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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.

July 30, 2014

**SoftBank Technology Corp.**  
**Consolidated Financial Report for the First Quarter of Fiscal Year Ending March 31, 2015**  
**(Three Months Ended June 30, 2014)**

[Japanese GAAP]

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

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

Representative: Shinichi Ata, President & CEO

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Scheduled date of filing of Quarterly Report: August 13, 2014

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

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

**1. Consolidated Financial Results for the Three Months Ended June 30, 2014 (April 1, 2014 – June 30, 2014)**

(1) Consolidated Results of Operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2014	9,734	24.2	133	(18.2)	135	(18.2)	74	(18.8)
Three months ended Jun. 30, 2013	7,840	4.3	163	(31.5)	166	(32.7)	91	(39.1)

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2014: 112 (up 1.5%)  
Three months ended Jun. 30, 2013: 110 (down 24.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2014	7.65	7.56
Three months ended Jun. 30, 2013	9.41	9.36

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2014	20,082	9,897	46.7	968.99
As of Mar. 31, 2014	19,218	9,629	49.2	977.93

Reference: Shareholders' equity (million yen) As of Jun. 30, 2014: 9,381 As of Mar. 31, 2014: 9,464

**2. Dividends**

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year ended Mar. 31, 2014	Yen -	Yen 0.00	Yen -	Yen 20.00	Yen 20.00
Fiscal year ending Mar. 31, 2015	-	-	-	-	-
Fiscal year ending Mar. 31, 2015 (forecast)	-	0.00	-	20.00	20.00

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

**3. Forecast of Consolidated Operating Results for the Fiscal Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)**

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	18,500	13.6	650	13.9	650	11.3	400	23.2	41.33
Full year	40,000	8.3	1,700	24.1	1,700	24.7	1,000	57.2	103.32

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): Yes

Newly added: 1 (Cybertrust Japan Co., Ltd.)

Excluded: -

Note: Please refer to “2. Matters Related to Summary Information (Notes), (1) Changes in Significant Subsidiaries during the Period” on page 5 of the attachments for further information.

(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 Jun. 30, 2014:	10,643,700 shares	As of Mar. 31, 2014:	10,640,200 shares
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ii. Number of treasury shares at the end of the period

As of Jun. 30, 2014:	961,890 shares	As of Mar. 31, 2014:	961,890 shares
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iii. Average number of shares outstanding during the period

Three months ended Jun. 30, 2014:	9,678,887 shares	Three months ended Jun. 30, 2013:	9,678,310 shares
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\* 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

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

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## 1. Overview of Result of Operations and Financial Position

### (1) Overview of Results of Operations

	(Millions of yen)			(Yen)	
	Net sales	Operating income	Ordinary income	Net income	Net income per share
Three months ended Jun. 30, 2014	9,734	133	135	74	7.65
Three months ended Jun. 30, 2013	7,840	163	166	91	9.41
Change	24.2%	(18.2)%	(18.2)%	(18.8)%	(18.8)%
(Reference) Fiscal year ended Mar. 31, 2014	36,951	1,370	1,363	636	65.74

In the first quarter of the current fiscal year, the SoftBank Technology Group's net sales increased 24.2% year on year to 9,734 million yen, operating income decreased 18.2% to 133 million yen, ordinary income decreased 18.2% to 135 million yen and net income decreased 18.8% to 74 million yen.

The main factors affecting earnings were as follows:

#### (a) Sales

Sales increased 1,893 million yen (24.2%) year on year to 9,734 million yen. This was mainly due to increases in sales to the SoftBank Group in the system integration business and in sales to companies outside the SoftBank Group in the Microsoft solutions business. In addition, there was a contribution to sales from the inclusion of subsidiaries Fontworks Inc. and Kan Corporation in the consolidation in June 2013, and Cybertrust Japan Co., Ltd. in April 2014.

#### (b) Marginal profit

Marginal profit increased 797 million yen (55.2%) to 2,242 million yen. The marginal profit ratio increased 4.6 points to 23.0%. This increase was the result of the shift in business operations from the sale of servers, storage, network and other hardware to the system development, sale of operation and maintenance, cloud, and other services. In addition, each of the new subsidiaries provides in-house developed content and services, and have contributed to the improvement in the marginal profit ratio.

#### (c) Fixed cost

Fixed costs increased 826 million yen (64.5%) to 2,108 million yen. This increase was mainly the result of the inclusion of subsidiaries Fontworks Inc., Kan Corporation and Cybertrust Japan Co., Ltd. in the consolidation. In addition, there were expenses for office relocation and additional office space associated with the growth of the workforce.

#### (d) Operating income

As a result of the above items (a) to (c), operating income decreased 29 million yen (18.2%) to 133 million yen.

