

Second Quarter of the Fiscal Year Ending March 31, 2019
(FY2018 Q2)

Results of Operations

October 26, 2018
SoftBank Technology Corp.

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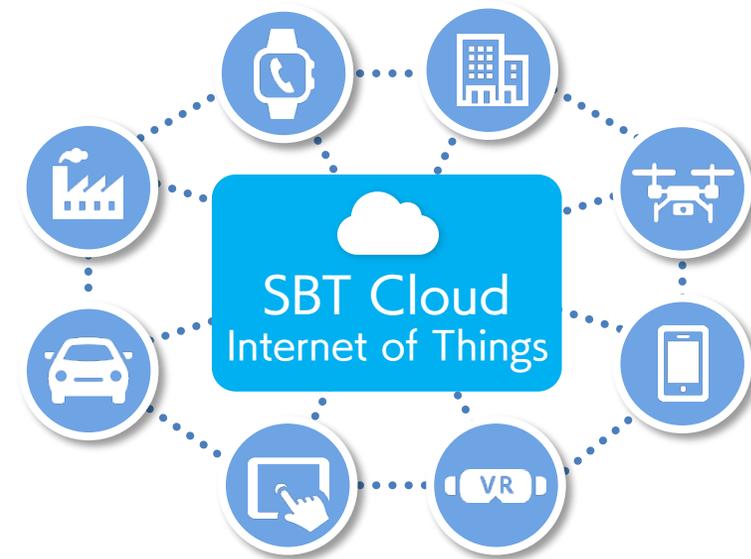
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Basic Strategies of the Second Three-Year Plan

Cloud integration



IoT business development

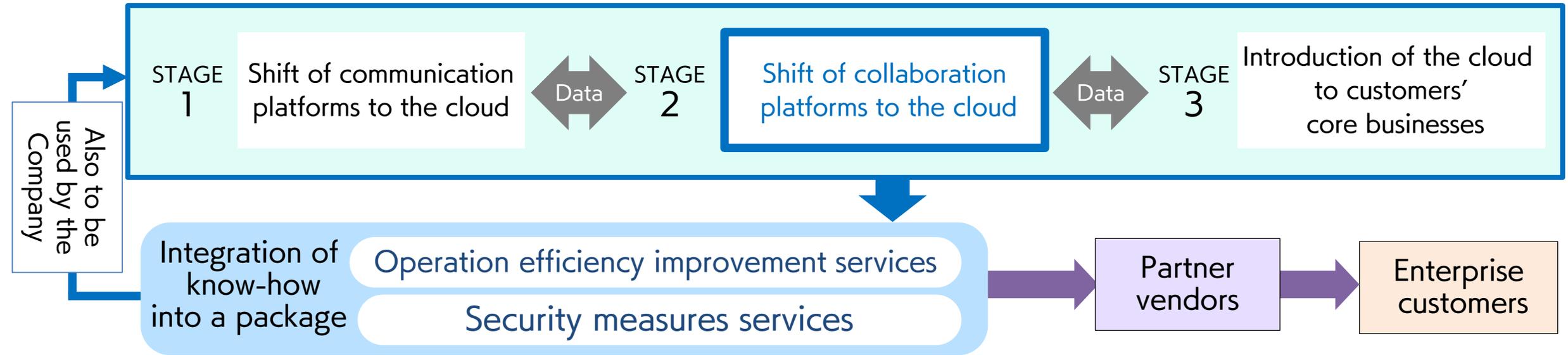


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A business partner to customers

Provide added value by moving systems to the cloud and beyond cost cutting using information technology. Contribute to growth of core businesses and creation of new businesses with knowledge in cutting-edge technologies, such as AI and IoT, moving up the roles of the Company.

Progress of Cloud Integration



Step up service development

Launch a cloud service brand of *clouXion*.

Increase productivity by making active use of AI

Introduce AI to the bullish security monitoring and analysis service (MSS).

Make an attempt on business IT (for business sections)

An unprofitable project occurred in strategic domains, i.e. business IT and STAGE3.

SBT set a target of attaining the net sales share of the three focus businesses within a range of 30% to 40% for FY2018. It works to develop services in these businesses, to expand them, to increase their efficiency with the use of AI and to boost the ratio of sales to stock for helping improve profitability.

Launch of *clouXion* Brand for Cloud Services

Promoting the brand for packages of knowledge obtained through system integration services for leading firms in different industrial sectors

Change in purposes for which enterprises introduce the cloud

E-mail and other communications



Digitalization of internal information - achieve utilization of data beyond sectional boundaries and help improve productivity through workstyle reforms and others



- Robust security
- Operation efficiency improvement
- Cost optimization
- Business reform with the use of data
- Rapid managerial decision-making
- Activating communications

Authentication and security solutions



Microsoft 365 Security Operation & Monitoring
Monitoring of logs and alerts on a 24/7 basis



ADFS on Cloud
Authentication for cloud services in Active Directory



ADP on Cloud
Single sign-on with Azure AD



Online Service Gate
Authentication of terminals for access to the cloud from outside the office for access control purposes



Mail Safe/Mail Vault
Prevention of incorrect email transmission and archiving functions for Office 365



OneDrive for Business Security Pack
Providing features for using OneDrive securely

Operation efficiency improvement solutions



Knowledge Bot
A chat bot that works with Office 365



Flow
A work flow service that works with SharePoint



Provisioning Flow
Automating cloud provisioning and process



OnePortal Modern
Constructing SharePoint Modern UI sites



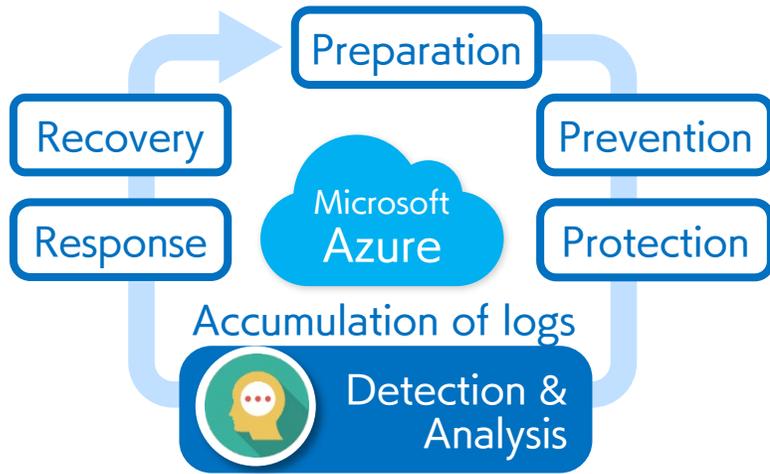
OnePortal Classic
Constructing SharePoint Classic UI sites

The *clouXion* Series serves a total of
900,000 users in **500** companies

Enhancement and Improved Efficiency of Managed Security Service (MSS)

Lineup expansion, Efficiency improved by introducing AI to SBT's log analysis platform

Concept of cyber resilience and MSS



Security experts operate on a 24/7 basis

Incorporating experience and knowledge into models (AI) for use on SBT's log analysis platform

Advantage for SBT	Cutting workloads of security analysts to one tenth
Advantage for customers	Faster detection of threats and advanced analysis and advice

- 
MSS for Imperva Incapsula
 Web security
- 
MSS for FireEye ETP
 Email security
- 
MSS for EDR (Cybereason / Windows Defender ATP)
 Endpoint security
- 
MSS for UTM (Fortinet / Palo Alto Networks)
 Integrated threat control
- 
MSS for Trend Micro Deep Security
 Server security
- 
MSS for Trend Micro DDI
 Internal network security /
 visualization of targeted attacks

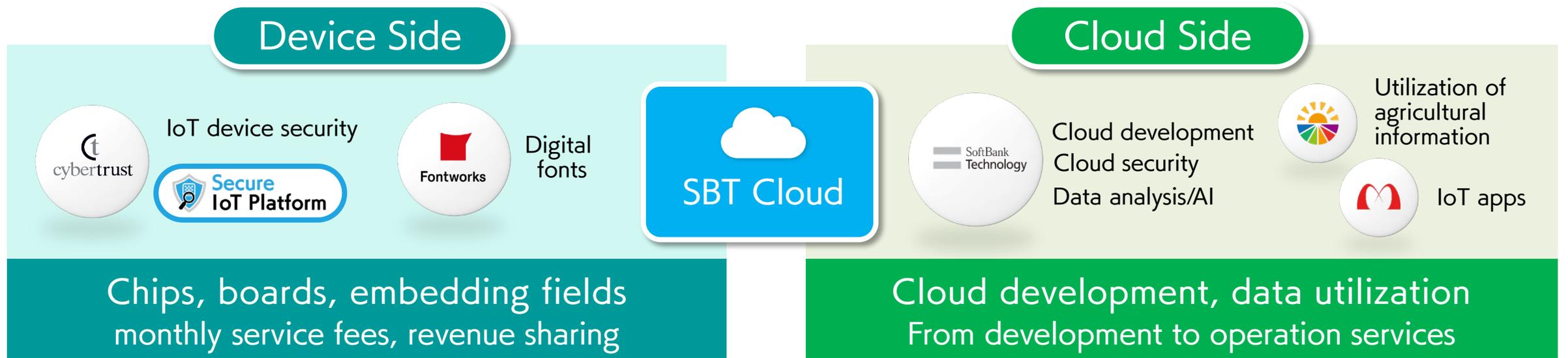


Security monitoring center



Network operation center

Progress of IoT Business Development



Device side: Gaining SIOTP users

Starting offering SDK for evaluation of secure IoT platform

Cloud side: Launching platforms for service provision

Starting offering the IoT Core Connect service that makes manufacturers' products compatible with IoT

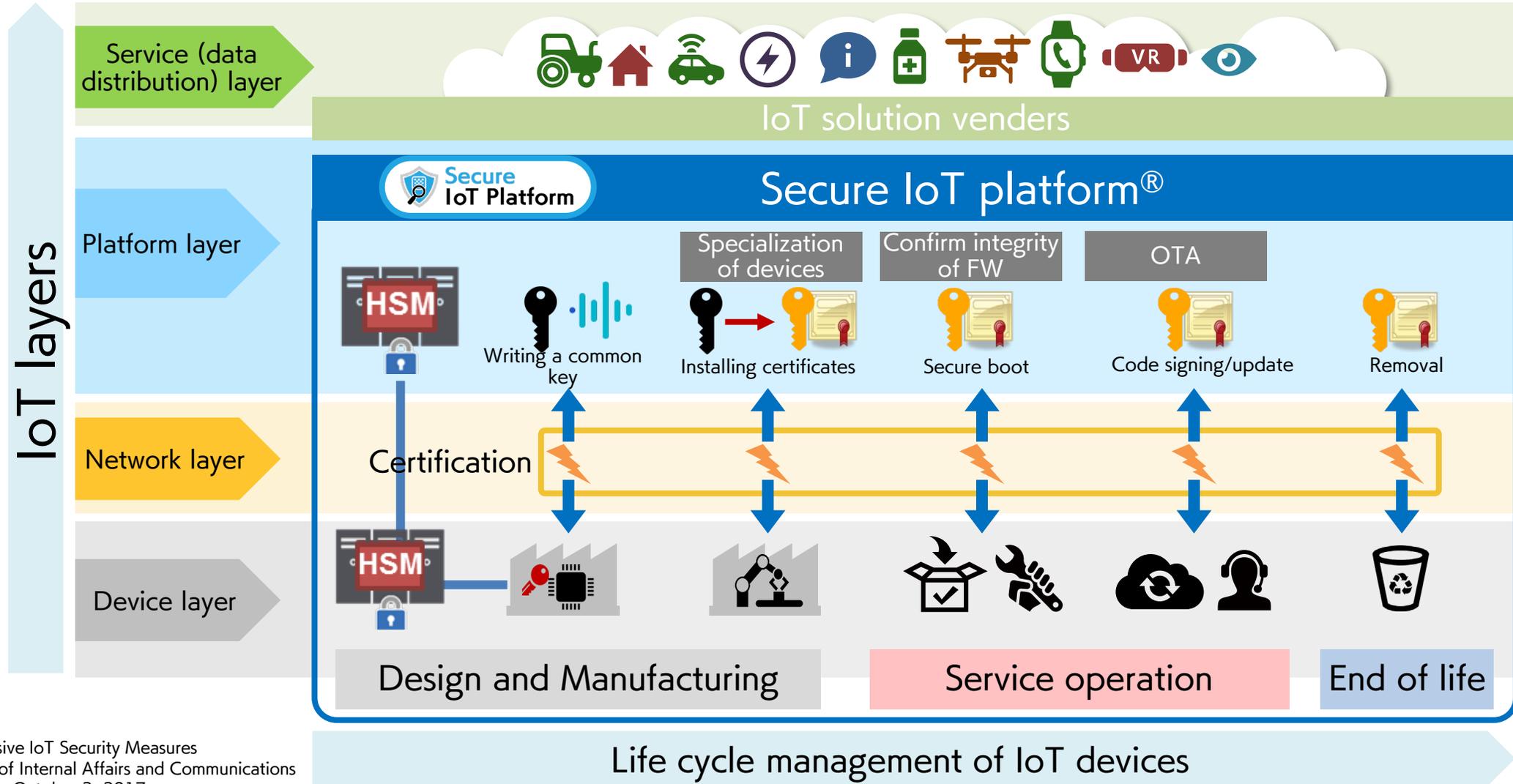
Establishing business models

Profitability of the IoT business is projected to be attained in the next fiscal year or later as planned.

SBT has developed a cloud platform for providing services in addition to the service provision platform for devices. It continues to work on alliance and proof of concept (PoC) with a view to establishing eco-systems and business models on the basis of these platforms.

