

SB Technology Corp.

Security Code : 4726

Main speaker



Senior Executive Vice President & CSO

Mitsuhiro Sato



Executive Vice President & CFO

Masaaki Okazaki



- Listing on the First Section of the Tokyo Stock Exchange
(Prime market from April 2022)

Consolidated
Number of
Employees

1,400

Engineer ratio

About 70%

PMP Holder CBAP Holder

120

50

Average
age

37.9
years old

Average
overtime

24h

Telework
implementation
rate

79%

Since its foundation, the SoftBank Group has always sought to contribute to people and society through the Information Revolution.

SB Technology is committed to becoming the best partner of corporations through the provision of ICT services with its cloud technologies as the core.



President & CEO
Shinichi Ata

SBTグループ



kintone
integration



Fontworks
Typefaces



IT education



Certificate
Authority
(Listing)



Agri-tech



System
Integration



System
Integration

Information Revolution, Happiness for everyone
- Technologies Design the Future -

Generating New Value to the World by Leading Technologies and Creativeness
with Diverse Work Styles and Opportunity-full Culture

Accept Diversity
Three Perspectives x Three Actions

Growth

Trust

Value

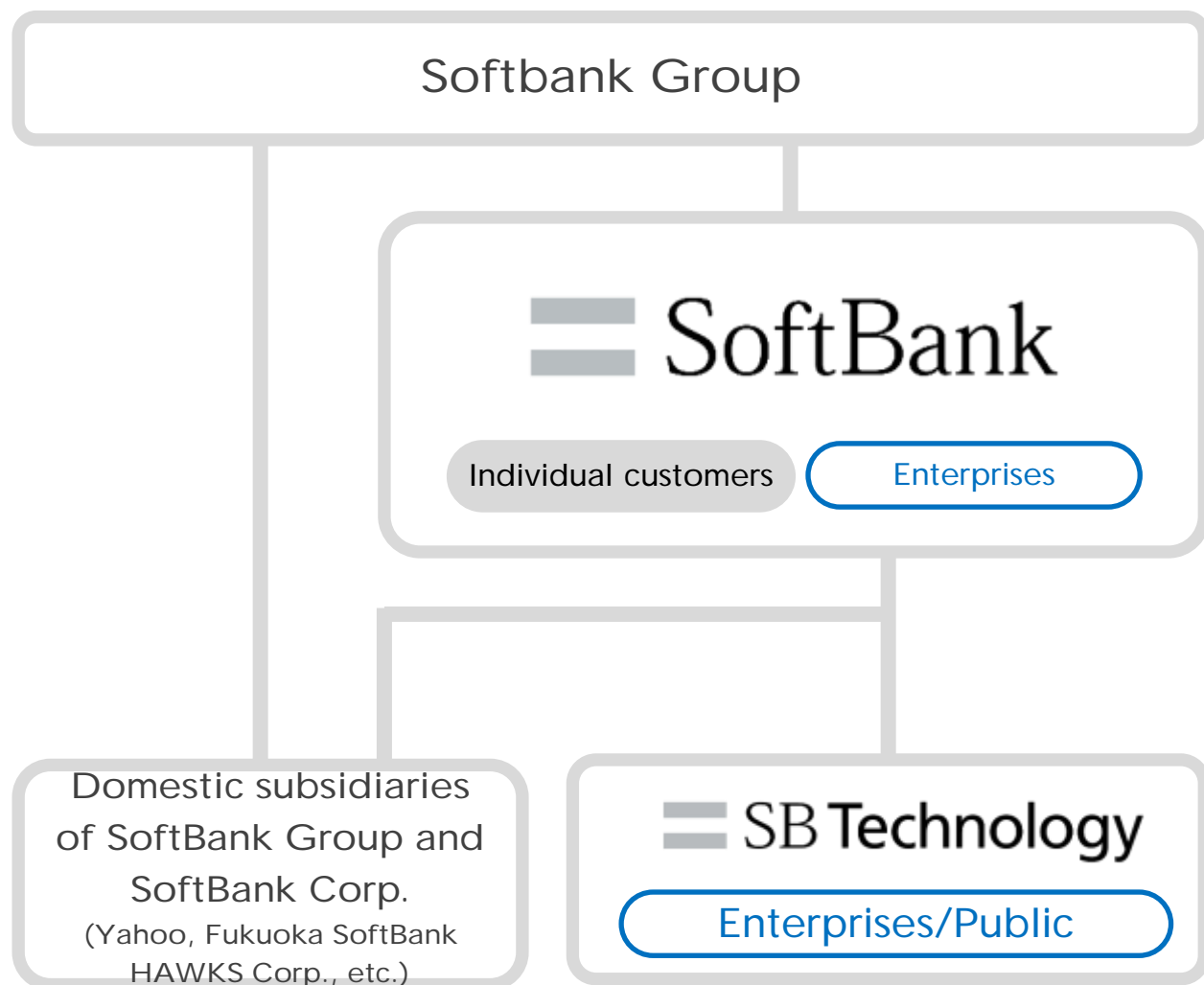
Tanoshimu

Tsukuru

Tsunagu

The SBT Group aims to achieve the Sustainable Development Goals (SDGs) by providing ICT services.





- Sublimation of know-how to our own services
- Jointly proposed by SoftBank Corp. and us to Enterprises



Accumulation of know-how
→ **Strengths**



Expansion to enterprises and
government customers



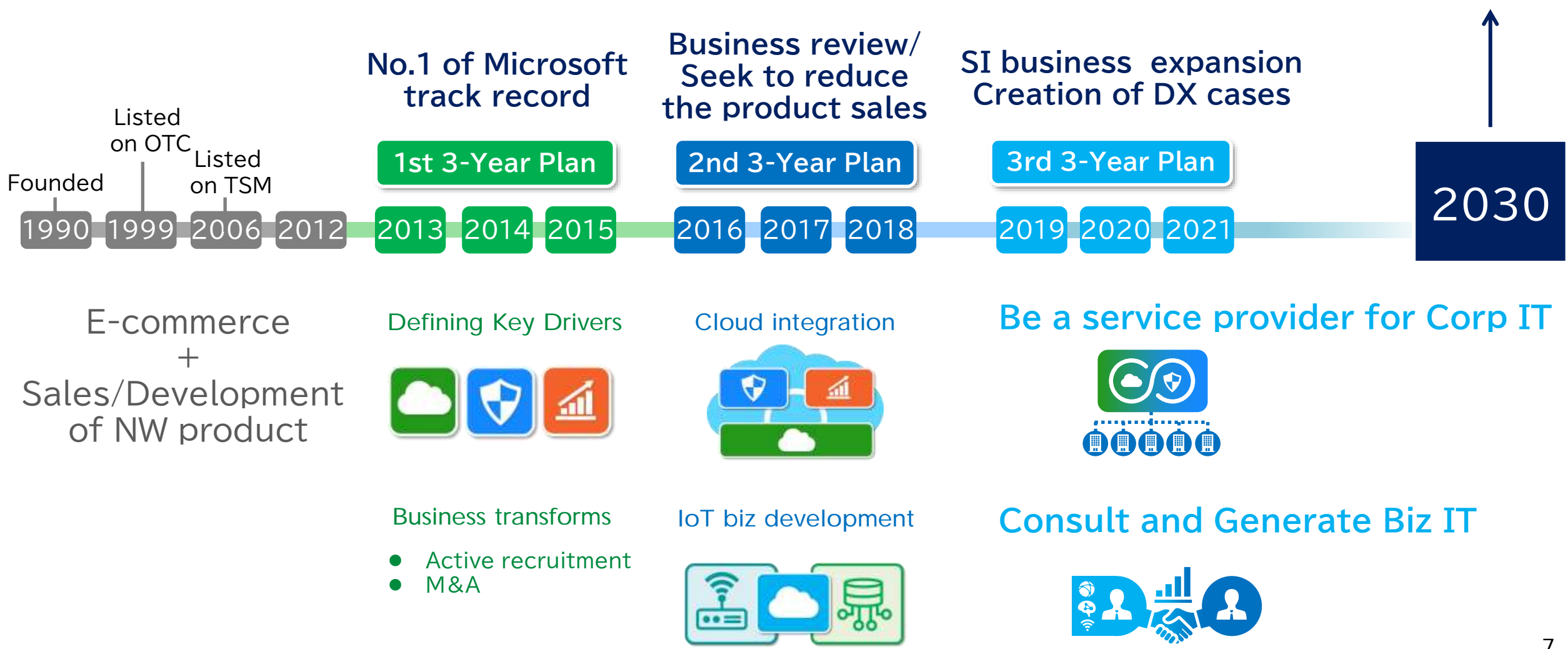
Know-how gained as a leading-edge
example



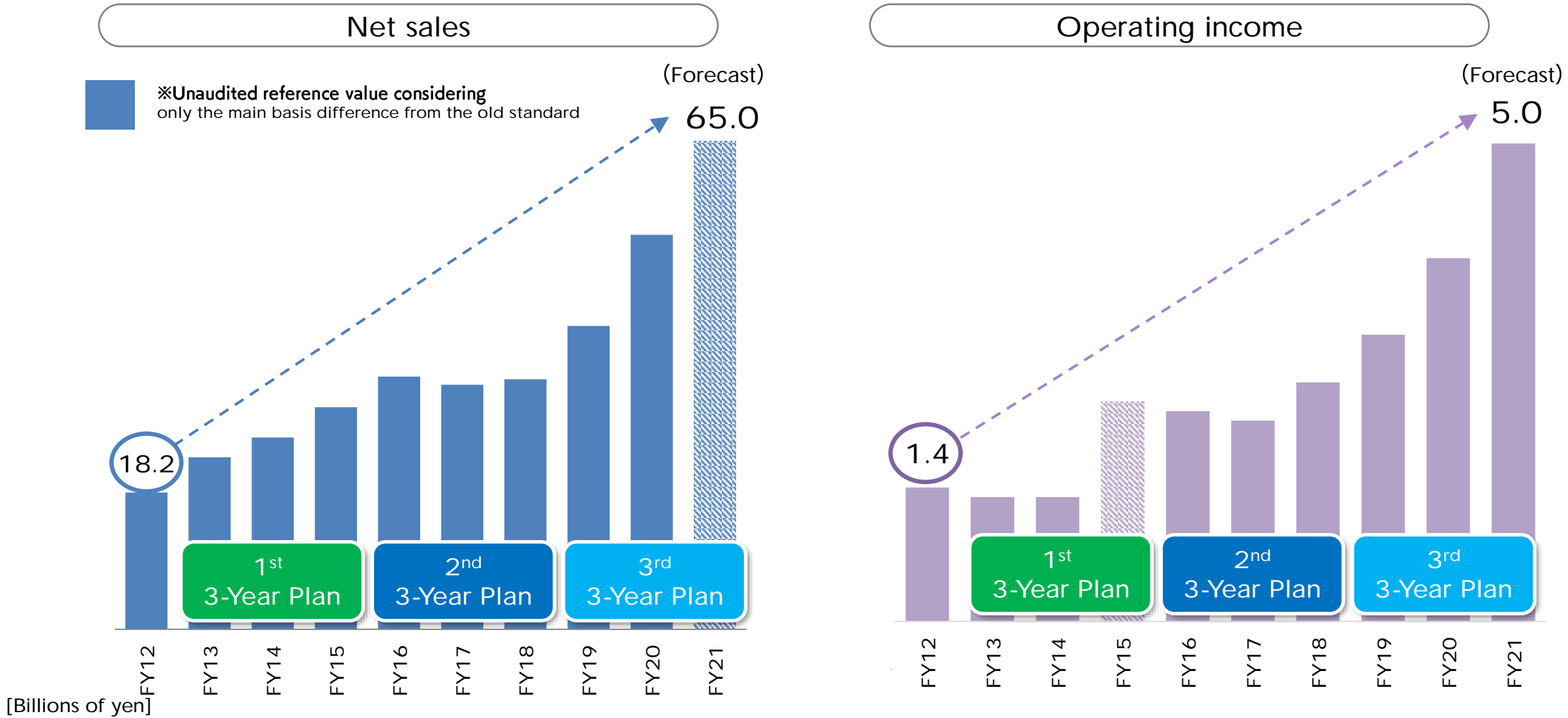
Cloud development and operation
of domestic group companies

Recapitulation of past mid-term plans and company transformation

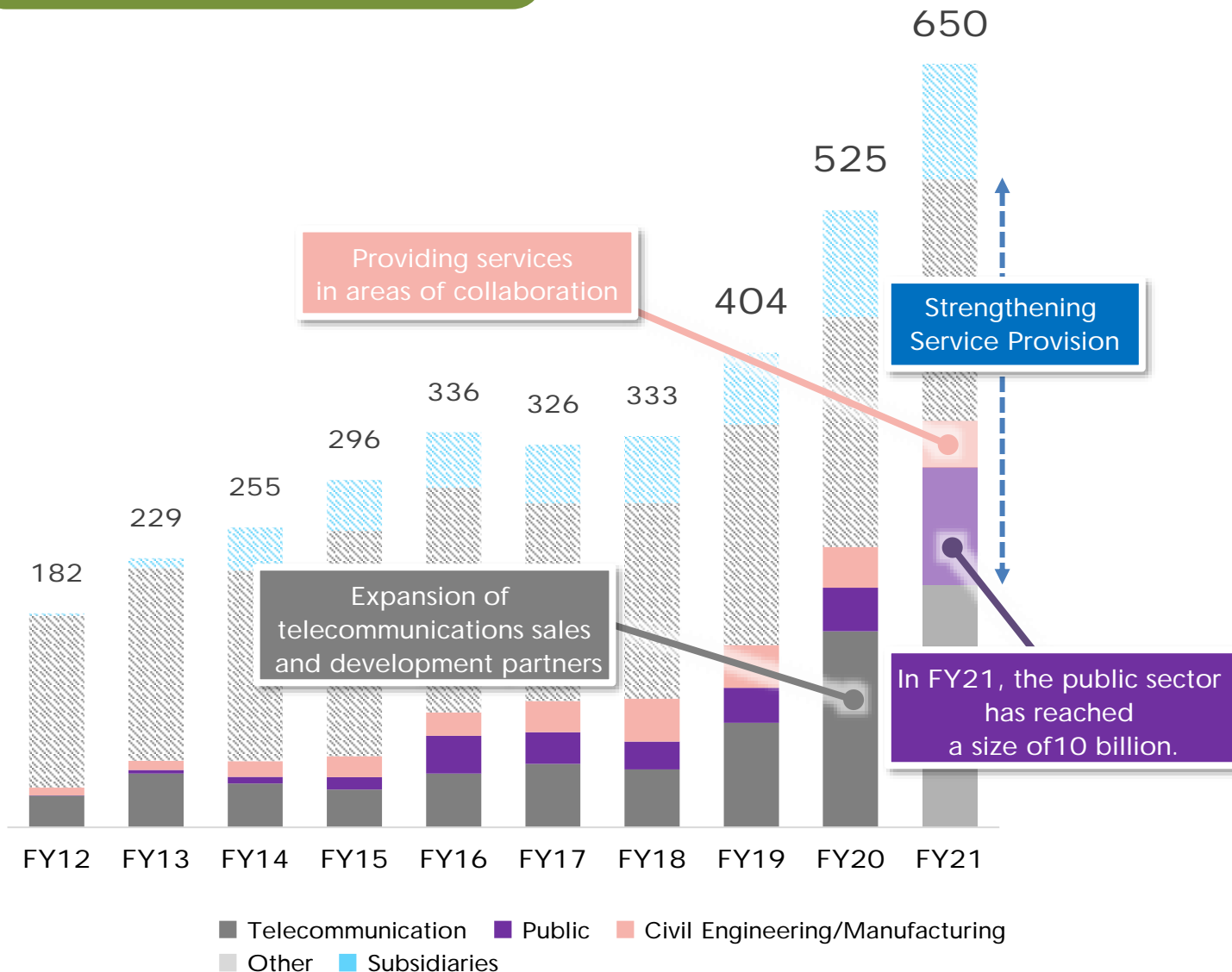
Becoming a Cloud Consulting & Service Company



Steady expansion of both sales and operating income



Sales by industry segment



【Achievements to date】

Expansion of SI business and partners

- Expansion of sales for communications and partners through vendor management projects
- Strengthening public business by leveraging expanded partners

【Future focus point】

Strengthening the service business

- Expansion of security monitoring and operation service provision to enterprises
- Providing information security services to local governments

Government Offices

Promote DX of MAFF*
(Digitize application work)

