

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 29, 2016

SoftBank Technology Corp.
Consolidated Financial Report for the Third Quarter of Fiscal Year Ending March 31, 2016
(Nine Months Ended December 31, 2015)

[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: Takaaki Nagata, Member of the Board & CFO, General Manager Finance & Administration

Phone: +81-3-6892-3063

Scheduled date of filing of Quarterly Report: February 12, 2016

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: None

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2015
(April 1, 2015 – December 31, 2015)

(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, 2015	30,075	5.0	1,014	61.1	935	50.8	485	(8.3)
Nine months ended Dec. 31, 2014	28,639	11.5	630	(15.7)	620	(17.4)	529	61.1

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2015: 394 (down 30.2%)
Nine months ended Dec. 31, 2014: 565 (up 38.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2015	50.00	49.57
Nine months ended Dec. 31, 2014	54.64	54.04

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2015	21,959	10,873	47.2	1,065.96
As of Mar. 31, 2015	22,175	10,974	46.0	1,052.58

Reference: Shareholders' equity (million yen) As of Dec. 31, 2015: 10,368 As of Mar. 31, 2015: 10,208

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2015	-	0.00	-	20.00	20.00
Fiscal year ending Mar. 31, 2016	-	0.00	-		
Fiscal year ending Mar. 31, 2016 (forecast)				20.00	20.00

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

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2016
(April 1, 2015 – March 31, 2016)

(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	42,000	5.5	1,700	21.5	1,600	14.0	1,000	13.2	103.00

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: Yes

ii. Changes in accounting policies other than i. above: None

iii. Changes in accounting estimates: None

iv. Restatements: None

Note: Please refer to “2. Matters Related to Summary Information (Notes), (1) Changes in Accounting Policies and Accounting Estimates, and Restatements” on page 5 of the attachments for further information.

(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, 2015:	10,688,900 shares	As of Mar. 31, 2015:	10,660,100 shares
----------------------	-------------------	----------------------	-------------------

ii. Number of treasury shares at the end of the period

As of Dec. 31, 2015:	961,890 shares	As of Mar. 31, 2015:	961,890 shares
----------------------	----------------	----------------------	----------------

iii. Average number of shares outstanding during the period

Nine months ended Dec. 31, 2015:	9,709,011 shares	Nine months ended Dec. 31, 2014:	9,684,713 shares
----------------------------------	------------------	----------------------------------	------------------

* 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 based upon valid 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 today (January 29, 2016), using the Timely Disclosure network (TDnet), and will be available on the Company’s website (<http://www.softbanktech.co.jp/corp/ir/>).

Contents of Attachments

1. Overview of Results of Operations and Financial Position	2
(1) Overview of Results of Operations	2
(2) Overview of Financial Position	5
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	5
2. Matters Related to Summary Information (Notes)	5
(1) Changes in Accounting Policies and Accounting Estimates, and Restatements	5
3. Quarterly Consolidated Financial Statements	7
(1) Quarterly Consolidated Balance Sheet	7
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	9
(For the Nine-month Period)	9
(3) Notes to Quarterly Consolidated Financial Statements	10
Going Concern Assumption	10
Significant Changes in Shareholders' Equity	10

1. Overview of Results of Operations and Financial Position

(1) Overview of Results of Operations

	(Millions of yen)				(Yen)
	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Nine months ended Dec. 31, 2015	30,075	1,014	935	485	50.00
Nine months ended Dec. 31, 2014	28,639	630	620	529	54.64
Change (Ratio)	5.0%	61.1%	50.8%	(8.3)%	(8.5)%
(Reference) Fiscal year ended Mar. 31, 2015	39,816	1,398	1,403	883	91.15

In the first nine months of the current fiscal year, the SoftBank Technology Group's net sales increased 5.0% year on year to 30,075 million yen, operating income increased 61.1% to 1,014 million yen, ordinary income increased 50.8% to 935 million yen and profit attributable to owners of parent decreased 8.3% to 485 million yen.

The main factors affecting earnings for the first nine months were as follows:

(a) Net sales

Net sales increased 1,436 million yen (+5.0%) year on year to 30,075 million yen. Net sales was higher due to steady Symantec store sales, receipt of orders for major projects in the system integration business, and an increase in orders for operation and maintenance services in each business, while there were decreases in hardware sales in the platform solutions business and IT platform construction projects, both on a non-consolidated basis.

(b) Marginal profit (see note)

Marginal profit increased 523 million yen (+6.9%) to 8,099 million yen, and the marginal profit ratio increased 0.5 point to 26.9%. Progress with shifting the Group's business operations along with higher profitability at subsidiaries providing original content and services contributed to the improvement of the marginal profit ratio.

