Second Quarter of the Fiscal Year Ending March 31, 2016 (FY2015 Q2)

Results of Operations

October 29, 2015 SoftBank Technology Corp.

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Important Information about this Presentation

- 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 ecommerce 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

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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- 1. Results Overview P4
- 2. Business Overview P17
- 3. Overview of Key Drivers P25
- 4. Financial Data P41
- 5. Appendix P47

Results Overview

Consolidated	FY2015 H1 Results Summary
	Comparison with the previous fiscal year

SoftBank
Technology

Earnings were higher due to an increase in sales from operation and services despite the sharp decline in hardware sales from FY14 Q3 onward.

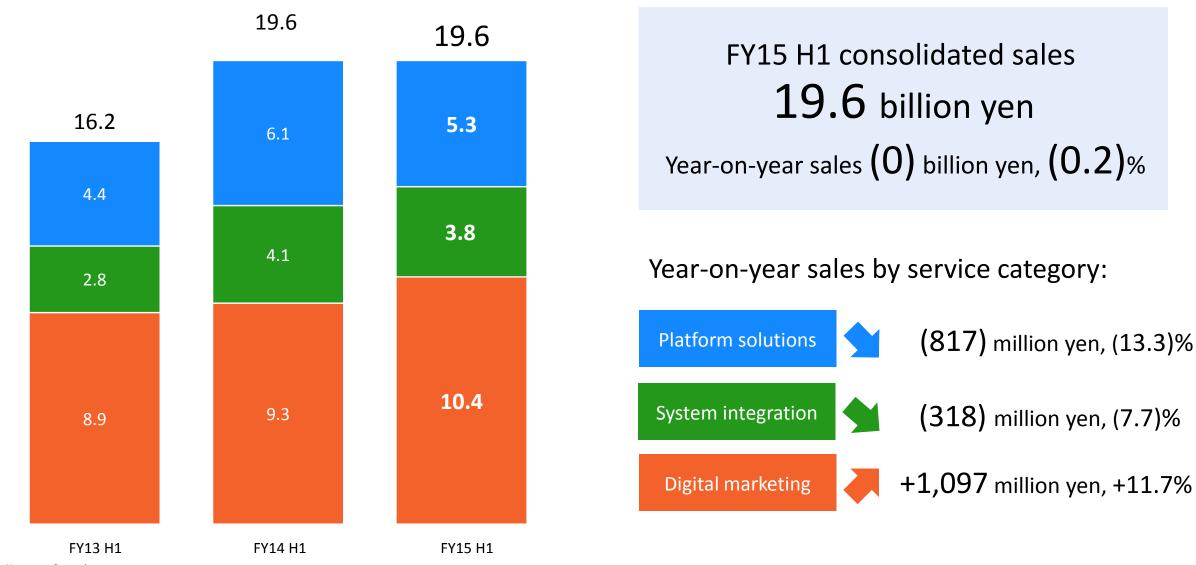
(Millions of yen)	FY15 H1	FY14 H1	Amount of change	Ratio of change
Net sales	19,640	19,678	(37)	(0.2)%
Operating income	650	572	+77	+13.5%
Ordinary income	645	541	+104	+19.3%
Profit attributable to owners of parent	345	330	+14	+4.5%
EBITDA	1,129	1,065	+63	+5.9%

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

Consolidated FY2015 H1 Results Summary Comparison with earnings forecast					SoftBank Technology
Overview • Steady prog					
(Millions of yen)	FY15 H1	Forecast First half	Progress Ratio	Forecast Full year	Progress Ratio
Net sales	19,640	19,500	100.7%	42,000	46.8%
Operating income	650	680	95.6%	1,700	38.3%
Ordinary income	645	640	100.9%	1,600	40.4%
Profit attributable to owners of parent	345	400	86.3%	1,000	34.5%

Consolidated Net Sales by Service Category

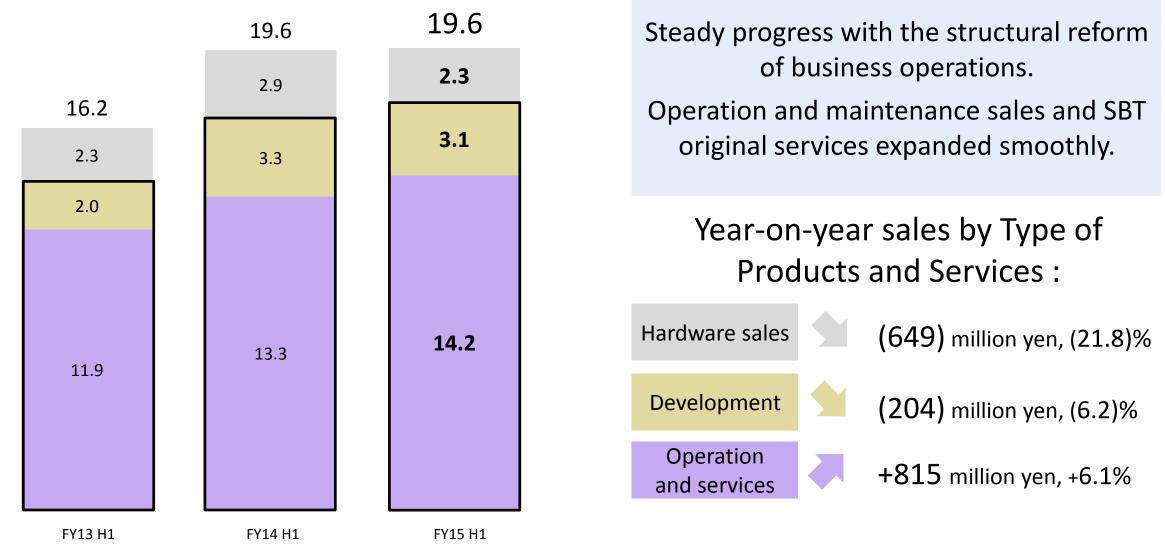




(Billions of yen)

Consolidated Net Sales by Type of Products and Services

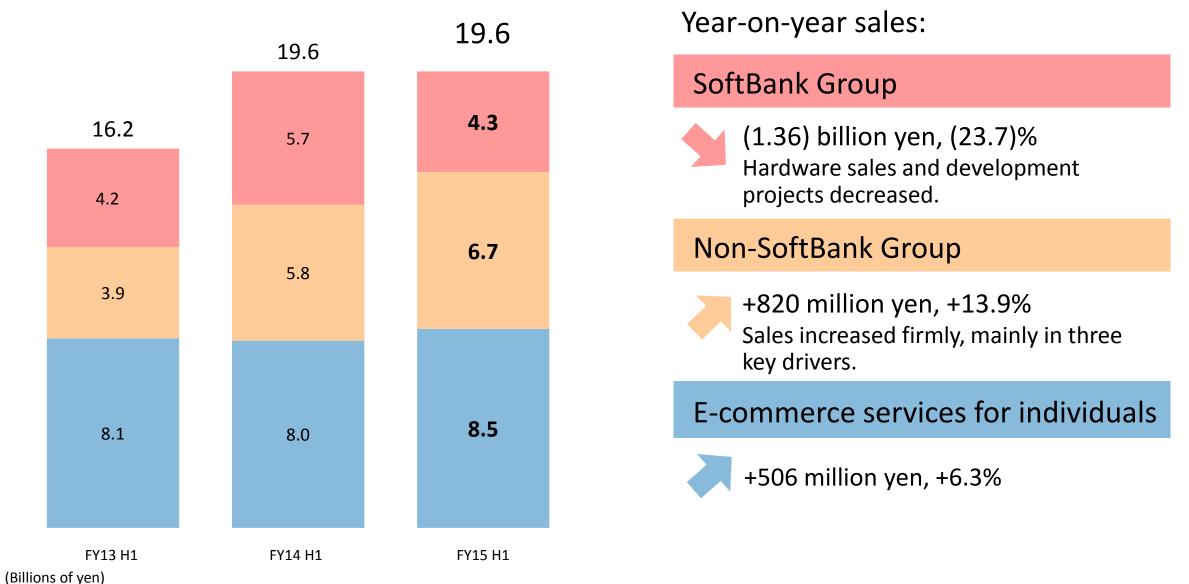




(Billions of yen)