Secure IoT Platform (Device Side: Cybertrust)

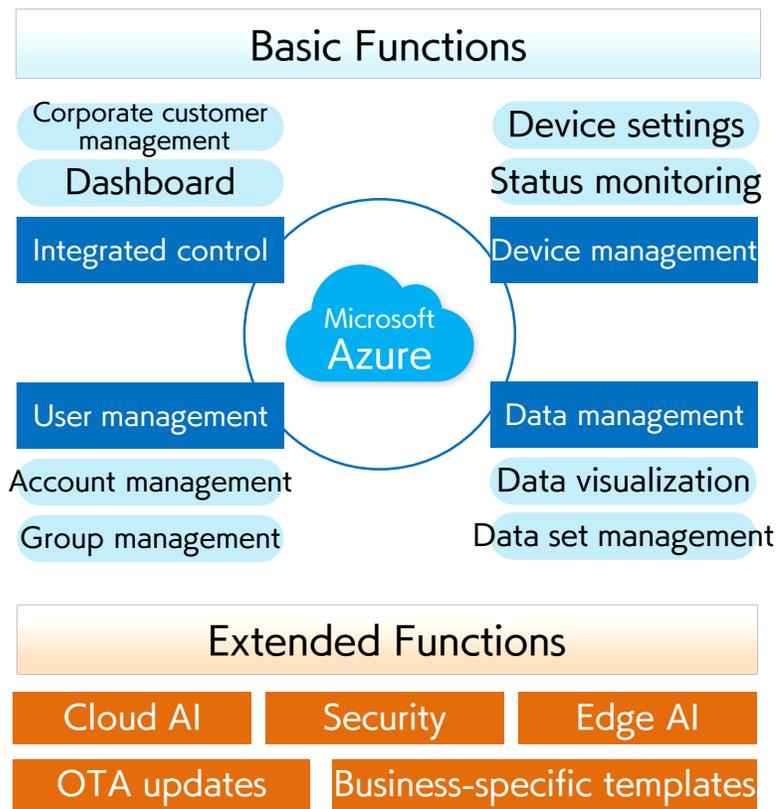
Establish a structure for business promotion (merger) → shift to handling of actual projects



* Comprehensive IoT Security Measures
by Ministry of Internal Affairs and Communications
Published on October 3, 2017

IoT Core Connect (Cloud Side: SoftBank Technology)

A platform that links goods and services with AI and IoT

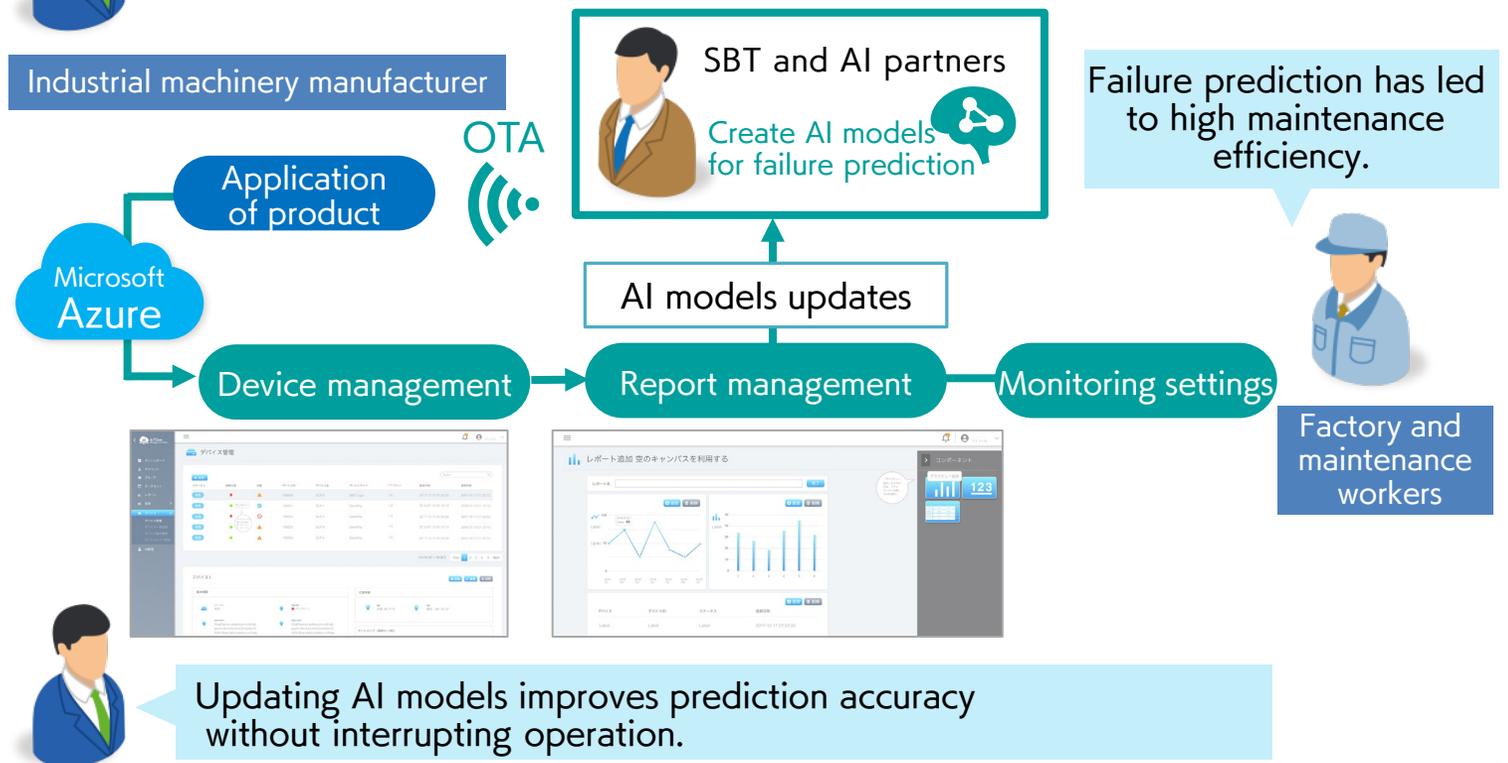


Example of Use:

Failure detection and prediction and utilization of AI for enhanced prediction accuracy



We wish to give notice of product failure prediction more rapidly.



Results Overview

Consolidated

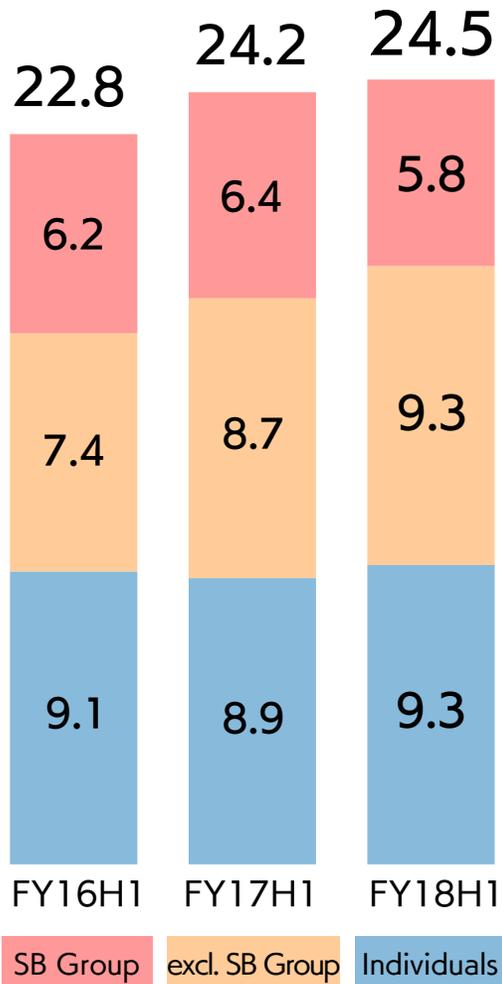
FY2018 ending March 2019 H1 Results (vs. previous year)

(Millions of yen)	FY18H1	FY17H1	Amount of change	Ratio of change
Net sales	24,561	24,203	+ 358	+ 1.5%
Marginal Profit	7,013 (28.6%)	6,480 (26.8%)	+ 533 (+1.8pt)	+ 8.2%
Fixed costs	5,999	5,759	+ 239	+ 4.2%
Operating income	1,014 (4.1%)	720 (3.0%)	+ 293 (+1.1pt)	+ 40.8%
Ordinary income	778 (3.2%)	693 (2.9%)	+ 85 (+0.3pt)	+ 12.4%
Profit attributable to owners of parent	487 (2.0%)	412 (1.7%)	+ 75 (+0.3pt)	+ 18.2%

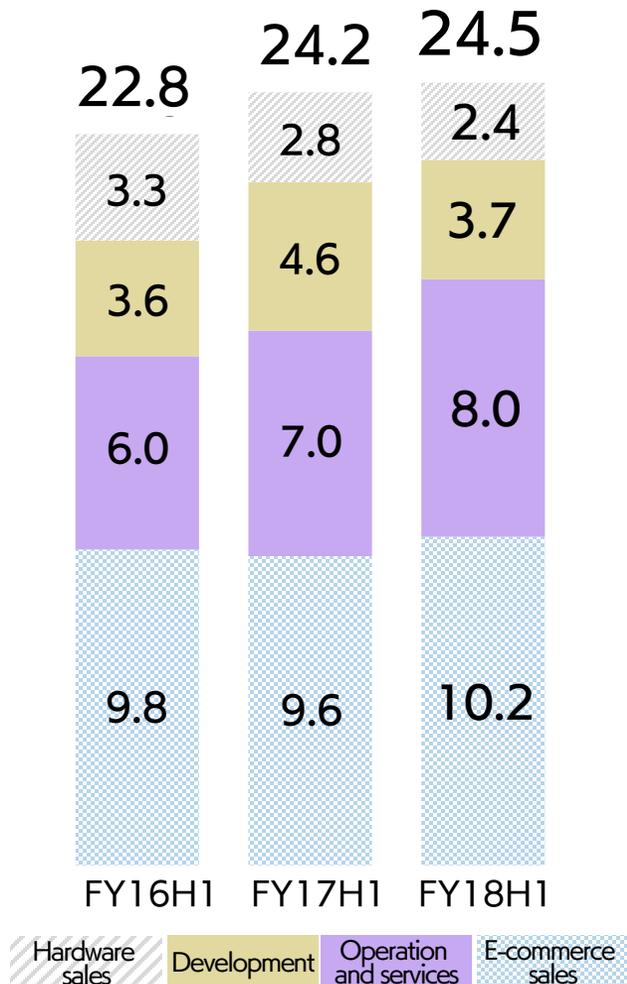
Consolidated

Net Sales by Customer Type/Business Type

By customer type



By business type



By customer type: Topics

- In business for the SoftBank Group companies, net sales declined due to the effect of terminating the sale of certain hardware in FY2017 Q2.
- In the enterprise business (outside the SoftBank Group), net sales increased due to projects for transition to the cloud and security measures, which remained strong, and the change of the business model of the font business.
- The business for individuals (e-commerce services business) was bullish.

By business type: Topics

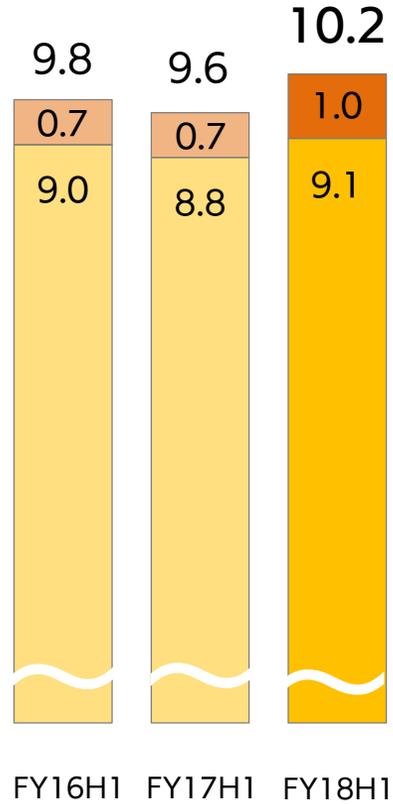
- In development, net sales were nearly at the same level as in the fiscal year before the preceding one, following a year-on-year decline in spot development projects for the SoftBank Group and public sector clients.
- In operation and services, net sales increased, reflecting growth in operation and service projects and security operation and monitoring projects for the SoftBank Group.

(Billions of yen)

Progress in E-commerce Services

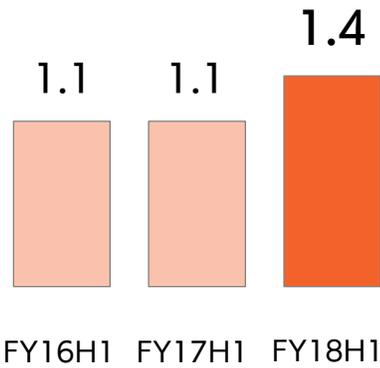
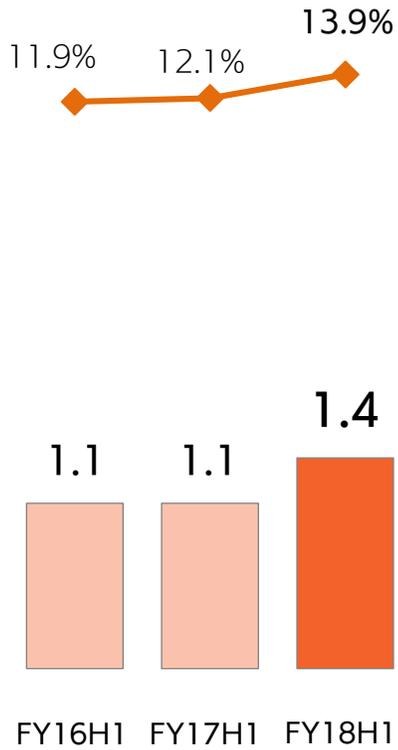
Net sales

Font, etc. Symantec Store



Marginal profit

Marginal profit ratio



 E-commerce services (mainly serving individual customers)

- E-commerce website operation services
- Development and sales of font sets and web font services and more

[Net Sales]

- In the Symantec Store business, net sales grew as a result of a steady transition to high performance products.
- The font service gained new users and changed its business model.

[Marginal Profit]

- Marginal profit rose following the expansion of the highly profitable font business.

Progress in Digital Marketing

Net sales

- Project revenue
- Consistent revenue



Marginal profit

- Marginal profit ratio



Data analytics

(mainly serving enterprises, public offices and municipalities)

- Construction of websites and databases
- Access log analysis tools
- Data analysis and consulting services and more

[Net Sales]

- Since the strategy was revised in H1 of FY2016, projects on the development of digital content management platforms and sales quantity of access analysis tools have been on a downward trend.