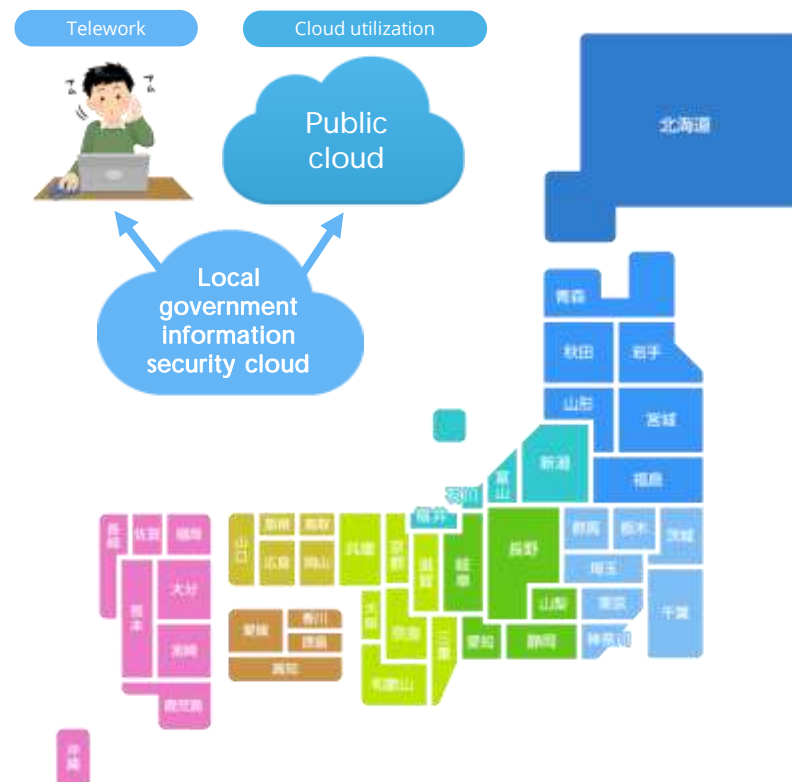


Digitization of approximately
4,500 paper application
operations

*MAFF: Ministry of Agriculture, Forestry and Fisheries

Local Government

Local Government Information Security
Cloud Services

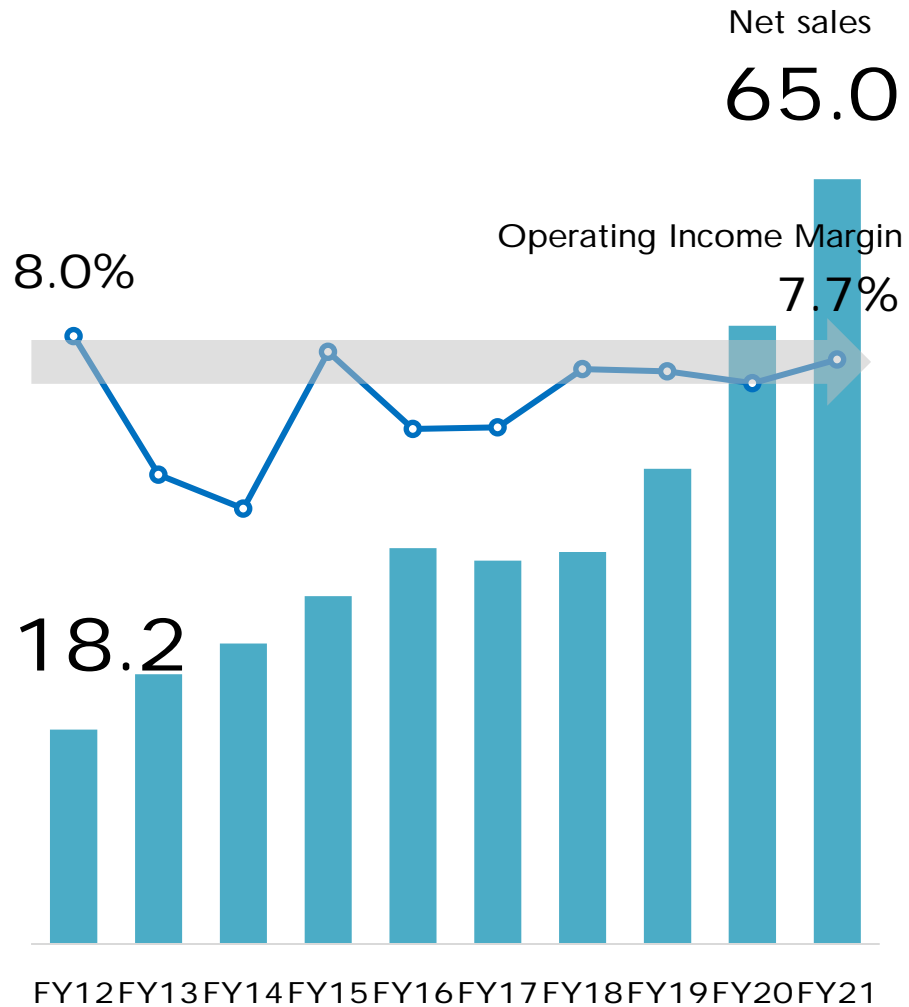


Orders from 10
prefectures

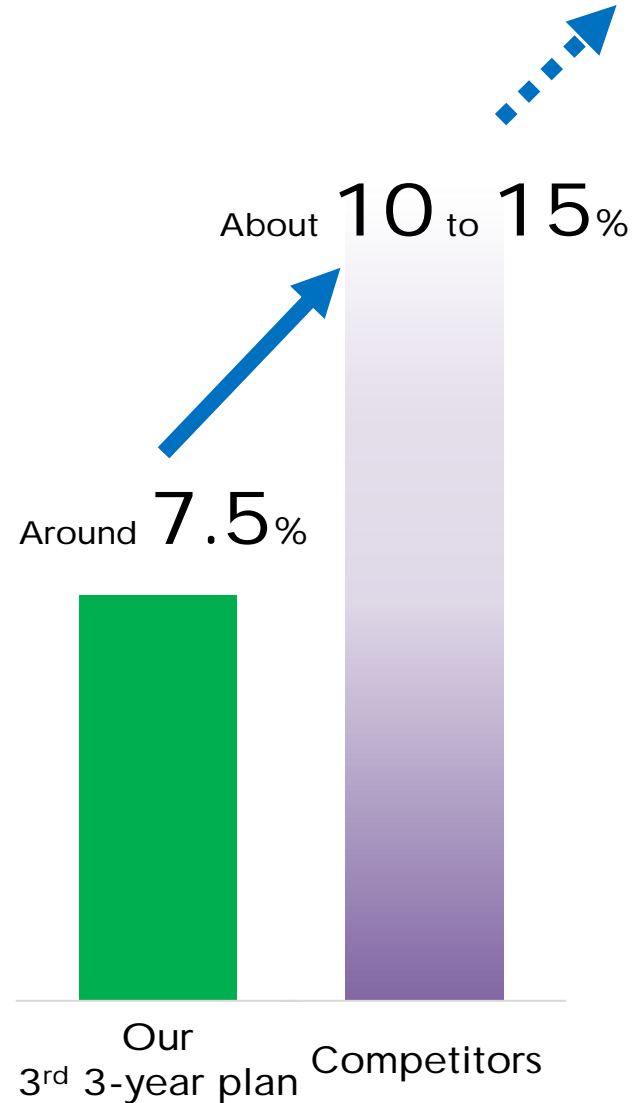
Business Direction / Shareholder Return

Operating Income Margin and Comparison with Competitors

Performance trends



Comparison of Operating Income Margin with Other Companies



Improvement of operating income margin

Expansion of high-margin service business

Standardization / productivity improvement of **"Profit base"** SI business



Net income for the fiscal year ending March 2022 is expected to reach **3 billion JPY** (+24% YoY).

Increase year-end dividend by 10 JPY per share (estimated) to enhance shareholder returns

Information Revolution - Happiness for everyone

- Technologies Design the Future -

 **SB Technology**

Fiscal year	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3
Net sales(million yen)	29,570	33,643	32,571	33,300	40,394	52,533
Operating income(million yen)	2,308	2,241	2,176	2,513	3,035	3,855
Ordinary income (million yen)	2,230	2,286	2,399	2,291	3,033	3,981
Profit attributable to owners of parent (million yen)	1,405	1,598	1,556	1,386	1,856	2,428
Total liabilities and net assets ^{※1} (million yen)	25,974	26,807	26,171	27,492	32,486	38,789
Total net assets (million yen)	11,726	13,015	14,532	15,857	17,617	19,577
Shareholders' equity (million yen)	11,188	12,566	13,723	14,820	16,410	18,255
Total shareholders' equity(million yen)	11,136	12,547	13,714	14,829	16,425	18,266
Cash flows from operating activities (million yen)	1,425	2,168	3,077	2,784	3,329	1,900
Cash flows from investing activities(million yen)	△361	△959	△997	△1,092	△1,753	△2,410
Cash flows from financing activities(million yen)	△1,128	△751	△548	△567	△477	329
Cash and cash equivalents at end of period (million yen)	5,616	6,075	7,606	8,728	9,826	9,722
Operating profit margin (%)	7.8	6.7	6.7	7.5	7.5	7.3
Net income margin(%)	4.8	4.8	4.8	4.2	4.6	4.6
Return on Assets (ROA) (%)	9.3	8.7	9.1	8.5	10.1	11.2
Return On Equity (ROE) (%)	13.1	13.5	11.8	9.7	11.9	14.0
Shareholders' equity ratio (%)	43.1	46.9	52.4	53.9	50.5	47.1
Net income per share ^{※2} (yen)	72.37	82.16	79.09	70.23	92.56	120.25
Net assets per share ^{※2} (yen)	579.94	638.79	693.64	747.03	813.94	902.72
Dividends per share ^{※2} (yen)	15	15	15	20	30	40
Payout ratio(%)	20.7	18.3	19.0	28.5	32.4	33.3

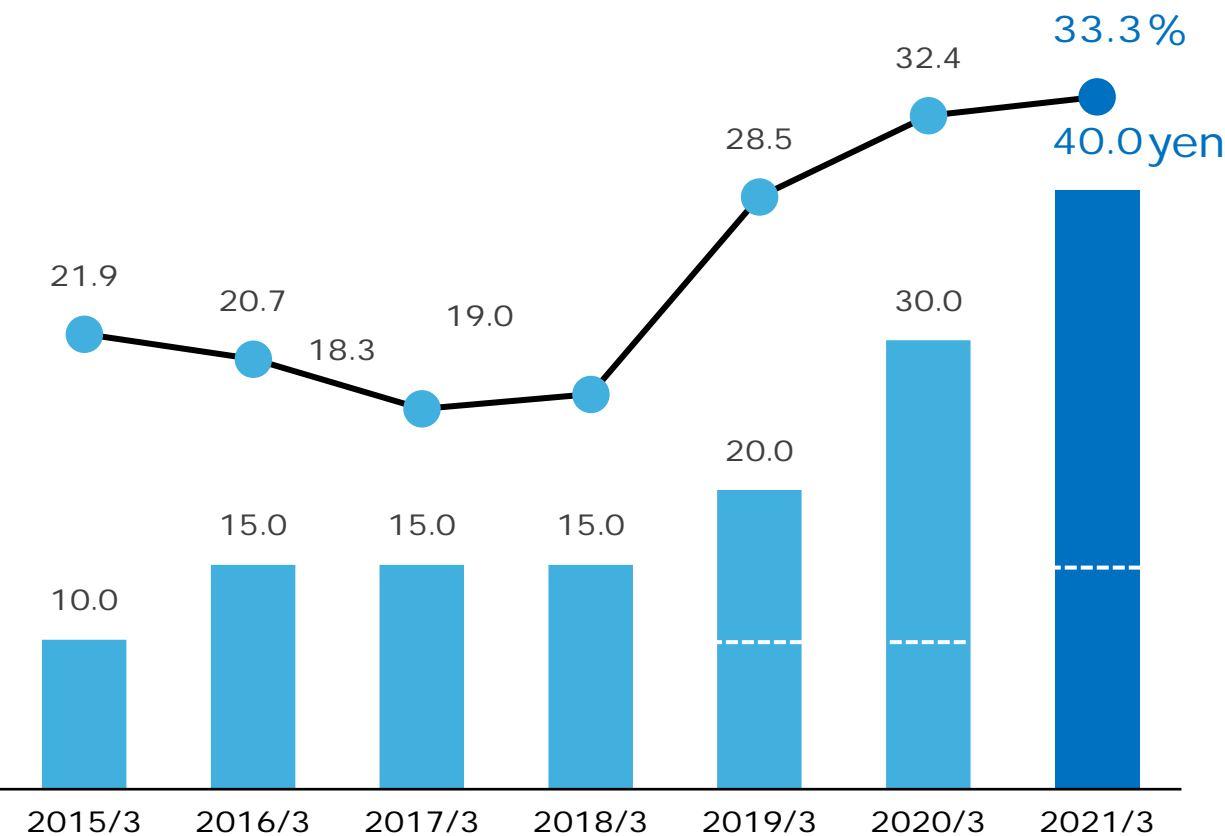
※1 "Partial Amendment to Accounting Standard for Tax Effect Accounting" has been applied from the beginning of the 1Q of FY3/2018

※2 The Company conducted the 2-for-1 share split of the June 1, 2017., and adjusts the previous dividend

※3 Net sales for periods prior to FY20 in this presentation are unaudited reference figures that present EC solution sales (the main area affected) in net amounts.

Providing benefits to shareholders is one of the highest priorities of SB Technology. The goal is to achieve sustained growth in corporate value while making business operations even more powerful. Dividends are the primary method for distributing earnings to shareholders. The policy is to pay a **steady and consistent** dividend that takes into account consolidated performance in each fiscal year, investment plans, liquidity and other applicable factors.

Dividend per share / Payout Ratio (*)



*The Company conducted the 2-for-1 share split of the June 1, 2017, and adjusts the previous dividend.

Status of Stock repurchase

	First half Treasury stocks	Increased Treasury stocks	Year-end Treasury stocks
2016/3	961,890	88,600	1,050,490
2017/3	1,050,490	131	1,050,621
2018/3	1,050,621	1,250,621	2,301,242
2019/3	2,301,242	200,037	2,501,279
2020/3	2,501,279	143	2,501,422
2021/3	2,501,422	4,400	2,505,822

*The Company conducted the 2-for-1 share split of the Company's common stock on June 1, 2017, 16



Top-class domestic implementation track record, and technical capacity recognized by Microsoft

Performance

Started cloud business in 2009,
when the cloud began to popularize.

**Numerous implementation
successes with leading companies**
(Construction/manufacturing industry,
education sector, etc.)

Cloud Implementation Successes

1,119
companies

Cloud SI
Implementation

413
companies

(as of end of September 2020)

ClouXion
Implementation

706
companies

Certification

Received an award given by Microsoft
Japan to its partners for eight
consecutive years. In 2016 we
captured the quadruple crown
globally, and in 2019 were selected
as a finalist in the IoT division.

Microsoft Partner of the Year



8-time award winner;
Awarded for seven consecutive
years since 2014



Japan's first
quadruple crown

Evaluation

ClouXion is our cloud solution brand to
leverage Microsoft 365 .

Based on the knowledge accumulated in
support of the introduction of Microsoft
products to major enterprises, this
system was created to solve the
distinctive challenges of work-style
reform.

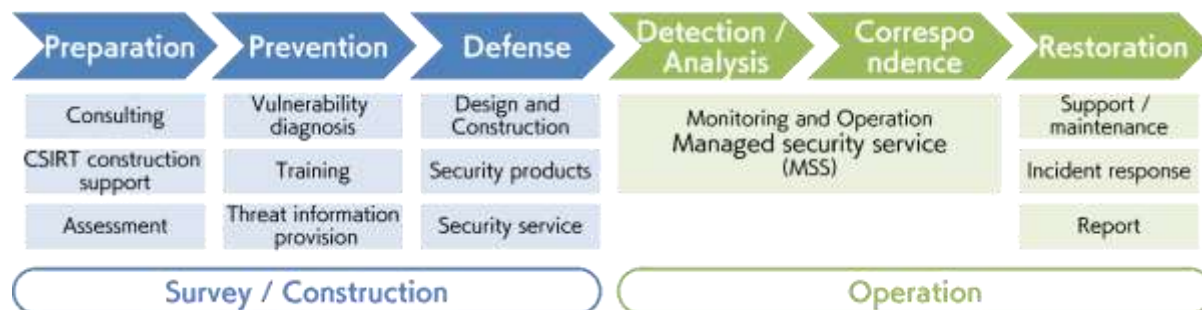




Provide total solutions for information security

We started security services in early 2000, when the Internet began to popularize, using our knowledge of operation services after the introduction of security products.

