

※ It is translated by AI

Fiscal Year Ending March 31,
2024 (FY2023)

Earnings Results of Operations

April 25, 2024

SB Technology Corp.

Security Code : 4726

<https://www.softbanktech.co.jp/en/>

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 SB Technology

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Financial Results

— SB Technology

FY23
Full-year
Results

Sales decreased due to restrained investment in Telecommunication and the deconsolidation of Fontworks, Inc.

Despite an increase in SG&A expenses due to the strengthening of recruitment, **the operating income margin continued to improve**

Orders
Received

As a result of a reactionary decline in orders for multi-year Public Sector's projects and the impact of restrained investment in Telecommunication, both orders and order backlog declined from the previous fiscal year.

FY24
Forecast

FY2024 Q4 Net Sales 69.5 billion yen/Operating Income 5.7 billion yen

Excluding the impact of Fontworks, Inc., which was excluded from consolidation in the second half of the previous fiscal year

Net sales 8% up, Operating income 6% up

Consolidated P/L (Full year cumulative)

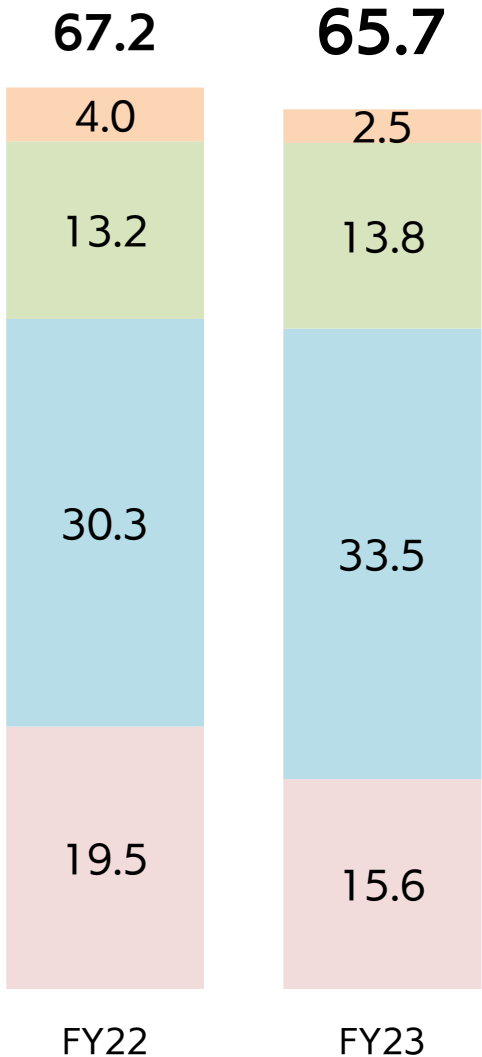
| FY2023

- Sales decreased due to restrained investment in Telecommunication and the exclusion of Fontworks, Inc. from consolidation. Profitability improved and Operating income increased.
- Increase of 4.8 billion yen in Net profit due to costs and gains associated with the transfer of Fontworks, Inc.'s stocks, etc.

[Millions of yen] (Profit margin)	FY23	FY22	Change	Change %
Net sales	65,704	67,227	▲1,523	▲2.3%
Operating income	Record High 5,699 (8.7%)	5,557 (8.3%)	+141	+2.6%
Ordinary income	5,473 (8.3%)	5,499 (8.2%)	▲25	▲0.5%
Profit attributable to owners of parent Net profit	Record High 8,363 (12.7%)	3,497 (5.2%)	+4,866	+139.2%
EBITDA ※	Record High 7,316	7,217	+98	+1.4%

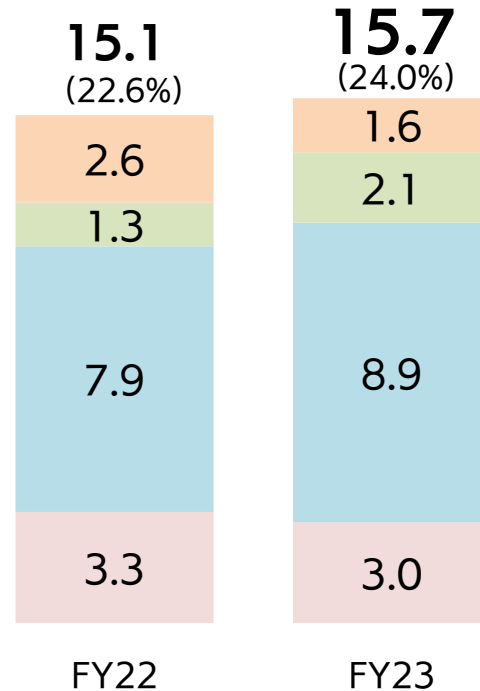
*EBITDA=Operating income+Amortization of goodwill+Depreciation

Net sales



Gross profit

(Billions of yen)
(Profit margin)



Consumer : Decrease in both sales and profits

- Impact of the change in the contract with NortonLifeLock Co., Ltd. and the exclusion of Fontworks, Inc. from consolidation

Public Sector : Increase in both sales and profits

- Growth in DX strategic projects established by the Ministry of Agriculture, Forestry and Fisheries
- Profits increased due to steady progress in the operation of Local Government information SC^{*1}, etc.

Enterprise : Increase in both sales and profits

- Cloud projects for focus customers remained solid
- MSS^{*2} sales continue to grow with YoY1.5 times

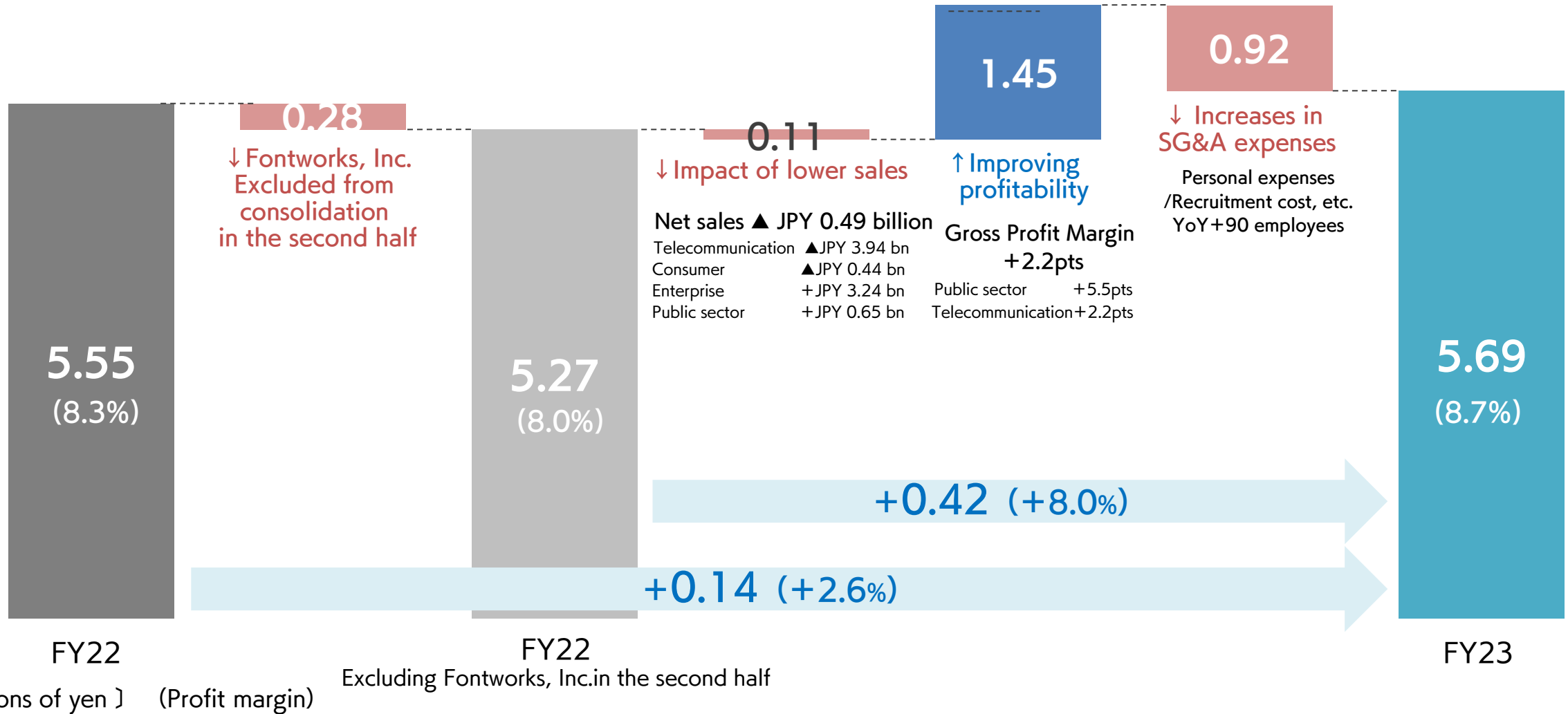
Telecommunication : Decrease in both sales and profits

- Although sales and profits decreased due to a decrease in vendor management projects and the impact of restrained investment, the profit margin improved due to the streamlining of system development and a change in the sales composition ratio

*1 : Abbreviation for Security Cloud

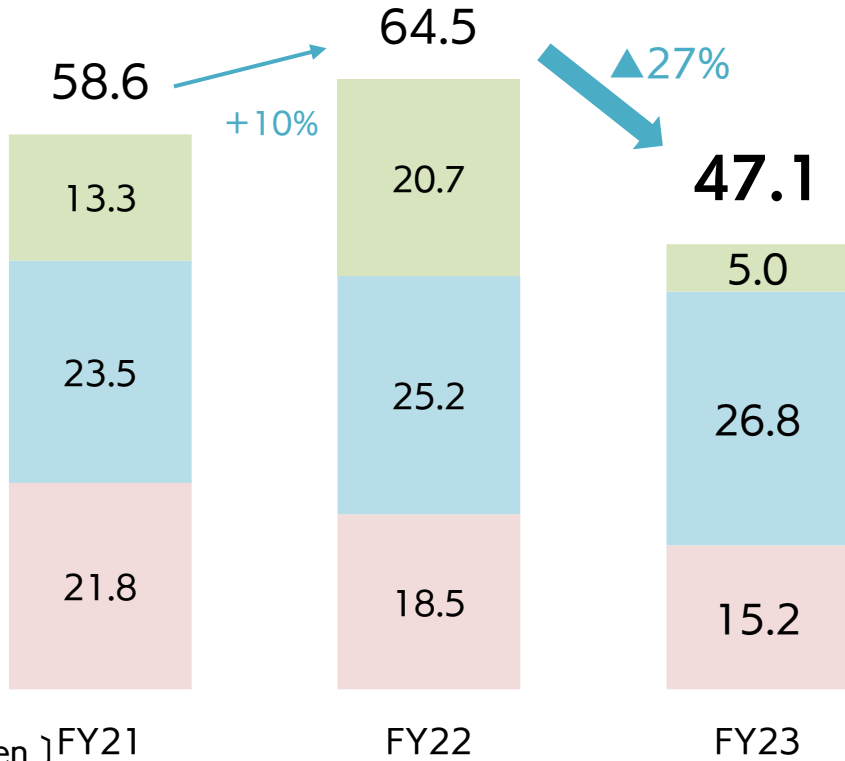
*2 : Abbreviation for Managed Security Service

- Gross profit margin continued to improve, while revenues from Telecommunication and Consumer declined.
- Profit increased by 420 million yen (+8%), excluding the impact of the exclusion of Fontworks, Inc. from consolidation, despite steady progress in recruitment



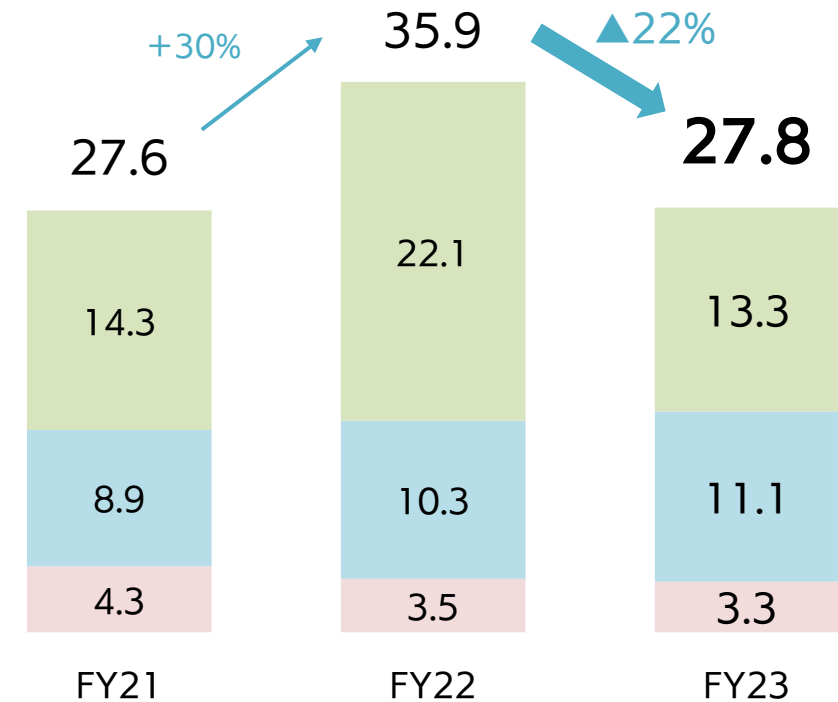
Orders Received

Public Sector	FY21-22 received large orders for several years, including the Ministry of Agriculture, Fisheries, and local government information SC. In FY23, orders from the Digital Agency and the Ministry of Land, Infrastructure and Transport received
Enterprise	Increased orders for security, including cloud construction/operation and MSS
Telecommunication	Reduced vendor management projects and steady development of internal systems