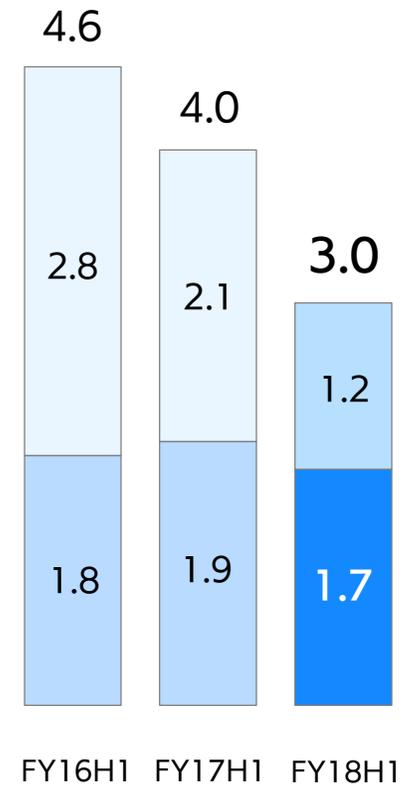
[Marginal Profit]

- Marginal profit dropped in line with the net sales fall.

Progress in IT Infrastructure Solutions

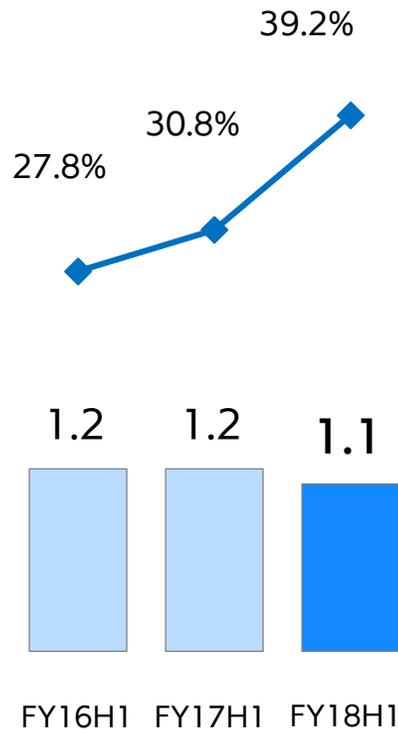
Net sales

- Project revenue
- Consistent revenue



Marginal profit

- Marginal profit ratio



IT infrastructure solutions (mainly serving customers in the SoftBank Group)

- Construction of IT platforms, operation and maintenance services, and sales of servers and network equipment
- Integrated monitoring tools for utilizing Linux and other open source software for server applications and mission-critical systems, and system backups and more

[Net Sales]

- Net sales contracted due to the termination of sales of specific hardware with difficulties creating and maintaining extra value in Q2 of FY2017.
* A decline of 950 million yen has an impact throughout the fiscal year.

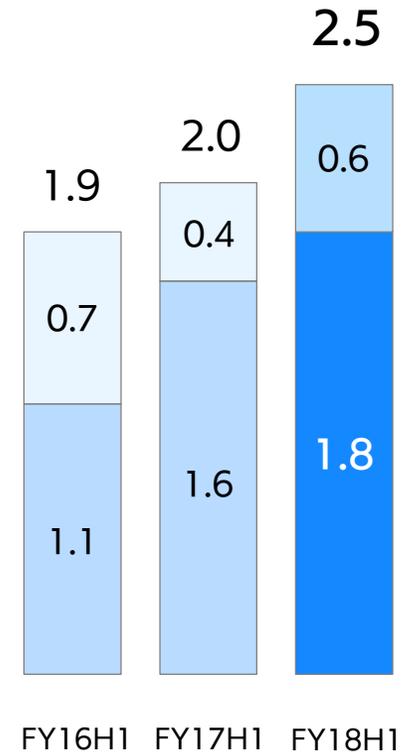
[Marginal Profit]

- The marginal profit ratio surged after the termination of sales of poorly profitable equipment.

Consolidated Progress in Security Solutions

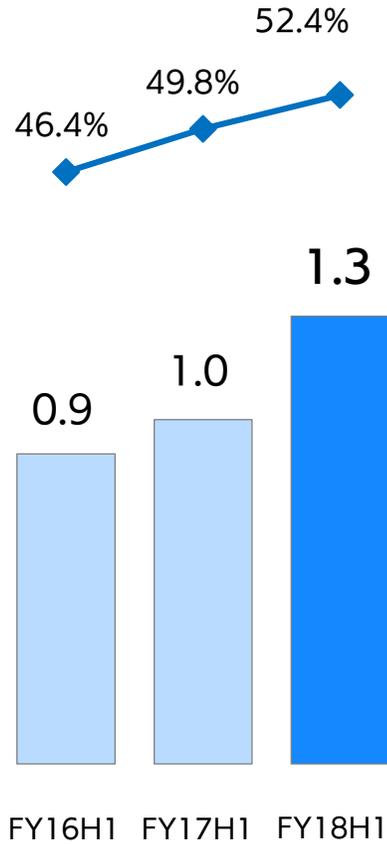
Net sales

- Project revenue
- Consistent revenue



Marginal profit

- Marginal profit ratio



Security solutions

(mainly serving enterprises, public offices and municipalities)

- Vulnerabilities examinations and measures against targeted attacks
- Authentication and encryption services using electronic certificates
- 24/7 security operation (monitoring and analysis) services and more

[Net Sales]

- Net sales climbed following an increase in orders for electronic authentication services and security operation services.

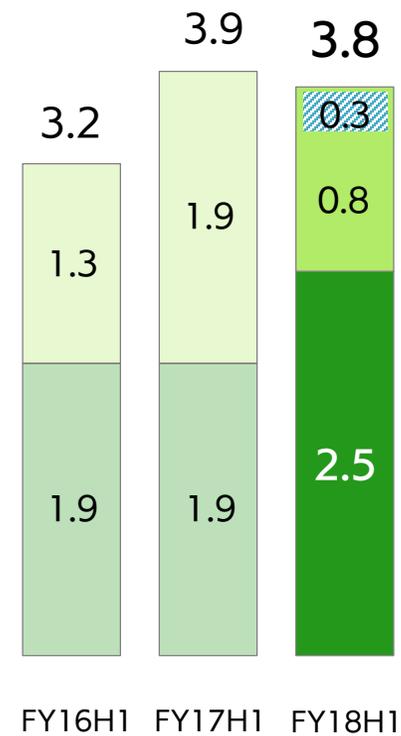
[Marginal Profit]

- The marginal profit ratio rose, reflecting the strength of SBT's own services with high profitability, efficiency in the operation of the local government information security cloud and the application of AI to managed security services (MSS).*

Progress in System Integration

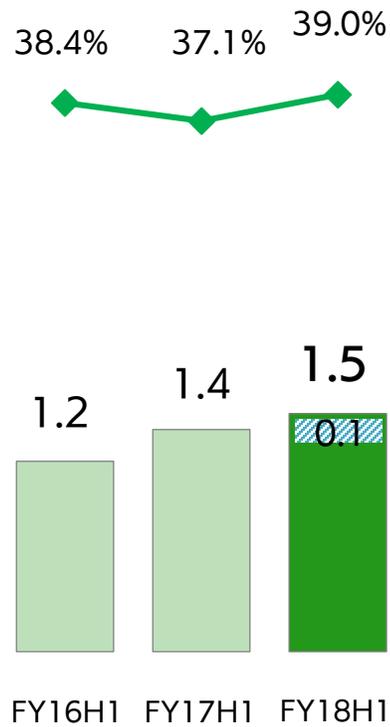
Net sales

- Project revenue
- Consistent revenue



Marginal profit

- Marginal profit ratio



System integration

(mainly serving customers in the SoftBank Group Companies)

- Design and development of internal systems and operation and maintenance services
- Development of business applications and systems for business divisions and operation and maintenance services
- Development of applications for tablets, smartphones and robots and more

[Net Sales]

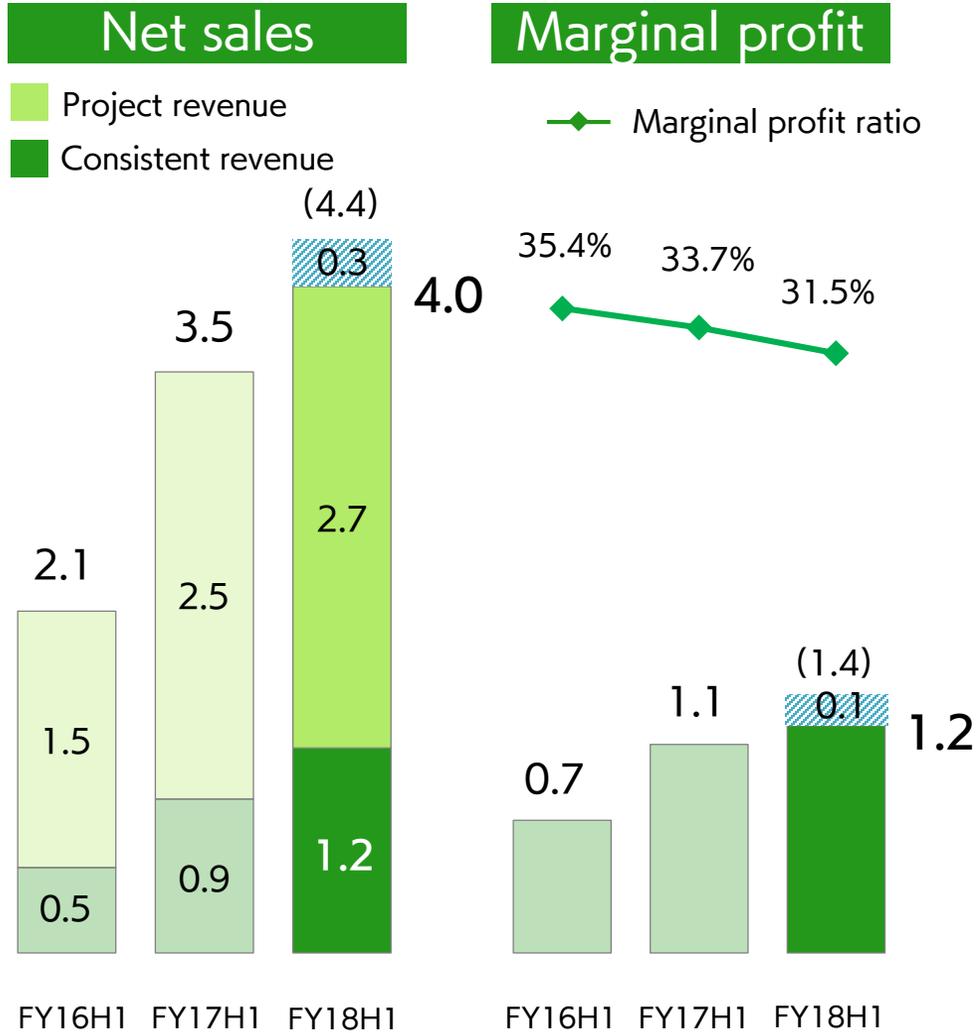
- A business shift to the business IT domain and operation service projects resulted in a decrease in spot development projects and growth in operation service projects.

 : Including cloud development projects for the SoftBank Group (net sales of 390 million yen and marginal profit of 170 million yen)

[Marginal Profit]

- The marginal profit ratio soared after the expansion of nearshoring and the promotion of the core partner system.

Progress in Cloud Solutions



Cloud solutions

(mainly serving enterprises, public offices and municipalities)

- Sales of licenses for Microsoft solutions
- Design, development and introduction support concerning the transition of information systems to the cloud
- Operation efficiency improvement, authentication and security services and more

[Net Sales]

- Demand for the transition of communication platforms to the cloud continued to exist.
- Demand for enterprise mobility* grew, and integrated management solutions for device management, data protection and others expanded.
- Projects concerning clouXion services and operation services attained brisk sales.

... Net sales of 4,400 million yen and marginal profit of 1,400 million yen if cloud development projects for the SoftBank Group are included.

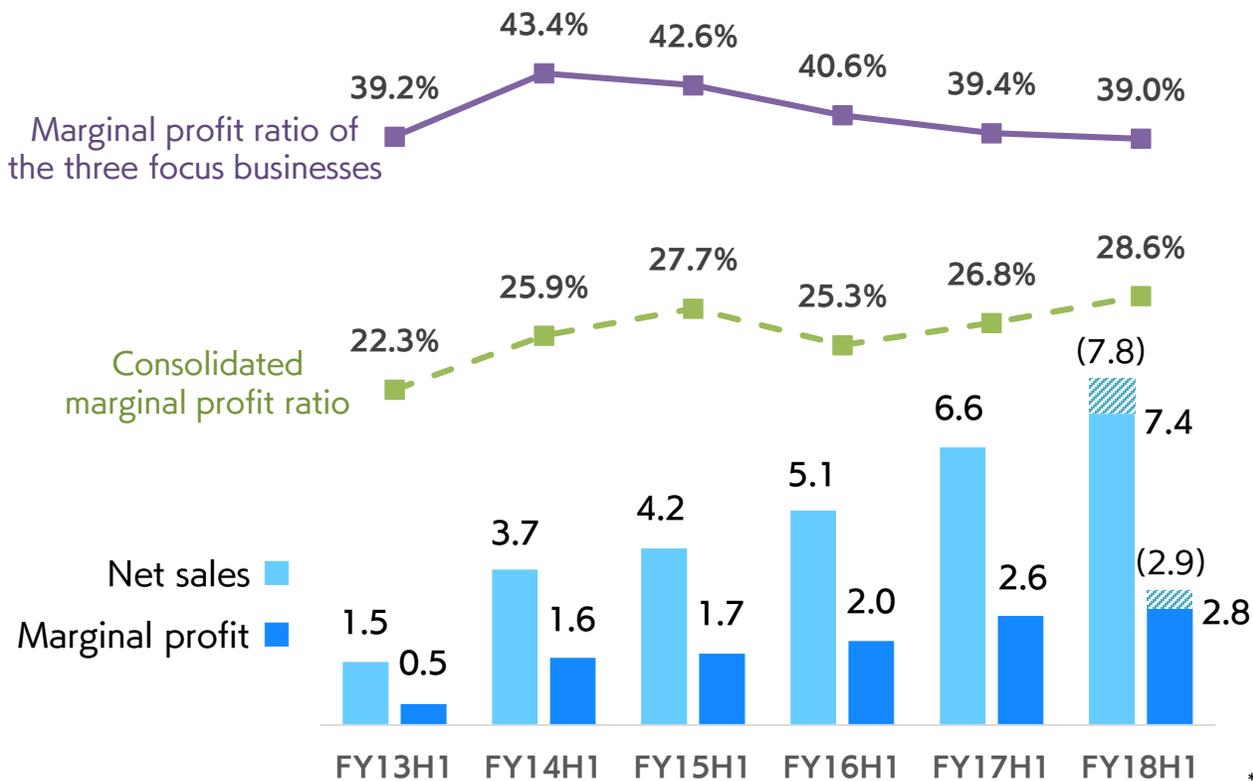
[Marginal Profit]

- A business IT (for business sections) project became unprofitable.
- The marginal profit ratio fell, due partly to the precedence of license sales.