To cope with increasingly sophisticated and diverse cyber attacks each year, we provide one-stop services that support customers' critical information assets and business continuity, including security implementation support, security system operation monitoring (MSS), support for CSIRT※ construction by experienced experts, and consultation to support comprehensive corporate security.



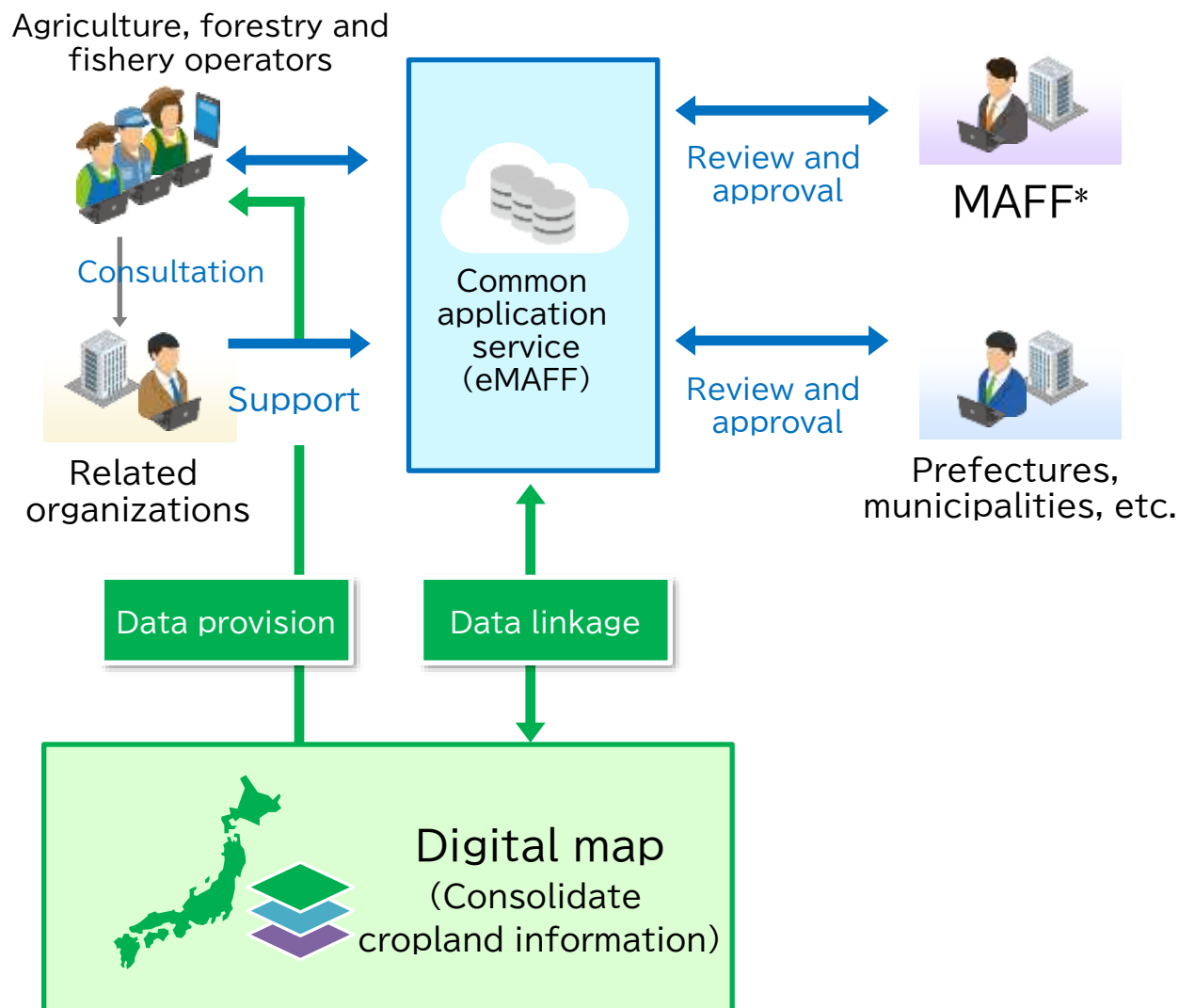
One-stop solutions to information security issues that customers face.



A dedicated security analyst operates and monitors your security system 24 hours a day, 365 days a year in a high-security room using biometric authentication and several other authentication methods.

※An abbreviation for Computer Security Incident Response Team that refers to a team that responds to incidents such as malware infection or intrusion.

Overview of MAFF* Common application service (eMAFF)



User Interface of MAFF Common application service (eMAFF)



Example of applicant screen

- Also compatible with smartphones
- Automatically fill in based on the previous record
- Intuitive input from the map

Example of system staff screen

- The screen is created by staff
- Utilize common parts
- Training videos are also created by staff

Third Quarter of the Fiscal Year Ending March 31, 2022

Results of Operations

January 27, 2022

SB Technology Corp.

Security Code : 4726

1. Financial Results	P. 24
2. Forecast	P. 32
3. Direction of the Next Medium-Term Management Plan	P. 37
4. Appendix	P. 43



Effective April 4, 2022 (the date of transition),
we will become a prime market listed company.

Going forward, we will further strengthen governance
to meet the expectations of our stakeholders,
aiming for medium- to long-term, sustainable growth
and increased corporate value.

Corporate Governance Report

- Key Items of Explanation

1) Sustainability Goals

2) Ratio of Outside Directors (Majority)

[Corporate Governance Report](#)

Senior Adviser

(Appointed : July 16, 2021)

Yukari Tominaga

Hitachi Solutions, Ltd., Vice President and Executive Officer
MORINAGA MILK INDUSTRY CO., LTD., External Director (June 2020~*)
Yashima & Co., Ltd. External Director (June 2021~*)

Senior Adviser

(Appointed : July 16, 2021)

Yuka Miyagawa

Oki Electric Industry Co., Ltd., Senior Vice President
OKI Crosstech Co., Ltd., Director and Senior Vice President (April 2021~*)

New

Senior Adviser

(Appointed : January 1, 2022)

Madoka Sawa

Microsoft Technology Center Director
Ensow Inc., CEO (October 2019~*)

Financial Results

 SB Technology

Financial
Results

Achieved record highs in all indicators, including net sales* and operating income, thanks to DX support from government agencies and private companies

Orders
Received

Orders recovered in the manufacturing industry in addition to public sector and SoftBank
Record-high orders and order backlog achieved in Q3

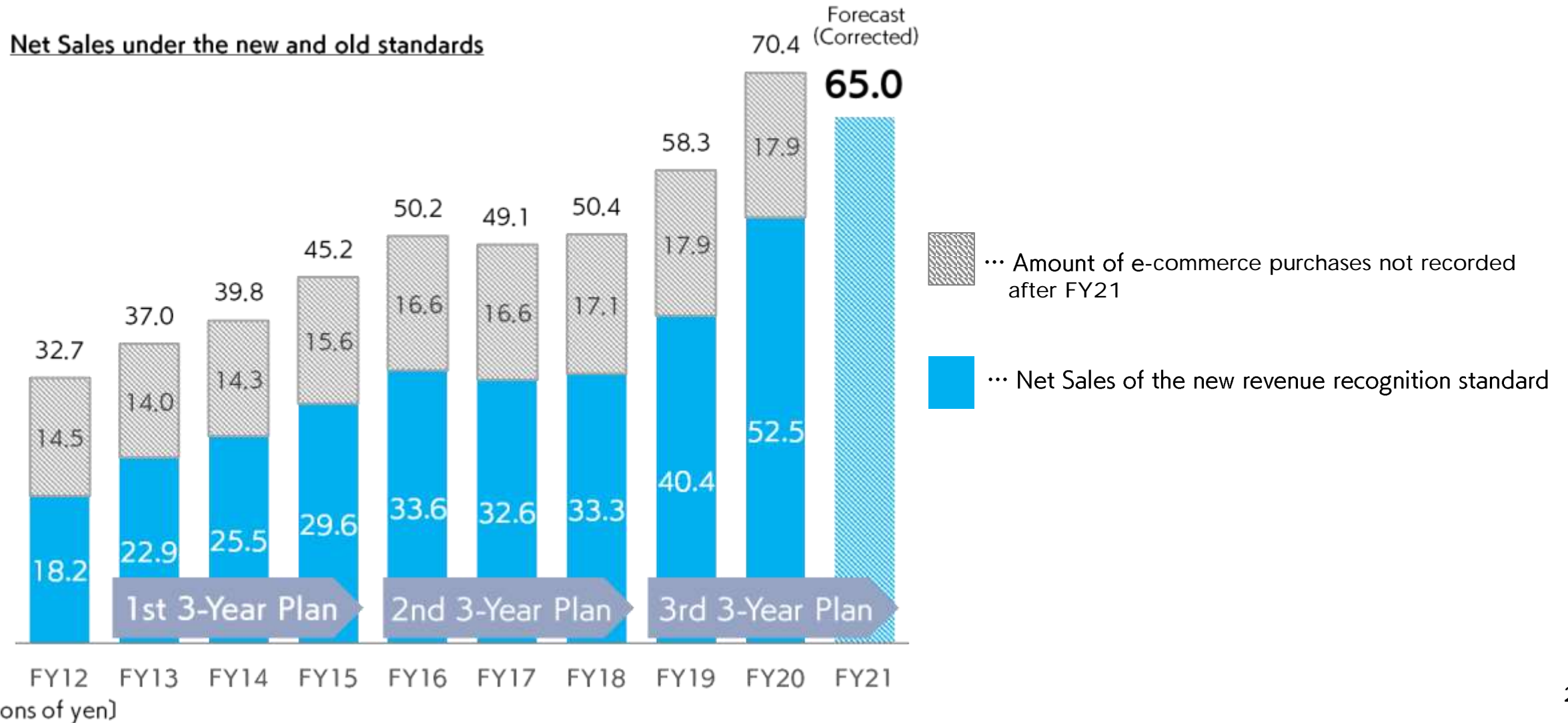
FY21
Forecasts

Cost reduction by strengthening project cost management
Operating income revised upward to 5 billion JPY

* Net Sales of the new revenue recognition standard

Premise for this briefing material

The Company has adopted the "Accounting Standard for Revenue Recognition" (the new revenue recognition standard) from FY21Q1. The performance statistics for periods prior to FY20 in this presentation are unaudited reference figures that present EC solution sales (the main area affected) in net amounts.

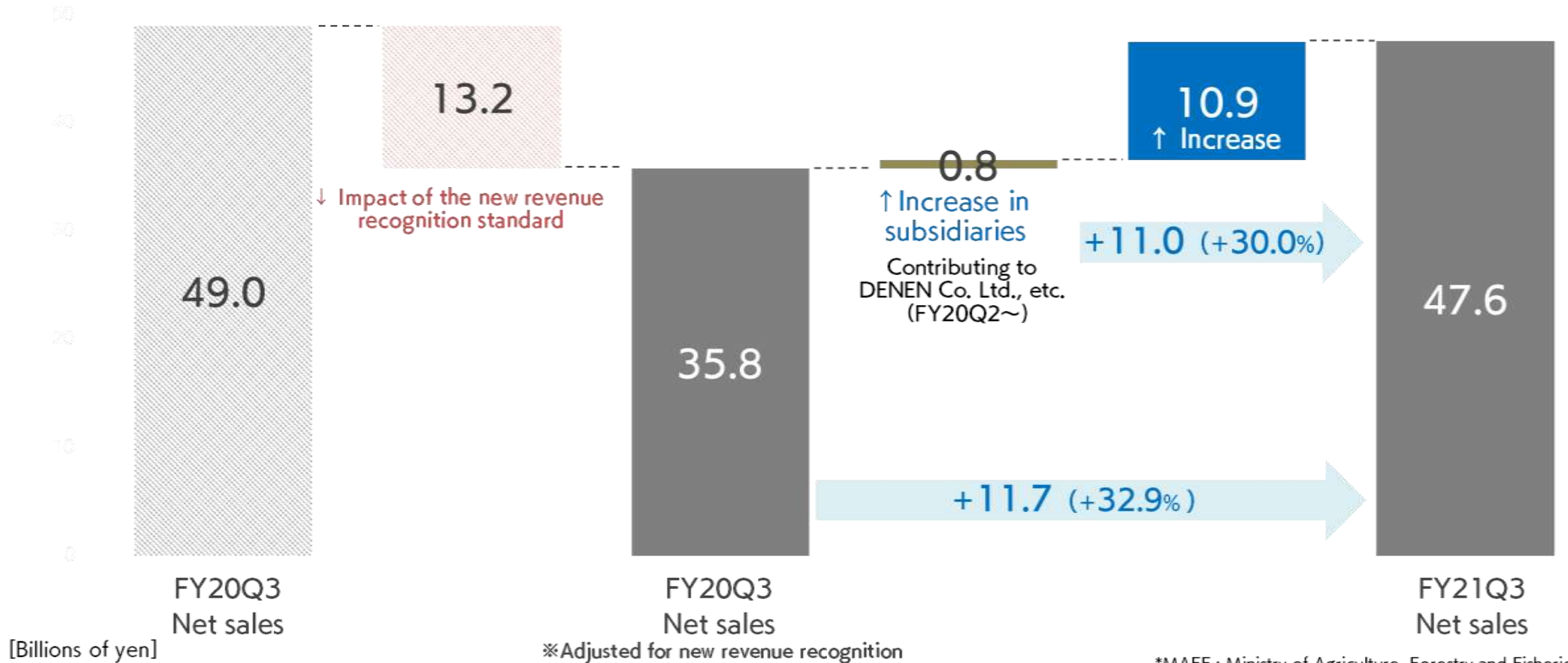


- Record-high sales and operating profit achieved due to corporate DX and digital government projects
- Improved OPM YoY due to strengthened project cost management

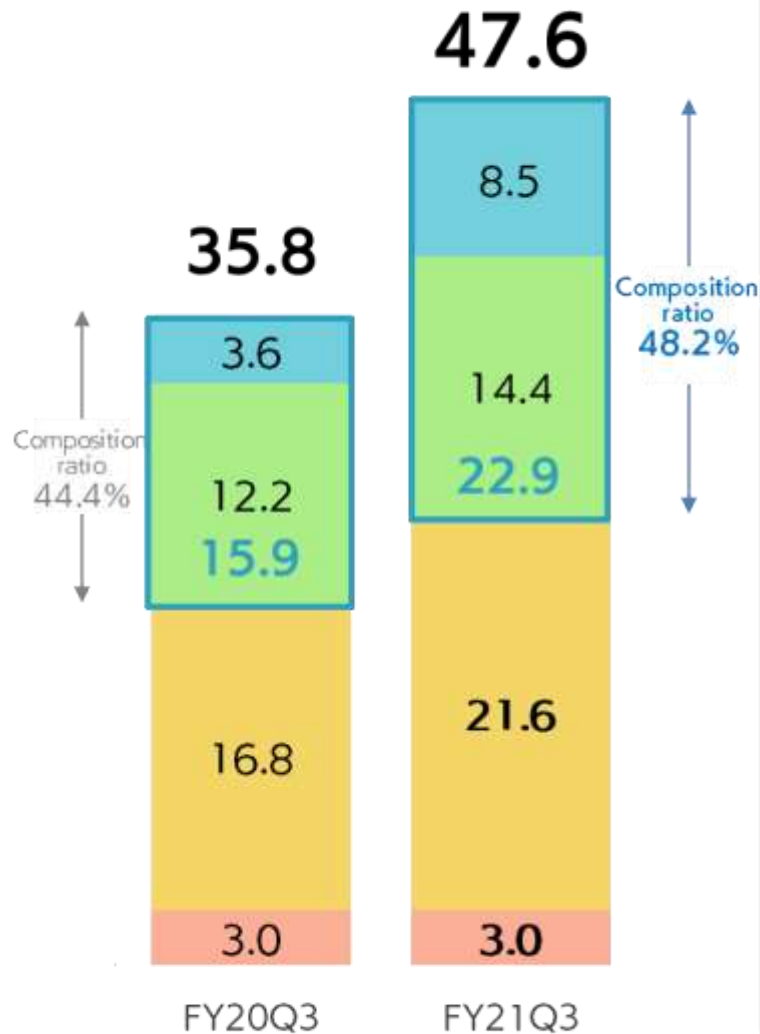
[Millions of yen] (Profit margin)		FY21Q3	FY20Q3	Change	Change %
Net sales		Record high 47,626	35,842	+11,783	+32.9%
			(For reference) Before new revenue recognition adjustments 49,062	▲1,436	▲2.9%
Operating income		Record high 3,660 (7.7%)	2,473 (6.9%)	+1,187	+48.0%
Ordinary income		Record high 3,622 (7.6%)	2,461 (6.9%)	+1,161	+47.2%
Profit attributable to owners of parent net profit		Record high 2,187 (4.6%)	1,479 (4.1%)	+708	+47.9%

Impact of Change in Accounting Standards (Net Sales) | FY2021 Q3

- Increase of 11.7 billion JPY(+32.9%) year-on-year mainly due to projects for the MAFF* and SoftBank Corp.
- Excluding impact of subsidiaries consolidated in Q2 of the previous fiscal year, sales would have increased 11.0 billion JPY(+30.0%).