Order Backlog

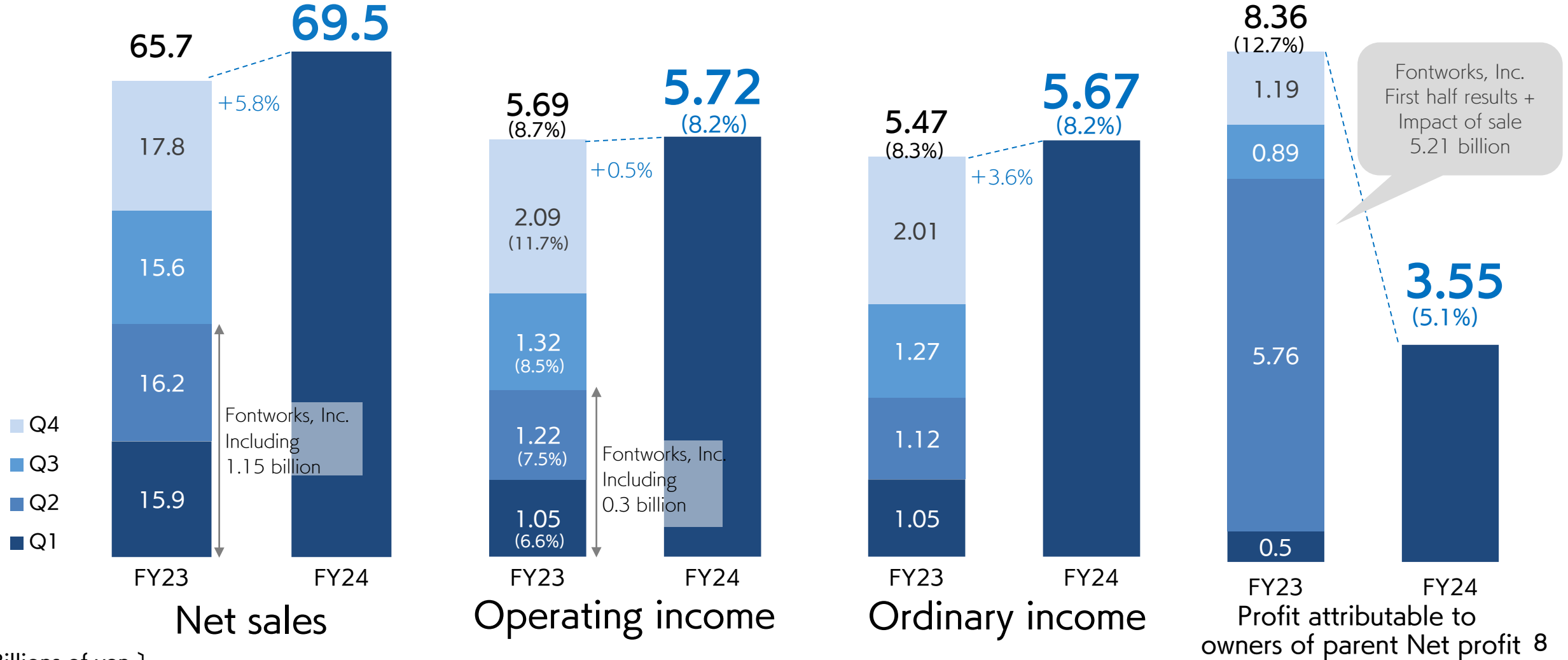
Public Sector	Large-scale operation projects for several years, such as the Ministry of Agriculture, Fisheries and Local Government Information SC, have progressed steadily, and the backlog of orders has been digested.
Enterprise	Orders for security-related services, including cloud construction/operation and MSS, increased
Telecommunication	Reduced vendor management projects and steady development of internal systems



FY24 Full-year Earnings Forecasts

| FY2023

- Full-year FY24 forecasts are Net sales 69.5 billion yen (+6% YoY) and Operating income 5.72 billion yen (unchanged from the previous fiscal year)
- FY23, Excluding Fontworks, Inc., which was excluded from consolidation, Net sales +8%, Operating income +6%, Net income +6%



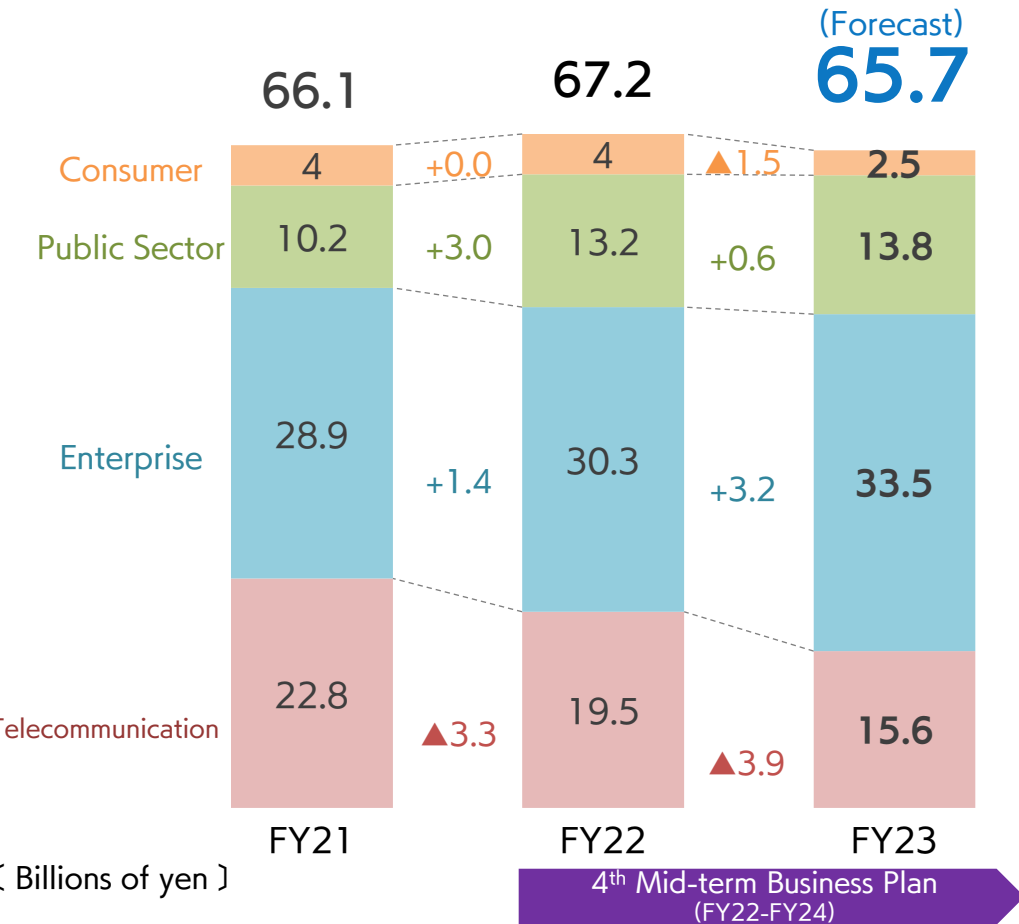
[Billions of yen]

Progress of Medium-Term Management Plan

4th Medium-Term Management Plan
(FY22 - FY24)

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Transition of Net sales



Consumer

- Transfer of stock of Fontworks, Inc. for "Focus on cloud & security"
- Norton Store's operating agency tended to shrink due to a contract change

Public Sector

- Expansion of business in application/map areas mainly by the Ministry of Agriculture, Forestry and Fisheries, and lateral expansion to other ministries and agencies
- Local Government Information SC expanded from 4 prefectures to 12 prefectures and the opportunity also expanded

Enterprise

- Significant sales growth due to "focus on cloud & security"
- MSS, our in-house service, continued to grow by 1.5 times year-on-year and grew steadily

Telecommunication

- Ratio of parent company business declined due to return of vendor management projects/restraint of investment
- Shift to a structure that can generate steady profits through cost controls

Implement measures in each market in order to "grow significantly" in the future.
As a result, the business portfolio has changed significantly,
and Public Sector and Enterprise have expanded.

Transition of Gross Profit Margin

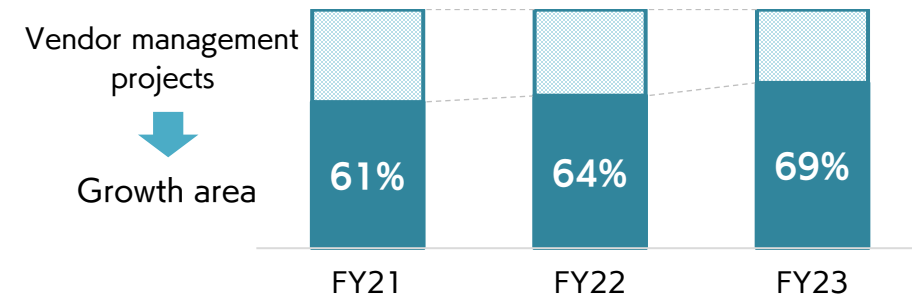


Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FY21				FY22				FY23			

Trends of Telecommunication

- While sales are on a downward trend due to the impact of investment deterrence, profit margins are improving by shifting to areas with higher added value

Trends in sales composition ratio



- Promoting offshore use to expand resources and improve efficiency
- Invested in NTQ, a provider of offshore development and ICT solutions development in Vietnam

Cost control initiatives achieved steady results and profit margin improved
From FY2024, we will increase activities to acquire projects in growth areas and create projects.

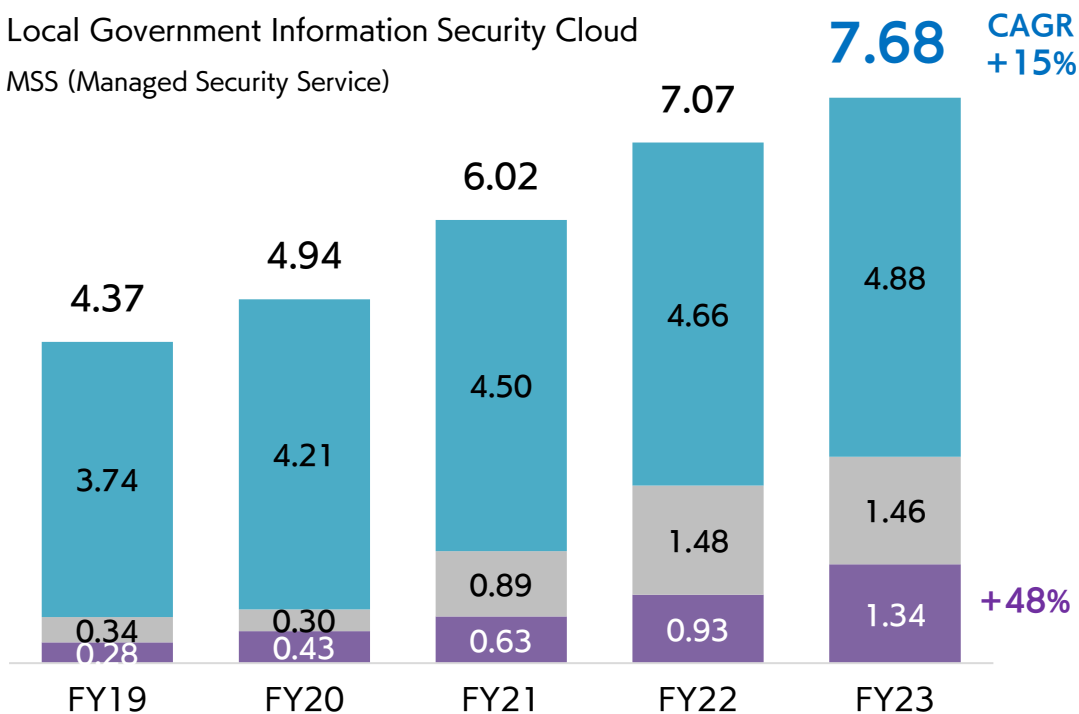
SBT Non-Consolidated Security-Related Business Sales

[Billions of yen]

■ Security for Enterprise※1

■ Local Government Information Security Cloud

■ MSS (Managed Security Service)



Security Business Trends

- MSS grows 1.5 times annually, mainly in the crisis detection area
- Expansion of services for security from FY23 to normal times and acquisition of large projects

MSS (Managed Security Services)

【Areas to be strengthened in the future】

Normal time

- Understanding IT assets
- Automatic vulnerability management
- Defect detection and risk reporting

Crisis detection

- Collecting security logs
- Correlating logs to analyze attacks

Investigation & restoration support

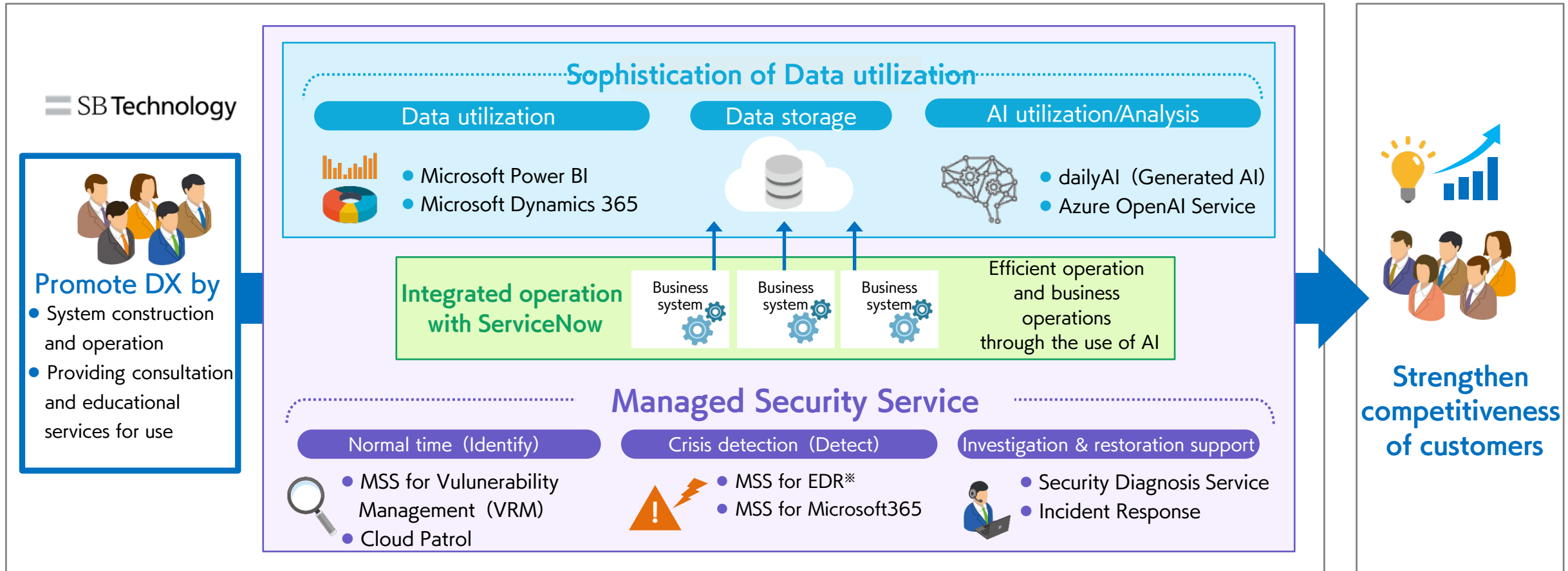
- Response at failure/ Attack detection
- Support from "Initial" to "Restoration"

- No.1 Share in "SIEM service/ SOC service market" ※2



MSS, the company's core service, continues to grow at a rate of about 1.5 times each year, and has increased its presence in the security-related market.