Changes in the results of the three focus businesses in H1

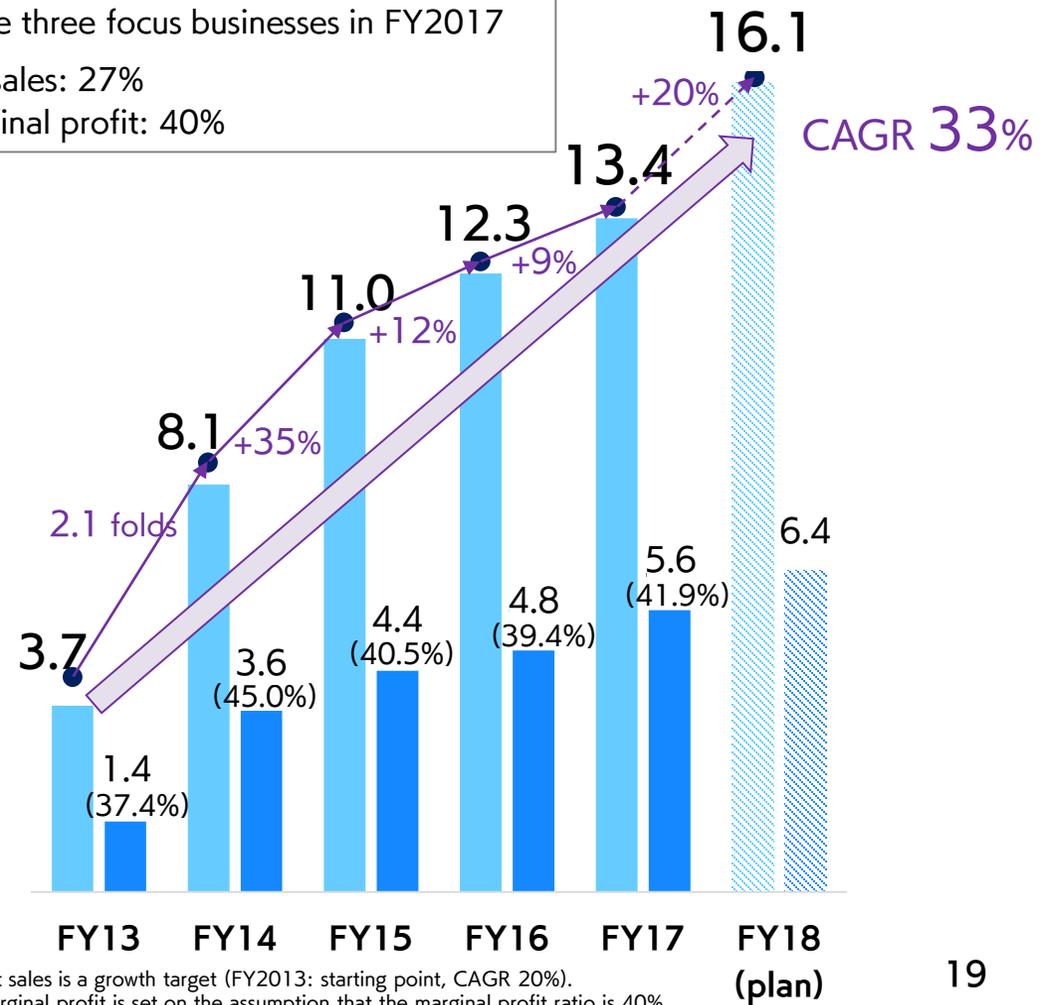
Net sales and marginal profit increased **+12%** and **+10%** respectively year on year.

If cloud development projects for the SoftBank Group were taken into account, net sales stood at 7.8 billion yen, up 17%.



[Reference] Changes in the full-year results of the three focus businesses

Composition ratios of the three focus businesses in FY2017
 Net sales: 27%
 Marginal profit: 40%



* The planned value of net sales is a growth target (FY2013: starting point, CAGR 20%).
 * The planned value of marginal profit is set on the assumption that the marginal profit ratio is 40%.

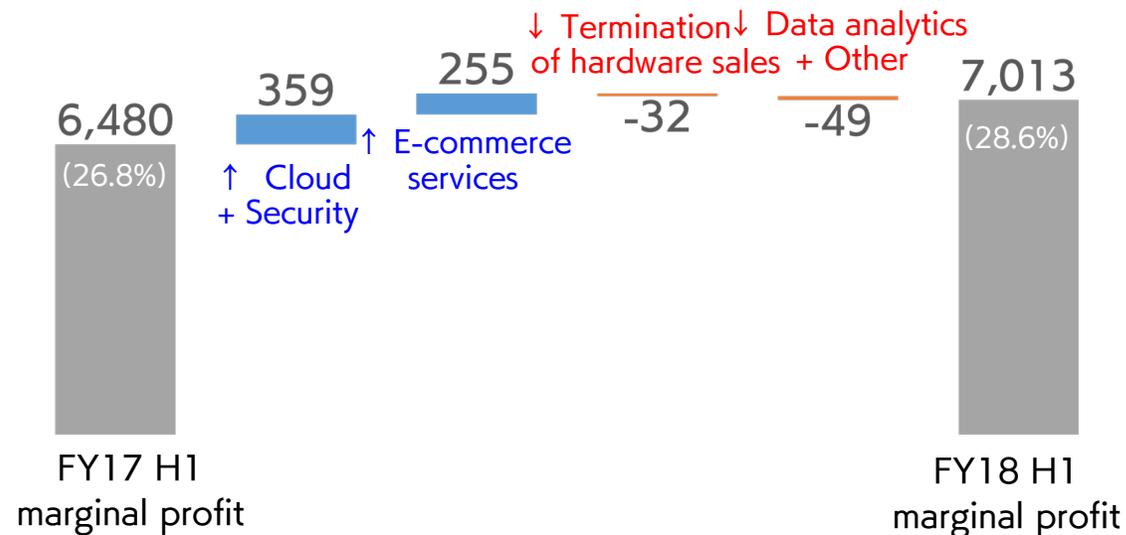
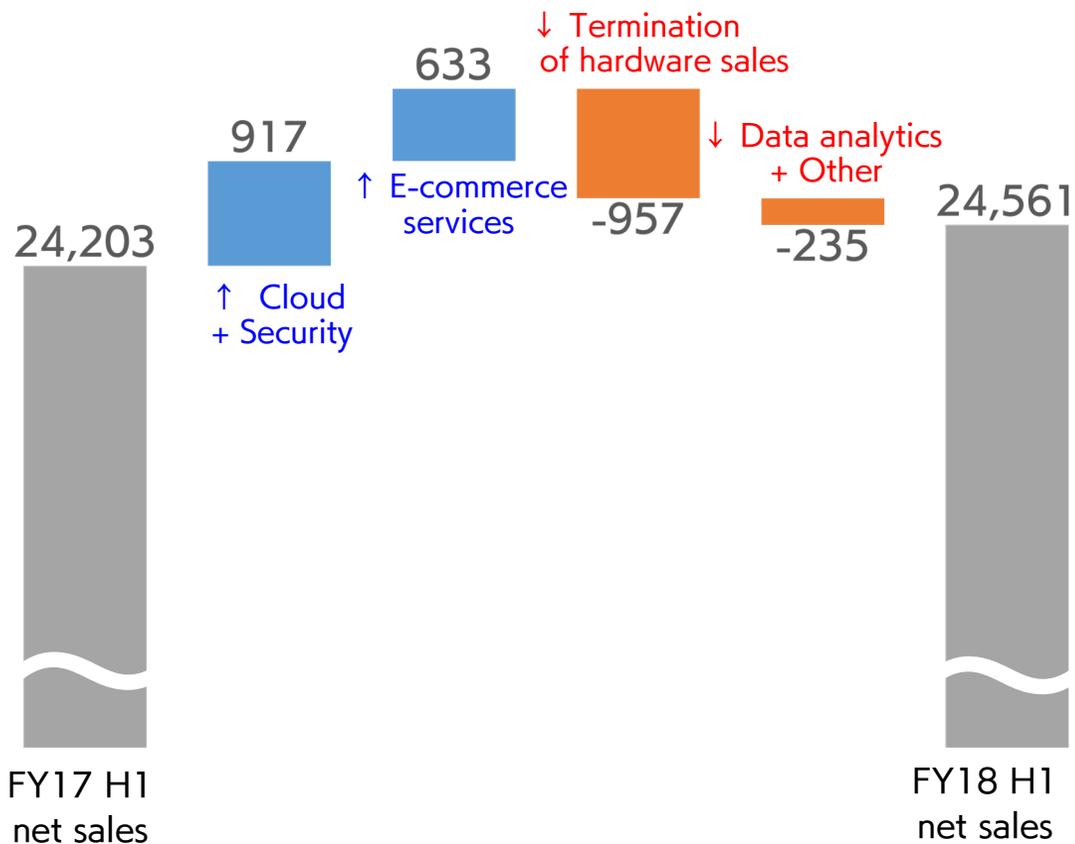
Consolidated

Results for H1 of FY2019 (vs. previous year)

The marginal profit ratio improved (up 1.8 percentage points) after the expansion of the focus businesses with high profit margins.

Increases / decreases in net sales

Increases / decreases in marginal profit



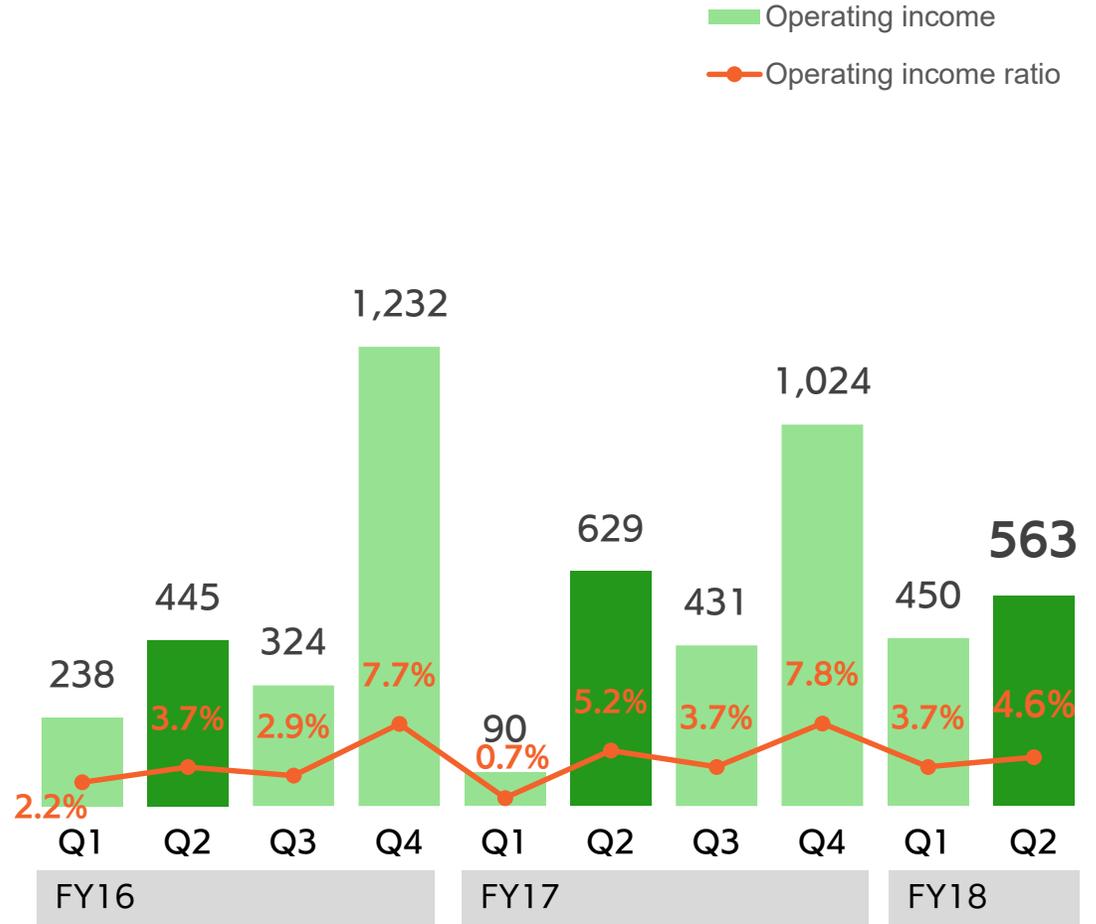
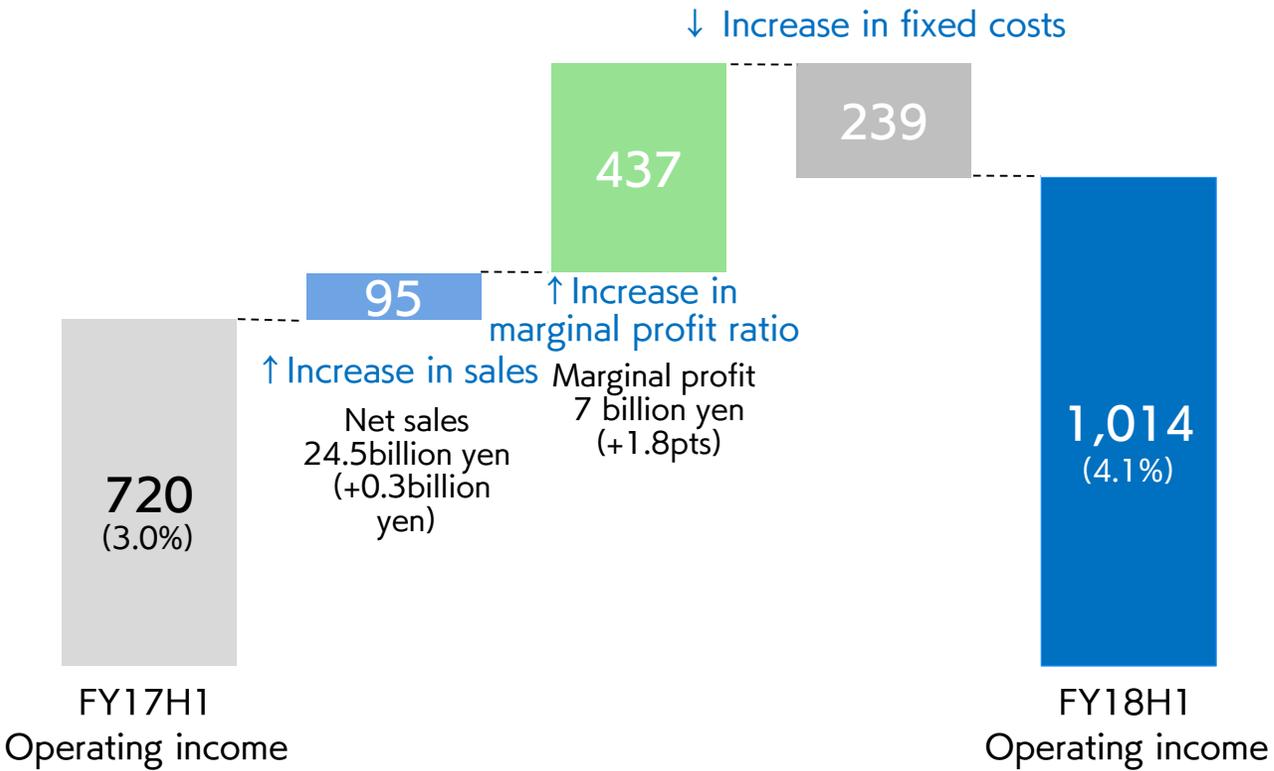
(Millions of yen)