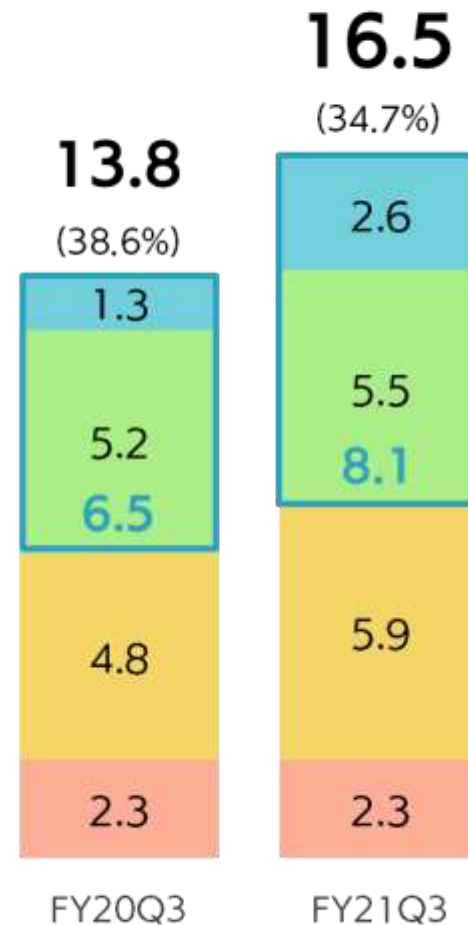


Net sales



Marginal income

[Billions of yen]
(Profit margin)



Business IT (BIT) : Increase in both sales and profits

- Provisions were made for digital map projects, but profits increased due to lower operating costs for electronic application infrastructure for the Ministry of Agriculture, Fisheries and Fisheries.

Corporate IT (CIT) : Increase in both sales and profits

- Demand for cloud adoption and cloud security increased.
- Growth due to the construction phase of the next-generation information SC*

Technical (TS) : Increase in both sales and profits

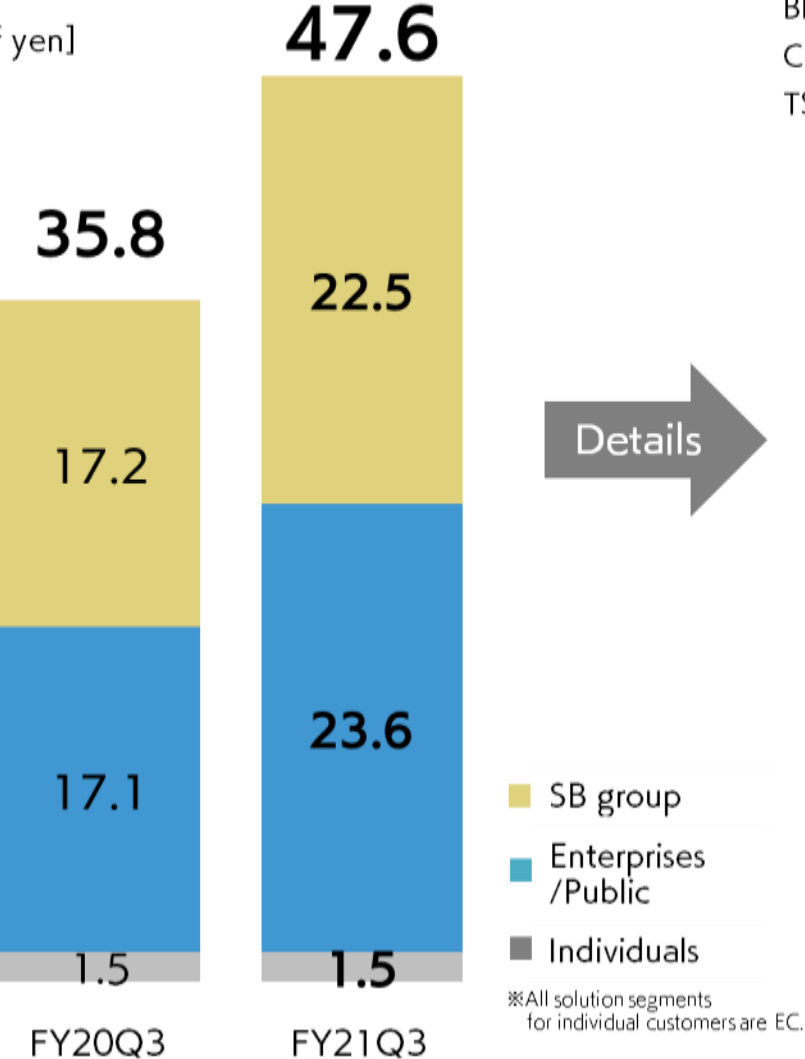
- System development and operation projects for SoftBank Corp. increased due to SBT's role as a strategic Sler, and the expansion of the area came to a halt in Q3

EC : Flat

- Generally steady

By customer type

[Billions of yen]



Details

Customer type × Solution category

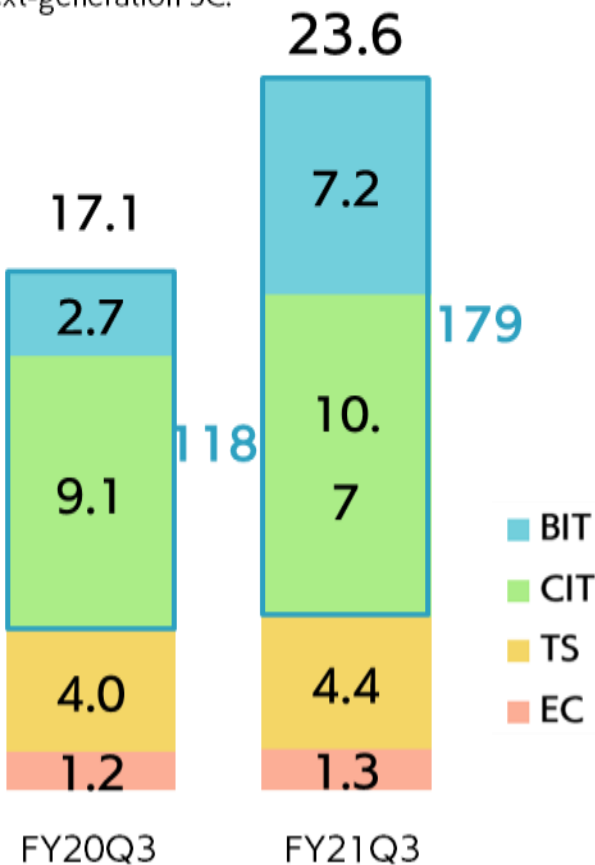
SB group

BIT : Higher sales due to website renovation project
CIT : Cloud-related development increased
TS : Significant increase in sales due to expansion of the scope of projects at SoftBank Corp.

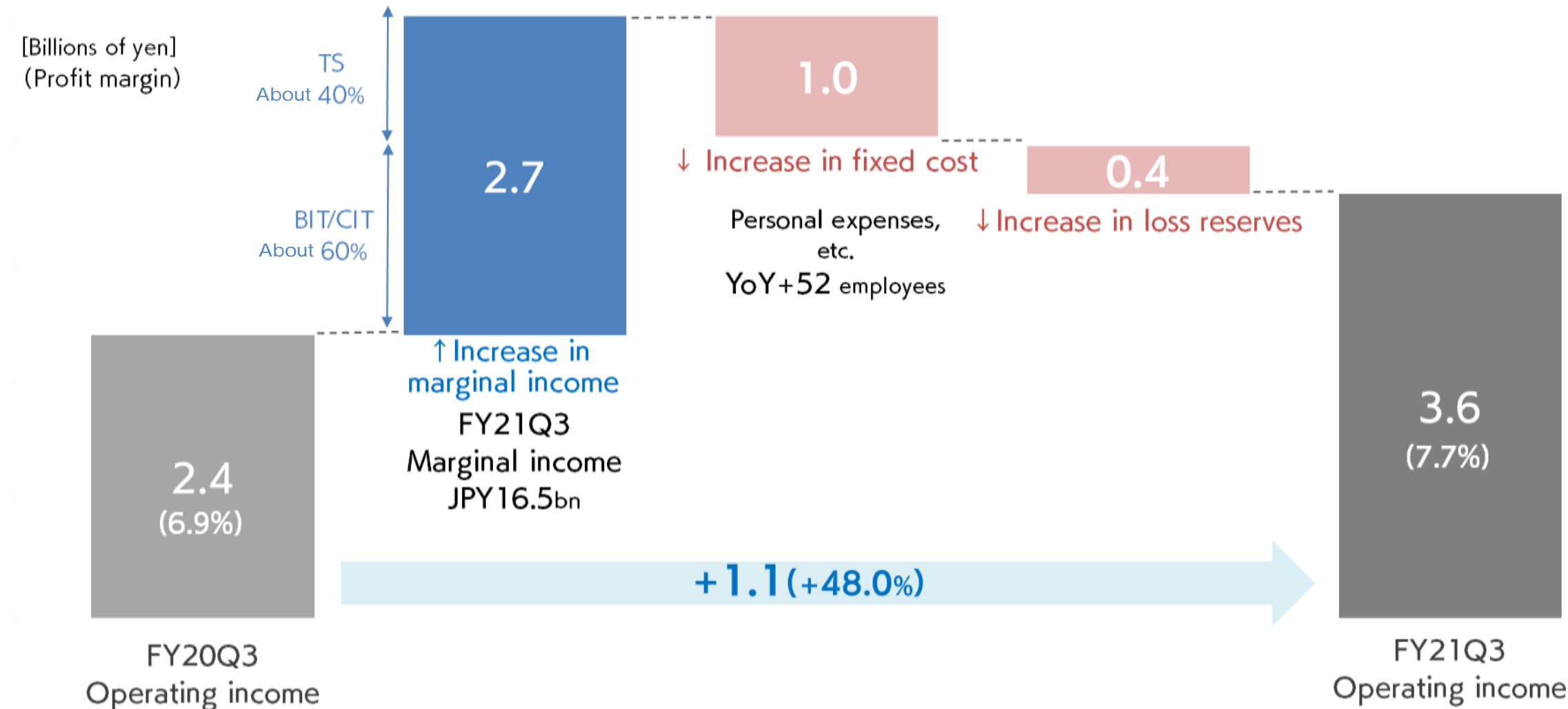


Enterprises/Public

BIT : Higher sales due to electronic application project for MAFF
Steady growth of over 1.5 times YoY in sales targeted at the manufacturing industry
CIT : Increased Cloud operations and security
Also recorded the construction phase for the next-generation SC.



- Marginal profit increased due to business expansion, including public works projects and cost optimization
- Increase in operating income of 1.1 billion JPY (+48.0%), even after accounting for an increase in fixed costs due to personnel expenses and strengthening of recruitment



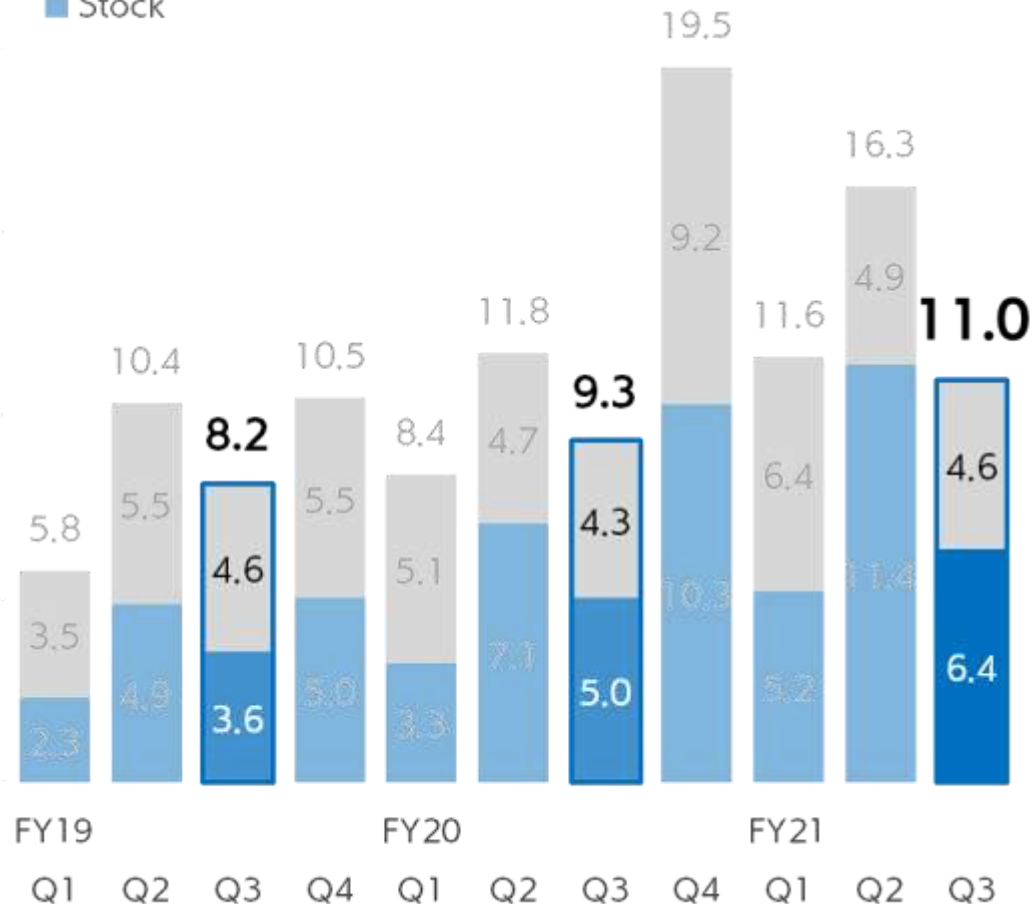
Forecast

SB Technology

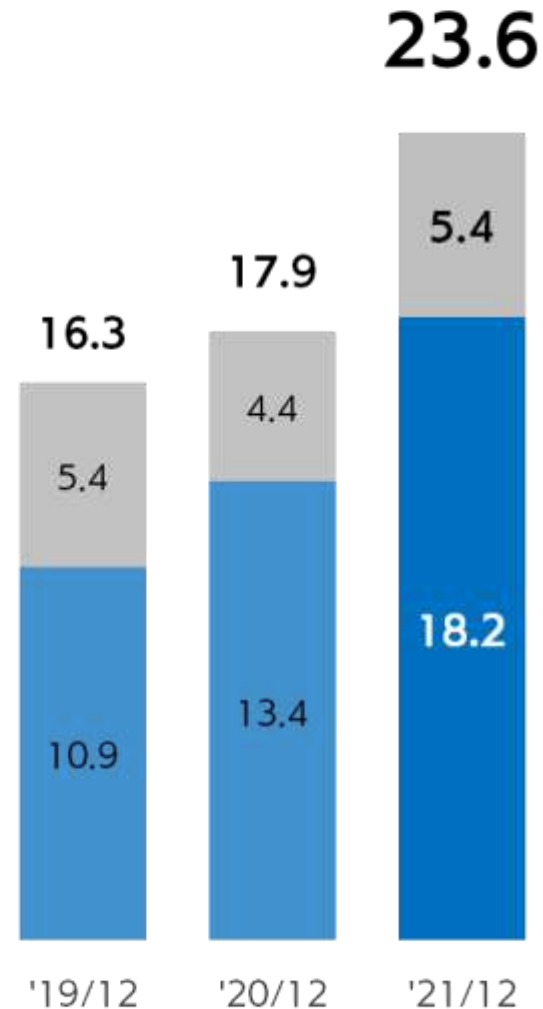
Orders Received

[Billions of yen]

■ Flow
■ Stock



Orders Backlog



Q3 Major Orders Received

- Steady expansion of projects for SoftBank Corp.
- Received orders for development projects from the manufacturing industry, as well as information SC for Nagasaki Prefecture
- Approximately 50% of the order backlog is expected to generate sales in the fiscal year under review.