※1 : Including sales of security equipment ※2 : ITR "ITR Market View: Endpoint-security/information-leakage SOC Services Marketing 2022/2023") share of sales by vendor (FY2021/FY2022) Deloitte Tohmatsu MIC Research Institute Co., Ltd. "Managed Security Services Market Status and Forecast 2023 Edition"

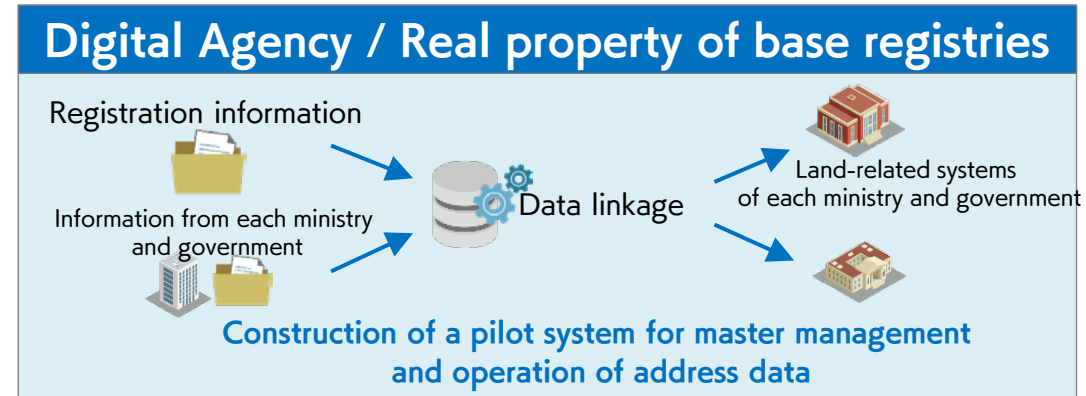
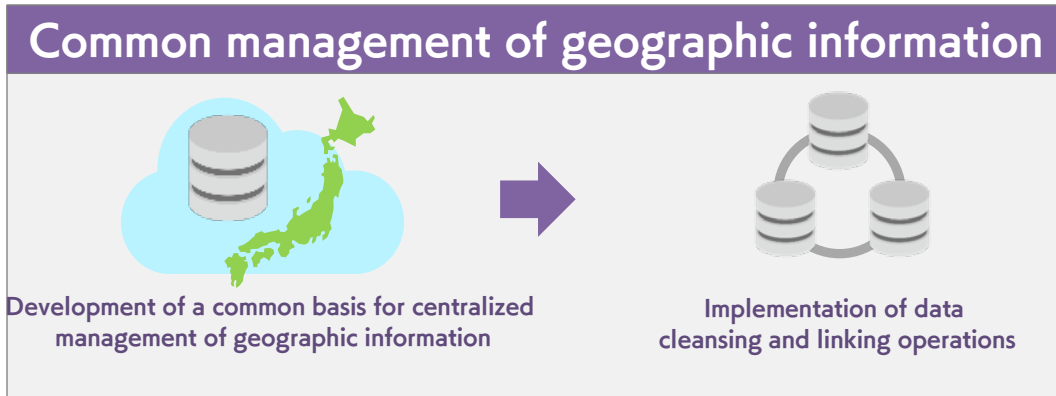
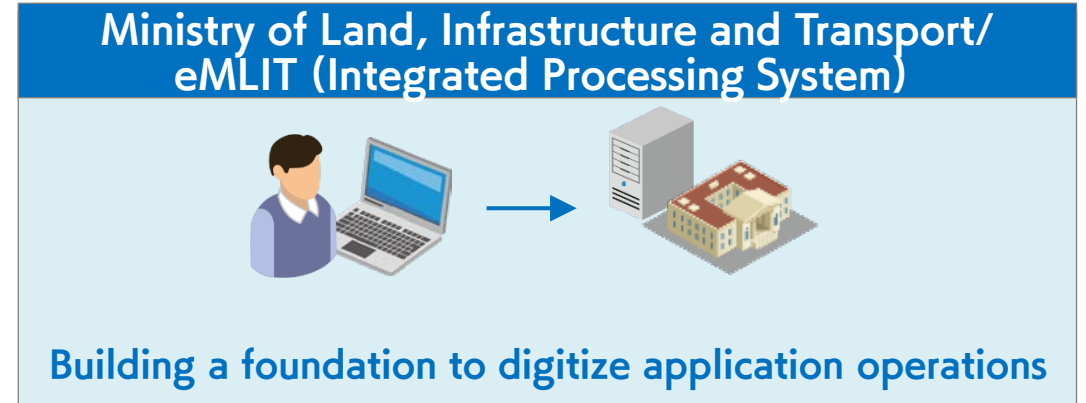
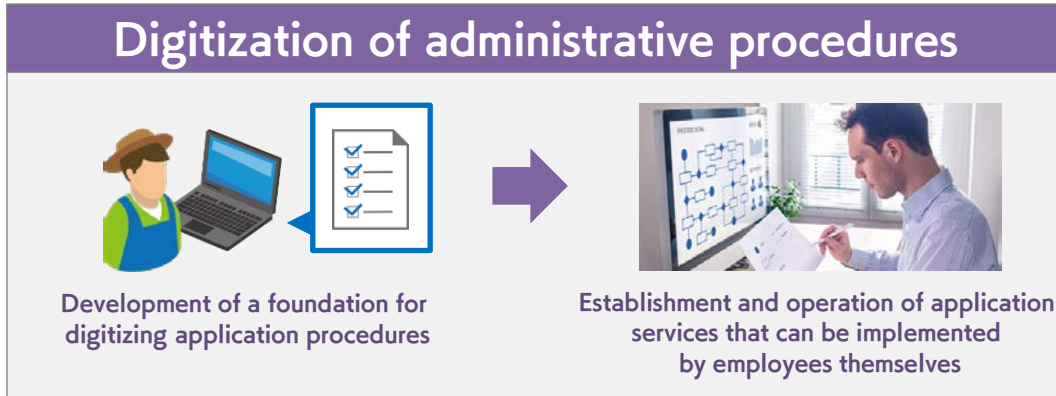


To become a partner to promote customer DX through the consistent use of data in a secure environment

*Security of endpoints such as terminals (Abbreviation for Endpoint Detection and Response)

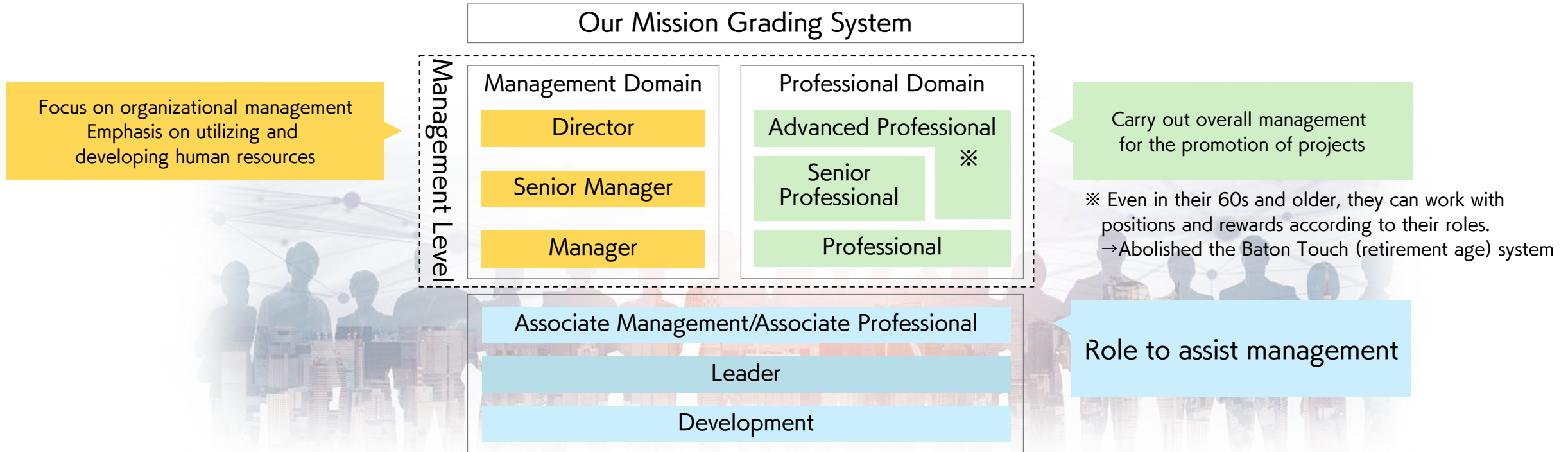
Our performance in DX of the Ministry of Agriculture, Forestry and Fisheries

New orders received by other government agencies



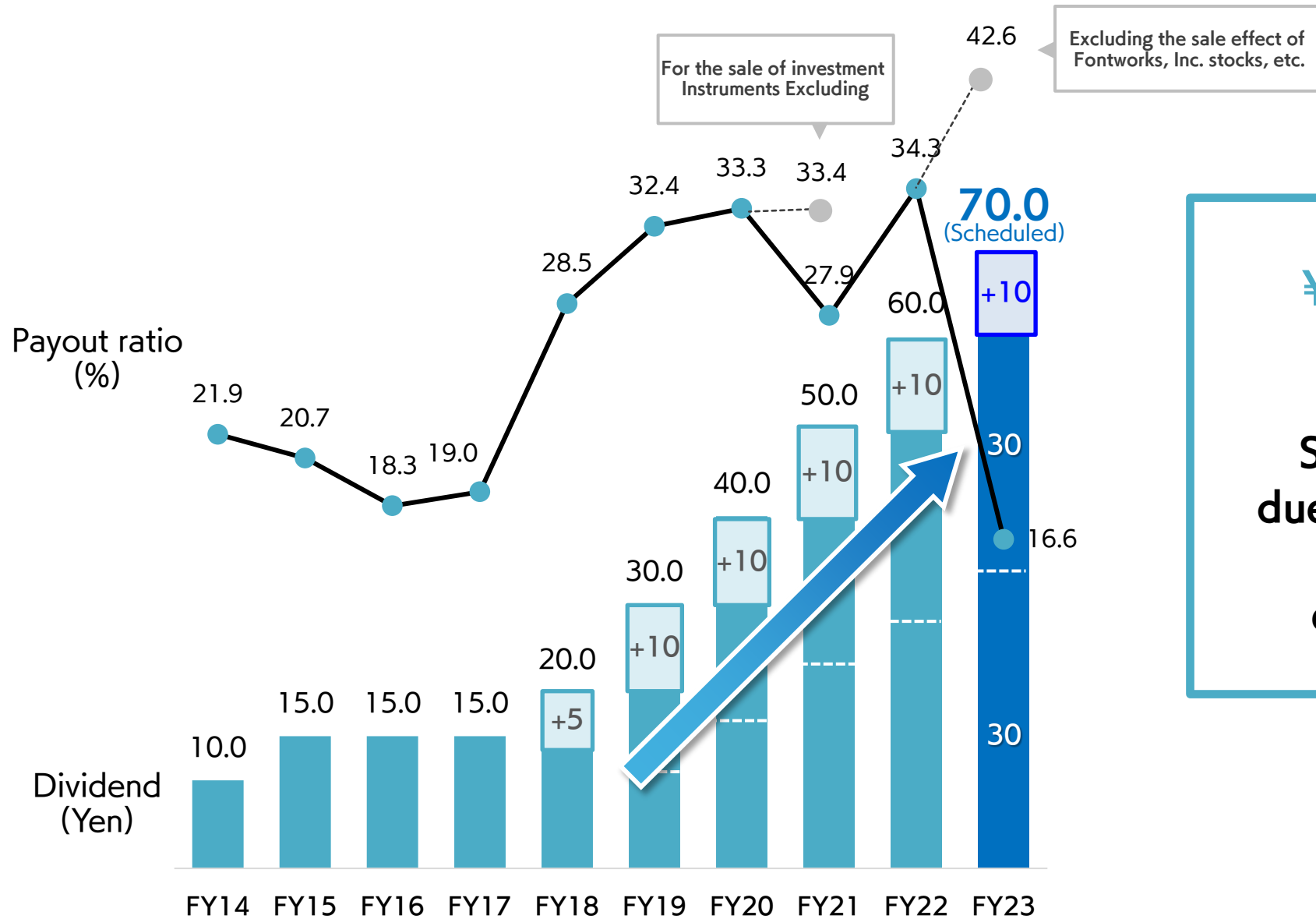
Acquisition of projects by other ministries and agencies based on DX of the Ministry of Agriculture, Forestry and Fisheries' experience and knowledge of electronic applications and map-domain businesses

Since April 2024, in order to evolve into a IT company that is responsible for more upstream businesses **we have reviewed discretion and roles with a focus on management, and have achieved base-up by designing a reward system that is appropriate for each role.**



Upgraded human resource system to enable each employee to demonstrate maximum performance with high expertise, increasing monthly pay by an average of 5%

Shareholder Returns



**Annual dividend of
¥70 per share (planned)
in FY23 Q4**

**Scheduled to increase ¥10
due to expected steady growth
in operating profit
even after the uncoupling
of Fontworks, Inc.**

(※) On June 1, 2017, the Company conducted a 2-for-1 stock split and adjusted for dividends paid prior to the stock split.