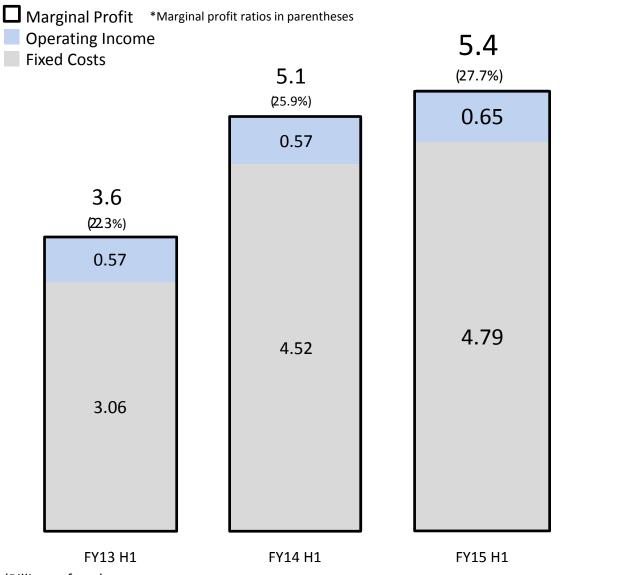
Consolidated Sales to Internal/External Groups





Consolidated Marginal Profit





FY15 H1 marginal profit 5.4 billion yen Year-on-year: +343 million yen, +6.7%

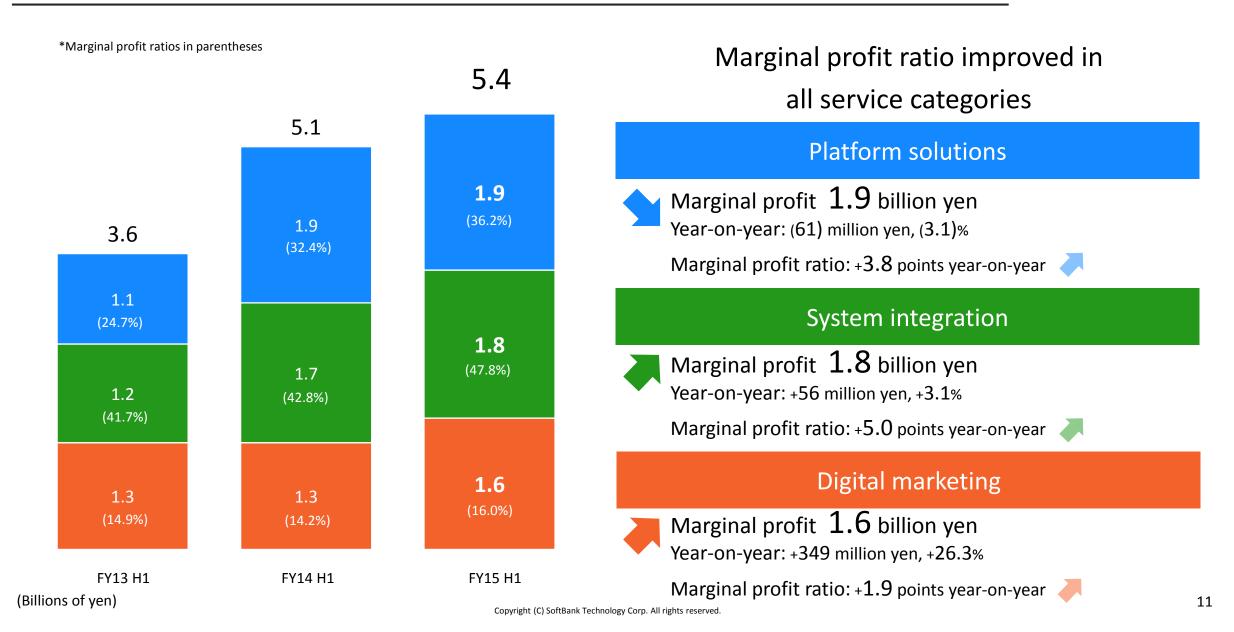
FY15 H1 operating income 650 million yen Year-on-year: +77 million yen, +13.5%

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

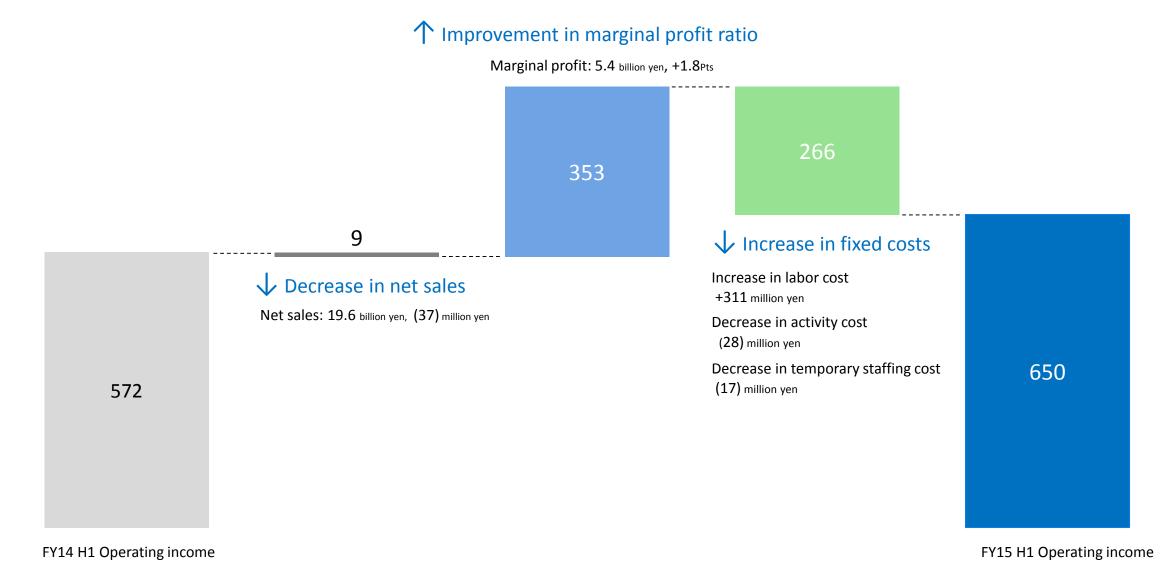
The marginal profit ratio was 1.8 points higher than FY14 H1.

