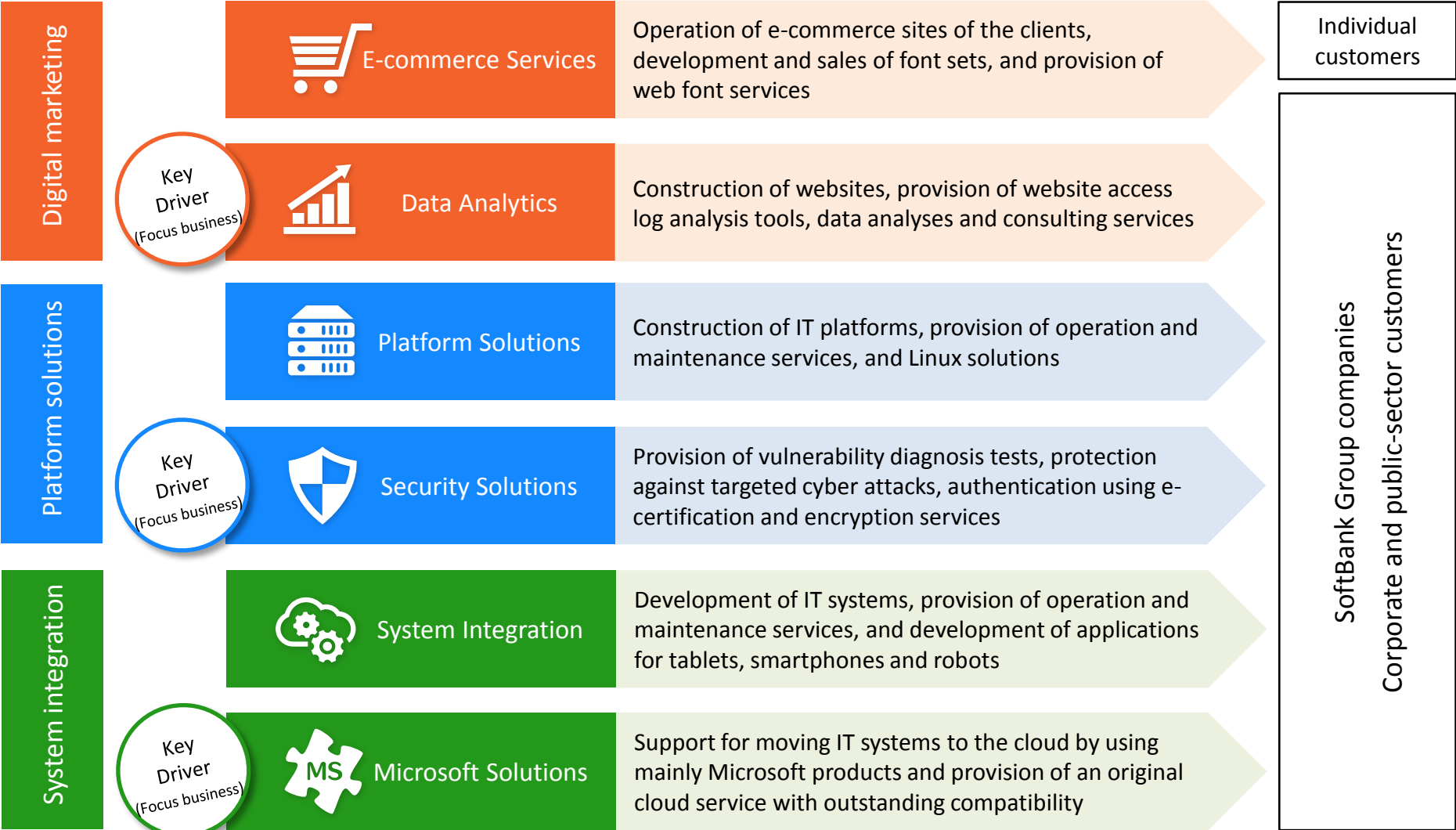
# Corporate Data

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	645 million yen (end-March 2015)
Consolidated net sales	39,816 million yen (end-March 2015)
Number of employees (consolidated)	833 (end-March 2015)
Business sites	Shinjuku Office (Headquarters), Shiodome Office, Shiodome Development Base, Nagoya Office, Osaka Branch, Fukuoka Branch, Fukuoka Development Center, Taiwan Branch
Main business	ICT Services E-commerce Services, Data Analytics, Platform Solutions, Security Solutions, System Integration, Microsoft Solutions
Main phone number	+81-3-6892-3050
Certification	 