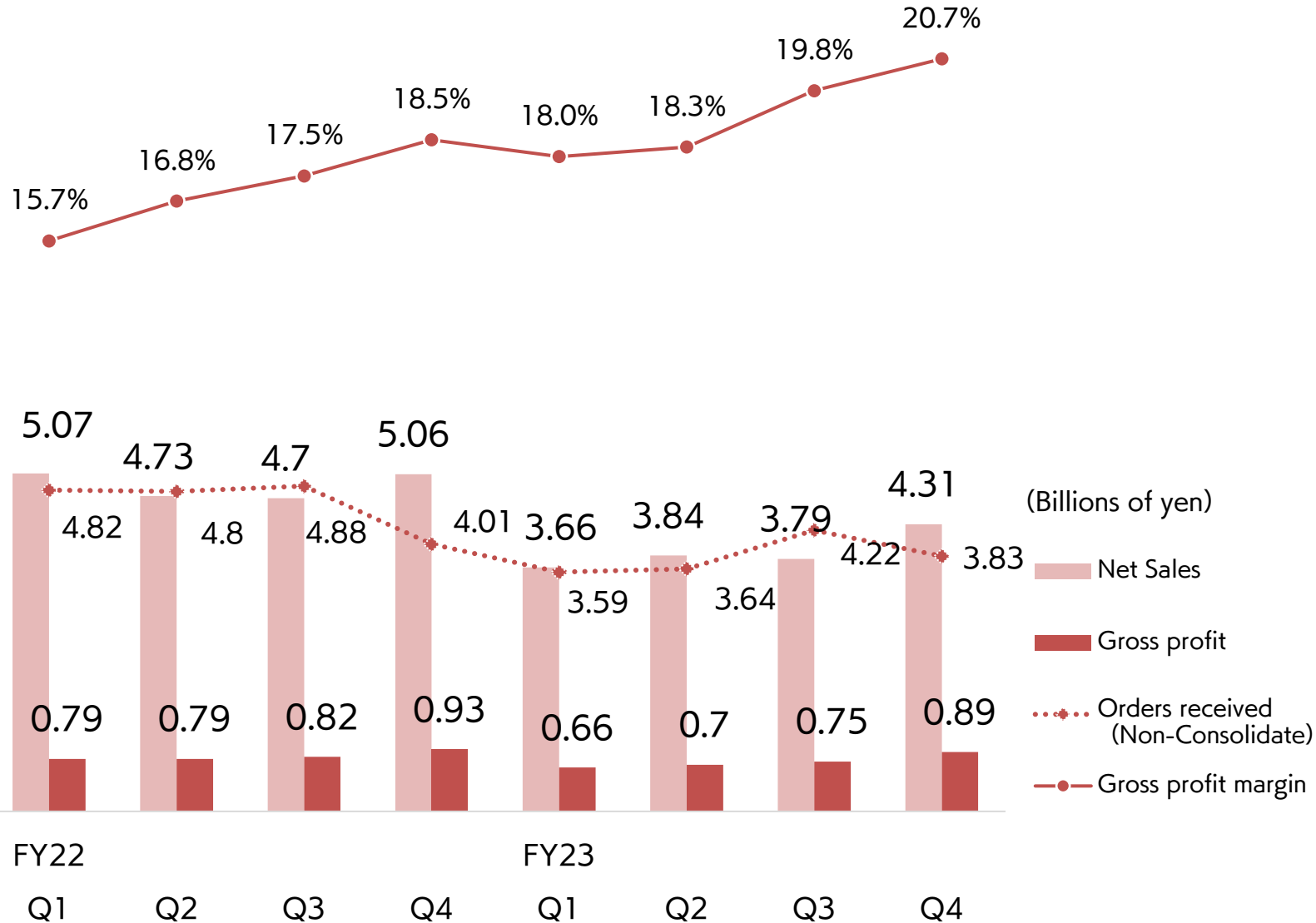
Appendix

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- Revenues declined due to a shift in the operational phase of large-scale Public Sector's projects, the deconsolidation of Fontworks, Inc., and the impact of the Telecommunication field.
- Operating income increased due to growth in Enterprise and improved profitability in Public Sector& Telecommunication.

[Millions of yen] (Profit margin)	FY23Q4	FY22Q4	Change	Change %
Net sales	17,864	18,996	▲1,131	▲6.0%
Operating income	Record High 2,091 (11.7%)	2,015 (10.6%)	+75	+3.8%
Ordinary income	Record High 2,019 (11.3%)	2,009 (10.6%)	+10	+0.5%
Profit attributable to owners of parent Net profit	1,197 (6.7%)	1,388 (7.3%)	▲191	▲13.8%
EBITDA ※	Record High 2,453	2,438	+14	+0.6%

*EBITDA=Operating income+Amortization of goodwill+Depreciation



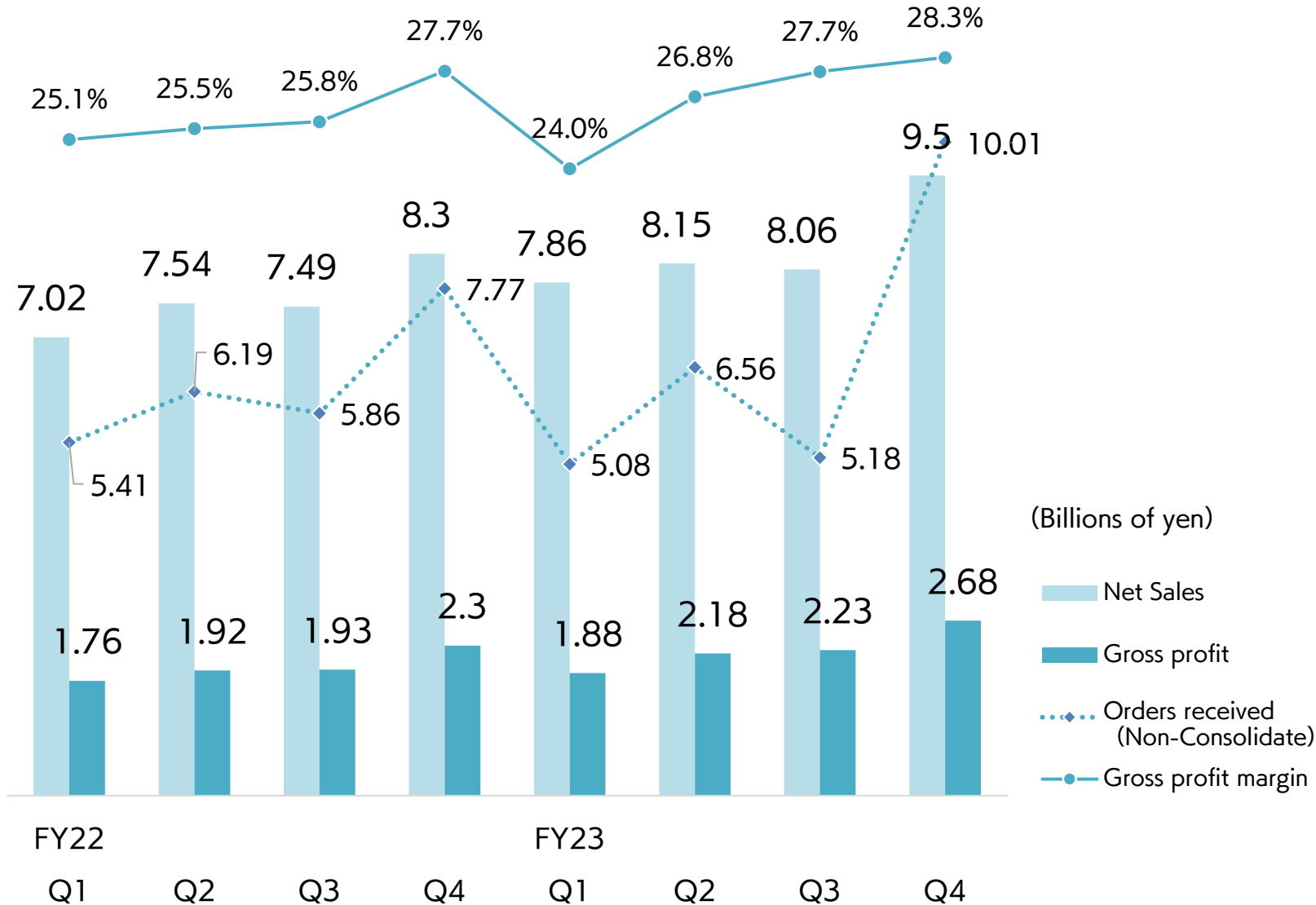
Telecommunication (QoQ)

Orders received (Non-Consolidated)

- Reduction in steady development of internal systems and vendor management projects

Net sales/Gross profit

- Sales decreased due to vendor management projects and investment restraints.
- Improved profitability due to progress in streamlining system development, etc.



Enterprise (QoQ)

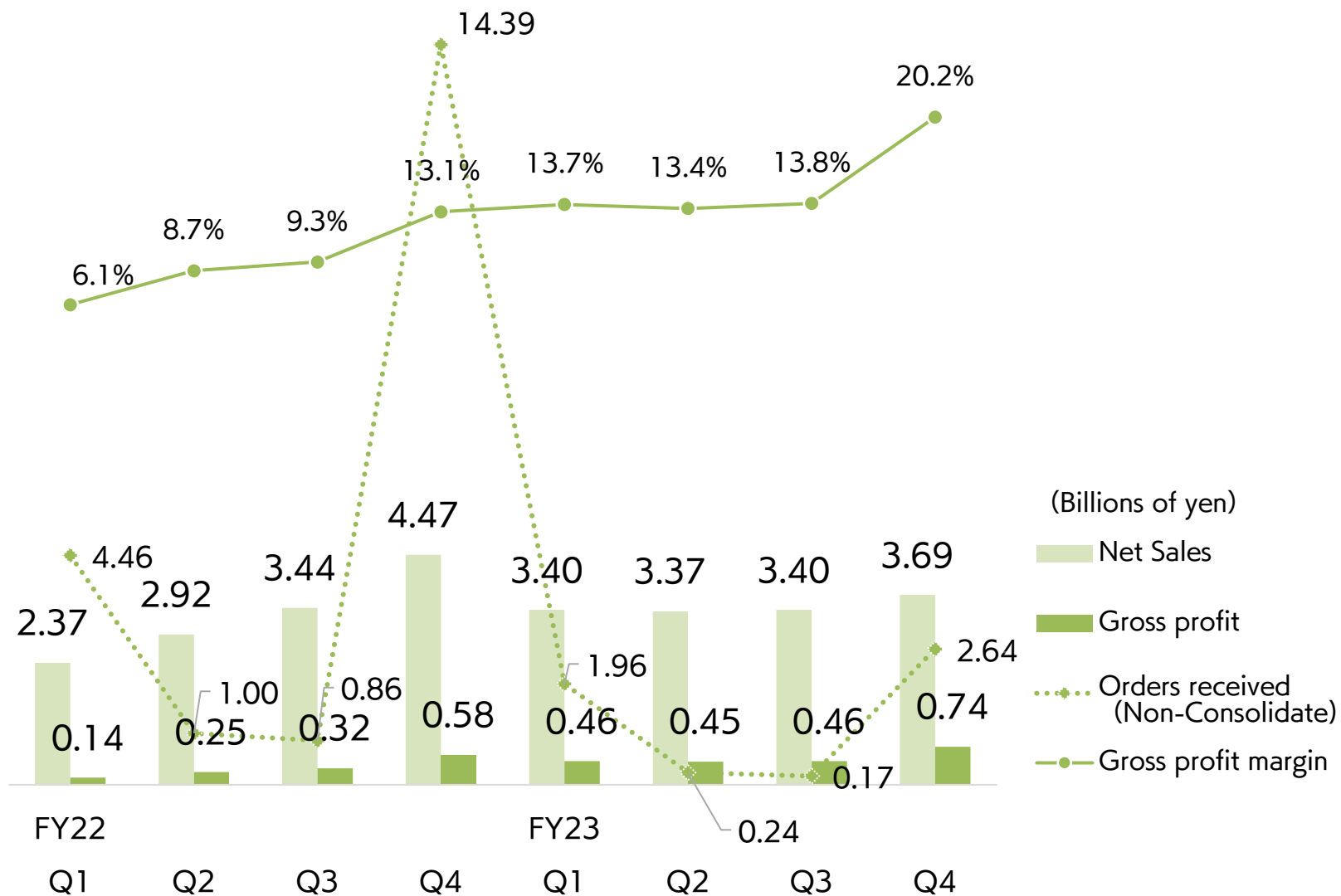
Orders received (Non-Consolidated)

- Increase in development/construction and operation/maintenance of cloud and security
- Large-scale licensing sales to focus customers occurred

Net sales/Gross profit

- Improved profitability of cloud development projects mainly for focus customers due to improved quality control
- MSS※ sales are steadily growing at about 1.5 times YoY