Consolidated

Year-on-Year Comparison in Operating Income

Increases / decreases in operating income

Changes in operating income



(Millions of yen)

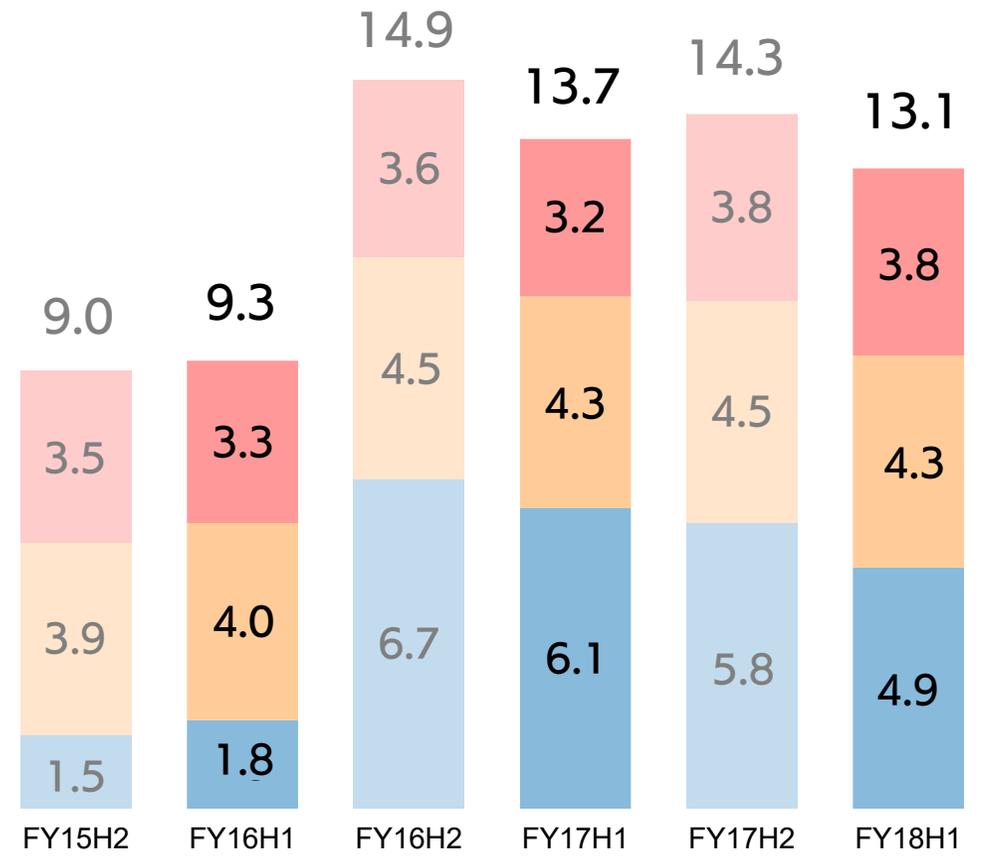
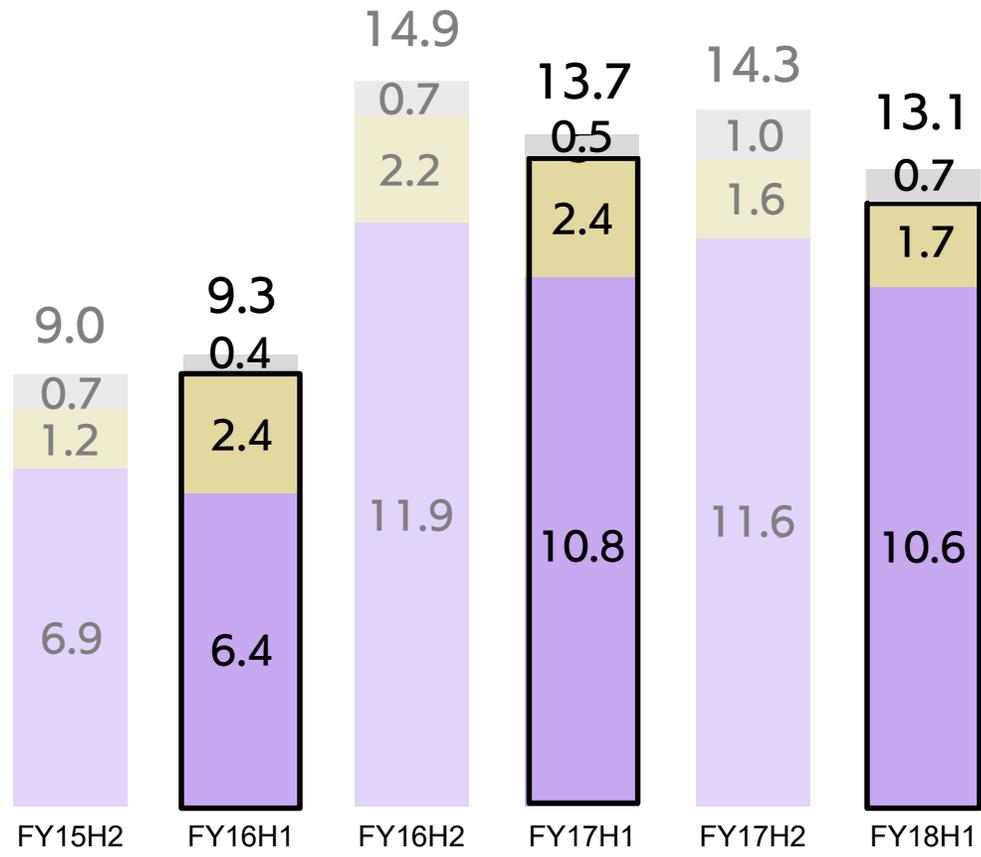
Consolidated

Order Backlog (Excluding E-commerce Services)

*Order backlog figures presented are after excluding those recorded under the percentage-of-completion method.

By business type

By customer type



Operating and services Development Hardware sales

Public Offices Enterprises SB Group

(Billions of yen)

Financial Summary for H1 of FY2018

Q1 (April to June)

The cloud and security businesses attained better results than planned.

- Brisk results in the cloud and security businesses
- Discontinuation of sales of poorly profitable hardware led to a decline in IT infrastructure sales.
- Sales of the font business are now concentrated in Q1, although they used to be concentrated in Q4.

Q2 (July to September)

Results were almost as planned.

- Brisk results in the security and e-commerce service businesses
- Some cloud projects became unprofitable, although the mobility domain was bullish.
- The data analytics business remained weak.

H1 (April to September)

The security business acted as a growth driver. Results were almost as planned.

- **Growth of the three focus businesses**
(Target: annual increase of 20% in total net sales)
The security solution business displayed its strength. The cloud solution business saw some projects in the area of cloud transition STAGE 3 (business IT and mission-critical system) become unprofitable. The data analytics business was weak. The three focus businesses attained year-on-year growth of 12% in net sales.
- **Progress in shift of businesses to services**
Net sales and fixed cost were nearly unchanged from the same period a year earlier. The marginal profit ratio surged after the strengthening of sales of SBT's own services and the termination of specific equipment sales. As a result, the operating income margin was up 1.1 percentage points year on year.

Results Outlook for FY2018 (compared with Results Forecast)

- Given that this fiscal year is the final fiscal year of the Second Three-Year Plan, top priority was given to investment in growth.
- SBT aims to achieve operating income of 2.5 billion yen by expanding the cloud and security businesses.

(Millions of yen)	FY18 H1 Results	Initial results forecast (April 25, 2018)	Progress rate	FY17H1 Results	Achievement vs full-year results
Net sales	24,561	52,000	47.2%	24,203 (49,140)	49.3%
Operating income	1,014 (4.1%)	2,500 (4.8%)	40.6%	720 (2,176)	33.1%
Ordinary income	778 (3.2%)	2,500 (4.8%)	31.2%	693 (2,399)	28.9%
Profit attributable to owners of parent	487 (2.0%)	1,600 (3.1%)	30.5%	412 (1,556)	26.5%

Actions in Final Fiscal Year of Second Three-Year Plan (Investment in Growth)

Medium- and long-term actions will be continued in the second half with an eye toward FY2018 and beyond.

Long-term actions

Implementation of Vision 2030

Discussing what SBT should be like in 10 years within the whole group

Program for employees' shareholding association

Employees working as one toward meeting the target

Medium-term actions

Building of foundations for operating income of 3 billion yen or more

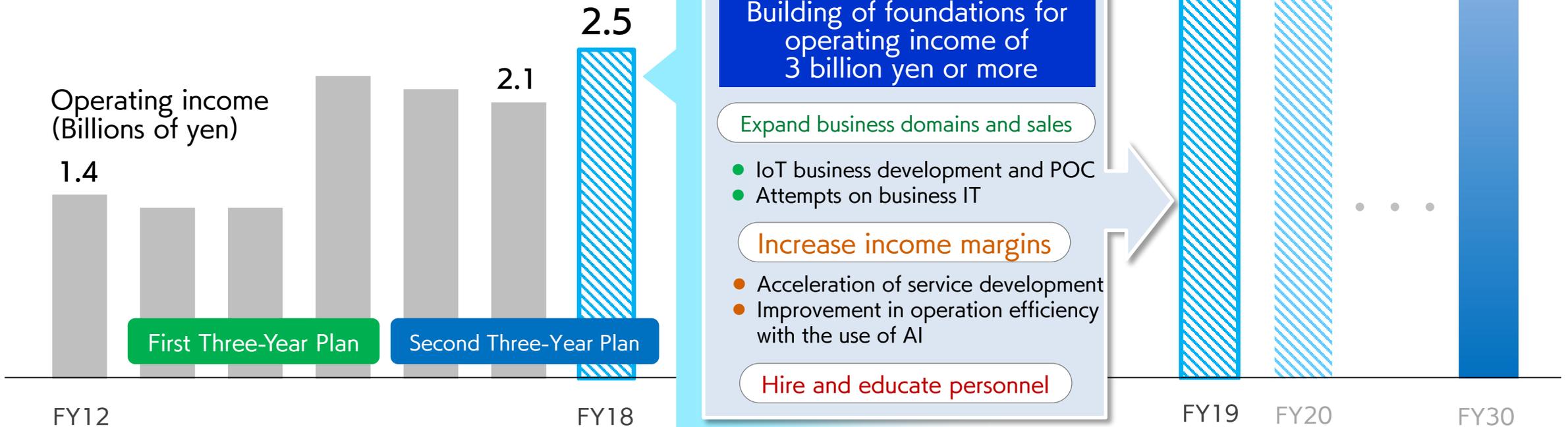
Expand business domains and sales

- IoT business development and POC
- Attempts on business IT

Increase income margins

- Acceleration of service development
- Improvement in operation efficiency with the use of AI

Hire and educate personnel



Information Revolution - Happiness for everyone

Harnessing the Power of Technology
to Build a Brighter Future

 SoftBank Technology

Numerical Data

E-commerce services

This business offers e-commerce website operation services, develops and sells font sets and provides web font services. Its Symantec Store business is run in Japan and four other countries and areas for consumers. It changed its business model for the font business in FY2018 from sending media to license downloads. This means that its sales will be concentrated in Q1, although they used to be concentrated in Q4.

IT infrastructure solutions

This business constructs IT platforms, offers operation and maintenance services and sells servers and network equipment mainly to SoftBank Group companies. It also offers integrated monitoring tools and system backups for using open source software (OSS) on Linux for embedded systems, server applications and mission-critical systems. It discontinued sales of poorly profitable equipment in Q2 of FY2017.

System integration

This business engages in the design and development of information systems, operation and maintenance services, the development of business applications and the development of applications for tablets, smartphones and robots mainly for SoftBank Group companies in the corporate IT (for information systems sections) and business IT (for business sections) domains. It is shifting from one-shot development to the offering of services.

Data analytics

Defined as a focus business since the first fiscal year of the First Three-Year Plan, namely FY2013, this business engages in the construction of websites and databases and in the offering of analysis and consulting services as well as analysis tools for the utilization of data in marketing activities. In Q2 of FY2016, it changed its strategy on marketing solutions and has since been shifting to the active use of internal data through cloud introduction and data analysis in the area of IoT.

Security solutions

Defined as a focus business since the first fiscal year of the First Three-Year Plan, namely FY2013, this business offers vulnerability examinations, measures against targeted attacks and authentication and encryption services using electronic certificates. In response to mounting demand for security measures against attackers' intrusions, it began offering a managed security service (MSS) in Q1 of FY2016, in which SBT experts conduct security operations (i.e. monitoring and analysis) on a 24/7 basis.