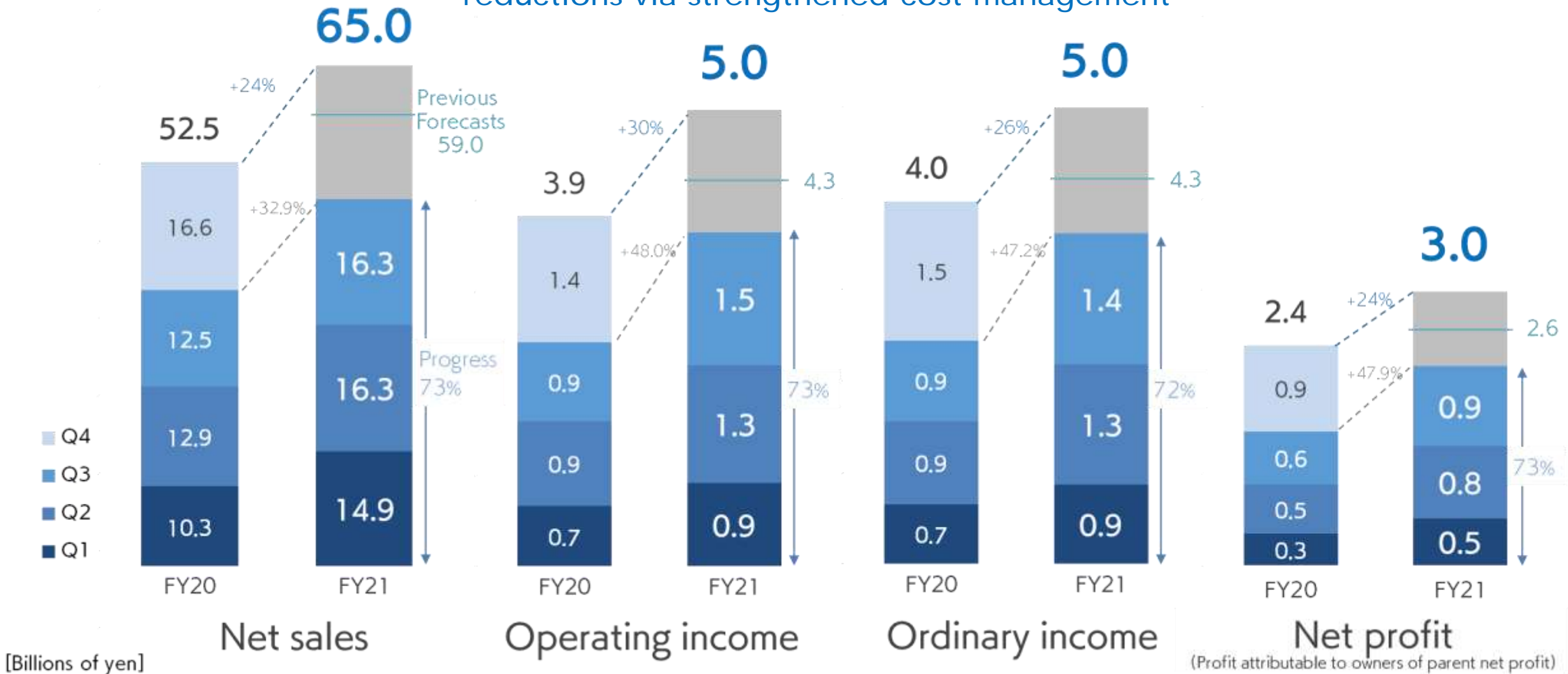
Non-consolidated
orders backlog

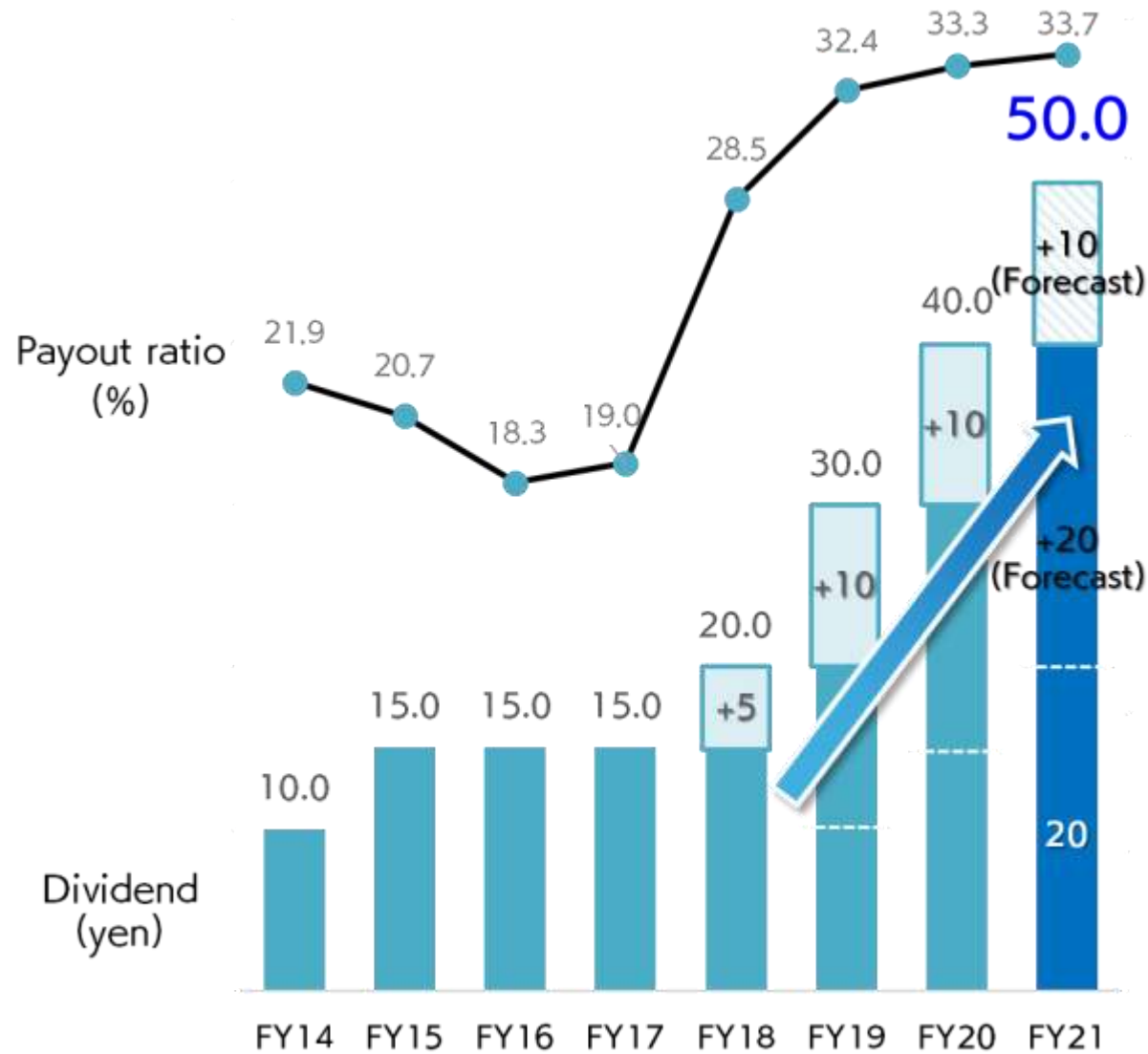
(YoY) **32.2% up**

FY2021 Forecast

(Revised : January 27, 2022)

- Full-year operating income was again revised upward from the initial forecast of 4.3 billion JPY to 5 billion JPY as a result of cost reductions via strengthened cost management





Net income for the fiscal year ending March 2022 is expected to reach **3 billion JPY** (+24% YoY).

Increase year-end dividend by 10 JPY per share (estimated) to enhance shareholder returns

Third Medium-Term Management Plan / FY21 Management Indicators

Expected
achievement

1. Operating income JPY4.3 bn※1

Expected
achievement

2. To 50% of BIT & CIT※2 sales

Expected
achievement

3. ROE 13%

※ 1) CAGR 20% starting from FY2018 consolidated operating income of JPY2.5 bn

※ 2) Business IT Solutions (BIT) and Corporate IT Solutions (CIT) as a percentage of FY2021 sales

Direction of the Next Medium- Term Management Plan

SB Technology

Environmental Initiatives at the Time of Formulation of the Third Medium-Term Management Plan (FY18)

On the Tokyo Stock Exchange Reorganization

In October 2018,
"Discussion Group on Modality of the Market Structure" was established.



Require Further Enhancement
of Corporate Value

Need to increase sales and profits to increase corporate value

• Change in the parent company

From SoftBank Group Corp. to SoftBank Corp.



Increase in sales and profits by generating synergies with SOFTBANK CORP.

- Developing Partners for Vendor Management Projects to External Sales
- Collaborating with leading-edge examples and expanding these efforts to External Sales

• Compliance with New Accounting Standards

FY18 sales 50.4 billion yen → under the new standard 33.3 billion yen



Increase of over 20 billion yen by the time of application (FY21)

- FY21 sales after the adoption of the new standard are expected to increase by more than 30 billion yen compared to FY18

• From Ownership to Use

Transitioning away from product sales



Strengthening SI & Service and Creating Added Value (Profit Increase)

- Increasing Value Added in the Cloud/Security Domain
- Insufficient IT human resources to strengthen services

With a View to 2030

Analysis as of 2018

World Trends

- Decline in labor population/low birthrate and aging population
- Lack of IT/security-related human resources
- Increased number of cyber attacks (Tokyo Olympics)
- My Number/Personal Information Protection Act
- Dissemination of 5G, AI, IoT, xR, RPA
- Cyber Security Basic Act
- NOTICE (IoT) / GDPR response
- Robots & Drones
- Automated car evolution, MaaS
- EOL waves on the on-pre system

Customer Trends and Issues

Corp IT (Information Systems Division)

- IT Support for Business Sectors for Core Business Growth
- Accelerate cloud-first/outourcing
- Use of IT to promote work style reform

Biz IT (Business Divisions)

- To execute business strategies to meet the speed of uncertainty and change
- Use of leading-edge technologies to enhance competitiveness
- Business globalization

External environment
Corona generation

Customer environment
Accelerating DX in the
Public and Private
Sectors

Tailwind

Long-term Goals

Enhance the competitiveness of Japanese companies
Becoming a Cloud Consulting & Service Company

Goals in the Third 3-Year Plan

Be a service provider for Corp IT

- Focus on service business due to lack of IT human resources
- To "accumulated upgrades" merchandise that are constantly updated by customers

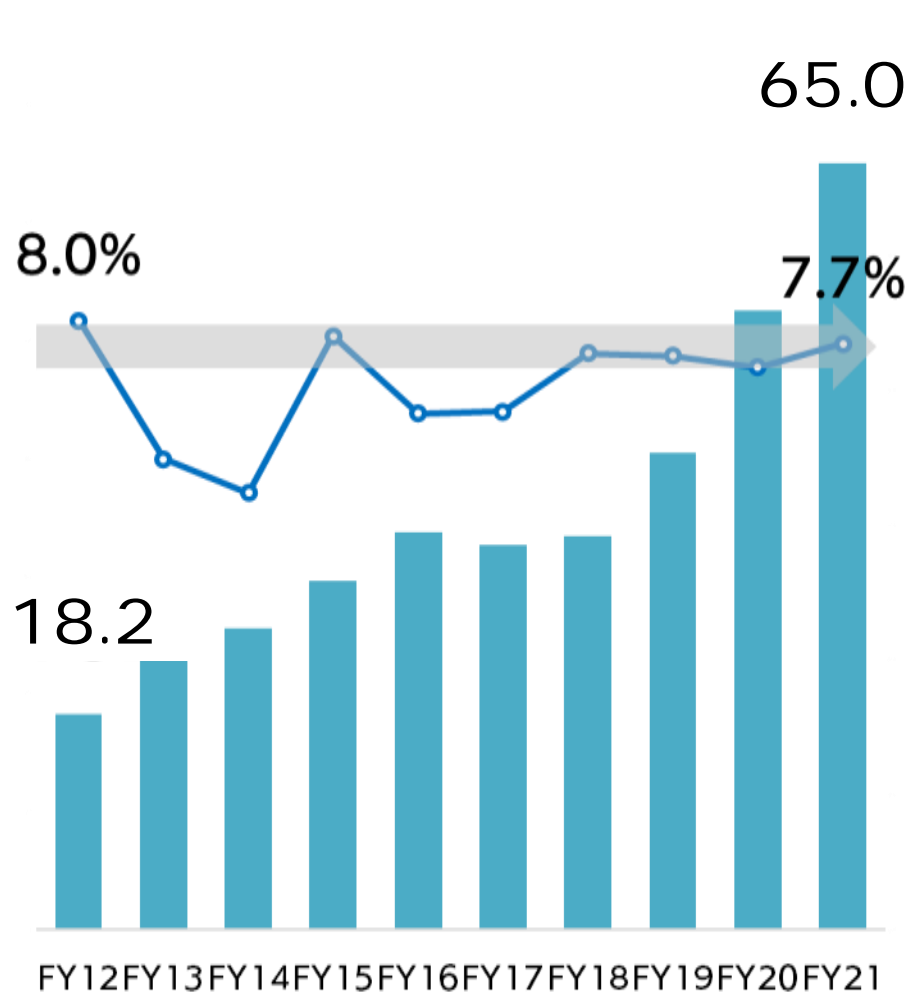
Consult and Generate Biz IT

- Strengthening Consulting Capabilities to Link Business and IT to Strengthen Competitiveness
- Platform that allows customers to create business applications

Toward Improving Profitability

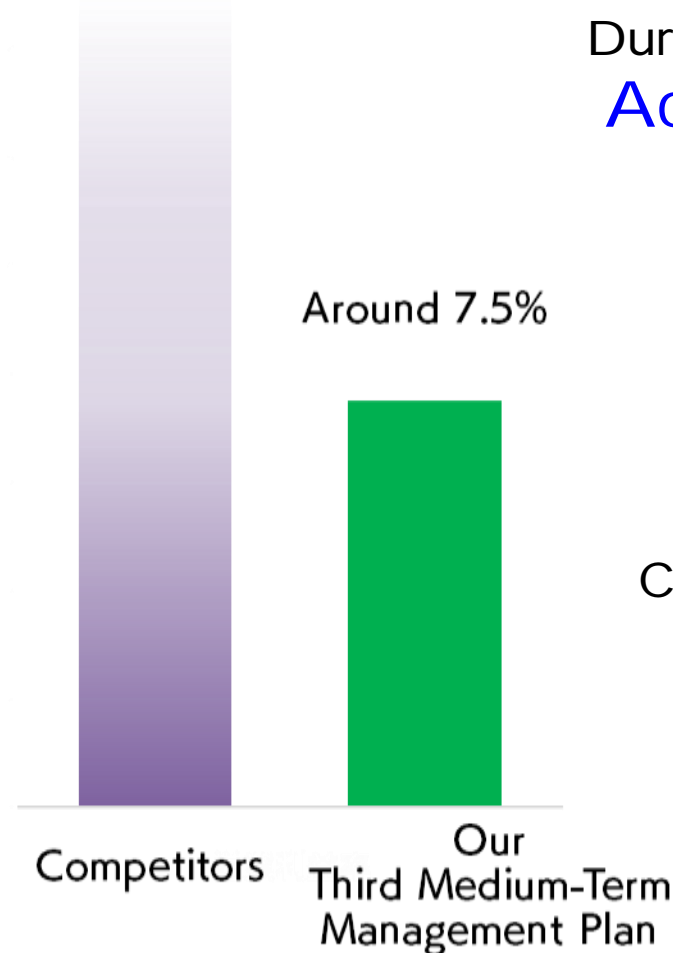
Performance trends

Comparison of Operating Income Margin with Other Companies



[Billions of yen]

About 10 to 15%



During the third medium-term plan
Achieve expanded scale

On the other hand,
Operating margin remained flat.

Compared to other companies in the same industry,
There is room for improved profitability.

Under consideration for further improvement of profitability and establishment of service business in the next medium-term plan

To continue and strengthen

Change and review

SI

- Support for cloud development to promote customer DX
 - To strengthen customer competitiveness through integrated manufacturing and sales
- Proposal and development including upstream consultation

- Standardization, solution-based provision, etc.
- Development system that can improve profitability
- To reduce unprofitable projects
- Enhancement of check functions and systems

Service

- With security measures that require advanced expertise
- Provide service (MSS※1/Local government information SC※2)**
- Platform type that can be used on-site basis
- e.g., the Ministry of Agriculture, Forestry and Fisheries electronic application service

- Redefinition of Difficult-to-differentiate cloud utilization services
- Sales expansion system by sales partners

EC

- By NortonLifeLock's policy changes
- Only automatic updates will be supported in the future.