※ Acronym for Managed Security Service



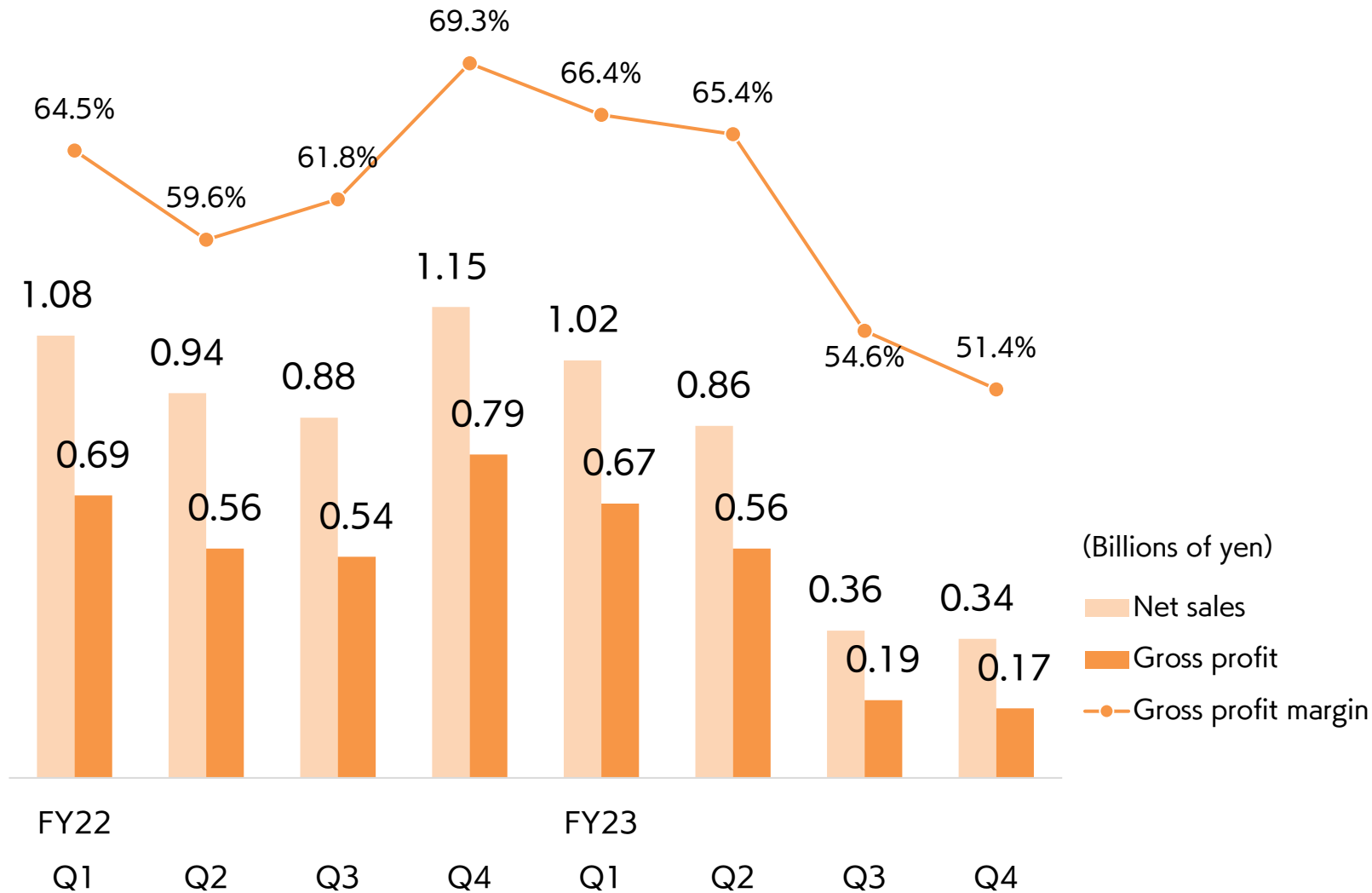
Public Sector (QoQ)

Orders received (Non-Consolidated)

- Downturn due to orders for multi-year operation for the Ministry of Agriculture, Forestry and Fisheries in FY22Q4.
- Received an order for eMLIT projects by the Ministry of Land, Infrastructure, Transport and Tourism based on the results of DX projects for the Ministry of Agriculture, Forestry and Fisheries.

Net sales/Gross profit

- Sales declined due to the shift to the operation phase of DX projects for local governments and the Ministry of Agriculture, Forestry and Fisheries, but profits were secured with steady progress.



Consumer (QoQ)

Net sales/Gross profit

- Decrease in sales and earnings due to the impact of Norton Store's contract changes and the deconsolidation of Fontworks, Inc. from Q3

		FY22Q1	FY22Q2	FY22Q3	FY22Q4	FY22	FY23Q1	FY23Q2	FY23Q3	FY23Q4	FY23	YoY	
												Change	Change %
Consolidated performance (Millions of yen)	Net sales	15,560	16,145	16,524	18,996	67,227	15,958	16,247	15,633	17,864	65,704	▲1,523	▲2.3%
	Gross profit	3,405	3,538	3,625	4,625	15,194	3,693	3,904	3,655	4,507	15,760	+565	+3.7%
	Profit margin	21.9%	21.9%	21.9%	24.3%	22.6%	23.1%	24.0%	23.4%	25.2%	24.0%	+1.4pt	-
Telecommunication	Net sales	5,079	4,731	4,701	5,062	19,575	3,669	3,846	3,797	4,317	15,630	▲3,944	▲20.1%
	Gross profit	797	794	821	935	3,348	660	702	752	893	3,010	▲338	▲10.1%
	Profit margin	15.7%	16.8%	17.5%	18.5%	17.1%	18.0%	18.3%	19.8%	20.7%	19.3%	+2.2pt	-
Enterprise	Net sales	7,021	7,540	7,493	8,300	30,356	7,862	8,158	8,067	9,507	33,595	+3,238	+10.7%
	Gross profit	1,764	1,924	1,933	2,302	7,925	1,886	2,183	2,236	2,687	8,994	+1,068	+13.5%
	Profit margin	25.1%	25.5%	25.8%	27.7%	26.1%	24.0%	26.8%	27.7%	28.3%	26.8%	+0.7pt	-
Public Sector	Net sales	2,374	2,927	3,442	4,478	13,224	3,403	3,376	3,407	3,691	13,878	+654	+4.9%
	Gross profit	145	255	321	587	1,310	465	450	468	747	2,132	+822	+62.8%
	Profit margin	6.1%	8.7%	9.3%	13.1%	9.9%	13.7%	13.4%	13.8%	20.2%	15.4%	+5.5pt	-
Consumer/License	Net sales	1,084	946	886	1,153	4,070	1,023	867	361	347	2,598	▲1,471	▲36.2%
	Gross profit	699	563	547	799	2,610	679	566	197	178	1,622	▲987	▲37.8%
	Profit margin	64.5%	59.6%	61.8%	69.3%	64.1%	66.4%	65.4%	54.6%	51.4%	62.4%	▲1.7pt	-

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

Consolidated performance (Millions of yen)	FY22Q1	FY22Q2	FY22Q3	FY22Q4	FY22	FY23Q1	FY23Q2	FY23Q3	FY23Q4	FY23	YoY	
											Change	Change %
Net sales	15,560	16,145	16,524	18,996	67,227	15,958	16,247	15,633	17,864	65,704	▲1,523	▲2.3%
Telecommunication	5,079	4,731	4,701	5,062	19,575	3,669	3,846	3,797	4,317	15,630	▲3,944	▲20.1%
Enterprise	7,021	7,540	7,493	8,300	30,356	7,862	8,158	8,067	9,507	33,595	+3,238	+10.7%
Public Sector	2,374	2,927	3,442	4,478	13,224	3,403	3,376	3,407	3,691	13,878	+654	+4.9%
Consumer /License	1,084	946	886	1,153	4,070	1,023	867	361	347	2,598	▲1,471	▲36.2%
Cost of sales	12,154	12,607	12,899	14,370	52,032	12,265	12,343	11,978	13,357	49,944	▲2,088	▲4.0%
Gross profit	3,405	3,538	3,625	4,625	15,194	3,693	3,904	3,655	4,507	15,760	+565	+3.7%
SG&A expenses	2,320	2,353	2,354	2,609	9,637	2,636	2,678	2,330	2,415	10,061	+423	+4.4%
Operating income	1,085	1,184	1,271	2,015	5,557	1,057	1,225	1,324	2,091	5,699	+141	+2.6%
Other Income and Expenses	▲15	▲32	▲4	▲5	▲58	▲2	▲98	▲53	▲61	▲225	▲167	-
Ordinary income	1,070	1,152	1,266	2,009	5,499	1,054	1,127	1,271	2,029	5,473	▲25	▲0.5%
Extraordinary gain/loss	7	23	3	▲77	▲42	▲133	6,594	84	▲53	6,146	+6,189	-
Net profit attributable to owners of parent	646	699	762	1,388	3,497	505	5,767	893	1,552	8,363	+4,866	+139.2%
EBITA	1,494	1,599	1,685	2,438	7,217	1,505	1,651	1,705	2,453	7,316	+98	+1.4%
Non-Consolidated Order Backlog	29,602	27,921	25,641	35,939	35,939	33,388	30,375	26,654	27,860	27,860	▲8,079	▲22.5%

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

Focused solutions

Cloud Solutions : Increase in both sales and profits

- Cloud development for focused Enterprise's customers expands
- DX projects for the Ministry of Agriculture, Forestry and Fisheries are operating steadily

Security Solutions : Increase in both sales and profits

- Sales of Enterprise MSS※ were strong.

Technical Solutions : Decrease in both sales and profits

- Due to a decrease in vendor management projects and restrained investment. Despite lower sales, profitability steadily improved due to progress in efficiency improvement

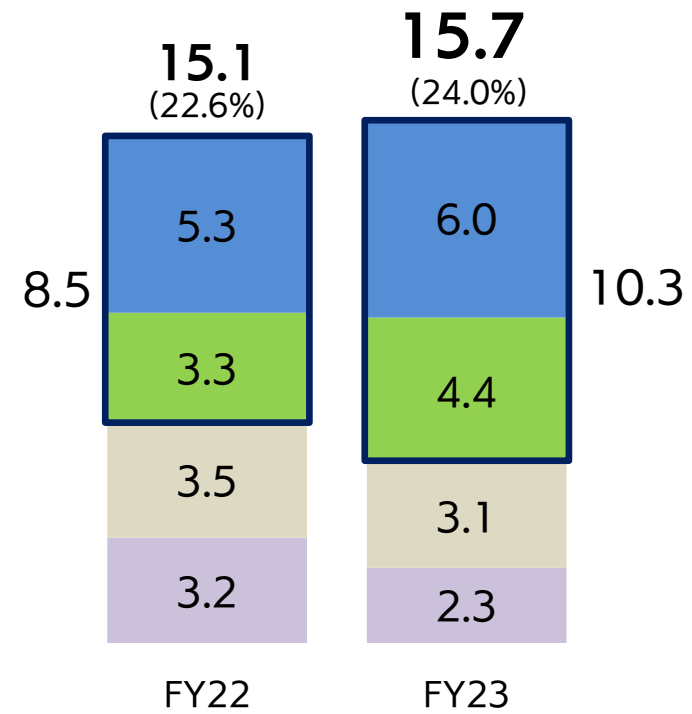
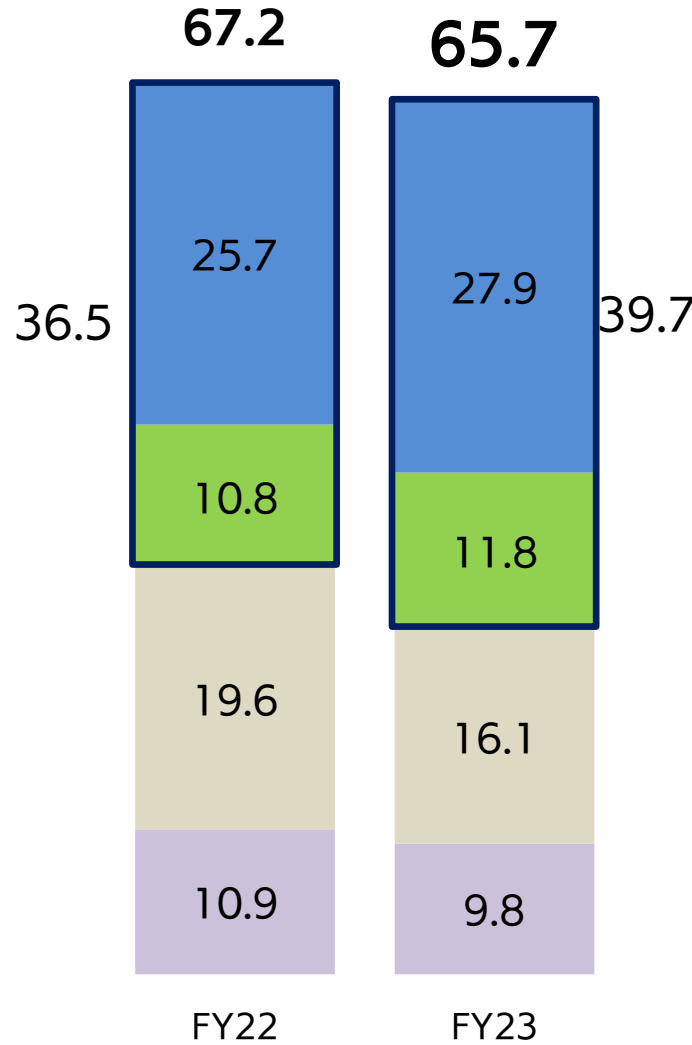
Equipment/License : Decrease in both sales and profits

- Sales and profits decreased due to the deconsolidation of Fontworks, Inc. and the selection of licensing sales projects.