Scope of ISMS Certification: Shinjuku Headquarters, and facilities in Shiodome, Osaka and Fukuoka

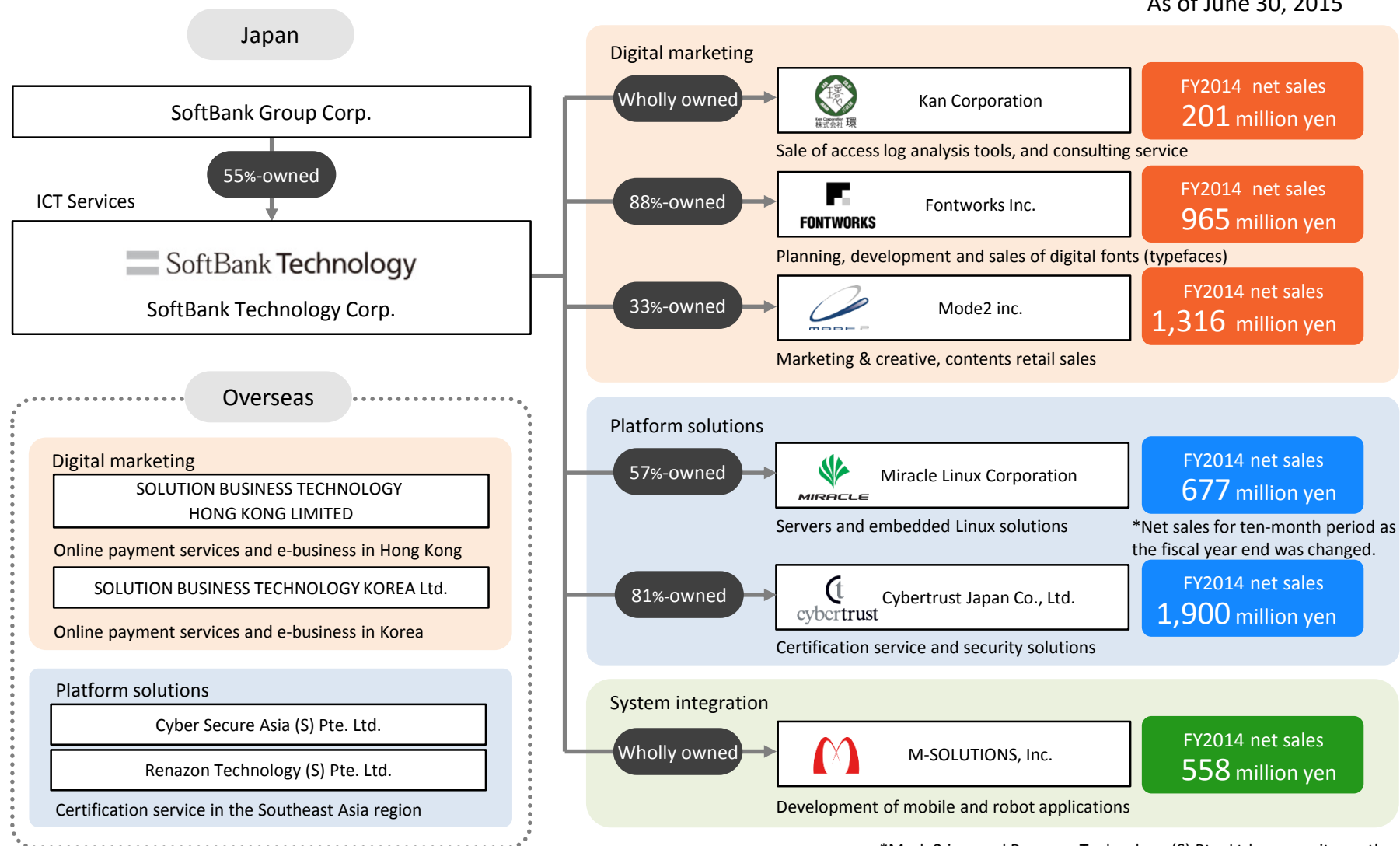
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# Business Fields



# Outline of the SoftBank Technology Group

As of June 30, 2015



\*Mode2 inc. and Renazon Technology (S) Pte. Ltd. are equity-method affiliates, and others are consolidated subsidiaries (excluding SoftBank Group Corp.).