- Into the SI & Service Business, a Growth Domain
- Relocating Resources

Information Revolution - Happiness for everyone

- Technologies Design the Future -

 **SB Technology**

Appendix

 SB Technology

[Millions of yen] (Profit margin)		FY21Q3	FY20Q3	Change	Change %
Net sales	Record high	16,309	12,556	+3,753	+29.9%
			(For reference) Before new revenue recognition adjustments 17,197	▲888	▲5.2%
Operating income	Record high	1,454 (8.9%)	877 (7.0%)	+576	+65.7%
Ordinary income	Record high	1,433 (8.8%)	885 (7.1%)	+547	+61.9%
Profit attributable to owners of parent net profit	Record high	871 (5.3%)	586 (4.7%)	+284	+48.6%

Consolidated business results (Millions of yen)									YoY	
	FY20Q1	FY20Q2	FY20Q3	FY20Q4	FY20	FY21Q1	FY21Q2	FY21Q3	Change	Change %
Sale	10,375	12,910	12,556	16,690	52,533	14,994	16,322	16,309	+3,753	+29.9%
BIT solutions	1,145	1,369	1,173	2,740	6,429	2,440	2,838	3,230	+2,056	+175.2%
CIT solutions	3,733	4,655	3,853	5,418	17,660	4,601	5,178	4,671	+817	+21.2%
Technical solutions	4,346	5,967	6,575	7,504	24,394	6,847	7,333	7,432	+857	+13.0%
EC solutions	1,149	918	953	1,027	4,049	1,104	971	975	+21	+2.3%
Cost of sales	7,942	10,123	9,835	13,248	41,150	12,039	12,905	12,737	+2,901	+29.5%
Gross profit	2,433	2,787	2,720	3,442	11,383	2,954	3,416	3,571	+851	+31.3%
SG&A expenses	1,766	1,859	1,842	2,059	7,527	2,042	2,123	2,117	+274	+14.9%
Operating income	666	928	877	1,382	3,855	912	1,293	1,454	+576	+65.7%
Other Income and Expenses	▲8	▲11	8	137	125	▲34	19	▲20	▲28	-
Ordinary income	658	917	885	1,520	3,981	877	1,312	1,433	+547	+61.9%
Extraordinary gain/loss	▲5	▲44	49	▲100	▲100	19	▲21	▲1	▲50	-
Net profit attributable to owners of parent	348	543	586	949	2,428	516	799	871	+284	+48.6%
Marginal income	4,017	4,969	4,833	5,999	19,926	5,297	5,527	5,702	+869	+18.0%
Fixed cost	3,350	4,041	3,955	4,616	16,071	4,384	4,233	4,248	+292	+7.4%
Non-consolidated order backlog	16,537	18,204	17,910	24,076	24,076	23,657	26,403	23,678	+5,768	+32.2%

※Solution classifications were reviewed for certain projects and are calculated in accordance with the current accounting method.

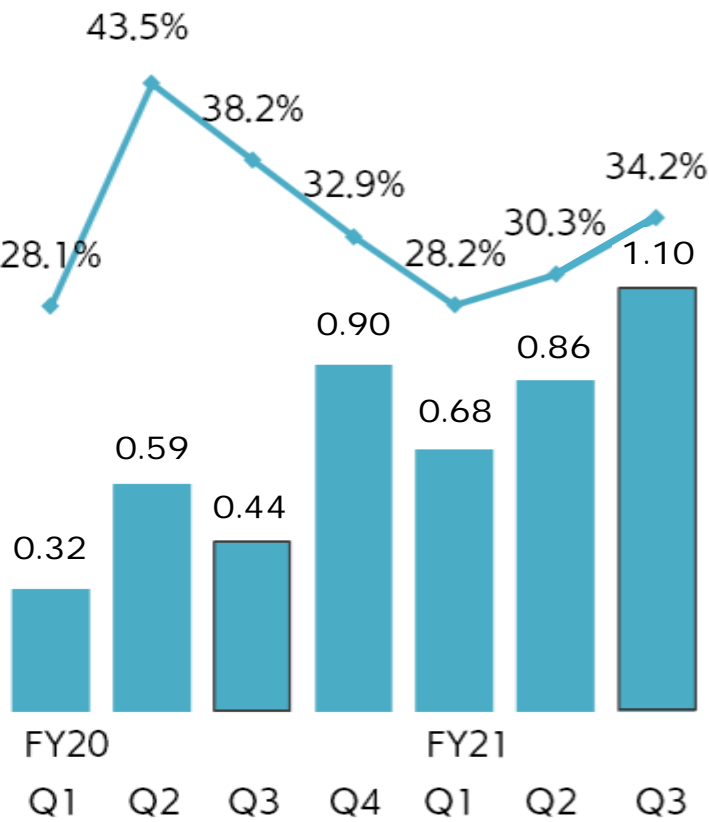
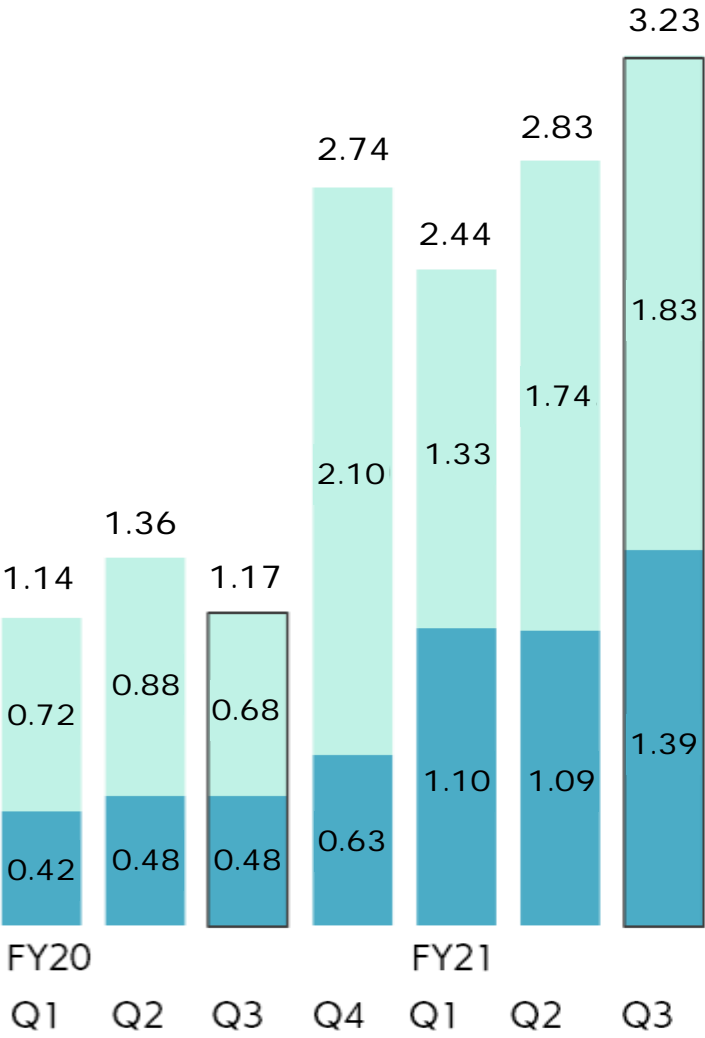
		(Millions of yen)	FY20Q1	FY20Q2	FY20Q3	FY20Q4	FY20	FY21Q1	FY21Q2	FY21Q3	YoY	
											Change	Change %
Total	Net sales		10,375	12,910	12,556	16,690	52,533	14,994	16,322	16,309	+3,753	+29.9%
	Marginal income		4,017	4,969	4,833	5,999	19,819	5,297	5,527	5,702	+869	+18.0%
	Profit margin		38.7%	38.5%	38.5%	35.9%	37.7%	35.3%	33.9%	35.0%	▲3.5pt	-
BIT solutions	Net sales		1,145	1,369	1,173	2,740	6,429	2,440	2,838	3,230	+2,056	+175.2%
	Marginal income		321	596	448	902	2,269	687	861	1,105	+656	+146.4%
	Profit margin		28.1%	43.5%	38.2%	32.9%	35.3%	28.2%	30.3%	34.2%	▲4.0pt	-
CIT solutions	Net sales		3,733	4,655	3,853	5,418	17,660	4,601	5,178	4,671	+817	+21.2%
	Marginal income		1,639	1,860	1,747	2,098	7,345	1,761	1,903	1,933	+186	+10.6%
	Profit margin		43.9%	40.0%	45.4%	38.7%	41.6%	38.3%	36.8%	41.4%	▲4.0pt	-
TS solutions	Net sales		4,346	5,967	6,575	7,504	24,394	6,847	7,333	7,432	+857	+13.0%
	Marginal income		1,145	1,814	1,923	2,196	7,079	1,989	2,026	1,928	+4	+0.3%
	Profit margin		26.4%	30.4%	29.3%	29.3%	29.0%	29.1%	27.6%	25.9%	▲3.3pt	-
EC solutions	Net sales		1,149	918	953	1,027	4,049	1,104	971	975	+21	+2.3%
	Marginal income		910	698	713	802	3,124	858	735	734	+21	+3.0%
	Profit margin		79.2%	76.1%	74.8%	78.1%	77.2%	77.7%	75.7%	75.4%	+0.5pt	-
Total of core businesses (BIT+CIT)	Net sales		4,879	6,024	5,027	8,158	24,089	7,042	8,017	7,901	+2,874	+57.2%
	Marginal income		1,961	2,456	2,196	3,000	9,615	2,449	2,764	3,039	+842	+38.4%
	Profit margin		40.2%	40.8%	43.7%	36.8%	39.9%	34.8%	34.5%	38.5%	▲5.2pt	-
	Component ratio		47.0%	46.7%	40.0%	48.9%	45.9%	47.0%	49.1%	48.5%	+8.4pt	-

※Solution classifications were reviewed for certain projects and are calculated in accordance with the current accounting method.

Net sales

Marginal income

■ Stock ■ Flow



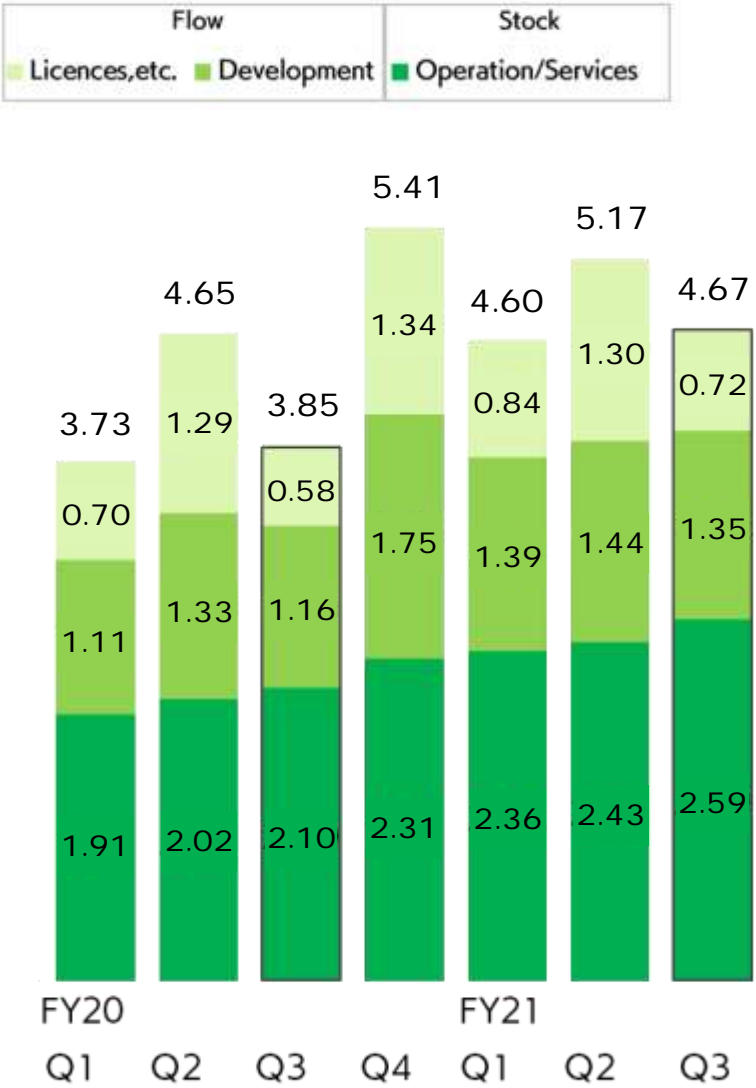
Cloud business solutions for business units

Main customers: Global manufacturing, construction and agriculture

Consists primarily of customer service development, development/provision of industry-specific services, collaboration and PoC (proof of concept), etc.

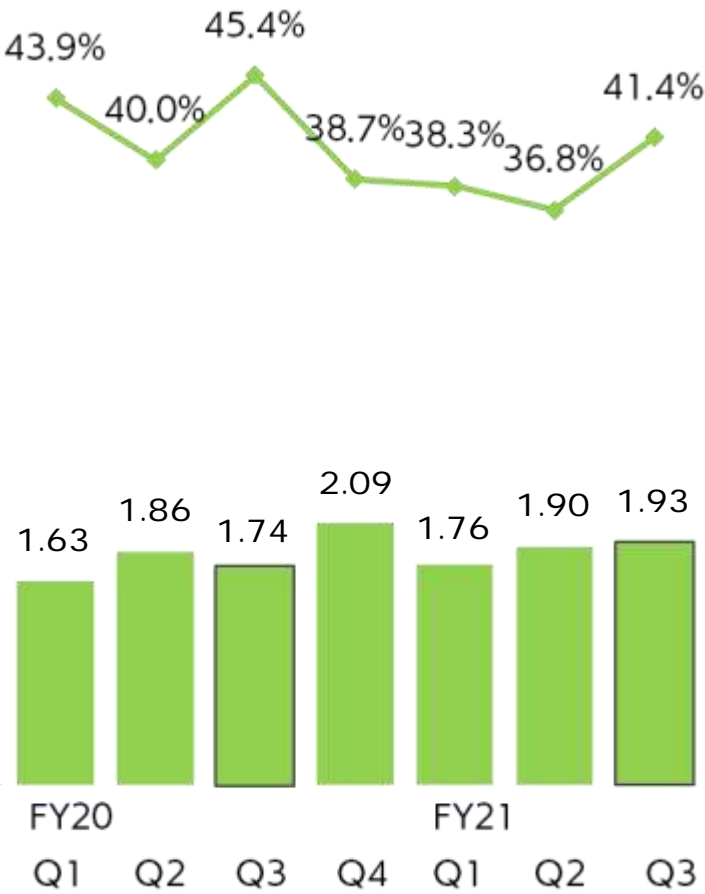
Flow	Progress in additional development of an electronic application infrastructure for MAFF, and a digital map project. Progress in construction projects of cloud systems for manufacturing.
Stock	Steady progress in operation of the electronic application platform developed for MAFF and operation of the nationwide Agricultural Land Information System.

Net sales



[Billions of yen]

Marginal income



Company-wide and administrative cloud business solutions

Main customers: Corporations, municipalities, independent admin. institutions, Softbank Corp.

Consists primarily of solutions employing Microsoft’s Microsoft 365 (SaaS) and Azure (PaaS), cyber-attack countermeasures, and own services such as clouXion and managed security services (security operation monitoring).