Net sales

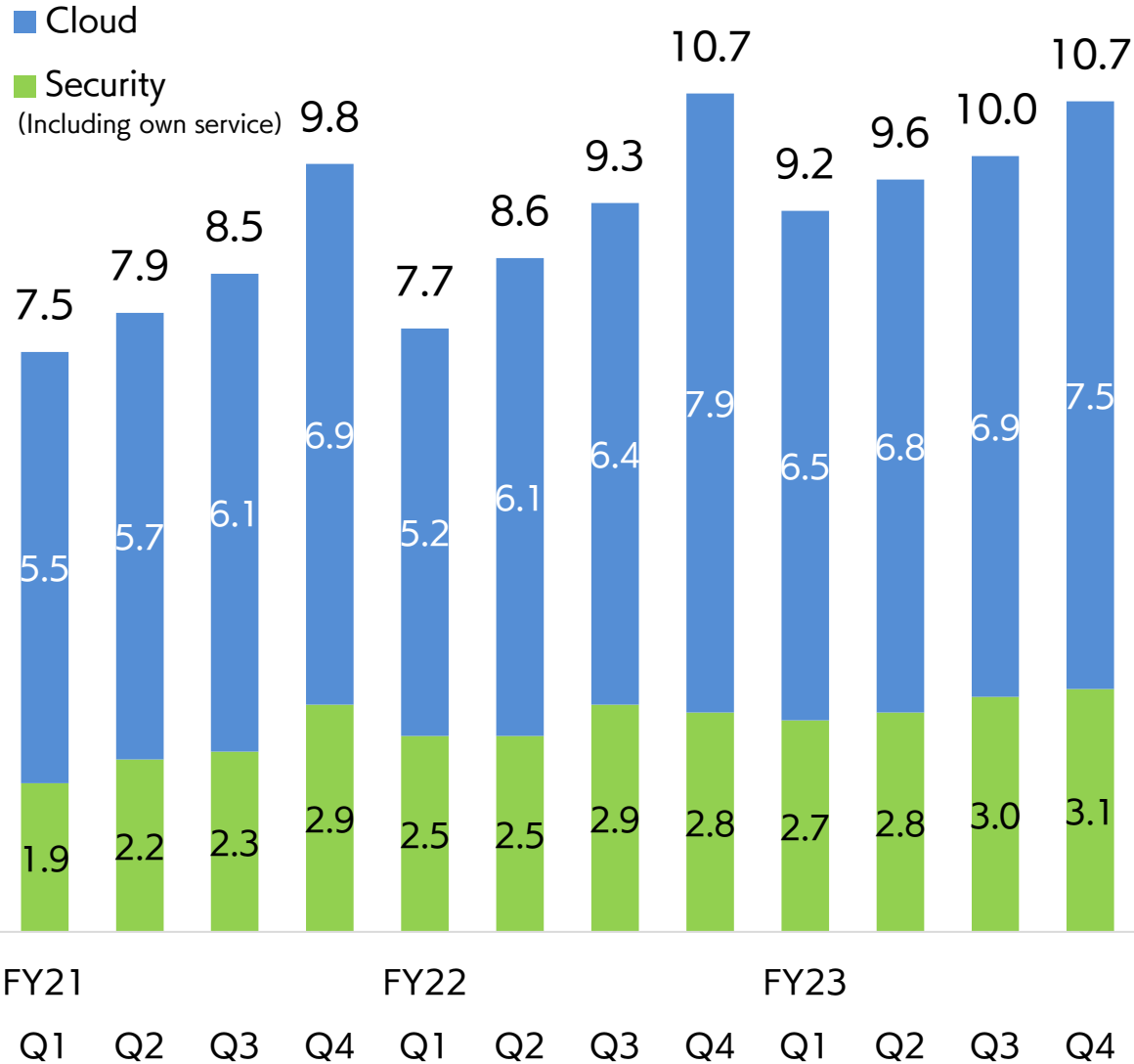
Gross profit

(Billions of yen)
(Profit margin)

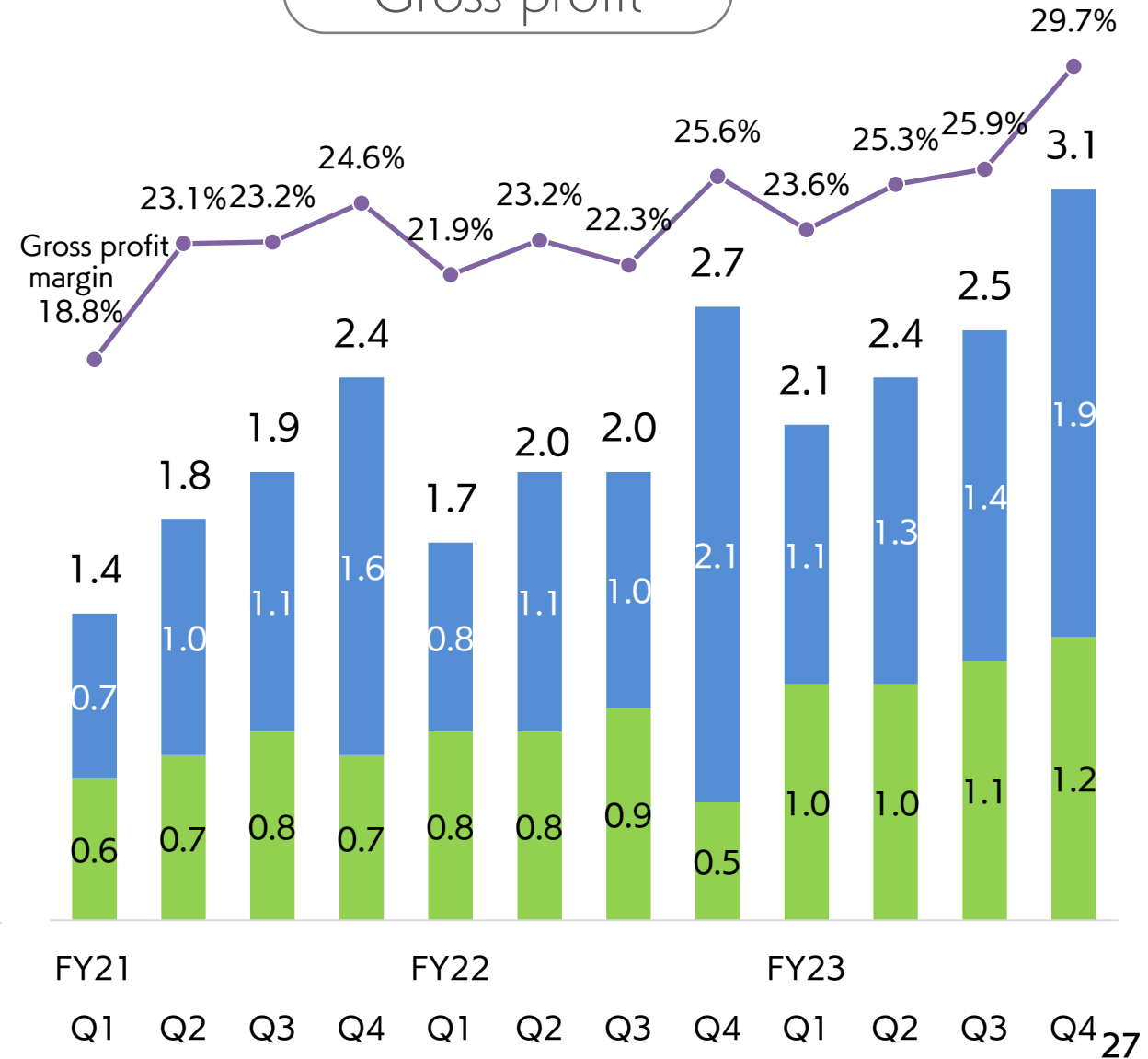


※ Acronym for Managed Security Service

Net sales



Gross profit

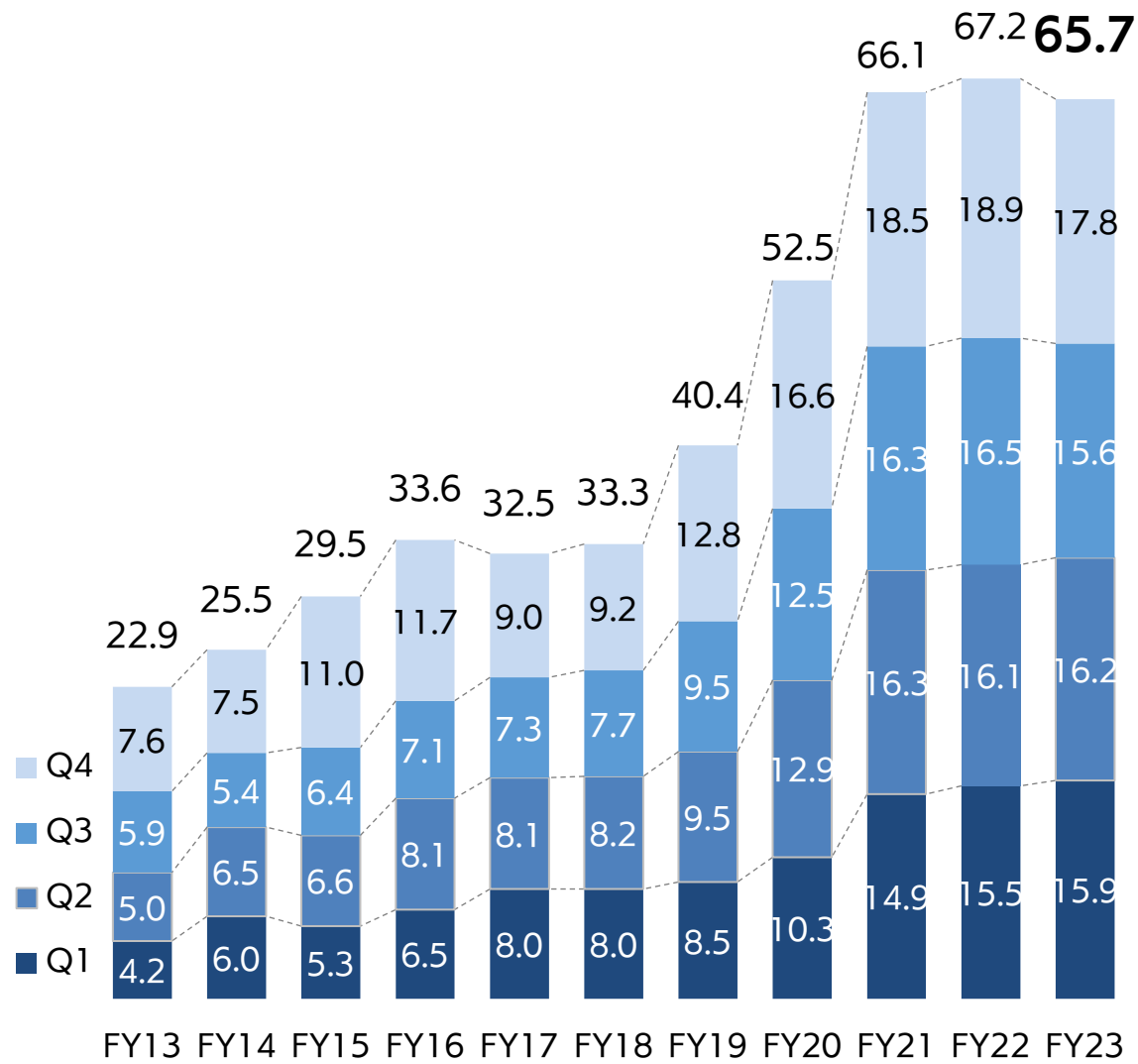


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Cloud Solutions	Net sales	5,225	6,140	6,427	7,928	25,722	6,536	6,824	6,972	7,593	27,926	+2,203	+8.6%
	Gross profit	825	1,147	1,099	2,195	5,268	1,187	1,381	1,440	1,960	5,969	+701	+13.3%
	Profit margin	15.8%	18.7%	17.1%	27.7%	20.5%	18.2%	20.3%	20.7%	25.8%	21.4%	+0.9pt	-
Security Solutions	Net sales	2,566	2,551	2,903	2,818	10,840	2,758	2,853	3,027	3,176	11,815	+975	+9.0%
	Gross profit	883	870	981	555	3,290	987	1,045	1,125	1,234	4,392	+1,101	+33.5%
	Profit margin	34.4%	34.1%	33.8%	19.7%	30.4%	35.8%	36.6%	37.2%	38.9%	37.2%	+6.8pt	-
Technical Solutions	Net sales	5,093	4,773	4,675	5,134	19,677	3,816	3,966	3,936	4,401	16,120	▲3,556	▲18.1%
	Gross profit	822	830	854	968	3,475	694	729	772	934	3,131	▲344	▲9.9%
	Profit margin	16.1%	17.4%	18.3%	18.9%	17.7%	18.2%	18.4%	19.6%	21.2%	19.4%	+1.7pt	-
Equipment/License	Net sales	2,674	2,679	2,518	3,114	10,987	2,847	2,603	1,696	2,694	9,841	▲1,145	▲10.4%
	Gross profit	874	689	690	907	3,160	824	747	316	377	2,266	▲894	▲28.3%
	Profit margin	32.7%	25.7%	27.4%	29.1%	28.8%	29.0%	28.7%	18.7%	14.0%	23.0%	▲5.8pt	-
Management Indicators※1 Total	Net sales	7,792	8,692	9,330	10,747	36,562	9,294	9,677	10,000	10,769	39,741	+3,178	+8.7%
	Gross profit	1,709	2,018	2,081	2,750	8,558	2,174	2,427	2,565	3,194	10,362	+1,803	+21.1%
	Profit margin	21.9%	23.2%	22.3%	25.6%	23.4%	23.4%	25.1%	25.7%	29.7%	26.1%	+3.4pt	-