(Billions of yen)







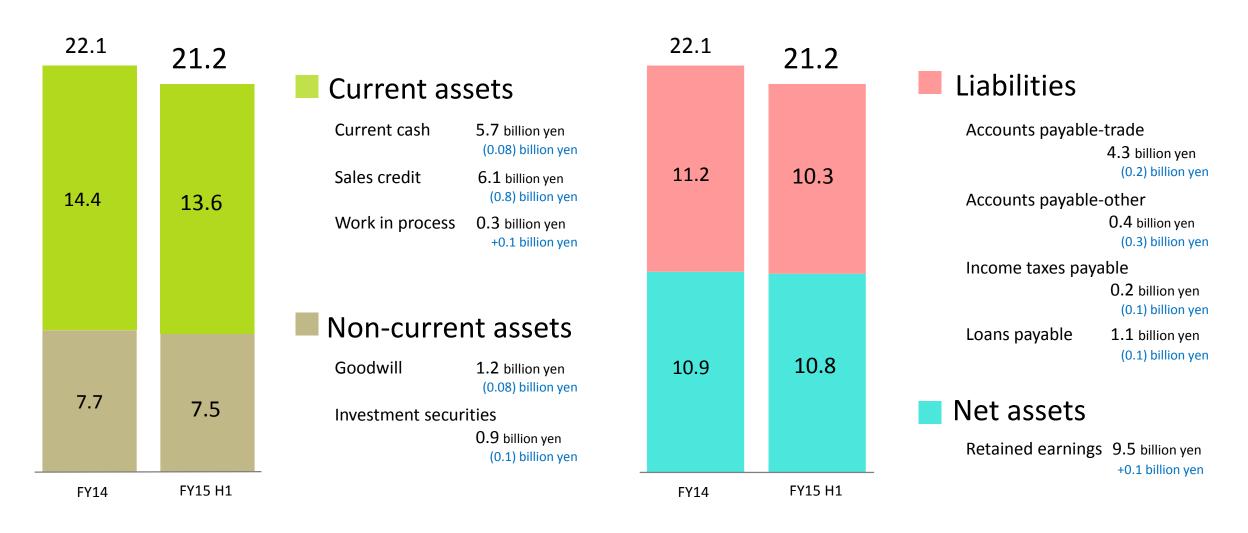


(Millions of yen)

12

Consolidated Balance Sheet Comparison with the previous fiscal year

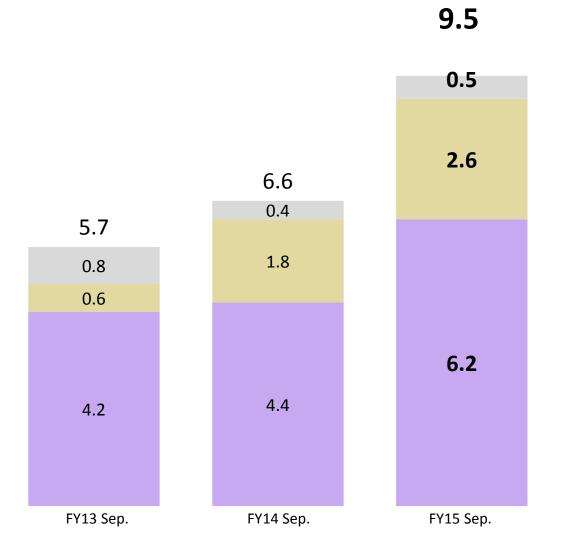




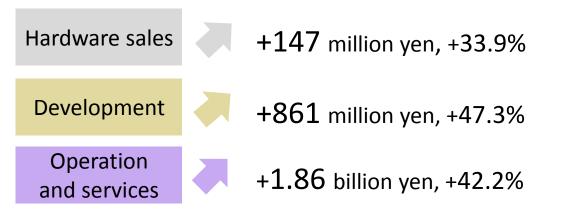


(Billions of yen)	FY15 H1	FY14 H1	Amount of change
Cash flows from operating activities	0.93	1.86	(0.92)
Cash flows from investing activities	(0.31)	(2.19)	+1.87
Cash flows from financing activities	(0.7)	1.81	(2.52)
Cash and cash equivalents at end of period	5.6	5.24	+0.36

Consolidated Order Backlog (excluding orders for e-commerce services)



Order backlog (end-September 2015) 9.5 billion yen Year-on-year: +2.8 billion yen, +43.1% Orders for development, operation and services increased sharply due to receipt of orders for major projects in Q2



(Billions of yen)

SoftBank

Technology

Progress with Improving Project Management



Started the following project management reinforcement initiatives in the previous fiscal year

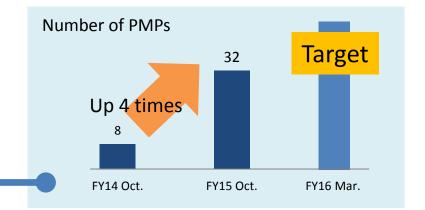
Non-

Consolidated

- 1. Confirm project progress by the Project Management Office (PMO) as needed
- 2. Strengthen project management skills by increasing the number of certified Project Management Professionals (PMPs)
- 3. Accumulate knowledge from experience at many large and multi-faceted projects
- 4. Perform third-party checks using PMO and certified PMPs for individual processes

Benefits of a stronger management framework

- Establishing the best possible teams by assigning project managers with the proper skills for each type of project
- Improving the framework for quick support at projects with a negative outlook
- Reducing repeated and corrective steps by improving project quality



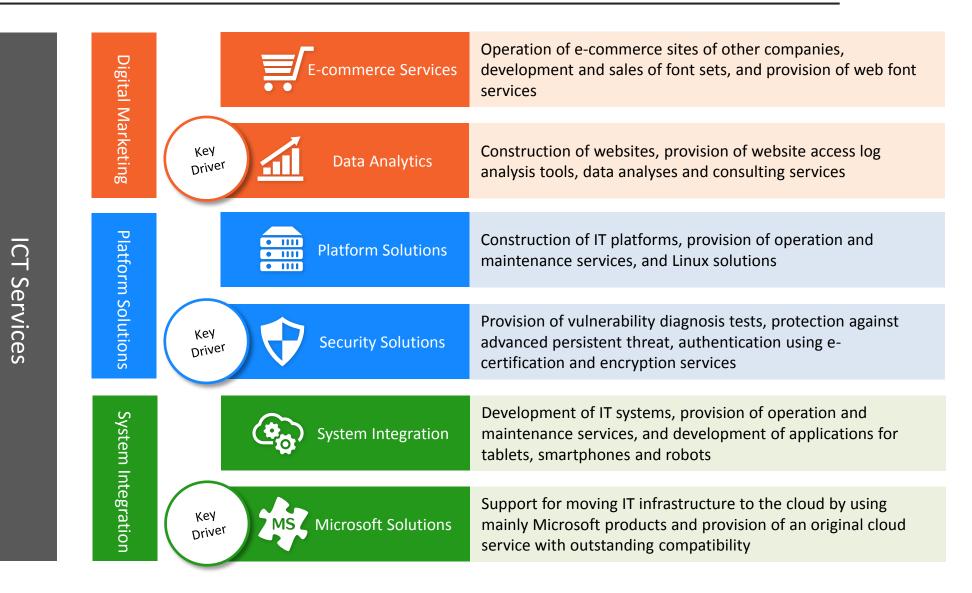
Checking Function For Each Phase of a Project



No new large unprofitable projects in the first half of FY15

Business Overview



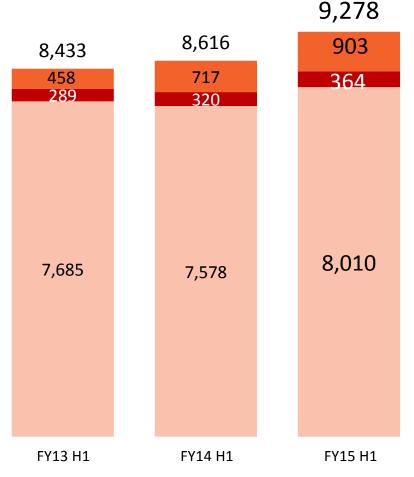




Font/other e-commerce services sales

Symantec Store sales (Asia)

Symantec Store sales (Japan)



Sales in the Symantec Store business were strong.