\*Investment ratio: percentage of voting rights rounded down to the nearest integer.

# Key Driver: Data Analytics

SoftBank  
Technology data  
analytics

Knowhow for the use of data from the system integration business since its founding, and expertise in web access analytics, which started in 2000.

SoftBank Technology uses this experience in two contrasting fields to help protect and expand customers' business activities.

The advantages of  
SoftBank Technology

Data scientists with a high – level of expertise in specific industries

Knowledge and experience regarding web access analysis, advertising effectiveness measurements, log analysis and other activities

Fully integrated capabilities extending from development and construction to data analysis

Major customers

Manufacture industry	NIDEC CORPORATION, etc.
Retail and service industry	ASKUL Corporation, Nissen Co., Ltd., etc.
Public-sector and education industry	Business Breakthrough, Inc. and other public-sector customers

Three steps for the utilization of data



Step 1.  
Collection of data

Step 2.  
Visualization and  
analysis

Step 3.  
Utilization and  
optimization

Marketing solutions  
(sales contribution)

Data integration

BI

Content optimization

Access analysis

Analysis

Personalization

System integration  
(strengthen governance)

Big data platform

Log integration

System management

Operation and management  
of applications

# Key Driver: Security Solutions

SoftBank  
Technology  
security solutions

Network security experience since our founding along with specialized knowledge gained from using internally the latest advances in technology and original services. With these strengths, we provide ways to deal with security risks to help ensure the safety of customers' business activities.

## Three steps for protecting companies from internal and external threats



Step 1.  
Security diagnostics  
and consulting

Step 2.  
Log management  
and utilization

Step 3.  
Implement security  
solutions

Targeted, watering hole, zero-day and other attacks (internal and external)

Improper or illegal internal activities, use of private PCs, accidents, negligence, etc. (internal threats)

Accurately determine the current situation through the partial introduction and diagnosis, and consulting services.

Use our original data analysis and other services to establish an efficient and effective PDCA cycle.

Install the most suitable security products based on each customer's business model, the number of devices supervised and other characteristics.

## The advantages of SoftBank Technology

A team of specialists with security expertise in security attack methods and countermeasures, and operations support professionals

Accomplishments and wide range of knowledge backed over 15 years of experience in the security solutions field

Comprehensive security solutions covering from development to data analysis

## Major customers

Financial industry	Fukuoka Hibiki Shinyo Kinko Bank, etc.
Information technology and communications industry	SEGA Corporation, etc.
Public sector	National Institute of Advanced Industrial Science and Technology, etc.

# Key Driver: Microsoft Solutions

SoftBank  
Technology  
Microsoft  
solutions

Cloud infrastructure integration support for customers backed by high-level expertise from using Microsoft cloud products since 2009. Support includes the introduction of cloud services, security measures with comprehensive services from system development to operations and monitoring.

## Three steps for moving a system infrastructures to the cloud



Step 1.  
Mail system

Step 2.  
Information  
sharing platform

Step 3.  
Hybrid Cloud

Move current system to  
the cloud (higher  
efficiency, lower cost)

Build a new system on  
the cloud (faster  
construction, better  
availability)

Enable the use of familiar  
Office application on the  
cloud and our original  
services for the best  
possible access control.

Build a cloud platform for  
distributing and sharing  
information involving work  
flows, internal portals and  
other items.

24-hour/365-day  
operation and monitoring  
of a company's  
information system  
infrastructure established  
on premise and on cloud.