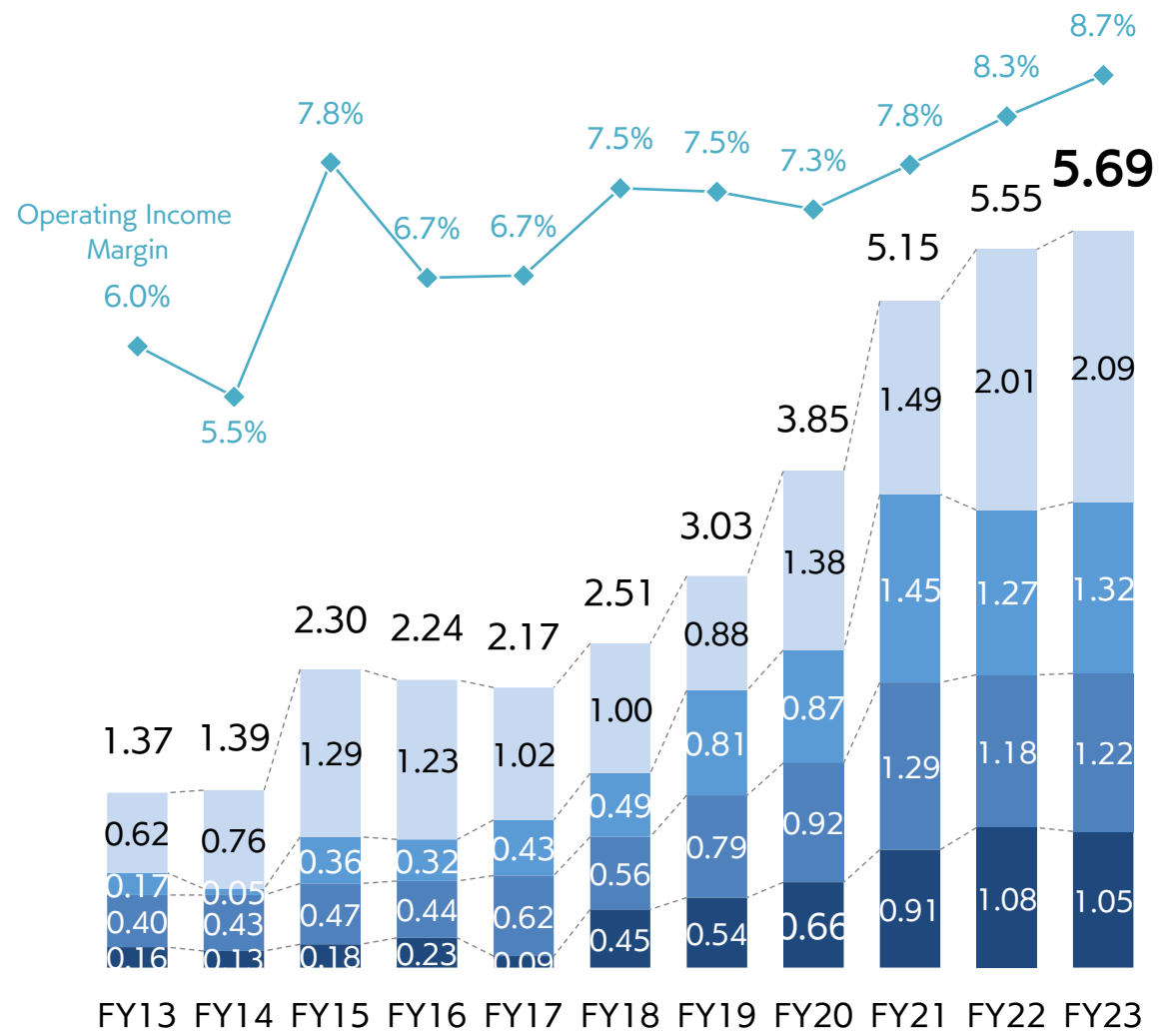
※1 : Cloud Solutions + Security Solutions (including in-house services)

※2 : Segment classifications were reviewed for certain projects and are calculated in accordance with the current accounting method

Net Sales



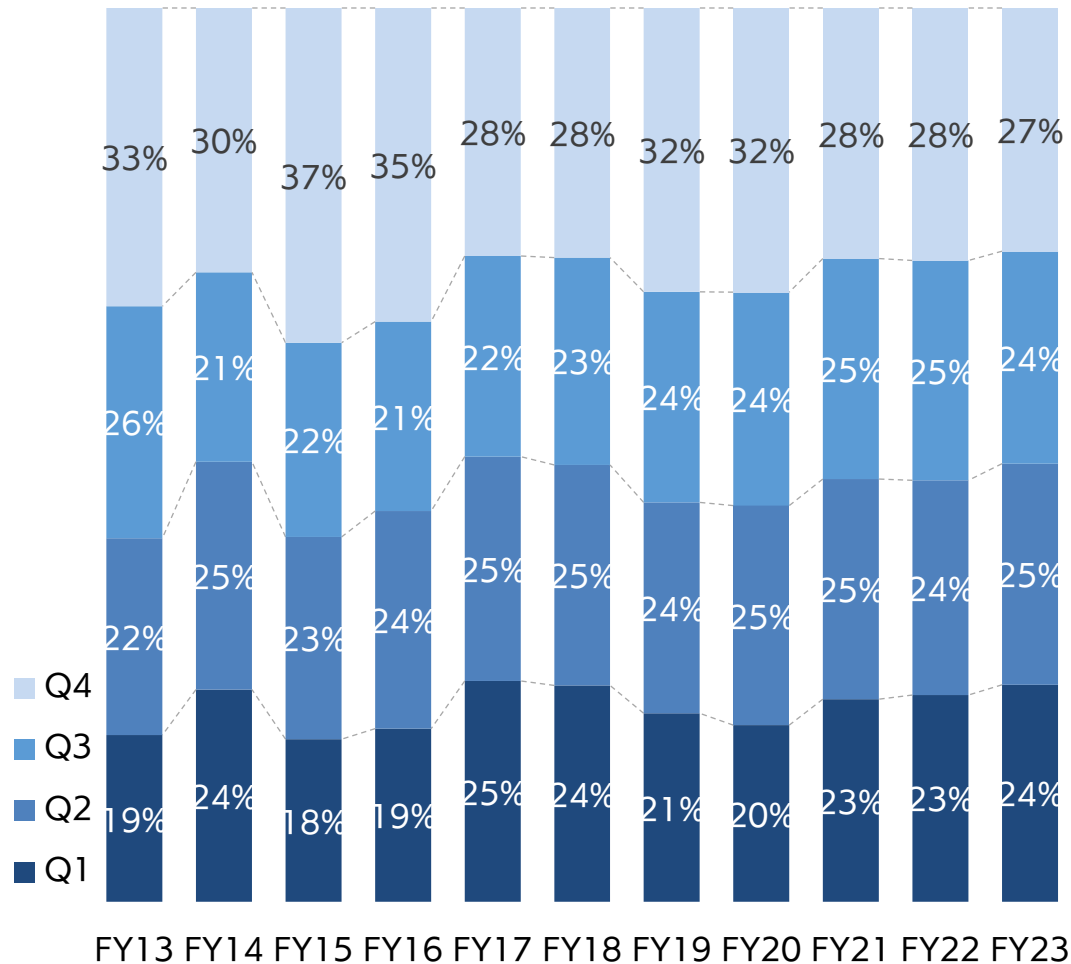
Operating Income



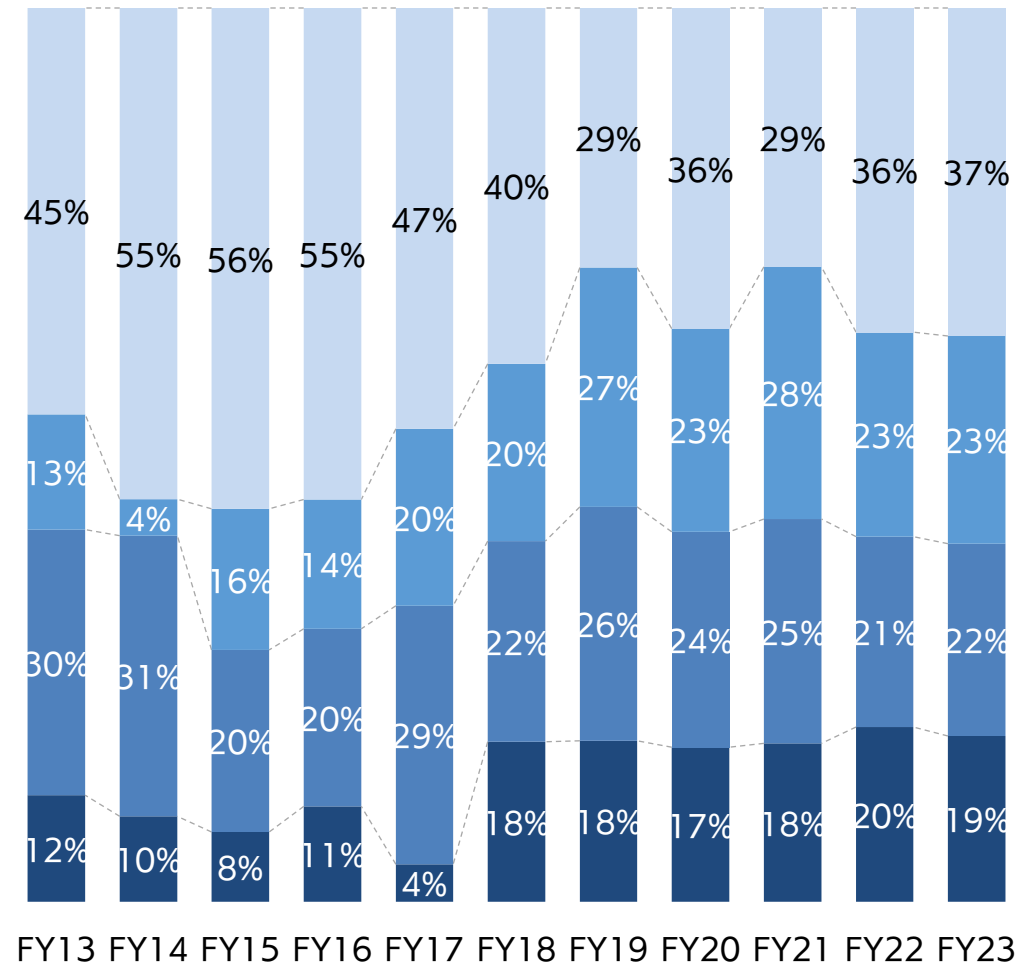
※The Company has adopted the "Accounting Standard for Revenue Recognition" (the new revenue recognition standard) from FY21 Q1. Net sales

[Billions of yen] before FY20 are based on historical net sales figures for the Norton business, which is the main impact.

Net sales



Operating income



[Billions of yen]

※The Company has adopted the "Accounting Standard for Revenue Recognition" (the new revenue recognition standard) from FY21 Q1. Net sales before FY20 are based on historical net sales figures for the Norton business, which is the main impact.

	(Millions of yen)	End of March, 2023	End of March, 2024	YoY
Current assets		35,622	41,654	6,032
Cash and deposits		8,221	10,833	2,611
Accounts receivable and other receivables		24,133	25,289	1,156
Fixed assets		9,842	10,039	197
Tangible fixed assets		1,681	1,451	△ 229
Intangible fixed assets		4,120	3,176	△ 944
Investments and other assets		4,040	5,412	1,371
Total assets		45,466	51,694	6,228
Current liabilities		18,590	17,962	△ 628
Long-term liabilities		1,708	1,113	△ 594
Net assets		25,167	32,619	7,451

Corporate Information

SB Technology

Corporate Data

(As of March 31, 2024)

Trade Name	SB Technology Corp. (*)
Address	27-30, Shinjuku 6-chome, Shinjuku-ku, Tokyo
Description of Businesses	ICT services business
Establishment	October 16, 1990
Common stock	JPY 1,270 mn
Number of employees	Consolidated 1,447 (Non-consolidated 1,004)

(*) The company name was changed to SB Technology Corporation as of October 1, 2019.



ISMS Certified Organizations:
Headquarters, Shibadai-mon, Tennozu,
Osaka, Nagoya, Fukuoka, Toyama

Management philosophy

Mission

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

Vision

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

Value

Three Actions
×
Accept Diversity
Three Perspectives

Growth
Trust
Value

Tanoshimu
Tsukuru Tsunagu

Officers

(As of April 1, 2024)

Board of Directors

Representative Director CEO	Shinichi Ata
Director CSO	Mitsuhiro Sato
Director CFO	Masaaki Okazaki
Director	Kunihiko Fujinaga
External Member of the Board	Shigeo Suzuki
External Member of the Board	Yoshie Munakata
External Member of the Board	Yukari Tominaga
External Member of the Board	Yuka Miyagawa
External Member of the Board	Madoka Sawa

Executive Officers

President & CEO	Shinichi Ata
Senior Executive Vice President & CSO	Mistuhiro Sato
Executive Vice President & CFO	Masaaki Okazaki
Executive Vice President	Akira Kitamura
Executive Vice President & CIO	Masaki Watanabe
Vice President CCO	Seiichi Masaoka
Vice President	Makoto Aoki
Vice President	Takuya Miyazawa
Vice President CDO&CISO	Kengo Kanazawa
Vice President CMO	Ikuma Uehara

Auditors

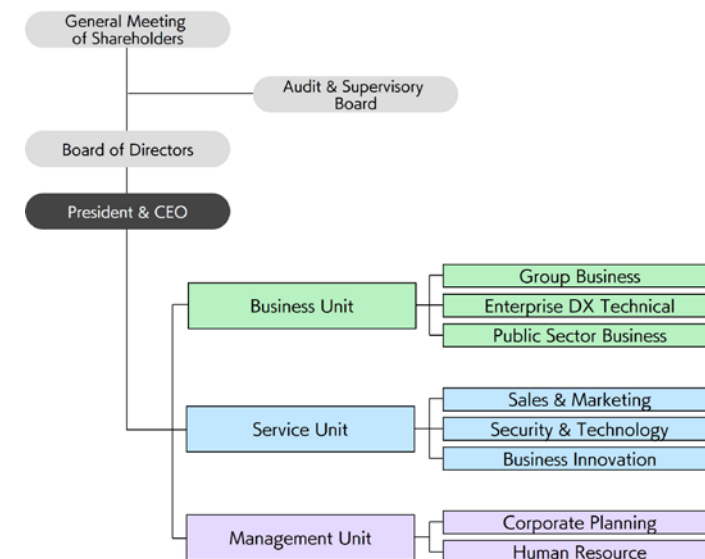
Chairman of Audit & Supervisory Board	Mitsumasa Ueno
Audit & Supervisory Board	Haruhiko Hirose
Audit & Supervisory Board	Michiaki Nakano
Audit & Supervisory Board	Takashi Naito