Flow	<p>Increase in cloud construction projects for the SB Group and corporations.</p> <p>To the convergence of projects that had a high profit margin in the previous fiscal year Decline in profit margin accompanied by</p>
Stock	<p>YoY approx. +0.4Bn (+23%)</p> <p>Public sector Microsoft solution operations increased, Initial construction of next-generation local government information security cloud started.</p>

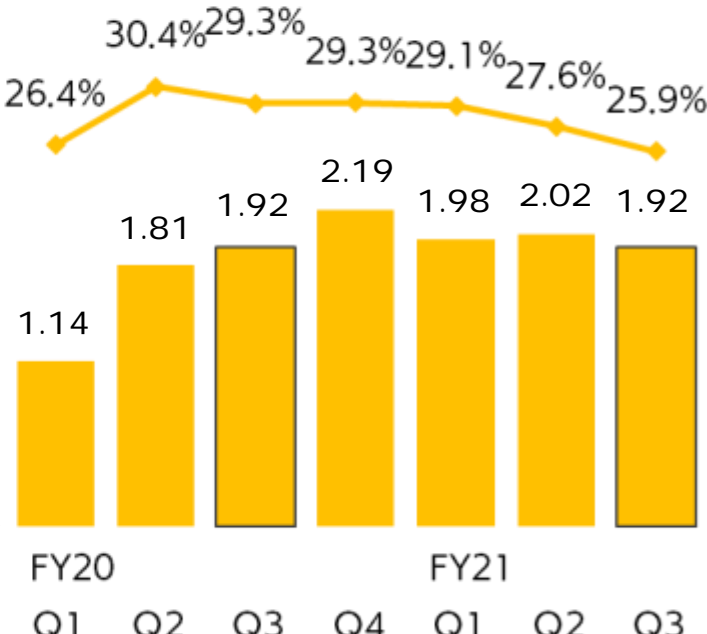
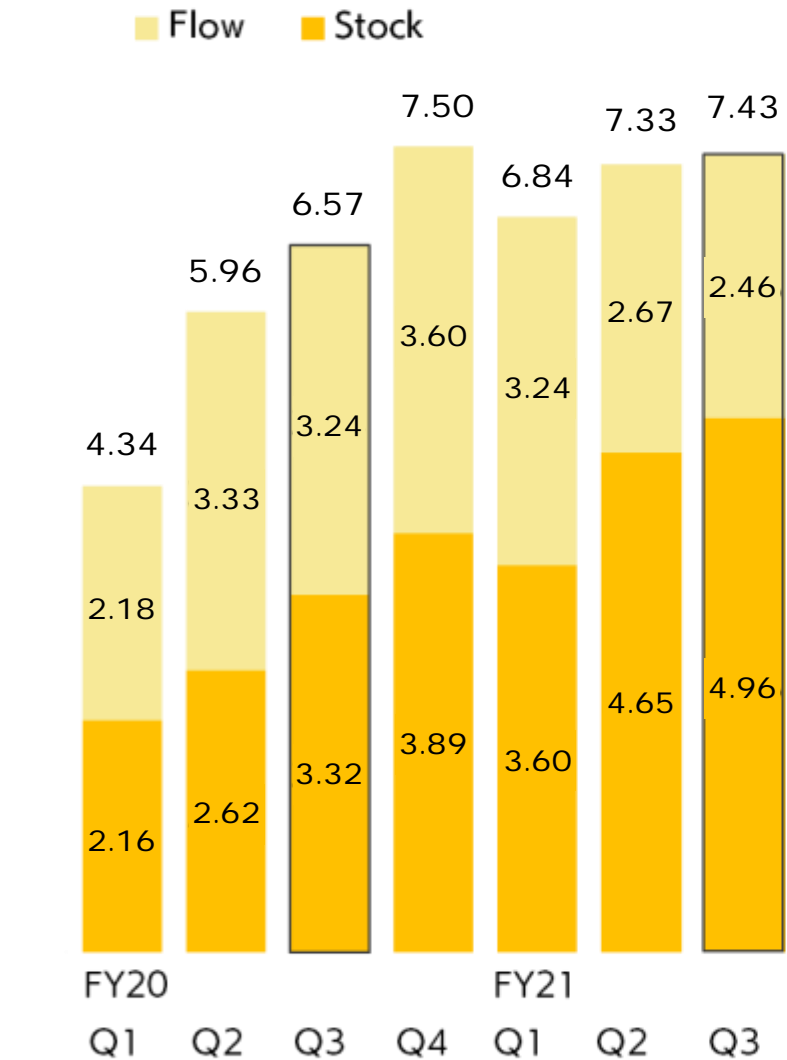
Net sales

Marginal income

Construction, operation and maintenance of on-premises systems (including private cloud)

Main customers : SoftBank Companies

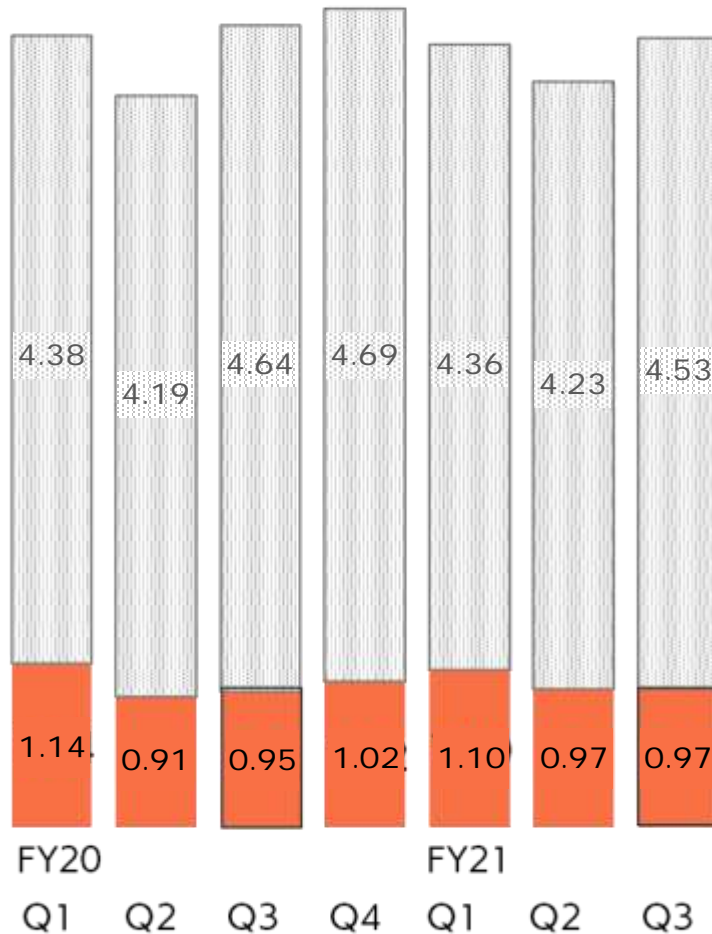
Consists primarily of building, operating, and maintaining clients' on-premises and private cloud systems; also proposing future migration to the public cloud.



FLOW	Stock-making through standardization of vendor management projects. Derivative projects from vendor management projects expanded.
Stock	YoY approx. +1.6Bn (+49%) Increased due to progress in expansion and stock-making through standardization of vendor management projects.

Net sales

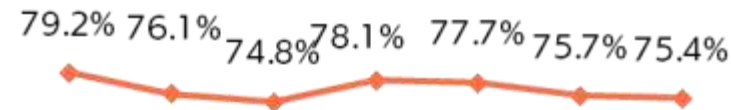
■ Purchase not recorded as sales under the new revenue recognition standard(RRS)



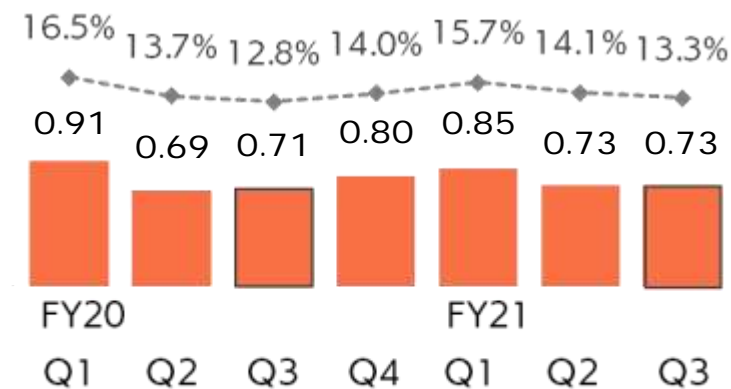
[Billions of yen]

Marginal income

(Figures adjusted for new RRS)



(Figures based upon previous RRS)



EC site management and font license sales

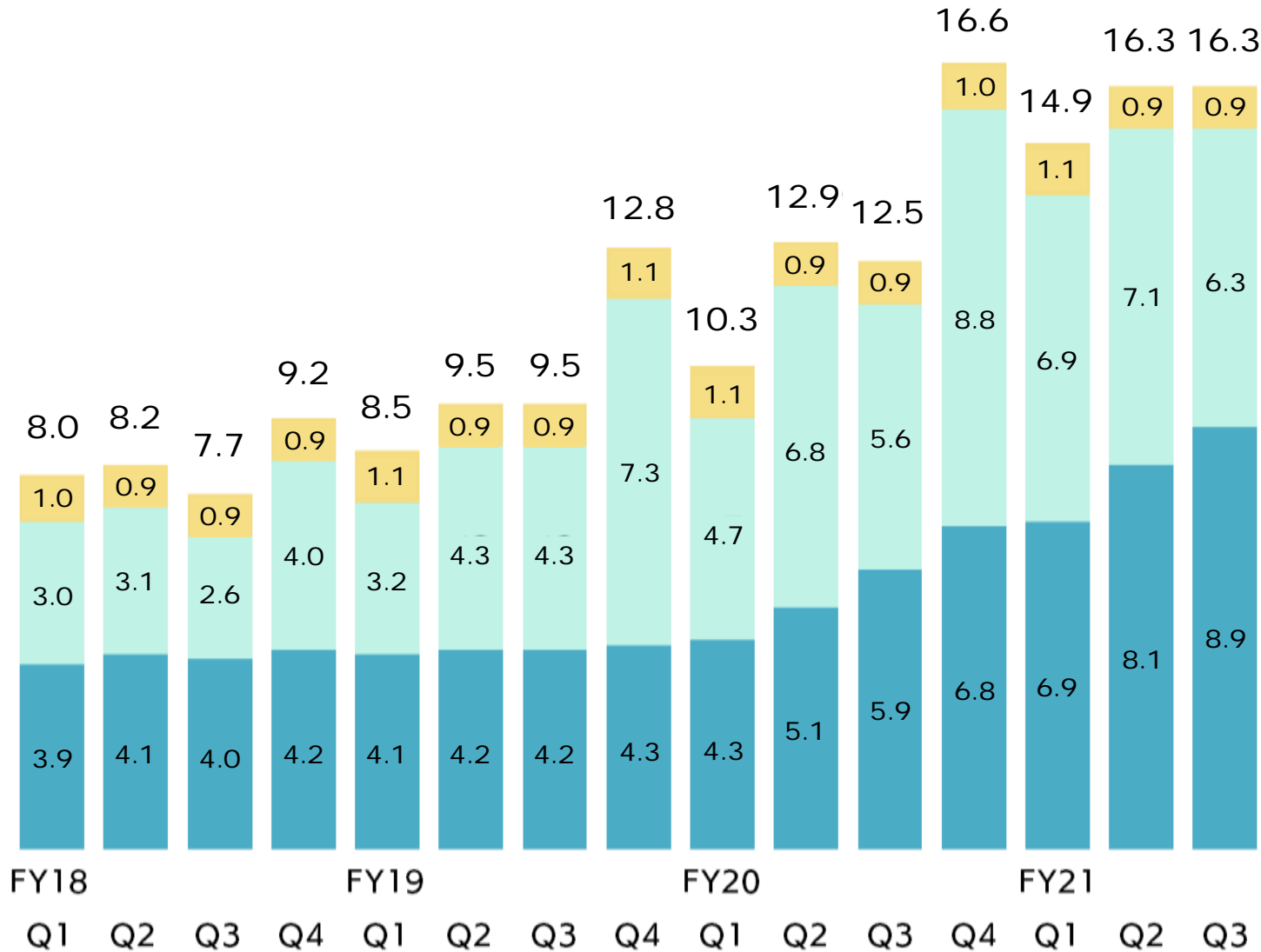
Main customers: Consumer

Consists primarily of EC management, EC site-building and operation. Font businesses include the planning, development, and sales of fonts (typefaces) and related software.

FY21Q1: Due to the adoption of the new revenue recognition standard, sales figures for certain services have been recalculated to net recognition

Norton Store management and font businesses held steady

■ EC ■ Flow ■ Stock



[Billions of yen]

Q3 Stock sales (YoY)

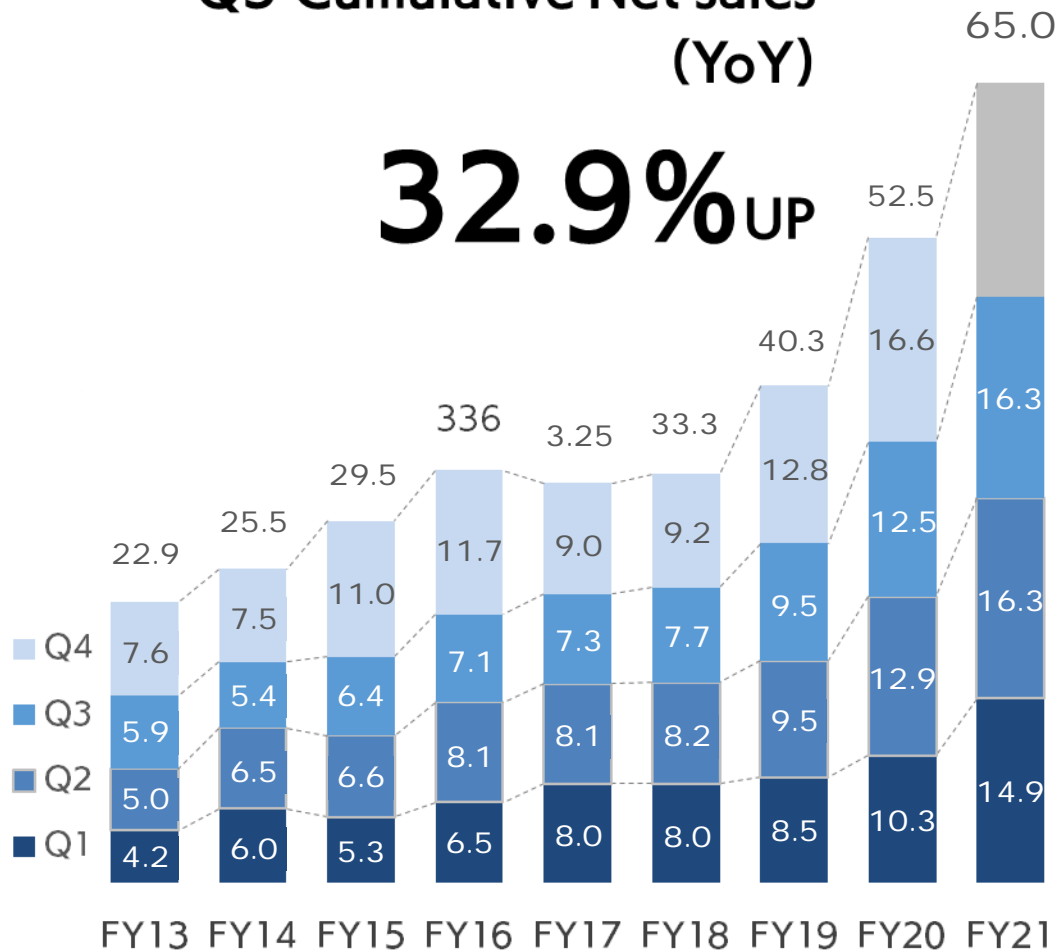
3.03Bn_{up}

Q3 Cumulative Stock sales
(YoY)

8.54Bn_{up}

Q3 Cumulative Net sales (YoY)