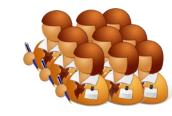
Year-on-year: +476 million yen, +6.0%

Highlights

• Cloud version of e-commerce system front-end server



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



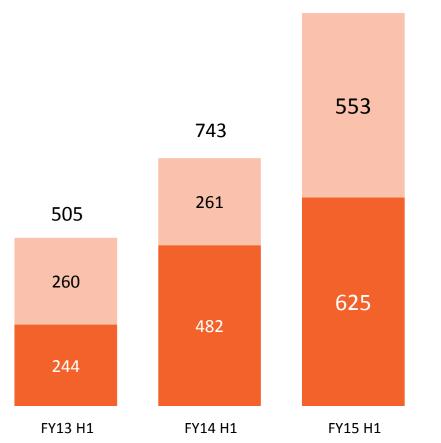


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Key Driver

Project revenue (license sales/individual development projects)

Consistent revenue (analysis tools/consulting/operation and maintenance services)



FY15 H1 consistent revenue: 625 million yen

Year-on-year: +143 million yen, +29.7%

Highlights

Sales increased because of Adobe tools and larger CMS projects

Topics

- Started selling Adobe Experience Manager on Azure
- Developed Adobe Experience Manager signage link



(Millions of yen)

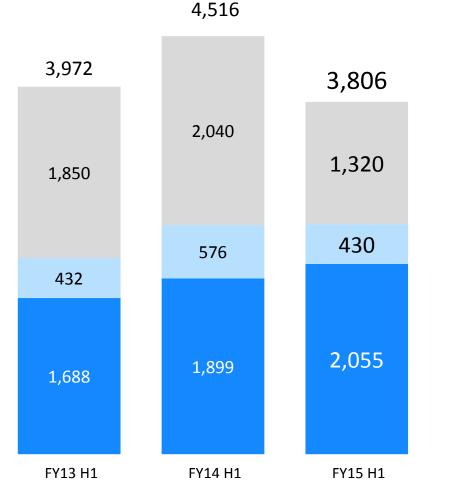
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Project revenue (hardware/software sales)

Project revenue (system construction/consulting)

Consistent revenue (operation and maintenance/support)



Steady growth of sales from operation and maintenance services.

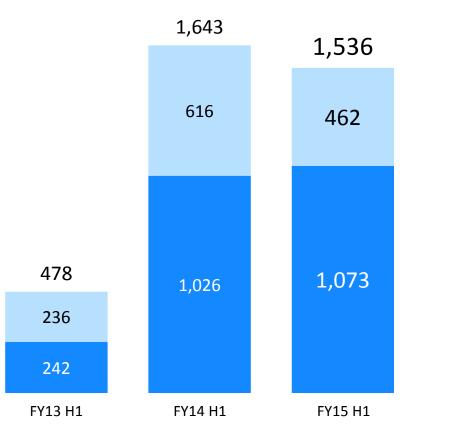
FY15 H1 consistent revenue: 2.0 billion yen Year-on-year: +156 million yen, +8.2%

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

Key Driver 😯 Security Solutions

Project revenue (hardware sales/system construction/vulnerability diagnoses)

Consistent revenue (operation and maintenance/certification services)



FY15 H1 consistent revenue: 1.0 billion yen

Year-on-year: +47 million yen, +4.6%

Highlights

• Sales of McAfee and Imperva products were strong; consistent revenue remained firm

<u>Topics</u>

- Introduced Cloud WAF for protection against advanced persistent threat
- Started linkage for cloud access control OSG and device ID





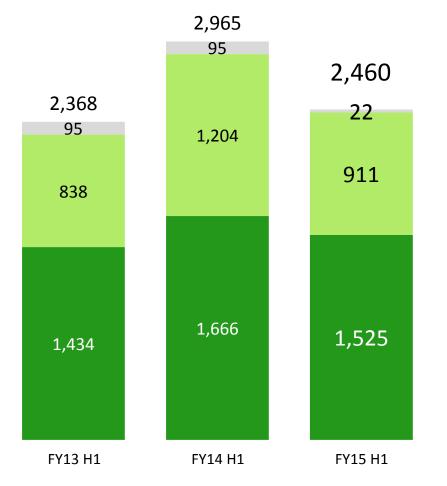
(Millions of yen)

System Integration

Project revenue (hardware and software sales)

Project revenue (development projects)

Consistent revenue (operation and maintenance services)



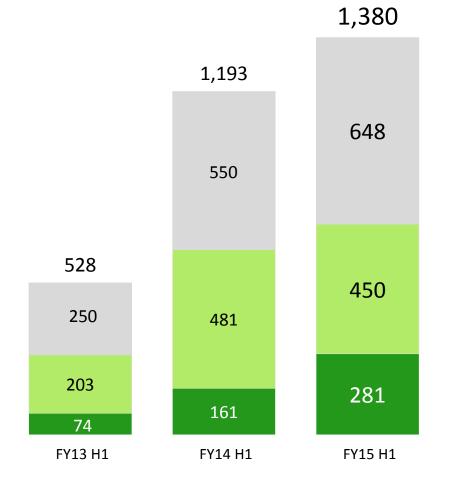
FY15 H1 project revenue (development projects): 911 million yen Year-on-year: (293) million yen, (24.3)%

• Project revenue (development projects) and consistent revenue from SoftBank Group companies decreased

Key Driver MS Microsoft Solutions

Project revenue (license sales)

- Project revenue (individual development)
- Consistent revenue (operation and maintenance/original service)



FY15 H1 consistent revenue: 281 million yen

Year-on-year: +120 million yen, +74.6%

<u>Highlights</u>

• Sales of Office 365 and SBT original service Online Service Gate were strong. Consistent revenue continued to grow.

<u>Topics</u>

Developed a service for cloud utilization other than for mail systems

- Started distributing the OnePortal information sharing service
- Offering the Asianux enterprise Linux OS on Azure



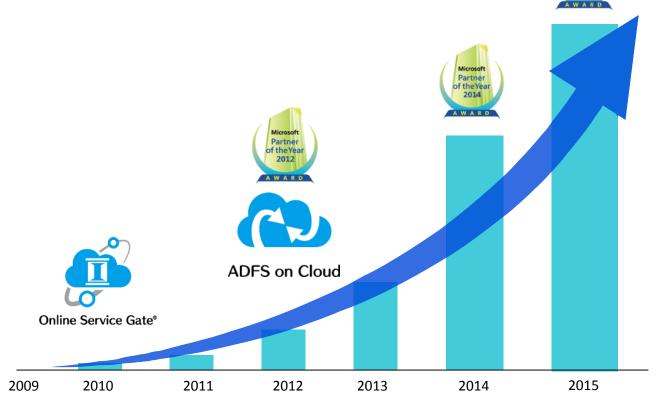




(Millions of yen)

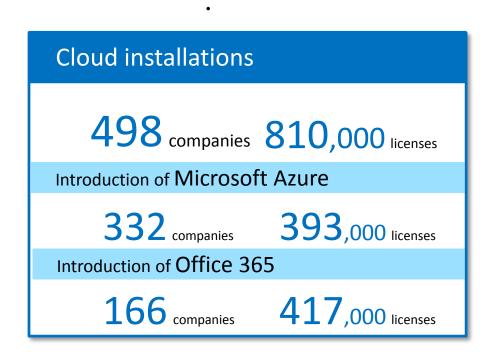
Overview of Key Drivers

Started growth in the **cloud** sector in 2009 through partnership with Microsoft