#### (e) Non-operating income and expenses

Net non-operating income decreased 0.5 million yen (19.9%) to 2 million yen. There was an increase in interest expenses under non-operating expenses, while there were decreases in foreign exchange losses and miscellaneous loss.

#### (f) Extraordinary income or losses

Net extraordinary losses was 0.4 million yen, and improvement of 3 million yen from a 4 million yen loss one year earlier.

#### (g) Net income

As a result of the above items (d) to (f), net income decreased 17 million yen (18.8%) to 74 million yen.

Starting in the first quarter of the current fiscal year, the eBusiness Services segment and Solutions segment have been combined to create the new ICT Services segment. The following table shows the primary components of this new segment.

Segment		Service category	Main services	Core companies
Reportable segment	ICT Services	Digital marketing	<ul style="list-style-type: none"> <li>• Operation of e-commerce sites of other companies</li> <li>• Sales of font set, and provision of web font services</li> <li>• Provision of website access log analysis tools and associated consulting services</li> </ul>	<ul style="list-style-type: none"> <li>• SoftBank Technology Corp.</li> <li>• Fontworks Inc.</li> <li>• Kan Corporation</li> <li>• Solution Business Technology Hong Kong Ltd.</li> <li>• SOLUTION BUSINESS TECHNOLOGY KOREA Ltd.</li> </ul>
		Platform solutions	<ul style="list-style-type: none"> <li>• Construction of corporate IT platforms, including servers, storage, networks and other items, and associated operation and maintenance services</li> <li>• Server and terminal certification service, vulnerability diagnosis service and other services</li> </ul>	<ul style="list-style-type: none"> <li>• SoftBank Technology Corp.</li> <li>• Cybertrust Japan Co., Ltd.</li> </ul>
		System integration	<ul style="list-style-type: none"> <li>• Development of IT systems for companies and provision of associated operation and maintenance services</li> <li>• Support for shifting to the Microsoft cloud services and provision of the SoftBank Technology Group's own services</li> <li>• Provision of mobile application services</li> </ul>	<ul style="list-style-type: none"> <li>• SoftBank Technology Corp.</li> <li>• M-SOLUTIONS, Inc.</li> <li>• Mobile Interface Corporation</li> </ul>

#### i. Digital marketing

(Millions of yen)

	First quarter of FY3/14	First quarter of FY3/15	Change (Amount)	Change (Ratio)
Net sales	4,442	4,745	303	6.8%
Marginal profit	492	668	175	35.8%

Major services in the digital marketing business

- Symantec store, web fonts, foreign currency payment processing and other services; provision of e-commerce services
- Adobe Analytics, Google Analytics Premium, sibulla and other web analysis services
- SIGNAL Consulting and other data analytics services

Results of operations of the digital marketing business

Sales in the digital marketing business increased 303 million yen (6.8%) to 4,745 million yen. Steady Symantec store sales were one reason for the growth in sales. Sales also benefited from the strong performances of the Google web analysis service and the data visualization service. Both of these services were started as part of measures to strengthen the data analysis business. In addition, the inclusion of subsidiaries FontWorks Inc. and Kan Corporation contributed to boost sales by 244 million yen compared with one year earlier.

**ii. Platform solutions**

(Millions of yen)

	First quarter of FY3/14	First quarter of FY3/15	Change (Amount)	Change (Ratio)
Net sales	2,199	2,909	710	32.3%
Marginal profit	488	903	415	85.1%

Major services in the platform solutions business

- Construction of IT infrastructures using products of Cisco, hp, VMware and other suppliers and provision of operation and maintenance services
- Construction of security systems using products of McAfee, ForeScout and other suppliers and provision of maintenance services
- Security services including server certificates, device authentication, vulnerability diagnoses and other services

Results of operations of the platform solutions business

Sales in the platform solutions business increased 710 million yen (32.3%) to 2,909 million yen. Sales growth was attributable to the strong performance of IT infrastructure construction services for companies, including servers, storage, networks and other items. In addition, the inclusion of subsidiary Cybertrust Japan Co., Ltd. contributed 429 million yen to sales growth.