Note: Marginal profit = Net sales – Subtracting variable costs (cost of merchandise, outsourcing expenses, distribution expenses and other items that increase and decrease with sales).

(c) Fixed costs

Fixed costs increased 139 million yen (+2.0%) to 7,084 million yen. This increase was mainly due to the growth of the workforce at SoftBank Technology.

(d) Operating income

As a result of the above items, operating income increased 384 million yen (+61.1%) to 1,014 million yen.

(e) EBITDA (see note)

EBITDA increased 346 million yen (+24.9%) to 1,741 million yen. This was mainly the result of investments for the growth of business operations and the inclusion of new subsidiaries.

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

(f) Non-operating income and expenses

Net non-operating expenses was 78 million yen, an increase of 69 million yen from a 9 million yen loss one year earlier. This was mainly due to an increase in share of loss of entities accounted for using equity method.

(g) Ordinary income

As a result of items (d) to (f), ordinary income increased 315 million yen (+50.8%) to 935 million yen.

(h) Extraordinary income and losses

Net extraordinary income was 8 million yen, a decrease of 238 million yen (-96.4%) from one year earlier. This was mainly due to a decrease in gain on sales of investment securities.

(i) Income before income taxes and non-controlling interests

As a result of items (g) to (h), income before income taxes and non-controlling interests increased 77 million yen (+8.9%) to 944 million yen.

(j) Total income taxes

Total income taxes increased 115 million yen (+38.4%) to 416 million yen.

(k) Profit attributable to owners of parent

As a result of items (i) to (j), profit attributable to owners of parent decreased 43 million yen (-8.3%) to 485 million yen.

The Company has only a single business segment, which is the ICT services business. The following table shows the primary components of this business segment.

Segment	Service category	Main services	Core companies
ICT services	Digital marketing	<ul style="list-style-type: none"> • Operation of e-commerce sites of the clients, development and sales of font sets, and provision of web font services • Construction of websites and provision of website access log analysis tools, data analyses and consulting services 	<ul style="list-style-type: none"> • SoftBank Technology Corp. • Fontworks Inc. • Kan Corporation
	Platform solutions	<ul style="list-style-type: none"> • Construction of IT platforms and provision of operation and maintenance services and Linux solutions • Provision of vulnerability diagnosis tests, protection services against advanced persistent threat, authentication and encryption services using e-certification 	<ul style="list-style-type: none"> • SoftBank Technology Corp. • Cybertrust Japan Co., Ltd. • Miracle Linux Corporation
	System integration	<ul style="list-style-type: none"> • Development of IT systems, provision of operation and maintenance services, and development of applications for tablets, smartphones and robots • Support for moving IT infrastructure to the cloud by using mainly Microsoft products and provision of an original cloud service with outstanding compatibility 	<ul style="list-style-type: none"> • SoftBank Technology Corp. • M-SOLUTIONS, Inc. • ASORA Tech Corp.

Revisions have been made to the categorization of some services and to the allocation method for the elimination of internal transactions among subsidiaries for determining the marginal profit. As a result, the revised methods have been used to calculate net sales and marginal profit for each service category in the same period of the previous fiscal year.

a. Digital marketing

(Millions of yen)

	First nine months of FY3/15	First nine months of FY3/16	Change (Amount)	Change (Ratio)
Net sales	14,005	15,740	1,735	12.4%
Marginal profit	1,982	2,420	437	22.1%

Major services in the digital marketing business

• E-commerce services

Operation of Symantec Stores, development and sale of font sets, and the provision of web fonts and web font platform services

• Data analytics

Construction of website content management systems and the provision of access log analysis, BI tools for collecting, processing and analyzing data, and associated consulting services. Also providing services for analysis of internal logs and for measurement of advertising effectiveness, and other services

Results of operations of the digital marketing business

Net sales in the digital marketing business increased 1,735 million yen (+12.4%) to 15,740 million yen. Steady Symantec store sales were one reason for the growth in sales. Sales also benefited from an increase in orders for the web access analysis tools and associated consulting services. In addition, subsidiary Fontworks Inc. which plans, develops and sells digital fonts also contributed to sales growth.

Marginal profit in this business increased 437 million yen (+22.1%) to 2,420 million yen. Earnings increased due to the higher sales in the Symantec Store and the data analytics businesses, and the growth in sales of Fontworks Inc.

b. Platform solutions

(Millions of yen)

	First nine months of FY3/15	First nine months of FY3/16	Change (Amount)	Change (Ratio)
Net sales	8,597	7,999	(597)	(7.0)%
Marginal profit	3,000	2,851	(148)	(5.0)%

Major services in the platform solutions business

- Platform solutions

Sales of servers and network equipment, construction of IT infrastructure, and provision of operation and maintenance services, Linux OS and digital signage systems, integrated monitoring tools, and support services

- Security solutions

Provision of security system monitoring services, protection against advanced persistent threat, diagnostic services, comprehensive solutions including security products, encryption and authentication services using e-certification, and other services

Results of operations of the platform solutions business

Net sales in the platform solutions business decreased 597 million yen (-7.0%) to 7,999 million yen. This was mainly due to declines in hardware sales and sales from IT platform construction projects in the platform solutions business.