2009: A partner in Japan from the initial phase, started offering BPOS2011: SBT was the first Office 365 user in Japan2012: First Office 365 project in Japan with more than 10,000 users2013: Started offering cloud SharePoint and Sitecore

Key Driver



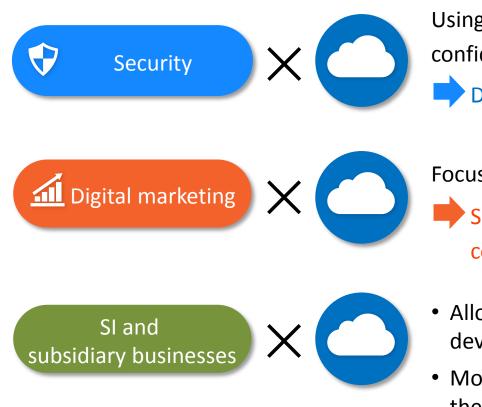
*Cloud installations are the number of installations for Office 365, Online Service Gate, ADFS on Cloud and Sitcore on Cloud.

of the Yea

Microsoft solutions



Widespread use of cloud-based services is starting at enterprise companies, too



- Using the cloud for anytime-anywhere convenience and for safety and confidence Device ID linkage with OSG/AoC, upgraded PEP and other services
- Focus on cloud's scalability and linkage for use as a platform
 Sitecore on Cloud, Adobe Experience Manager on Azure and other content management systems using the cloud
- Allows using the cloud for tasks extending from IT platform and system development to operation and oversight
- More advances with technology for Web fonts that can be received from the cloud

The Businesses of SBT Match Japan's National Growth Strategy

SoftBank Technology

Parts of the Japan Revitalization Strategy (2015 revision) (Source: Website of the Prime Minister of Japan and His Cabinet)



Corresponding

SBT

businesses



Use IoT, big data, AI

- Data scientists
- Visualization and analysis services
- Public key infrastructure (PKI) technology, ecertification services
- Azure ML





Cyber security measures

• 4DP LogSearch

- FireEye, McAfee, SBT original security services
- Vulnerability diagnosis report, diagnosis -services
- Device ID linkage for account control and authentication
- Operational oversight services

High-tech robots



• Development of Pepper app

- Pepper signage link
- Drone demonstration test

Self-driving cars

Next-generation healthcare

- Data scientists
- Visualization and analysis services
- Public key infrastructure (PKI) technology, ecertification services
- Azure ML
- Driver authentication
- Stress visualization

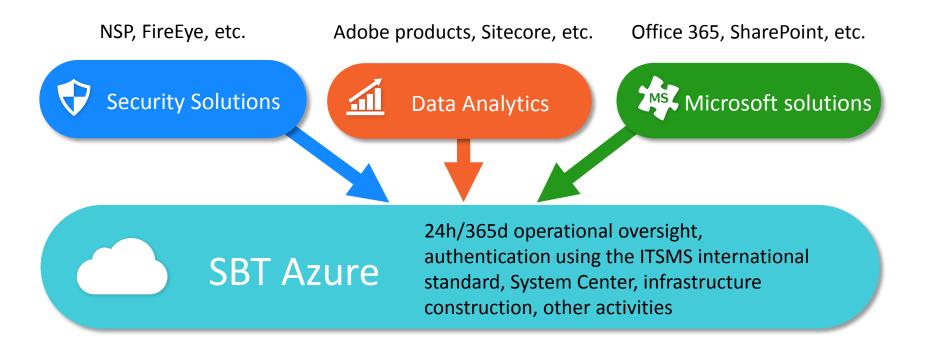
Agriculture and fisheries Centralization/consolidation of agricultural land



- Content management systems
- Consulting services
- Cyber attack protection
- Microsoft Azure

Using the Cloud and Convergence for Key Drivers





Convergence of key drivers on the cloud

Growth of social needs for these services

s 🔶

Increasing number of orders received by SBT

- Progress with Public-sector Businesses



Combining the following key drivers to utilize SBT's exclusive expertise



Project to build a system of the centralized management on the cloud of agricultural land data in Japan

Consolidation of Key Drivers

- Progress with Public-sector Businesses



One key element of the national growth strategy Promote "aggressive management" in the agricultural and fisheries industries

Move faster to centralize and consolidate agricultural land

Government of Japan

Goal is to collect information on idle agricultural land and consolidate agricultural land to cut costs in order to make the agricultural sector more competitive

Users

People want to work in the agricultural sector but there is no infrastructure for the centralized confirmation of data in order to determine the current operating environment

Government agricultural land data

Agricultural land owners and borrowers
Unused agricultural land
Tax payments, etc.

Create e-systems and a link to map data systems

Information accessible to everyone



→ Require all agricultural committees in Japan to create ledgers and maps and make them accessible to the public Consolidation of Key Drivers

- Progress with Public-sector Businesses





Creation of centralized system for Japanese agricultural land data and public accessibility





Phase **2**

Place this system on the cloud and combine with an information management system



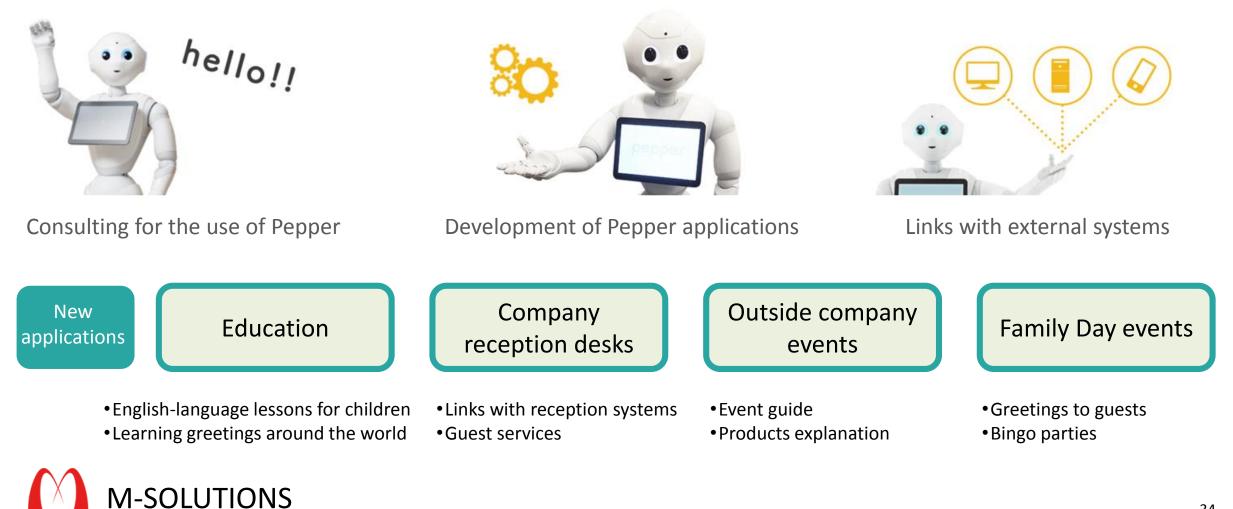
Work is currently under way at SoftBank Technology, which is leading the project, and ASORA Tech Corp., which is 51% owned by SoftBank Technology



Advanced Technologies at SoftBank Technology

(Internet of Things and Robots)

Since the sales launch of Pepper, more than 20 applications have been developed



Internet of Things



September 27, 2015 – Started sales of Smart at robo

Services for setting functions for Pepper

No need for development work; allows revising data, performing surveys, answering frequently asked questions and conducting other tasks