Cloud solutions

Defined as a focus business since the first fiscal year of the First Three-Year Plan, namely FY2013, this business offers solutions based on Microsoft Office 365 and Microsoft Azure as well as SBT's own services. As the introduction of cloud to communication platforms came to an end, it is now shifting to collaboration platform solutions for the digitalization of internal information, the cross-sectional utilization of data and the promotion of workstyle reforms, and to offering *clouXion* services.

Consolidated results (Millions of yen)	FY18H1		FY17H1		YoY change	
	Amount	Ratio	Amount	Ratio	Amount of Change	Change of ratio
Net sales	24,561	-	24,203	-	+358	+1.5%
Digital marketing	11,103	-	10,620	-	+482	+4.5%
Platform Solutions	5,573	-	6,138	-	▲564	▲9.2%
Cloud Systems	7,885	-	7,444	-	+440	+5.9%
Cost of sales	20,545	-	20,514	-	+31	+0.2%
Gross profit	4,015	16.4%	3,689	15.2%	+326	+8.8%
SG&A expenses	3,001	-	2,969	-	+32	+1.1%
Operating income	1,014	4.1%	720	3.0%	+293	+40.8%
Non-operating income (loss)	▲235	-	▲27	-	▲207	-
Ordinary income	778	3.2%	693	2.9%	+85	+12.4%
Extraordinary gains (losses)	23	-	12	-	+10	+82.6%
Profit attributable to owners of parent	487	2.0%	412	1.7%	+75	+18.2%
Consolidated marginal profit	7,013	28.6%	6,480	26.8%	+533	+8.2%
Consolidated fixed costs	5,999	-	5,759	-	+239	+4.2%
Unconsolidated order backlog	13,164	-	13,767	-	▲603	▲4.4%

		FY18H1	FY17H1	Amount of change	Ratio of change
Consolidated results (Millions of yen)	Net sales	24,561	24,203	+358	+1.5%
	Marginal profit	7,013	6,480	+533	+8.2%
	Margin	28.6%	26.8%	+1.8pt	-
Digital Marketing	Net sales	11,103	10,620	+482	+4.5%
	Marginal profit	1,719	1,548	+170	+11.0%
	Margin	15.5%	14.6%	+0.9pt	-
(1) E-commerce services	Net sales	10,237	9,604	+633	+6.6%
	Marginal profit	1,420	1,164	+255	+21.9%
	Margin	13.9%	12.1%	+1.8pt	-
Focus (2) Data analytics	Net sales	865	1,015	▲150	▲14.8%
	Marginal profit	299	383	▲84	▲22.1%
	Margin	34.6%	37.8%	▲3.2pt	-
Platform Solutions	Net sales	5,573	6,138	▲564	▲9.2%
	Marginal profit	2,520	2,288	+232	+10.2%
	Margin	45.2%	37.3%	+7.9pt	-
(1) IT infrastructure solutions	Net sales	3,032	4,041	▲1,008	▲25.0%
	Marginal profit	1,188	1,244	▲56	▲4.5%
	Margin	39.2%	30.8%	+8.4pt	-
Focus (2) Security solutions	Net sales	2,540	2,096	+443	+21.2%
	Marginal profit	1,332	1,043	+288	+27.6%
	Margin	52.4%	49.8%	+2.6pt	-
Cloud Systems	Net sales	7,885	7,444	+440	+5.9%
	Marginal profit	2,774	2,643	+130	+4.9%
	Margin	35.2%	35.5%	▲0.3pt	-
(1) System integration	Net sales	3,868	3,901	▲33	▲0.9%
	Marginal profit	1,508	1,449	+58	+4.1%
	Margin	39.0%	37.1%	+1.9pt	-
Focus (2) Cloud solutions	Net sales	4,016	3,543	+473	+13.4%
	Marginal profit	1,265	1,194	+71	+6.0%
	Margin	31.5%	33.7%	▲2.2pt	-
Total of three focus businesses	Net sales	7,422	6,655	+767	+11.5%
	Marginal profit	2,897	2,622	+274	+10.5%
	Margin	39.0%	39.4%	▲0.4pt	-

		FY16Q1	FY16Q2	FY16Q3	FY16Q4	FY16	FY17Q1	FY17Q2	FY17Q3	FY17Q4	FY17	FY18Q1	FY18Q2
Consolidated results (Millions of yen)	Net sales	10,671	12,192	11,380	15,982	50,225	12,126	12,077	11,727	13,209	49,140	12,258	12,303
	Marginal profit	2,679	3,104	2,997	4,085	12,867	2,984	3,496	3,331	3,932	13,744	3,406	3,607
	Margin	25.1%	25.5%	26.3%	25.6%	25.6%	24.6%	28.9%	28.4%	29.8%	28.0%	27.8%	29.3%
Digital Marketing	Net sales	5,496	5,333	5,582	5,641	22,053	5,388	5,232	5,785	5,564	21,970	5,683	5,419
	Marginal profit	793	772	781	872	3,220	753	794	829	823	3,200	923	795
	Margin	14.4%	14.5%	14.0%	15.5%	14.6%	14.0%	15.2%	14.3%	14.8%	14.6%	16.2%	14.7%
(1) E-commerce services	Net sales	5,020	4,816	5,058	5,119	20,015	4,882	4,722	5,245	5,049	19,900	5,241	4,995
	Marginal profit	603	563	566	648	2,381	569	594	621	623	2,408	776	643
	Margin	12.0%	11.7%	11.2%	12.7%	11.9%	11.7%	12.6%	11.8%	12.3%	12.1%	14.8%	12.9%
Focus (2) Data analytics	Net sales	475	516	523	522	2,038	505	510	539	515	2,070	441	423
	Marginal profit	189	209	214	224	838	183	200	207	200	791	146	152
	Margin	39.9%	40.6%	41.0%	43.0%	41.1%	36.3%	39.3%	38.5%	38.9%	38.2%	33.2%	36.0%
Platform Solutions	Net sales	2,656	3,995	3,060	5,146	14,859	3,446	2,691	2,477	2,940	11,555	2,669	2,904
	Marginal profit	1,012	1,202	1,085	1,420	4,720	1,130	1,158	1,142	1,375	4,805	1,202	1,317
	Margin	38.1%	30.1%	35.5%	27.6%	31.8%	32.8%	43.0%	46.1%	46.8%	41.6%	45.1%	45.4%
(1) IT infrastructure solutions	Net sales	1,846	2,831	1,824	3,499	10,001	2,463	1,577	1,412	1,677	7,131	1,448	1,584
	Marginal profit	581	716	566	740	2,605	628	615	577	678	2,500	554	633
	Margin	31.5%	25.3%	31.1%	21.1%	26.0%	25.5%	39.0%	40.9%	40.5%	35.1%	38.3%	40.0%
Focus (2) Security solutions	Net sales	809	1,164	1,236	1,646	4,857	983	1,113	1,064	1,263	4,424	1,221	1,319
	Marginal profit	430	485	519	680	2,115	501	542	564	696	2,305	647	684
	Margin	53.2%	41.7%	42.0%	41.3%	43.6%	51.0%	48.7%	53.1%	55.2%	52.1%	53.0%	51.9%
Cloud Systems	Net sales	2,518	2,863	2,736	5,194	13,312	3,290	4,153	3,465	4,704	15,614	3,906	3,978
	Marginal profit	873	1,128	1,131	1,792	4,926	1,100	1,543	1,359	1,733	5,737	1,280	1,493
	Margin	34.7%	39.4%	41.3%	34.5%	37.0%	33.4%	37.1%	39.2%	36.9%	36.7%	32.8%	37.5%
(1) System integration	Net sales	1,411	1,832	2,103	2,472	7,820	1,828	2,073	2,037	2,712	8,651	1,800	2,067
	Marginal profit	544	701	852	899	2,997	672	776	764	987	3,201	717	790
	Margin	38.6%	38.3%	40.5%	36.4%	38.3%	36.8%	37.5%	37.5%	36.4%	37.0%	39.8%	38.3%
Focus (2) Cloud solutions	Net sales	1,106	1,030	633	2,722	5,492	1,462	2,080	1,427	1,991	6,962	2,105	1,911
	Marginal profit	329	426	279	893	1,928	428	766	595	746	2,536	562	703
	Margin	29.8%	41.4%	44.0%	32.8%	35.1%	29.3%	36.8%	41.7%	37.5%	36.4%	26.7%	36.8%
Total of three focus businesses	Net sales	2,392	2,711	2,393	4,890	12,388	2,951	3,703	3,031	3,770	13,457	3,767	3,654
	Marginal profit	949	1,122	1,013	1,798	4,883	1,113	1,508	1,368	1,643	5,633	1,356	1,540
	Margin	39.7%	41.4%	42.3%	36.8%	39.4%	37.7%	40.7%	45.1%	43.6%	41.9%	36.0%	42.1%

*Amounts of net sales and marginal profit in the previous fiscal years are calculated in accordance with current service categories and calculation methods.

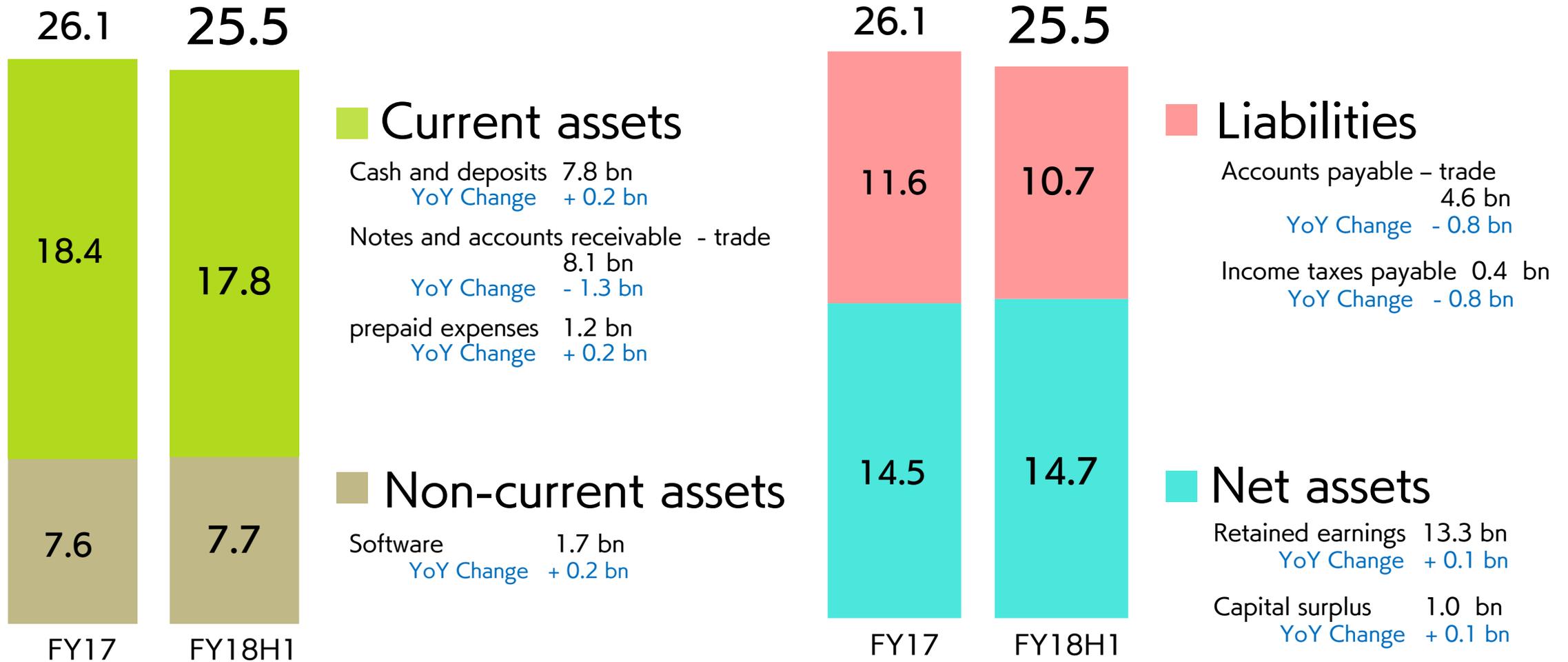
Consolidated

FY 2018 ending March 2019 Q2 Results (vs. Previous Year)

(Millions of yen)	FY18Q2	FY17Q2	Amount of change	Ratio of change
Net sales	12,303	12,077	+225	+1.9%
Marginal profit	3,607 (29.3%)	3,496 (28.9%)	+111 (+0.4pt)	+3.2%
Fixed costs	3,043	2,866	+177	+6.2%
Operating income	563 (4.6%)	629 (5.2%)	▲65 (▲0.6pt)	▲10.5%
Ordinary income	347 (2.8%)	614 (5.1%)	▲267 (▲2.3pt)	▲43.5%
Profit attributable to owners of parent	231 (1.9%)	400 (3.3%)	▲168 (▲1.4pt)	▲42.2%

Consolidated

Balance Sheet Comparison with Previous Fiscal Year-End



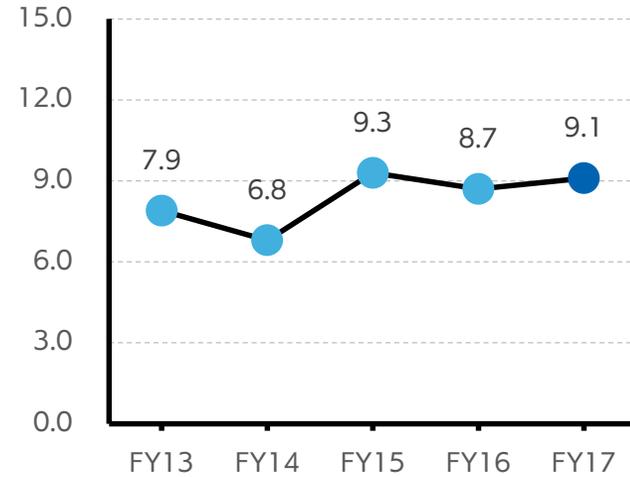
(Billions of yen)

* "Partial Amendments to Accounting Standard for Tax Effect Accounting" is retroactively applied from the beginning of the first quarter of the current fiscal year.