32.9%UP



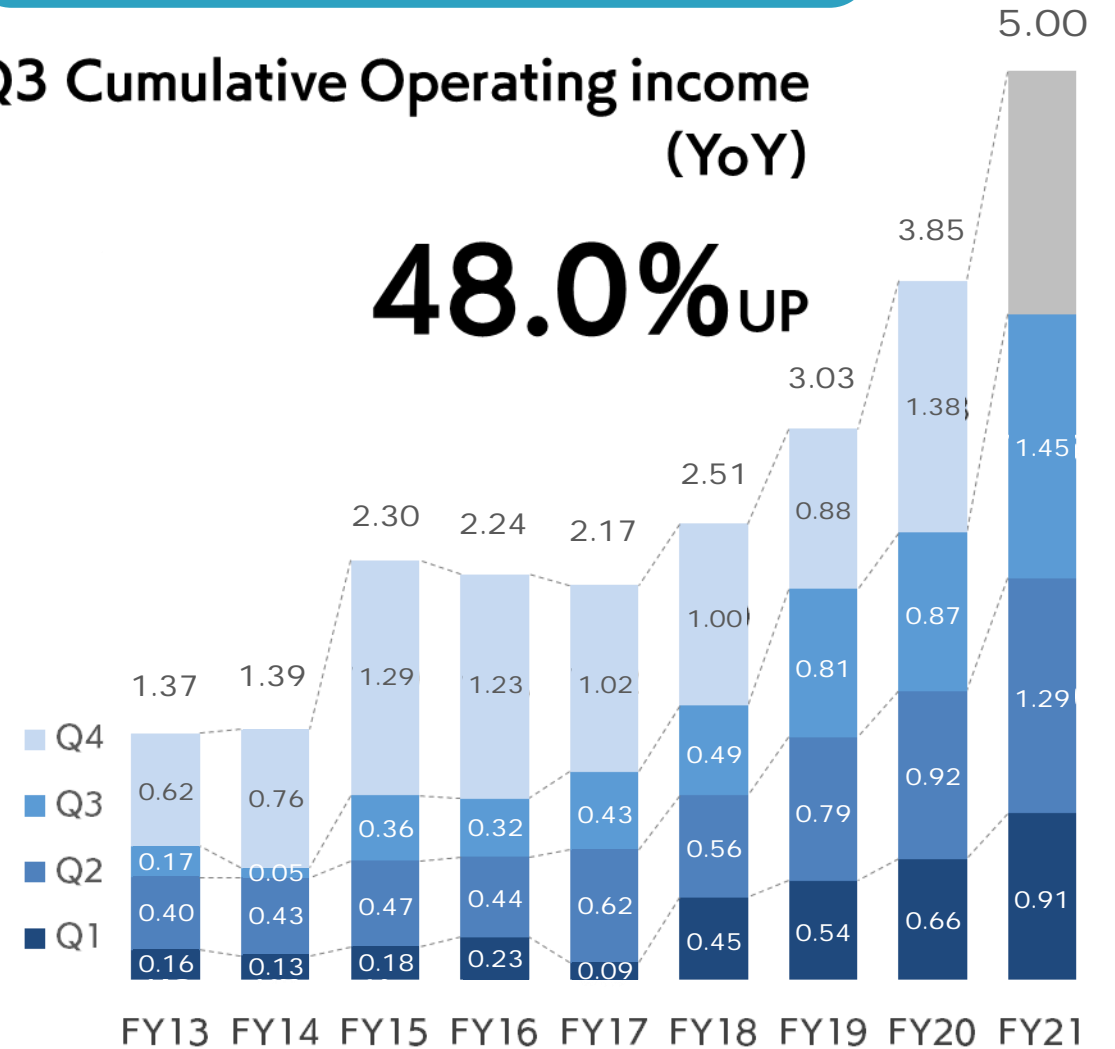
Medium-term plan target operating income

CAGR 20% growth

(FY18 Starting from consolidated operating income of 2.5Bn)

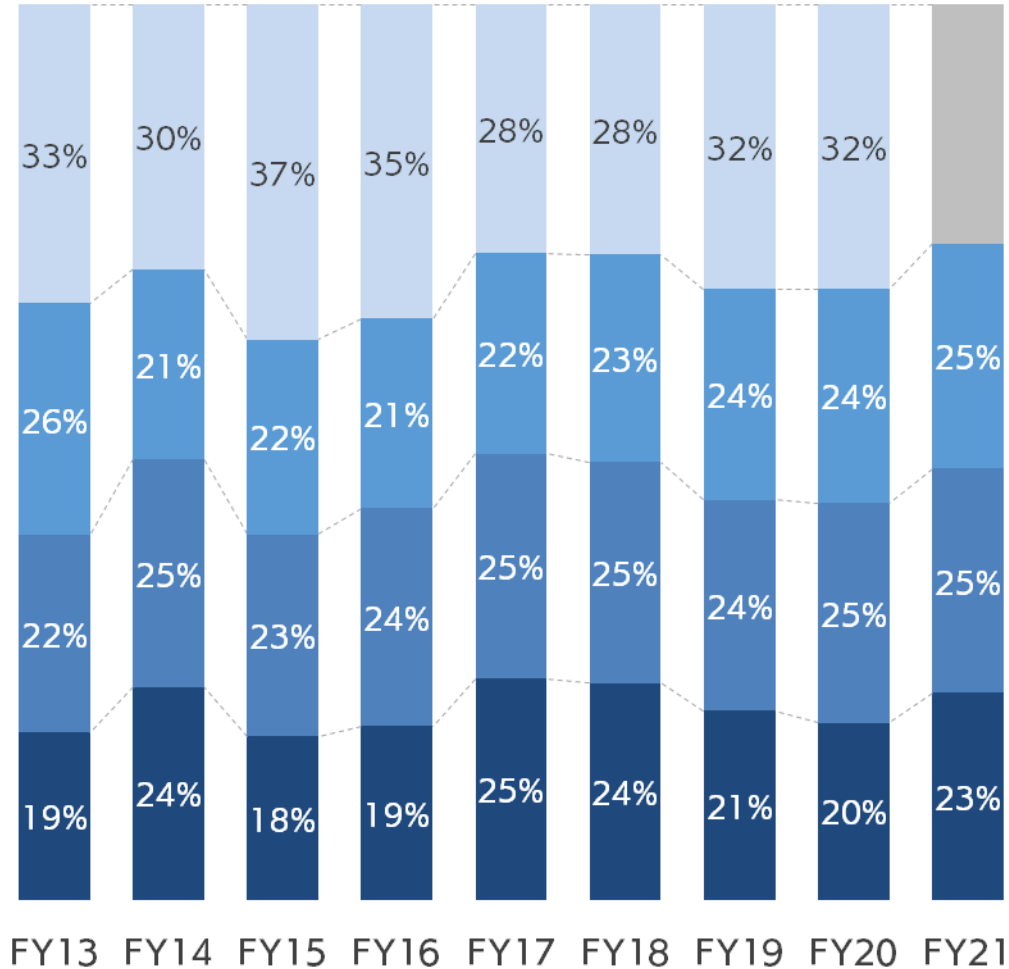
Q3 Cumulative Operating income (YoY)

48.0%UP

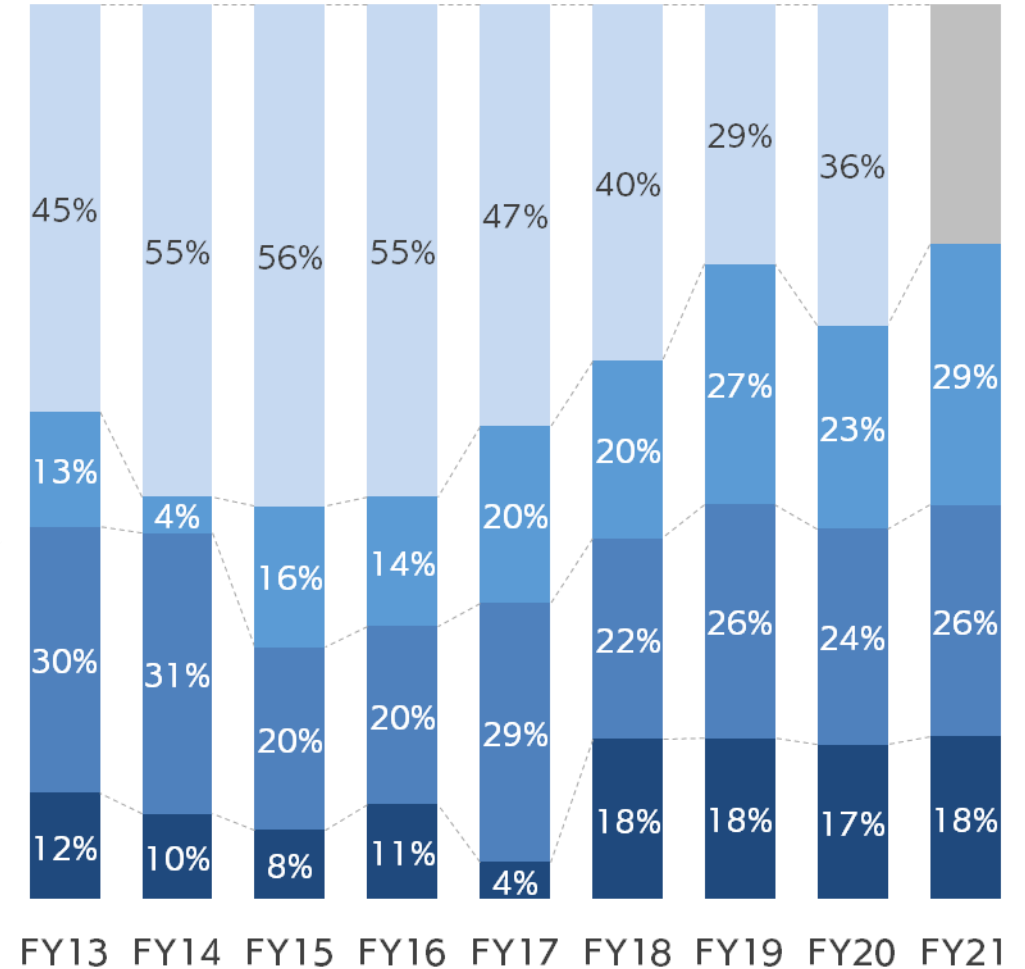


Net sales

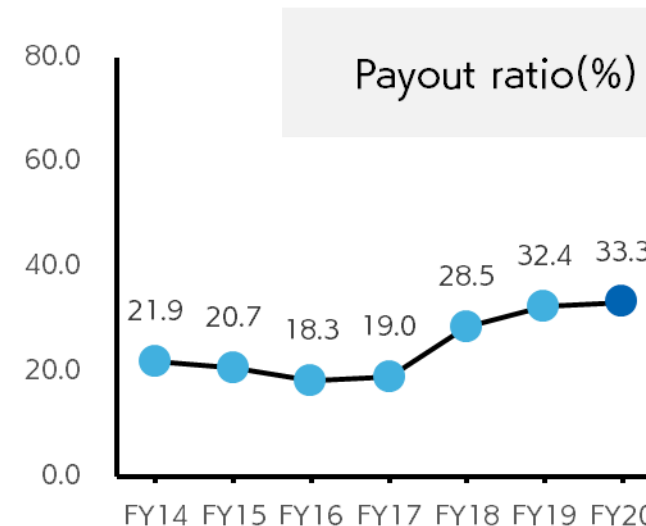
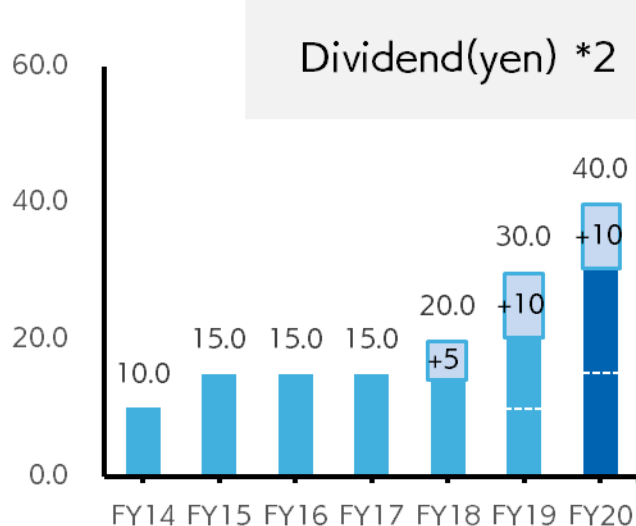
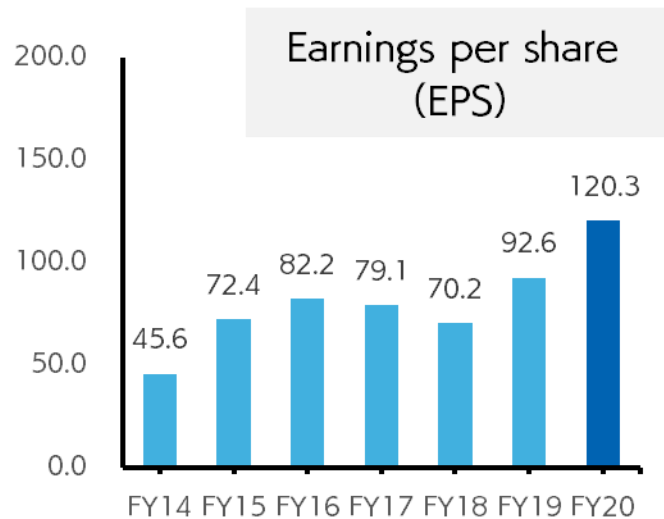
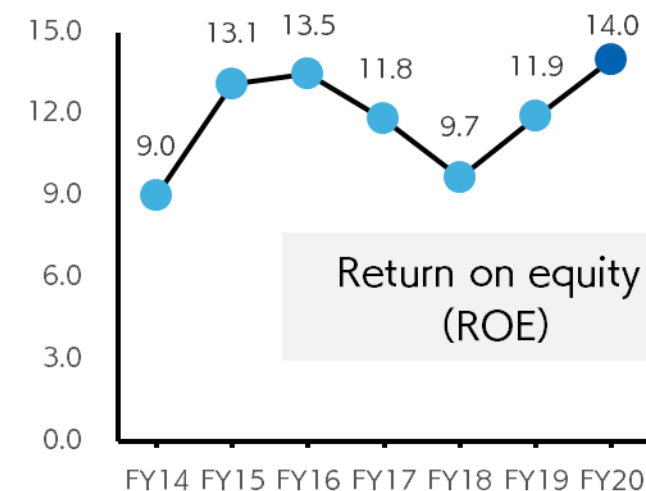
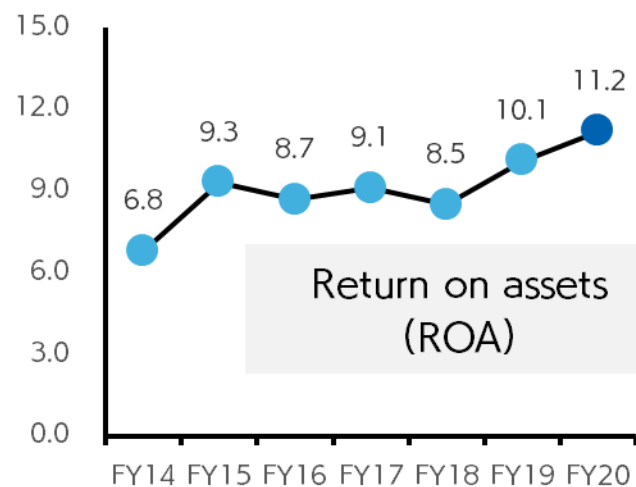
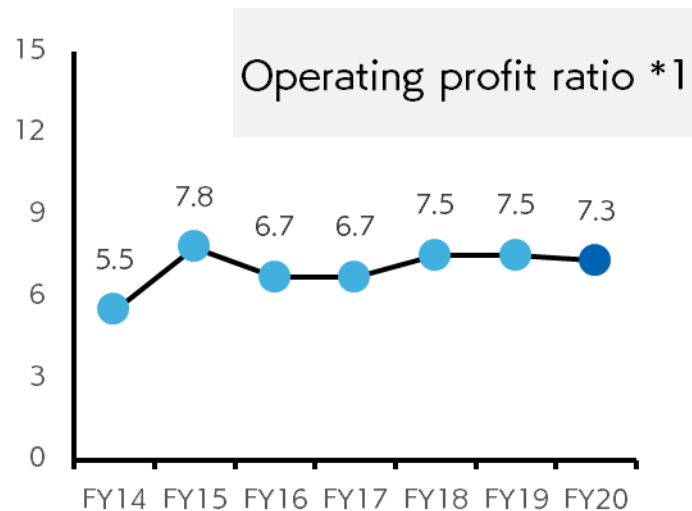
■ Q4 ■ Q3 ■ Q2 ■ Q1



Operating income



[Millions of yen]	End of Dec. 2020	End of Mar. 2021	End of Dec. 2021	Since end of previous term	QoQ
Current assets	25,225	29,135	29,817	681	4,591
Cash and deposits	9,882	9,722	8,729	△ 992	△ 1,152
Accounts receivable and other receivables	12,624	17,428	17,580	151	4,956
Fixed assets	9,222	9,661	11,052	1,391	1,830
Tangible fixed assets	1,641	1,659	2,048	388	406
Intangible fixed assets	4,359	4,514	4,700	185	340
Investments and other assets	3,220	3,487	4,303	816	1,083
Total assets	34,447	38,798	40,872	2,074	6,424
Current liabilities	13,354	16,907	15,852	△ 1,055	2,497
Long-term liabilities	2,543	2,313	2,112	△ 201	△ 431
Net assets	18,550	19,577	22,908	3,330	4,358



*1 From FY21Q1 onward, we have adopted the "Accounting Standard for Revenue Recognition", primarily impacting EC solution sales, for which the operating margin is presented on a net basis for prior fiscal years.

*2 The Company conducted a 2-for-1 stock split of common stock on June 1, 2017, and the amount of dividends paid prior to the split has been adjusted.

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