October 28, 2015 – Functions developed by joint work of subsidiaries

Achieved link for Pepper display and digital signage



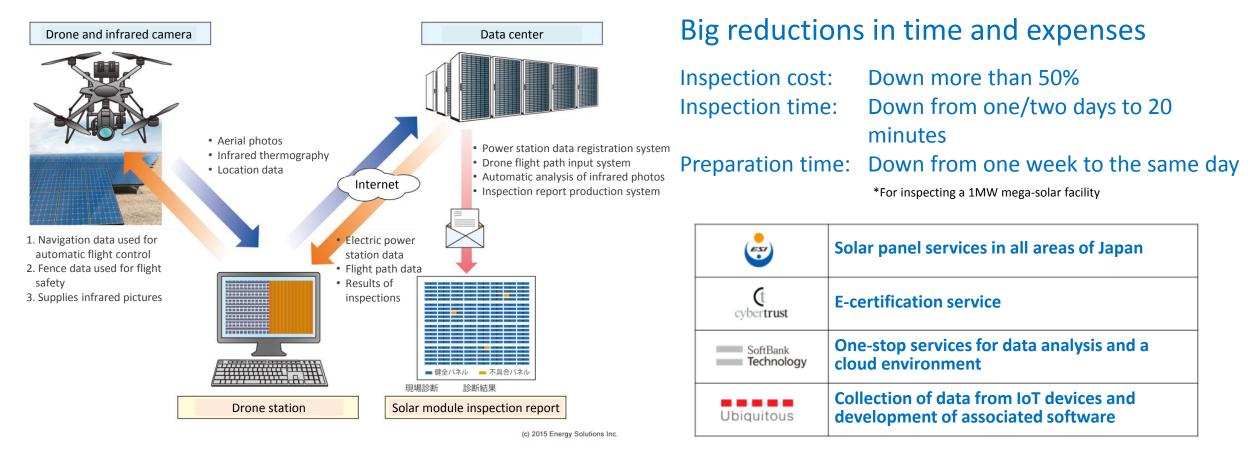






October 22, 2015 – Established the Secure Drone Consortium with four member companies

Announced start of a solar module inspection service using drones and the cloud

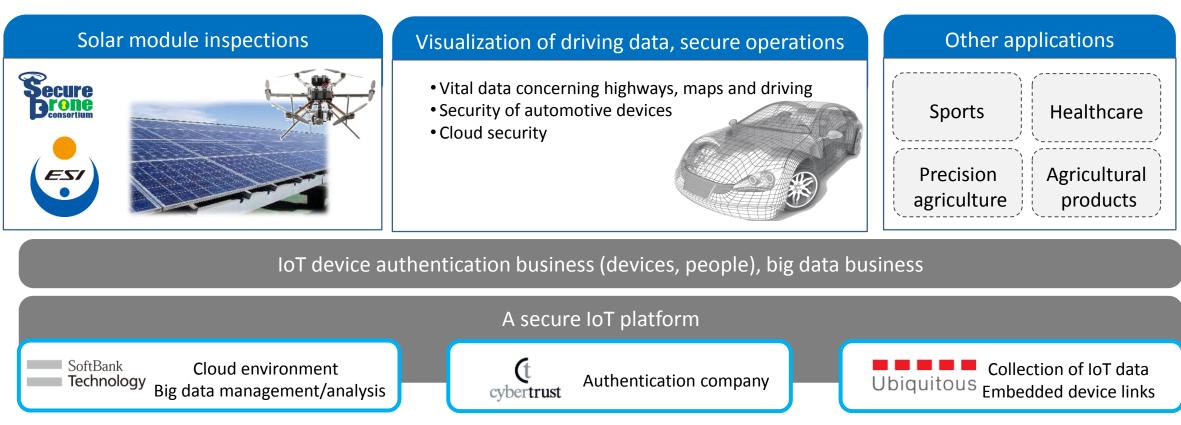




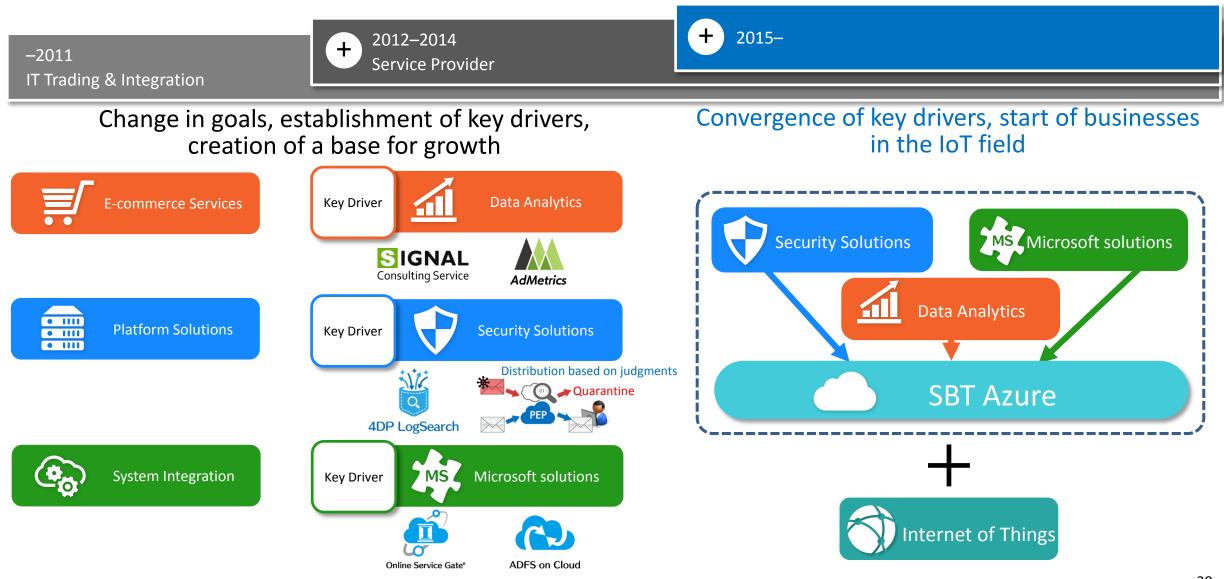


October 29, 2015 – Start by four companies of a secure IoT platform business

Plan to offer services for precision agriculture, oversight of movements of motor vehicles, people and objects, and for other applications







Goals of the SoftBank Technology Group



Increase cooperation with the SoftBank Group to grow rapidly, primarily in the three key driver sectors

	-2011	2012–2014	2015–
		Increase involvement with the advanced technologies of SoftBank (telecommunications)	 Increase cooperation involving corporate sales activities
SoftBank Group	Products and construction for Yaho	o infrastructure + Start collaboration for public-sector business	+ Develop and operate advertising services
	SoftBank Commerce & Service Corp. Infrastructure construction, application	n development and operation	
			New businesses using advanced technologies Internet of Things and Robot category
Non-SoftBank Group		Start of key drivers (Data analytics, security and Microsoft solutions)	+ Technology convergence, business growth
Group	IT for companies and security product sales and installation	 IT platform construction and operation/maintenance services for companies 	+ Growth in the public-services sector Domain that uses the government strategy
E-commerce services for individuals	Symantec Stores The main source of earnings	Higher efficiency, continue operations	Continue and upgrade operations