**iii. System integration**

(Millions of yen)

	First quarter of FY3/14	First quarter of FY3/15	Change (Amount)	Change (Ratio)
Net sales	1,198	2,078	880	73.4%
Marginal profit	464	670	205	44.3%

Major services in the system integration business

- Development of IT systems for companies and provision of operation and maintenance services
- Services associated with Microsoft Office365, Share Point and Microsoft Azure
- SoftBank Technology Group services associated with these activities, such as Online Service Gate and ADFS on Cloud

Results of operations of the system integration business

Sales in the system integration business increased 880 million yen (73.4%) to 2,078 million yen. The SoftBank Technology Group has been channeling engineering resources to the system integration business while hiring many new employees, providing training for obtaining certifications involving advanced technologies and taking other actions as part of the group's growth strategy. Taking these actions produced significant growth in system integration services for the SoftBank Group's telecommunications business and Microsoft solution services for companies outside the SoftBank Group. In addition, there was growth in the number of customers using SoftBank Technology's Online Service Gate, ADFS on Cloud and other cloud services associated with Microsoft services. The result was growth in first quarter sales and earnings.

**(2) Overview of Financial Position****Assets, Liabilities, and Net Assets**

(Millions of yen)

	As of Mar. 31, 2014	As of Jun. 30, 2014	(Reference) As of Jun. 30, 2013
Total assets	19,218	20,082	15,869
Net assets	9,629	9,897	8,983
Shareholders' equity ratio	49.2%	46.7%	55.7%

**Assets**

Total assets increased 863 million yen from the end of the previous fiscal year to 20,082 million yen at the end of the first quarter of the current fiscal year.

Current assets decreased 236 million yen mainly due to a decrease in notes and accounts receivable-trade.

Non-current assets increased 1,100 million yen mainly due to an increase in software resulting from the acquisition of subsidiaries' stock.

**Liabilities**

Total liabilities increased 595 million yen from the end of the previous fiscal year to 10,184 million yen at the end of the first quarter of the current fiscal year.

Current liabilities decreased 608 million yen mainly because of a decrease in accounts payable-other.

Non-current liabilities increased 1,203 million yen mainly due to an increase in long-term loans payable.

**Net assets**

Net assets increased 268 million yen from the end of the previous fiscal year to 9,897 million yen at the end of the first quarter of the current fiscal year. This increase was mainly the net result of a decrease in retained earnings caused by the payment of the year-end dividend for the previous fiscal year and an increase in minority interests.

**(3) Explanation of Consolidated Operating Forecast and Other Forward-looking Statements**

Forecasts are based on information currently available to the Company. Actual performance may differ from these forecasts for a number of reasons.

The Company maintains its consolidated forecasts for the fiscal year ending on March 31, 2015 that was announced on April 24, 2014.

**2. Matters Related to Summary Information (Notes)****(1) Changes in Significant Subsidiaries during the Period**

Cybertrust Japan Co., Ltd. was included in the consolidation in the first quarter of the current fiscal year following the acquisition of its shares by the Company.

### 3. Quarterly Consolidated Financial Statements

#### (1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY3/14 (As of Mar. 31, 2014)	First quarter of FY3/15 (As of Jun. 30, 2014)
<b>Assets</b>		
Current assets		
Cash and deposits	3,830,820	4,760,681
Notes and accounts receivable-trade	7,136,219	6,068,612
Merchandise	39,904	54,520
Work in process	117,382	343,065
Deferred tax assets	210,848	194,361
Other	1,315,343	993,089
Allowance for doubtful accounts	(8,360)	(8,558)
Total current assets	12,642,158	12,405,774
Non-current assets		
Property, plant and equipment		
Buildings, net	458,601	574,005
Tools, furniture and fixtures, net	900,937	966,667
Construction in progress	39,946	8,326
Total property, plant and equipment	1,399,485	1,548,999
Intangible assets		
Goodwill	961,533	1,098,130
Software	766,458	1,067,880
Software in progress	171,117	176,659
Customer relationships	718,474	702,508
Other	13,121	331,566
Total intangible assets	2,630,706	3,376,745
Investments and other assets		
Investment securities	1,078,723	1,170,769
Deferred tax assets	242,023	240,376
Other	1,283,730	1,397,817
Allowance for doubtful accounts	(58,460)	(58,174)
Total investments and other assets	2,546,017	2,750,788
Total non-current assets	6,576,208	7,676,533
Total assets	19,218,367	20,082,308