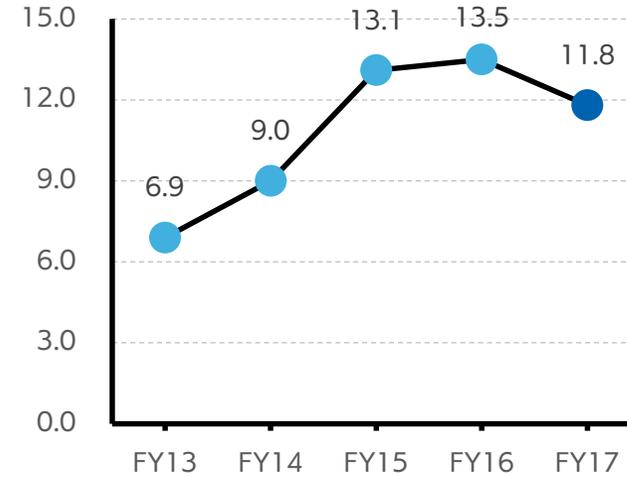
Key Management Ratios

SoftBank
Technology

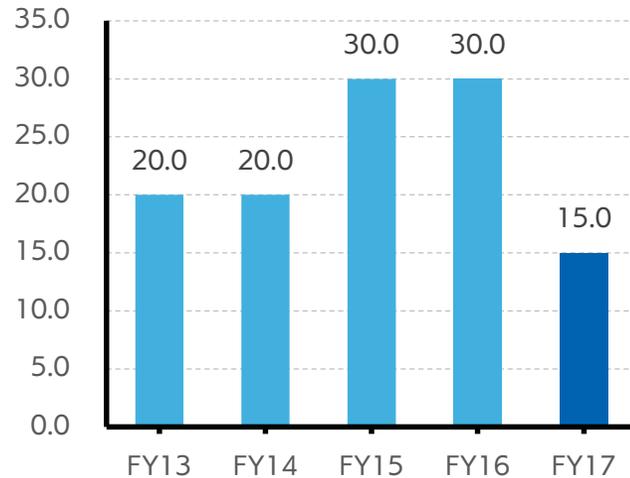
Return on assets
(ROA)



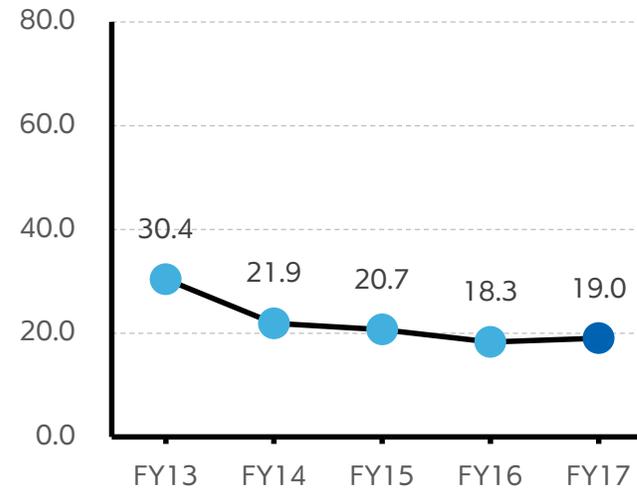
Return on equity
(ROE)



Dividend (yen)(※)



Payout ratio (%)



(※) The Company conducted the 2-for-1 share split of the Company's common stock on June 1, 2017. The amount is the same as that at the end of the previous consolidated fiscal year if the stock split is taken into consideration.

Appendix

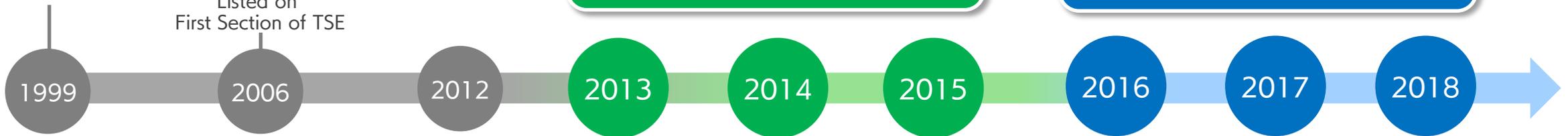
The Second Three-Year Plan

Growth Trajectory

Changed trade name to SOFTBANK TECHNOLOGY CORP.

Registration of Over-the-Counter at Japan Securities Dealers Association

Listed on First Section of TSE



Sales and construction of EC/IT

System Integration

Platform Solutions

E-commerce Services

the First Three-year Plan



Set three focus businesses

Cloud

Security

Big data

Business Transformation

- A company capable of taking on large projects
- Original technologies to establish a key competitive edge
- Strengthen our project management framework

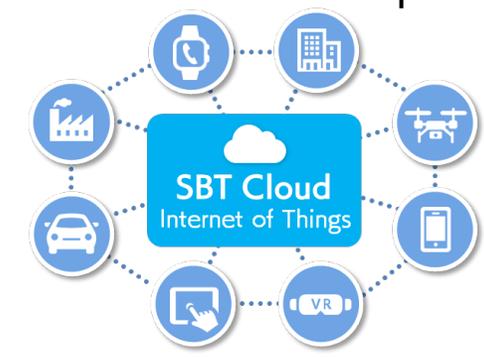
the Second Three-year Plan



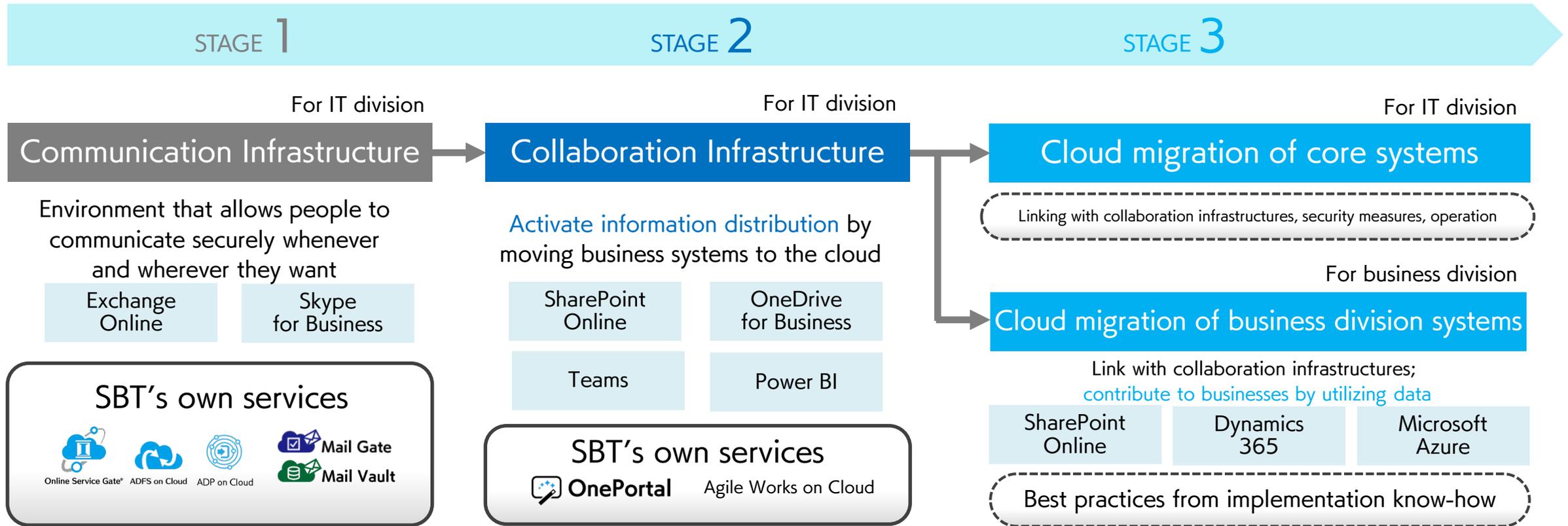
Cloud Integration



IoT Business Development



Cloud Integration: Accumulate Collaboration Infrastructure Knowledge

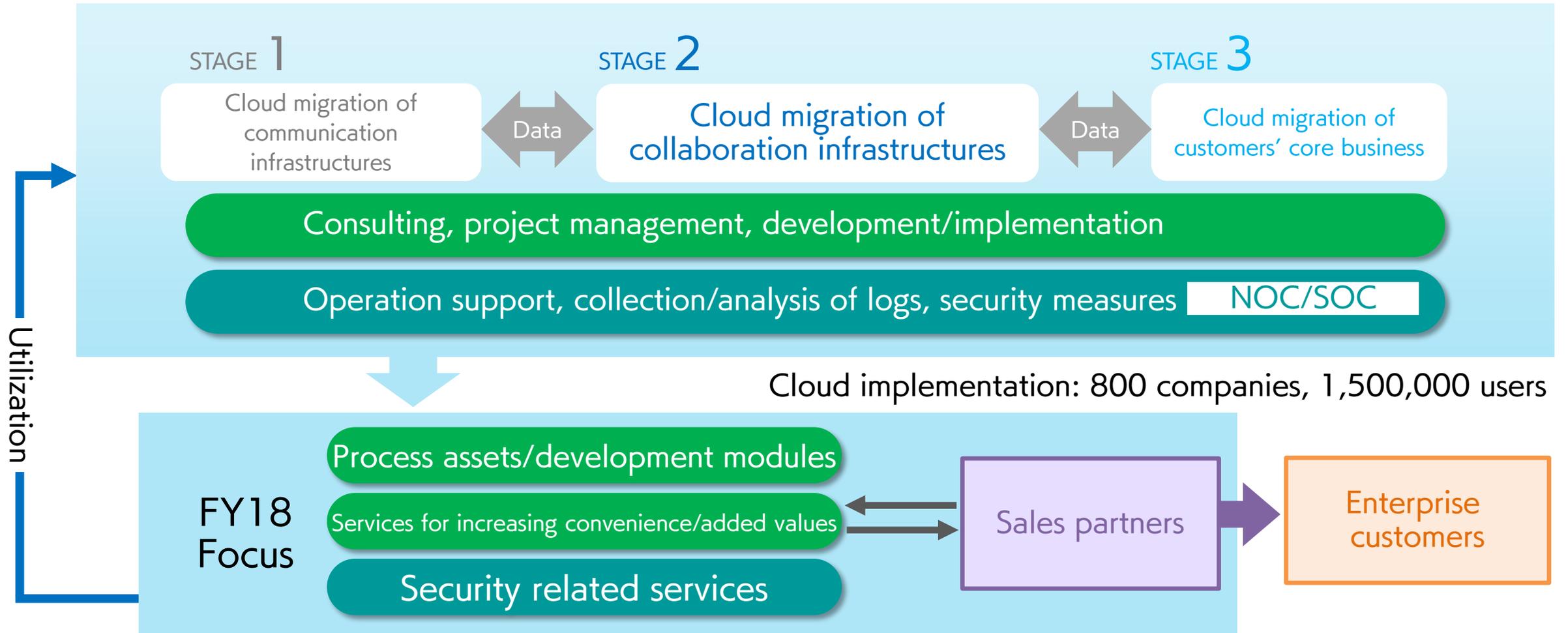


STAGE 2 Goals

- Identify common features across industries and industry-specific characteristics
- Accumulate successful models for initiatives such as workstyle reform through a shift to cloud-based collaboration infrastructures
- Establish best practices of security measures incidentally required