Financial Data

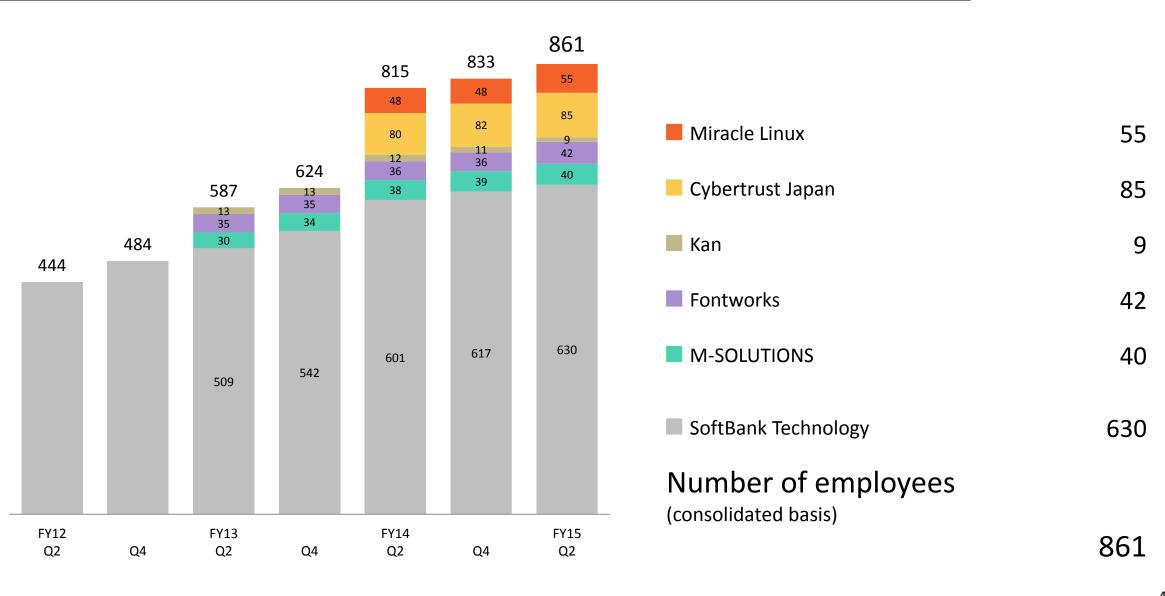
Consolidated



(Millions of yen)	FY15Q2	FY14Q2	Amount of change	Ratio of change
Net sales	10,439	9,944	+494	+5.0%
Operating income	470	439	+30	+7.0%
Ordinary income	460	405	+54	+13.5%
Profit attributable to owners of parent	266	256	+10	+4.0%
EBITDA	712	695	+16	+2.3%

Note:EBITDA=Operatingincome(loss)+Depreciation+Amortizationofgoodwil

Consolidated Transition of Employees



SoftBank

Technology



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

(Millions of yen)

	FY13					FY14				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	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	FY14H	1	FY15H1		
	Amount (Millions of yen)	Ratio	Amount (Millions of yen)	Ratio	
Net sales	19,678	-	19,640	-	
Digital Marketing	9,359	-	10,457	-	
Platform Solutions	6,159	-	5,342	-	
System Integration	4,158	-	3,840	-	
Cost of sales	16,716	-	16,490	-	
Gross profit	2,962	15.1%	3,150	16.0%	
SG&A expenses	2,389	-	2,499	-	
Operating income	572	2.9%	650	3.3%	
Non-operating income (loss)	(31)	-	(4)	-	
Ordinary income	541	2.8%	645	3.3%	
Extraordinary gains (losses)	(0)	-	13	-	
Profit attributable to owners of parent	330	1.7%	345	1.8%	
Marginal profit	5,101	25.9%	5,445	27.7%	
Fixed costs	4,528	-	4,795	-	
Non-consolidated order backlog	6,668	_	9,541	-	

YoY change				
Amount (Millions of yen)	Ratio			
(37)	(0.2)%			
+1,097	+11.7%			
(817)	(13.3)%			
(318)	(7.7)%			
(226)	(1.4)%			
+188	+6.3%			
+110	+4.6%			
+77	+13.5%			
+26	-			
+104	+19.3%			
+14	-			
+14	+4.5%			
+343	+6.7%			
+266	+5.9%			
+2,873	+43.1%			

Con	solidated results (Millions of yen)	FY14H1	FY15H1	Amount of change	Ratio of change	
		Net sales	9,359	10,457	+1,097	+11.7%
Digita	al Marketing	Marginal profit	1,326	1,675	+349	+26.3%
		Margin	14.2%	16.0%	+1.8Pts	-
		Net sales	8,616	9,278	+661	+7.7%
	(1) E-commerce services	Marginal profit	1,014	1,215	+201	+19.9%
		Margin	11.8%	13.1%	+1.3Pts	-
	Focus business	Net sales	743	1,178	+435	+58.6%
	(2) Data analytics	Marginal profit	312	460	+147	+47.2%
		Margin	42.1%	39.0%	(3.0) Pts	-
		Net sales	6,159	5,342	(817)	(13.3)%
Platfo	orm Solutions	Marginal profit	1,995	1,934	(61)	(3.1)%
		Margin	32.4%	36.2%	+3.8Pts	-
		Net sales	4,516	3,806	(710)	(15.7)%
	(1) Platform solutions	Marginal profit	1,214	1,200	(14)	(1.2)%
		Margin	26.9%	31.5%	+4.6Pts	-
	Focus business	Net sales	1,643	1,536	(106)	(6.5)%
	(2) Security solutions	Marginal profit	781	734	(46)	(6.0)%
		Margin	47.6%	47.8%	+0.2Pts	-
		Net sales	4,158	3,840	(318)	(7.7)%
Syste	m Integration	Marginal profit	1,779	1,835	+56	+3.1%
		Margin	42.8%	47.8%	+5.0Pts	-
		Net sales	2,965	2,460	(505)	(17.1)%
	(1) System integration	Marginal profit	1,313	1,335	+22	+1.7%
		Margin	44.3%	54.3%	+10.0Pts	
	Focus business	Net sales	1,193	1,380	+187	+15.7%
	(2) Microsoft solutions	Marginal profit	465	499	+33	+7.2%
		Margin	39.0%	36.2%	(2.9) Pts	-

Appendix

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





Information Revolution – Happiness for everyone

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.

Shinichi Ata

President & CEO SoftBank Technology Corp. Information Revolution – Happiness for everyone Harnessing the power of Technology to build a Brighter future

The SoftBank Technology group will contribute to create an affluent information society providing through eBusiness and Cloud solutions.



Information Revolution – Happiness for everyone Others Become the corporate group needed most by people around the world Online games Supercell Oy Yahoo Segment HAWKS Segment Fukuoka SoftBank HAWKS Yahoo Japan Corp. **ICT** Services **Domestic Telecommunications Segment** SoftBank Technology Corp. SoftBank Corp. SoftBank Group Corp. Wireless City Planning Inc. Sprint Segment **Distribution Segment** Sprint Corp. Brightstar Corp. SoftBank Commerce & Service Corp.