	(Thousands of yen)	
	FY3/14 (As of Mar. 31, 2014)	First quarter of FY3/15 (As of Jun. 30, 2014)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	4,804,803	4,304,098
Current portion of long-term loans payable	4,200	324,600
Lease obligations	93,717	108,195
Accounts payable-other	1,439,272	521,581
Income taxes payable	283,825	40,130
Provision for bonuses	389,128	238,455
Provision for directors' bonuses	-	16,800
Provision for loss on order received	1,087	4,329
Other	891,756	1,741,564
Total current liabilities	7,907,790	7,299,754
Non-current liabilities		
Bonds payable	200,000	100,000
Long-term loans payable	8,450	1,206,900
Lease obligations	572,198	566,555
Deferred tax liabilities	179,659	171,685
Long-term advances received	333,947	371,669
Negative goodwill	896	-
Net defined benefit liability	56,510	58,475
Asset retirement obligations	163,156	233,419
Other	166,460	176,460
Total non-current liabilities	1,681,278	2,885,164
Total liabilities	9,589,069	10,184,919
<b>Net assets</b>		
Shareholders' equity		
Capital stock	634,555	636,398
Capital surplus	712,204	714,047
Retained earnings	8,728,873	8,609,313
Treasury shares	(747,634)	(747,634)
Total shareholders' equity	9,327,999	9,212,125
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	135,180	167,492
Foreign currency translation adjustment	1,576	1,956
Total accumulated other comprehensive income	136,756	169,449
Subscription rights to shares	51,113	61,841
Minority interests	113,428	453,973
Total net assets	9,629,297	9,897,388
Total liabilities and net assets	19,218,367	20,082,308

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

	(Thousands of yen)	
	First three months of FY3/14 (Apr. 1, 2013 – Jun. 30, 2013)	First three months of FY3/15 (Apr. 1, 2014 – Jun. 30, 2014)
Net sales	7,840,601	9,734,138
Cost of sales	7,121,356	8,471,771
Gross profit	719,244	1,262,367
Selling, general and administrative expenses	556,120	1,128,930
Operating income	163,124	133,436
Non-operating income		
Interest income	1,338	41
Dividend income	4,060	2,400
Foreign exchange gains	-	4,293
Miscellaneous income	5,163	3,771
Total non-operating income	10,561	10,506
Non-operating expenses		
Interest expenses	478	7,748
Foreign exchange losses	2,761	-
Miscellaneous loss	4,396	415
Total non-operating expenses	7,636	8,164
Ordinary income	166,049	135,778
Extraordinary losses		
Impairment loss	4,141	447
Total extraordinary losses	4,141	447
Income before income taxes and minority interests	161,908	135,331
Income taxes-current	3,052	8,671
Income taxes-deferred	67,769	46,754
Total income taxes	70,821	55,425
Income before minority interests	91,086	79,905
Minority interests in income	-	5,899
Net income	91,086	74,006
Minority interests in income	-	5,899
Income before minority interests	91,086	79,905
Other comprehensive income		
Valuation difference on available-for-sale securities	19,662	32,312
Foreign currency translation adjustment	139	380
Total other comprehensive income	19,801	32,692
Comprehensive income	110,888	112,597
Comprehensive income attributable to :		
Owners of the parent	110,888	106,698
Minority interests		5,899

### **(3) Notes to Quarterly Consolidated Financial Statements**

#### **Going Concern Assumption**

Not applicable.

#### **Reclassifications**

##### Quarterly Consolidated Balance Sheet

1. "Current portion of long-term loans payable," included in "Other" under "Current liabilities" in the previous fiscal year, is reclassified and presented as a separate line item in the first quarter of the current fiscal year since it has increased the materiality of impact in the context of consolidated financial statements. To conform to this change, the consolidated financial statements for the previous fiscal year are reclassified.

As a result, "Other" (895,956 thousand yen) under "Current liabilities" shown in the previous fiscal year's consolidated balance sheet is reclassified and divided into "Current portion of long-term loans payable" (4,200 thousand yen) and "Other" (891,756 thousand yen).

2. "Long-term loans payable," included in "Other" under "Non-current liabilities" in the previous fiscal year, is reclassified and presented as a separate line item in the first quarter of the current fiscal year since it has increased the materiality of impact in the context of consolidated financial statements. To conform to this change, the consolidated financial statements for the previous fiscal year are reclassified.

As a result, "Other" (174,910 thousand yen) under "Non-current liabilities" shown in the previous fiscal year's consolidated balance sheet is reclassified and divided into "Long-term loans payable" (8,450 thousand yen) and "Other" (166,460 thousand yen).

#### **Significant Changes in Shareholders' Equity**

Not applicable.

#### **Segment and Other Information**

##### Segment Information

1. First three months of FY3/14 (April 1, 2013 – June 30, 2013)

As stated in "2. First three months of FY3/15, Information related to Revisions for Reportable Segments."

2. First three months of FY3/15 (April 1, 2014 – June 30, 2014)

##### Information related to Revisions for Reportable Segments

In the previous fiscal year, there were two reportable segments: eBusiness Services and Solutions. On April 1, 2014, operations of the SoftBank Technology Group were reorganized based on the "OneSBT" concept for the purpose of focusing the resources of the entire group on the goal of achieving more growth. As a result, starting with the first quarter of the current fiscal year, a single reportable segment is used due to the end of the business unit structure and the unification of reportable business units.

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