## The advantages of SoftBank Technology

Number one in the deployment of  
Office 365 for enterprise in Japan

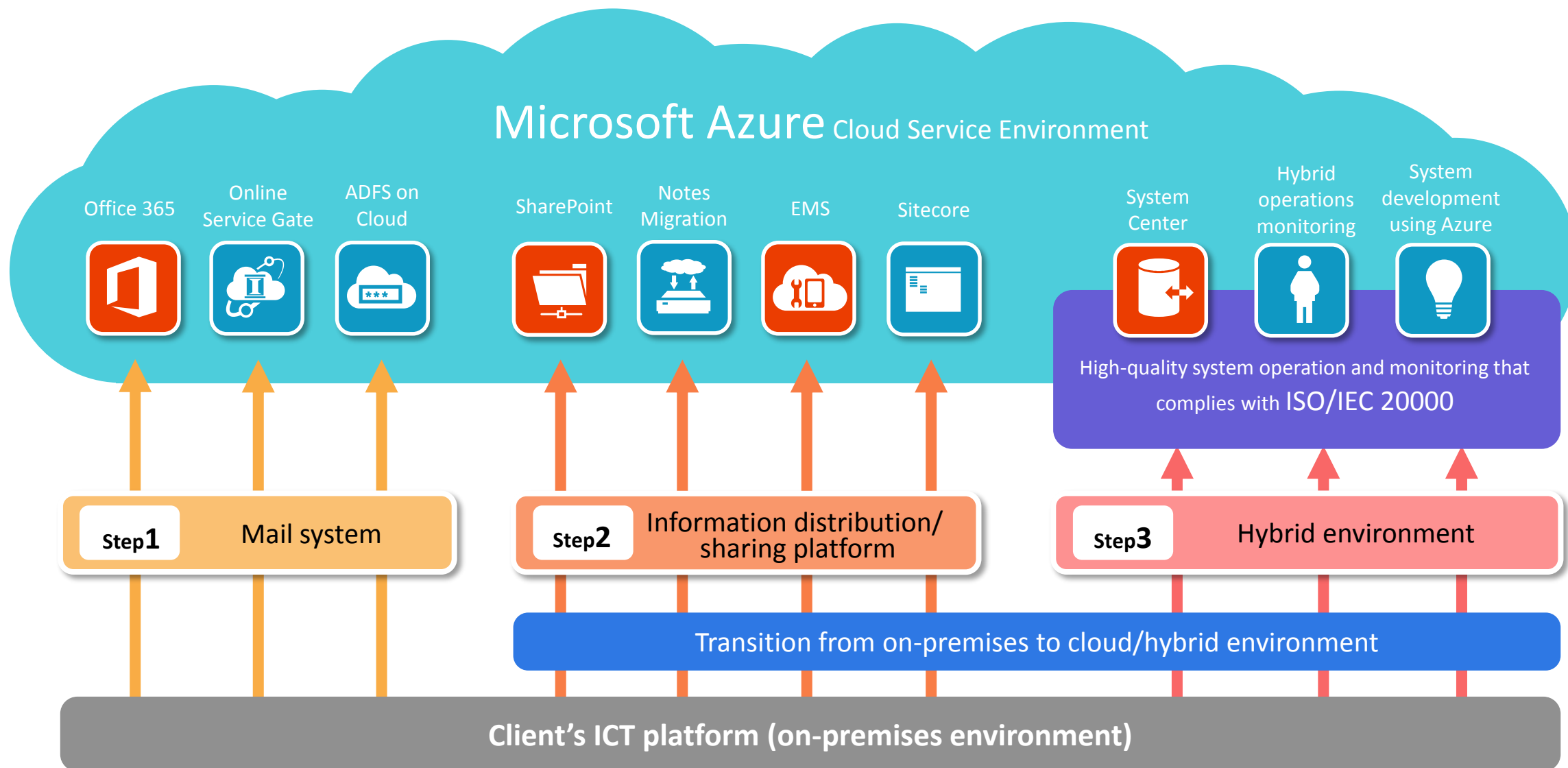
Many original services that work best  
with the cloud products of Microsoft

Extensive product knowledge and the  
technology and development skills to  
precisely meet the requirements of  
enterprise customer

## Major customers

Manufacture and building industry	CALSONIC KANSEI CORPORATION, KAJIMA CORPORATION, etc.
Retail and service industry	Nitori Co., Ltd., BOOKOFF CORPORATION LIMITED, etc.
Public sector and medical industry	Medical Corporation Tesshokai Kameda Medical Center, and other public- sector customers

# Key Driver: Microsoft solutions



# Information Revolution –Happiness for everyone

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

## The SoftBank Technology Group



SoftBank Technology



M-SOLUTIONS



Fontworks



Kan



Cybertrust Japan



Miracle Linux



Mode2