The official title in English is as follows:

CEO:	Chief Executive Officer
CSO:	Chief Strategy Officer
CFO:	Chief Financial Officer
CIO:	Chief Information Officer
CCO:	Chief Compliance Officer
CDO:	Chief DX Officer
CISO:	Chief Information Security Officer
CMO:	Chief Marketing Officer

Organization chart

(As of April 1, 2024)



Certification and accreditation

(As of August 31, 2023)



えるぼし



くるみん



令和4年度
「テレワーク先駆者百選」



健康経営優良法人2023



DX認定



FTSE Blossom Japan Index

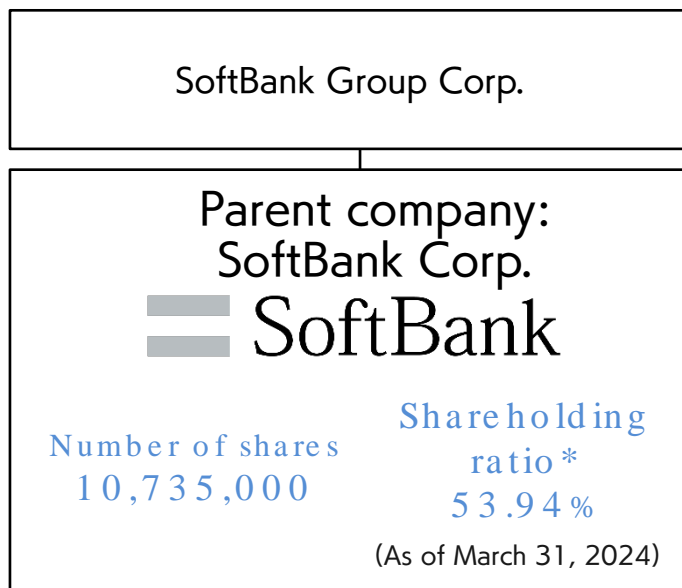


FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Index Series



2022 - 2023年度選定



Group Companies (The number of employees as of March 31, 2024, Representative as of June 30, 2023)

	M-SOLUTIONS, Inc.	Providing cloud services and system design, development, operation and maintenance services primarily focused on smart devices	Representatives : Manabu Uekusa Shareholding ratio : 100% Number of employees : 55
	Kan Corporation	Providing educational content that employs cloud services to achieve internal business improvement and innovations in communication.	Representatives : Saori Aoki Shareholding ratio : 100% Number of employees : 8
	CyberTrust Japan Co., Ltd.	Providing of IoT services, OSS/Linux services, and certification/security services	Representatives : Yuji Kitamura Shareholding ratio : 57.54% Number of employees : 232
	REDEN Corp.	Providing a platform to promote the use of agricultural data and support the acceleration of the agricultural growth cycle	Representatives : Ikuma Uehara Shareholding ratio : 82.57% Number of employees : 2
	DENEN Co. Ltd.	Providing system consulting and web system development solutions, primarily for the telecommunications sector and local governments.	Representatives : Kiminori Konaka Shareholding ratio : 100% Number of employees : 79
	I/O SYSTEM INTEGRATION CO., LTD	Development, sales and maintenance of information processing systems	Representatives : Masayuki Sekiguchi Shareholding ratio : 100% Number of employees : 26

With Cloud and Security
Support customer DX

ICT Service Business

Telecommunication

- Construction, operation and maintenance of on-premises systems (including private cloud)
- Cloud consulting/Migration assistance/Construction/Operation
- Security monitoring operation service, etc

Enterprise

- Cloud consulting/Migration assistance/Construction/Operation/IT education service, AI/IoT/DX Solution
- Security consulting/Introduction support/Monitoring operation service, Electronic authentication solution, etc

Public Sector

- Cloud migration assistance/Construction/Operation/IT education service, AI/IoT/DX Solution
- Security consulting/Introduction support/Monitoring operation service, etc

Consumer

- EC site operation Substitute such as Norton Store, etc



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

We started the cloud business in 2009, when cloud services began to become popular, and have been introducing and operating cloud solutions, including the introduction of Microsoft 365 and support for construction in Microsoft Azure environments, mainly for enterprise companies. Based on this cloud solution, we provide a wide range of DX support that meets our customers' challenges, such as using even more data and cultivating and creating DX human resources.

Performance

With a track record of deploying cloud solutions of more than 1000 companies, the company has accumulated a wealth of development results and expertise. Support is provided for various industries, including the manufacturing and construction industries.

Introduced to a large number of major companies, including construction, manufacturing, and educational institutions



External evaluation

Received an award given by Microsoft Japan to its partners for ten consecutive years. In 2023, we won "Defend against threats with SIEM plus XDR" in the security-related field.

Microsoft Japan Partner of the Year



Awarded for ten consecutive years since 2014

Microsoft Worldwide Partner Award



Japan's first quadruple crown

Service

clouXion is our cloud solution brand for utilizing Microsoft 365. It was born for the concrete problem solution of "work style reform".

clouXion
clouXion installation result
914 companies

As of August, 2023



Provide total solutions for information security

As a countermeasure against sophisticated and diverse cyber-attacks, we provide a wide range of one-stop services to support customers' critical information-asset protection and business continuity, from security introduction support to managed security services (MSS) to monitor the operation of security systems, to support the construction of CSIRT※1 by experienced specialists and consulting to support comprehensive corporate security.

Performance

We provide MSS to more than a few hundred enterprise customers. For local governments, 405 municipalities in 12 prefectures are provided with the construction, operation, and the providing MSS of the "Local Government Information Security Cloud," which is promoted by the Ministry of Internal Affairs.



External evaluation

SBT's security services are used by many companies and organizations. We are ranked No. 1 in terms of sales in various domestic market surveys.



Ranked No.1 share of sales by vendor in "Microsoft 365 Operation Monitoring Service" and "SIEM Operation Analysis Service/Managed XDR Service" markets※2

Ranked No.1 share of sales in "SIEM Operation Service" market※3

Service

The Security Monitoring Centre provides MSS for professional security analysts to monitor customer-environment security systems and networks 24 hours a day, 365 days a year, to protect against cyber-attacks and unauthorized accessibility.



Security Monitoring Centre

* 1 Abbreviation for "Computer Security Incident Response Team" and refers to a team that responds when an incident occurs, such as malware transmission or intrusion.

* 2 : Source: ITR"ITR Market View: Endpoint-security/information-leakage SOC Services Marketing 2023"

* 3 : Source: Deloitte Tohmatsu MIC Research Institute Co., Ltd. "Managed Security Services Market Status and Forecast 2023 Edition" (Published in June ,2023) <https://mic-r.co.jp/mr/02800/>

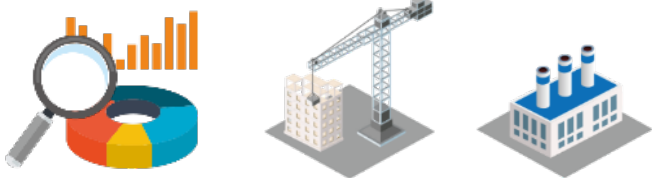


One-Stop Support for Utilization of Data and AI through Cloud Infrastructure

Starting businesses in the data domain in 2014, we will provide solutions in the cloud infrastructure, from the construction of data platforms to analysis/visualization using BI tools and AI utilization. We can provide a wide range of support, from installation support to in-house production and operation support after introduction, in a one-stop manner. We contribute to DX of our customers through consulting by data scientists.

Strengths

We are strong in providing support in cloud infrastructure using Azure, such as Azure Machine Learning, Microsoft Power BI. Especially in the manufacturing industry, we support our customers' businesses based on data, such as the construction of systems and predictive models using machine learning.



External evaluation

Power Apps &BI was awarded to Microsoft Japan Partner of the Year 2021 for assessment in the data-domain. In 2023, the company was awarded the Top Engineer Award for its achievements in solving problems in Dynamics 365 and Power Platform.



Service

Develop core-technology to improve the accuracy of answers to generated AI through internal use and demonstration with customers. We have released dailyAI, a generation AI service that incorporates this technique into our services and can be used in daily operations. As a generator AI servicing that combines the functions required for all business-scenes, it contributes to the improvement of customer productivity.

daily AI



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

The SBT Group aims to realize a sustainable society.

We will work to solve various social issues through our business and corporate activities.

Basic Policy



By creating innovation through the provision of ICT services, We will contribute to the creation of value for our customers.



Do not forget the challenge of growth to meet shareholder expectations, We will disclose transparent and fair information.



Employees' fulfillment, pride, and individuality are utilized, Equal and diverse, regardless of gender, age, nationality, etc. We will make the environment rich and challenging.



Prevent all forms of corruption, including corruption and bribery, Build fair business relationships with business partners



To the reduction of greenhouse gas emissions in response to climate change Improving energy efficiency and reducing the use of water and other resources. Efforts will be made for efficiency and biodiversity



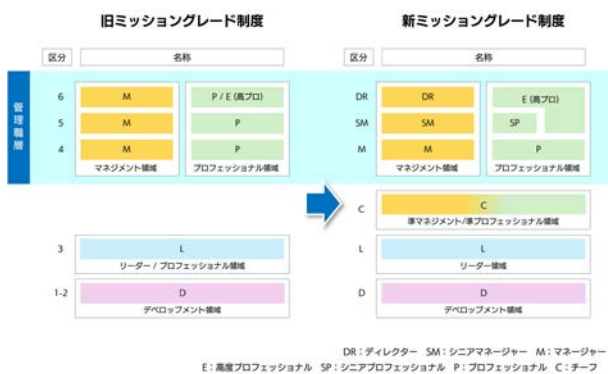
Fostering the next generation and enhancing information security, Through disaster countermeasures and reconstruction assistance, Contribute to the realization of a rich information-oriented society



We comply with international norms, laws and regulations, Conduct honest business activities.



2024/03/27 Introduction of a new personnel system in April 2024. Basic pay increased by an average of 5%.



On April 1, 2024, we introduced a new personnel system that revised our grades, evaluations, rewards, and educational systems. Under the new system, while integrating organizations and increasing the functions of one organization, we reviewed the discretion and roles of mainly management-level employees so that each employee can demonstrate a high level of expertise and maximum performance. Line management is concentrated on organizational management, and by increasing the number of professionals who have expanded the role of management in project promotion, we strive to optimize human resource management by managers and create higher added value for the entire organization. We have also created a new chief officer to assist the managers in organizational management and project execution. The role and reward table for each position were redesigned, and the basic pay increased by 5% on average, combined with base-up and periodic pay raise. Going forward, we will continue to work to increase corporate value by promoting the growth of each and every employee, which is the source of our company's growth, and by revising our personnel system and implementing personnel measures to build a comfortable working environment.

2024/04/08 Invested in NTQ, which develops offshore and provides ICT solutions in Vietnam



On March 31, we invested primarily in NTQ Solution JSC (hereinafter referred to as "NTQ"), which develops offshore and provides ICT solutions in Vietnam, with the aim of securing excellent engineers. NTQ was established in Hanoi, Vietnam, in June 2011, and is expanding its business in Japan and globally as a IT service provider. In addition to the headquarters in Vietnam, they have offices in Japan, South Korea, Hong Kong, the United States, and Europe, and currently employ approximately 1300 people (including 900 engineers). In 2026, they expect to expand to 3000 employees (including 2500 engineers). In 2021, they were selected as one of the top-ten ICT companies in Vietnam for the third consecutive year. They are a fast-growing company, actively developing services and researching new technology. In order to further accelerate the business of both companies in the future, we agreed to build a further relationship of trust and cooperate with them.

SB Technology by Numbers

*Items not marked as “consolidated” are statistics for SBT alone
 *Items that are not included in this report are as of the end of March 2024.

SB Technology

Employees

SBT consolidated Number of Employees **1,447**

2024th New Graduate **89**
 (consolidated basis)

Average age **38.3**

Working Style

Reduction of overtime by improving productivity
42 hours → 26 hours
 (FY2015)

Percentage of paid leave taken per employee **68%**

Remote working rate **62%**

Childcare Leave and Female Activities

Percentage of employees taking childcare leave
 Male **61.5%** Female **100%**

Percentage of female in Management Level **7.6%**

Technical Personnel

Ratio of job types **7 : 2 : 1**
 (Technology) (Sales) (Management)

Development partners **2,500**

Growth Support

Use of Skill Development Leave
 Number of employees who have acquired **245** Total days acquired **556**

PMP Holder **156** | CBAP Holder **53**

PMP (Project Management Professional)
 An international standard qualification for project management that requires broad knowledge and practical experience as a project manager. Twenty percent of SBT technical employees possess this certification.

CBAP (Certified Business Analysis Professional)
 Qualification exams that authorize experienced business analysis practitioners with more than five years of experience.

※1 The Company has adopted the “Accounting Standard for Revenue Recognition” (the new revenue recognition standard) from FY21 Q1. Net sales before FY20 are based on historical net sales figures for the Norton business, which is the main impact.

Materials to be Considered

1. The figures shown in the various graphs in this document may differ from the figures in the various graphs due to the relationship between the fractional processing and the figures in the financial results report.
2. The Company has adopted the "Accounting Standard for Revenue Recognition" (the new revenue recognition standard) from the fiscal year ended March 31, 2022. Net sales before March, 2021 are stated unaudited reference value based on historical net sales figures for the Norton business, which is the main impact.

Disclaimer

Statements made in this presentation with respect to plans, estimates and other statements that are not historical facts are forward-looking statements based on information available at the time the presentation was prepared and involve various risks and uncertainties. Actual results may differ materially from these forecasts due to a variety of factors, including changes in the business environment.

The purpose of this document is to provide information on the Group's performance and business progress, and is not to solicit the purchase or sale of shares in us or any of our Group companies.

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- Technologies Design the Future -

 SB Technology

<https://www.softbanktech.co.jp/en/>