Marginal profit in this business decreased 148 million yen (-5.0%) to 2,851 million yen. Earnings decreased because of a decline in sales in the platform solutions business.

c. System integration

(Millions of yen)

	First nine months of FY3/15	First nine months of FY3/16	Change (Amount)	Change (Ratio)
Net sales	6,037	6,336	298	4.9%
Marginal profit	2,591	2,827	235	9.1%

Major services in the system integration business

- System integration

Development of IT systems and the provision of associated operation and maintenance services. Also the development and sales of applications for smartphones, tablets and robots and of development support tools

- Microsoft solutions

Using primarily Microsoft products, provision of support for moving clients' communication systems to the cloud and subsequent system operation and monitoring services, original services for achieving both user convenience and corporate security, and other services

Results of operations of the system integration business

Net sales in the system integration business increased 298 million yen (+4.9%) to 6,336 million yen. This was mainly due to the receipt of a major IT system development project and an increase in sales from the operation and maintenance services in the Microsoft solutions business.

Marginal profit in this business increased 235 million yen (+9.1%) to 2,827 million yen. Earnings benefited from the increases in sales and profitability in the system integration business and the Microsoft solutions business.

(2) Overview of Financial Position

i. Assets, Liabilities, and Net Assets

(Millions of yen)

	As of Mar. 31, 2015	As of Dec. 31, 2015	(Reference) As of Dec. 31, 2014
Total assets	22,175	21,959	20,889
Net assets	10,974	10,873	10,561
Shareholders' equity ratio	46.0%	47.2%	47.0%

Assets

Total assets decreased 215 million yen from the end of the previous fiscal year to 21,959 million yen at the end of the third quarter of the current fiscal year.

Current assets increased 247 million yen mainly due to an increase in work in process despite of a decrease in notes and accounts receivable-trade.

Non-current assets decreased 463 million yen mainly due to a decrease in investment securities.

Liabilities

Total liabilities decreased 115 million yen from the end of the previous fiscal year to 11,085 million yen at the end of the third quarter of the current fiscal year.

Current liabilities decreased 33 million yen mainly due to a decrease in income taxes payable.

Non-current liabilities decreased 82 million yen mainly due to a decrease in long-term loans payable.

Net assets

Net assets decreased 100 million yen from the end of the previous fiscal year to 10,873 million yen at the end of the third quarter of the current fiscal year mainly due to a decrease in non-controlling interests resulting from the additional purchase of shares of subsidiaries.

(3) Explanation of Consolidated 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 March 31, 2016 that was announced on April 27, 2015.

2. Matters Related to Summary Information (Notes)

(1) Changes in Accounting Policies and Accounting Estimates, and Restatements

Changes in Accounting Policies

Application of the Accounting Standard for Business Combinations, etc.

The Company has applied the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013), etc. from the first quarter of the current fiscal year. Accordingly, difference arising from changes in the Company's ownership interests in subsidiaries in cases where control is retained is recognized in capital surplus, and the acquisition costs in connection with business combinations are recognized as expenses in the fiscal year in which they arise. Regarding business combinations that take place on or after the beginning of the first quarter of the current fiscal year, the Company has revised the method to reflect reviewed allocation of the acquisition costs arising

from determination of the provisional accounting treatment on the quarterly consolidated financial statements to which the date of the business combination belongs. In addition, the presentation of net income and other items has been revised, and the minority interests item has been renamed non-controlling interests. For consistency with these changes, the consolidated financial statements for the first nine months of the previous fiscal year and the previous fiscal year have been revised.

The Company has adopted these accounting standards, etc. from the beginning of the first quarter of the current fiscal year, in accordance with the transitional accounting treatments set forth in Article 58-2 (4) of the Accounting Standard for Business Combinations, Article 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of the Accounting Standard for Business Divestitures.

The result was a decrease of 28 million yen in capital surplus at the end of the third quarter of the current fiscal year. The effect of this change on earnings for the first nine months is insignificant.

3. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/15 (As of Mar. 31, 2015)	Third quarter of FY3/16 (As of Dec. 31, 2015)
Assets		
Current assets		
Cash and deposits	5,788,629	5,946,957
Notes and accounts receivable-trade	6,941,512	6,528,210
Merchandise	137,437	254,120
Work in process	208,104	521,788
Deferred tax assets	390,507	245,187
Other	945,805	1,161,793
Allowance for doubtful accounts	(11,958)	(10,309)
Total current assets	14,400,039	14,647,749
Non-current assets		
Property, plant and equipment		
Buildings, net	528,219	537,421
Tools, furniture and fixtures, net	874,792	795,307
Construction in progress	2,445	4,290
Total property, plant and equipment	1,405,457	1,337,019
Intangible assets		
Goodwill	1,366,627	1,242,565
Software	1,082,432	1,032,407
Software in progress	79,762	123,494
Customer relationships	654,610	606,711
Other	311,052	289,312
Total intangible assets	3,494,485	3,294,491
Investments and other assets		
Investment securities	1,185,692	871,586
Deferred tax assets	260,729	273,050
Other	1,486,627	1,592,538
Allowance for doubtful accounts	(57,793)	(57,061)
Total investments and other assets	2,875,256	2,680,113
Total non-current assets	7,775,199	7,311,623
Total assets	22,175,238	21,959,373

	(Thousands of yen)	
	FY3/15 (As of Mar. 31, 2015)	Third quarter of FY3/16 (As of Dec. 31, 2015)
Liabilities		
Current liabilities		
Accounts payable-trade	4,624,483	4,946,224
Current portion of long-term loans payable	324,600	324,600
Lease obligations	69,992	71,047
Accounts payable-other	836,331	710,001
Income taxes payable	460,030	82,634
Provision for bonuses	549,422	262,575
Provision for directors' bonuses	-	45,360
Provision for loss on order received	8,574	1,650
Asset retirement obligations	10,330	-
Other	1,740,095	2,146,721
Total current liabilities	8,623,860	8,590,815
Non-current liabilities		
Bonds payable	100,000	100,000
Long-term loans payable	963,450	746,700
Lease obligations	502,382	452,085
Deferred tax liabilities	146,953	127,016
Long-term advances received	341,665	544,996
Net defined benefit liability	105,346	71,586
Asset retirement obligations	240,906	256,960
Other	176,460	195,468
Total non-current liabilities	2,577,163	2,494,814
Total liabilities	11,201,023	11,085,629
Net assets		
Shareholders' equity		
Capital stock	645,033	660,238
Capital surplus	722,682	709,520
Retained earnings	9,418,346	9,709,867
Treasury shares	(747,634)	(747,634)
Total shareholders' equity	10,038,426	10,331,991
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	164,346	31,900
Foreign currency translation adjustment	5,323	4,739
Total accumulated other comprehensive income	169,670	36,639
Subscription rights to shares	86,341	100,824
Non-controlling interests	679,777	404,287
Total net assets	10,974,215	10,873,743
Total liabilities and net assets	22,175,238	21,959,373

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

(Thousands of yen)

	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)
Net sales	28,639,628	30,075,839
Cost of sales	24,421,767	25,310,372
Gross profit	4,217,860	4,765,467
Selling, general and administrative expenses	3,587,801	3,750,664
Operating income	630,059	1,014,802
Non-operating income		
Interest income	497	256
Dividend income	4,080	-
Share of profit of entities accounted for using equity method	8,172	-
Foreign exchange gains	32,050	3,471
Miscellaneous income	8,752	8,783
Total non-operating income	53,553	12,510
Non-operating expenses		
Interest expenses	23,169	19,001
Share of loss of entities accounted for using equity method	-	69,215
Loss on investments in partnership	37,643	779
Miscellaneous loss	2,295	2,378
Total non-operating expenses	63,108	91,374
Ordinary income	620,504	935,938
Extraordinary income		
Gain on sales of investment securities	263,436	11,500
Gain on revision of retirement benefit plan	-	4,029
Total extraordinary income	263,436	15,529
Extraordinary losses		
Loss on sales of investment securities	15,769	4,703
Impairment loss	687	1,930
Total extraordinary losses	16,457	6,634
Income before income taxes and non-controlling interests	867,482	944,833
Income taxes-current	358,139	240,153
Income taxes-deferred	(57,235)	176,174
Total income taxes	300,904	416,328
Profit	566,578	528,505
Profit attributable to:		
Owners of parent	529,159	485,485
Non-controlling interests	37,418	43,020
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,878)	(132,445)
Foreign currency translation adjustment	1,211	(1,754)
Share of other comprehensive income of entities accounted for using equity method	-	540
Total other comprehensive income	(666)	(133,660)
Comprehensive income	565,911	394,845
Comprehensive income attributable to:		
Owners of the parent	528,492	352,455
Non-controlling interests	37,418	42,390

(3) Notes to Quarterly 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.