*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	10820357	

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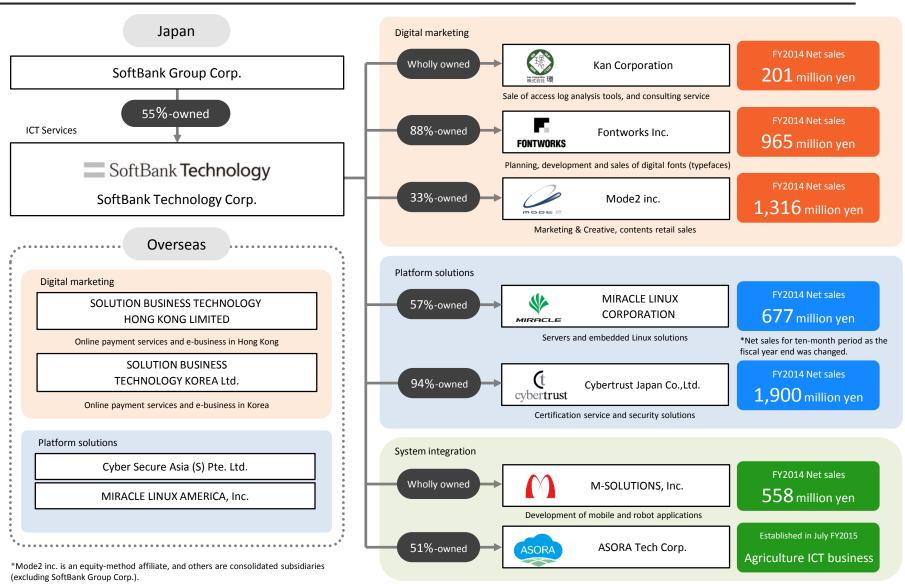
SoftBank Technology

arketing		E-commerce Services	Operation of e-commerce sites of the clients, development and sales of font sets, and provision of web font services	Individual customers
Digital marketing	Key Driver	Data Analytics	Construction of websites, provision of website access log analysis tools, data analyses and consulting services	lers
olutions		Platform Solutions	Construction of IT platforms, provision of operation and maintenance services, and Linux solutions	Group companies public-sector customers
Platform solutions	Key Driver	Security Solutions	Provision of vulnerability diagnosis tests, protection against targeted cyber attacks, authentication using e-certification and encryption services	SoftBank Group companies rate and public-sector cust
egration	٩	System Integration	Development of IT systems, provision of operation and maintenance services, and development of applications for tablets, smartphones and robots	SoftBank Corporate and
System integration	key Driver MS	Microsoft Solutions	Support for moving IT systems to the cloud by using mainly Microsoft products and provision of an original cloud service with outstanding compatibility	

Outline of the SoftBank Technology Group

As of September 30, 2015





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



Knowhow for the use of data from the system integration business SoftBank since its founding, and expertise in web access analytics, which started in 2000. Technology data SoftBank Technology uses this experience in two contrasting fields analytics to help protect and expand customers' business activities. Three steps for the utilization of data Step 2. Step 1. Step **3**. Visualization and Utilization and **Collection of data** analysis optimization **Content optimization** Data integration BI Marketing solutions (sales contribution) Access analysis Analysis Personalization System management System integration **Big data platform** Log integration (strengthen governance) **Operation and management** 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		

of applications



The advantages of

SoftBank Technology

A team of specialists with security

expertise in security attack methods

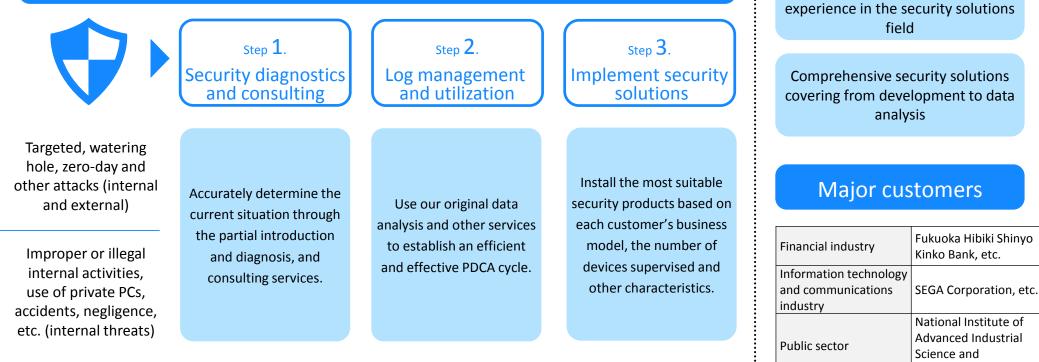
and countermeasures, and operations support professionals

Accomplishments and wide range of

knowledge backed over 15 years of

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



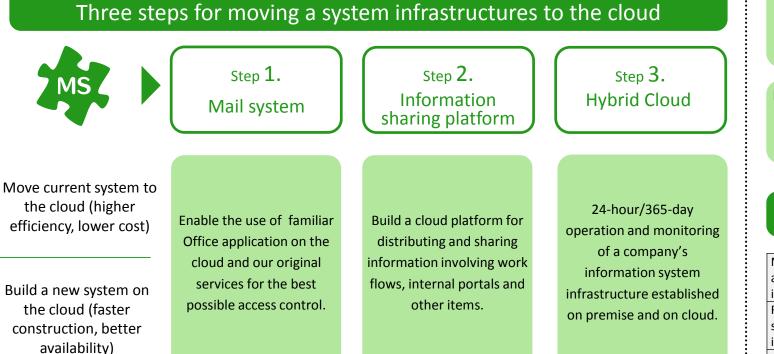
Technology, etc.



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.

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

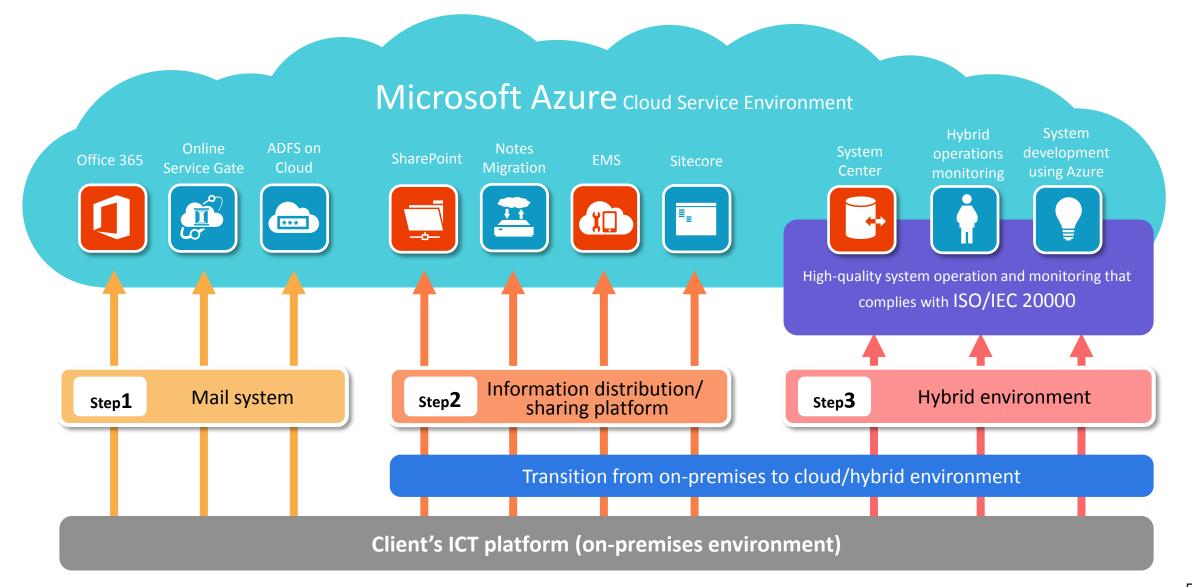
Extensive product knowledge and the technology and development skills to precisely meet the requirements of enterprise customer

Major customers

	Manufacture	CALSONIC KANSEI
	and building	CORPORATION, KAJIMA
	industry	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

 \sim Harnessing the power of Technology to build a Brighter future \sim

The SoftBank Technology Group