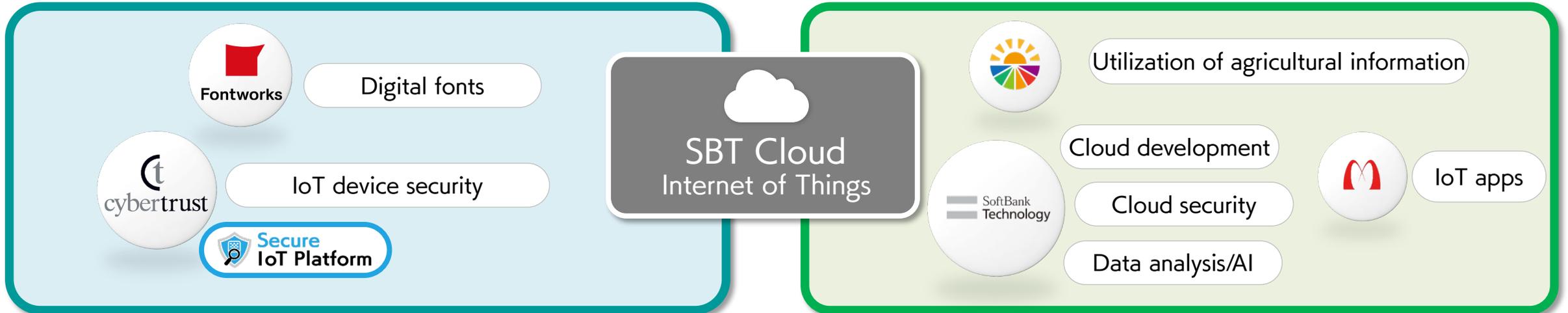


Cloud Integration: Monetize Accumulated Knowledge



Use acquired knowledge and assets in projects and accelerate channel sales

IoT Business Development: Policy



From chips, boards, embedding fields

Business model:
monthly service fees, revenue sharing

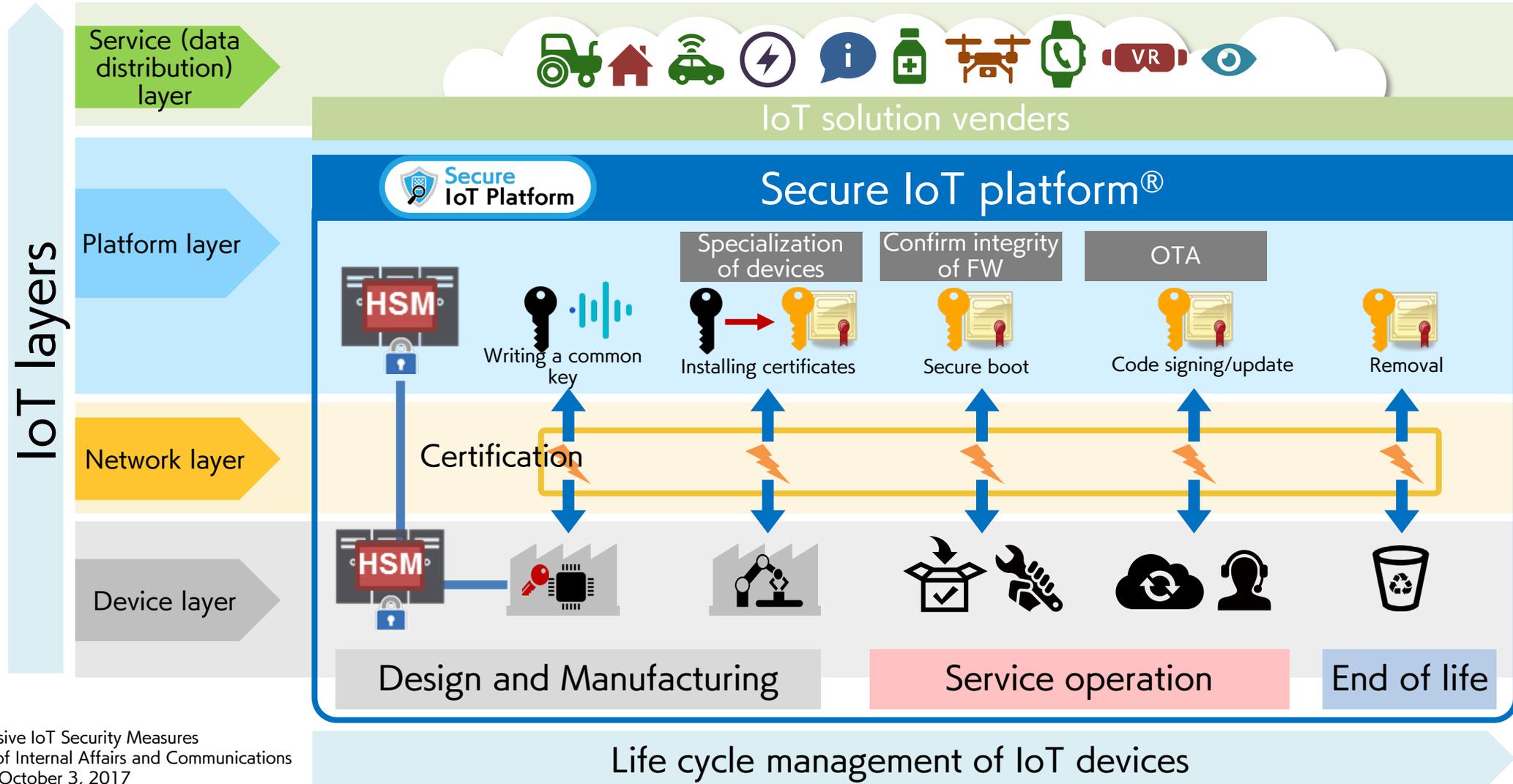
From software, data utilization

Extension of cloud business
From development to operation services

Provide values through integrated services from the device side to the cloud side

IoT Business Development: Device Side

Establish a structure for business promotion (merger) → shift to handling of actual projects



* Comprehensive IoT Security Measures
by Ministry of Internal Affairs and Communications
Published on October 3, 2017

IoT Business Development: Cloud Side

Cloud computing



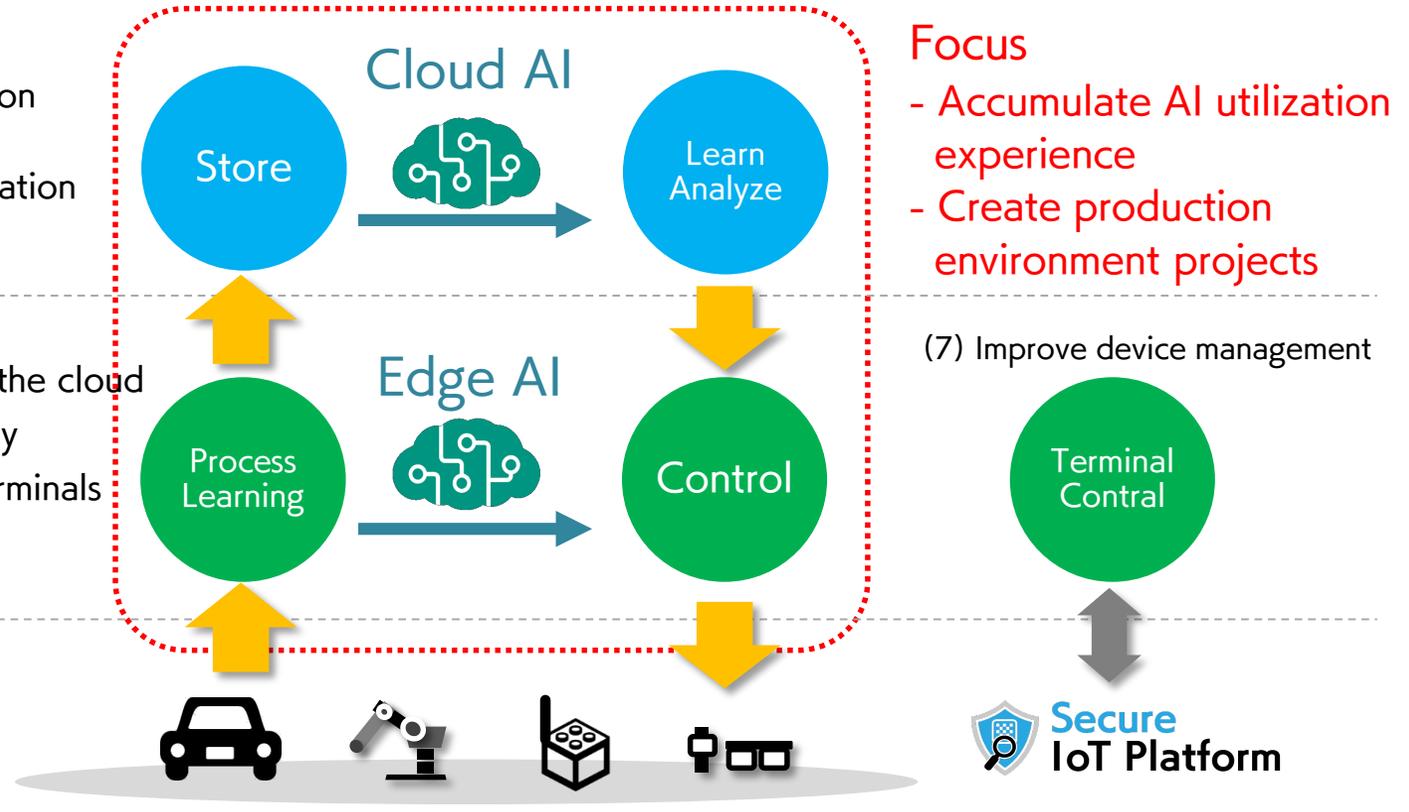
- (1) Make communication data lighter
- (2) Improve communication robustness

Edge computing



- (3) Reduce burden of the cloud
- (4) Protect data privacy
- (5) Assist powerless terminals
- (6) Control terminals with low latency

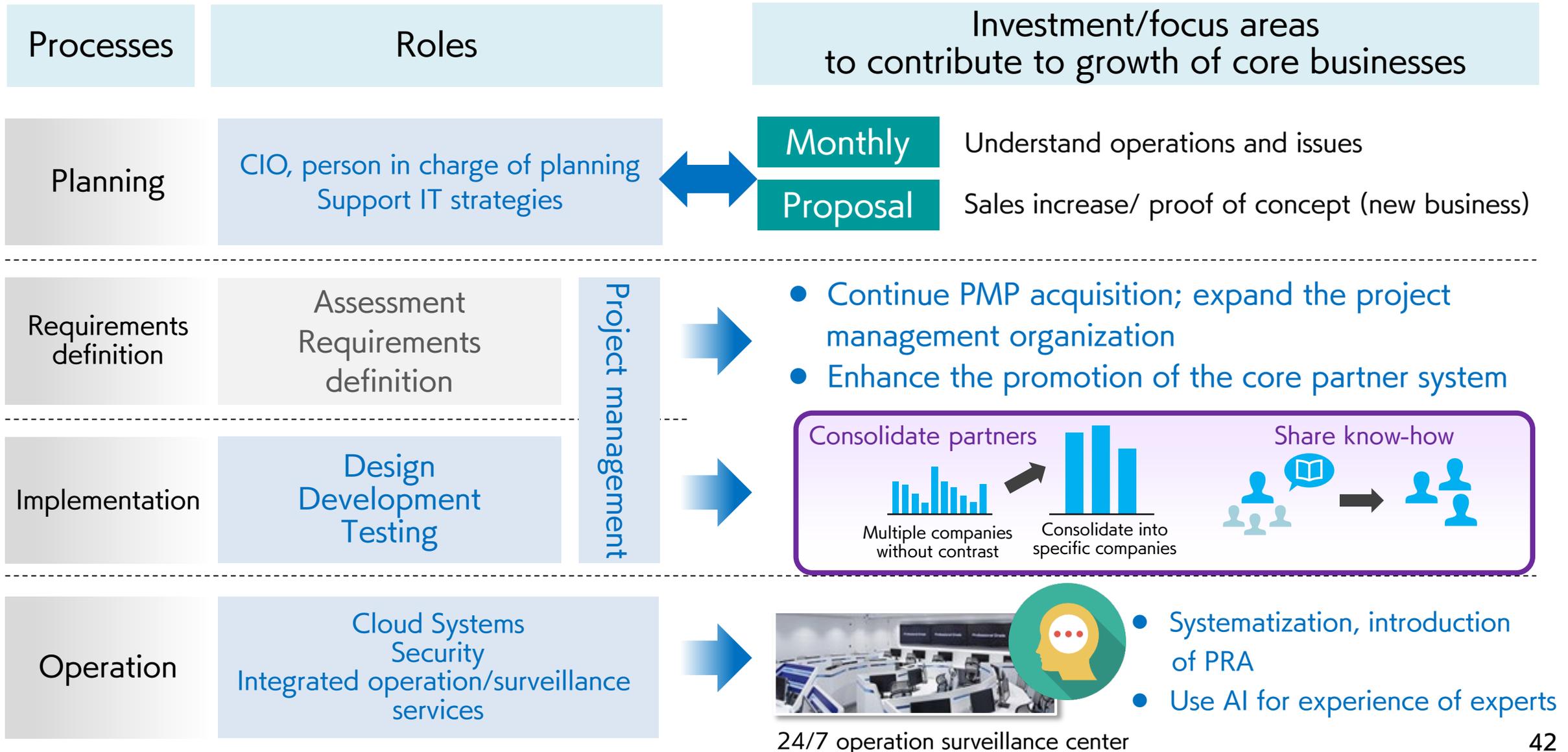
Devices



- Use AI for expert knowledge on cloud and security operations
- Promote utilization of data that combines big data, the area of strength, and AI
- Establish business models that combine data utilization models and IoT devices



Initiatives to the Goal of Becoming a Business Partner

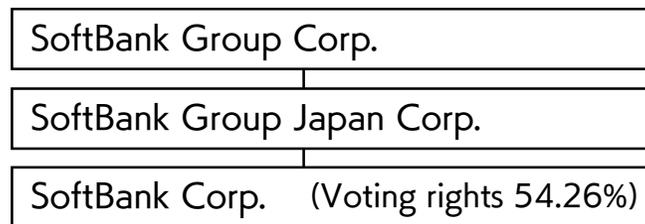


Corporate Profile

About Softbank Technology



Group Structure



* As of April 1, 2018, SoftBank Group International GK (which reorganized from a Godo Kaisha (LLC) to a Kabushiki Kaisha (corporation) and changed its trade name to SoftBank Group Japan Corp. on June 15, 2018.) made a contribution in kind of all shares it had held in the Company to SoftBank Corp. ("SoftBank"). As a result, SoftBank became the Company's controlling company, directly owning shares in the Company.

SoftBank Technology

M-SOLUTIONS , Inc
System design, development and operation, and development of mobile, Pepper, IoT and other applications

Fontworks, Inc.
Development of clear, attractive digital fonts (typefaces) for computers and IoT equipment

Kan Corporation
Development of tools for using and analyzing website data and educational business

Cybertrust Japan Co., Ltd.
IoT security and other security authentication business and embedded software business

ASORA Tech Corporation
Development and operation of Zenkoku Nochi Navi, a national agriculture database commissioned by the Ministry of Agriculture, Forestry and Fisheries

Reden Corp.
ICT services to support the development of growing industries including entry to the agriculture industry and subsequent expansion

As of March, 2018

Trade name	SoftBank Technology Corp.
Establishment	October 16, 1990
Head Office	17F Shinjuku Eastside Square 6-27-30, Shinjuku, Shinjuku-ku, Tokyo
Representative	Shinichi Ata, President & CEO
Stock Exchange listing	Tokyo Stock Exchange, First Section (Code No:4726 Industry classification: Information and Communications)
Paid-in Capital	885 million yen (end-March 2018)
Consolidated net sales	49,140 million yen (end-March 2018)
Number of employees (consolidated)	970 (end-March 2018)
Business sites	Shinjuku Office(Headquarters), Sendai Development Center, Shiodome Office, Shiodome Development Base, Shiodome Development Center, Nagoya Office, Osaka Office, Fukuoka Office, Fukuoka Development Center, Taiwan Branch
Main Business	ICT services including Data Analytics, E-commerce Services, IT infrastructure Solutions, Security Solutions, System Integration and Cloud Solutions
Main Phone number	+81-3-6892-3050
Certification	

Corporate Philosophy

Information Revolution Happiness for everyone
- Harnessing the Power of Technology to Build a Brighter Future -

Since its foundation, the SoftBank Group has always sought to contribute to people and society through the Information Revolution. At SoftBank Technology, we will aim to further enrich the information society by solving various problems faced by customers with our ICT services.

ICT Services

Transform workstyles



Cloud Solutions



System Integration

Create safe info-structures



Security Solutions



IT Infrastructure Solutions

Support internet business



Data Analytics



E-commerce Services

Employees and Workstyle

Employees

As of April 1, 2018, the number of employees on a consolidated basis topped 1,000. We employ many highly skilled IT professionals to support customers in their business and operations.

We also employ other experts such as security researchers and data scientists who are mainly engaged in lecture activities and the provision of information to the media and the public sector.

Number of advanced level IT qualifications held

350^{*1}

Percentage of female employees

17.5%^{*2}

New graduate recruits in 2018

46

Average age

37.3 years^{*2}

*1 : Non-consolidated basis, number of advanced level qualifications such as internationally recognized project management and information security qualifications and Microsoft system advanced level engineer qualifications held as of March 31, 2018

*2 : Non-consolidated basis, as of March 31, 2018

*3 : "Eruboshi" certification is based on the ACT on Promotion of Women's Participation and Advancement in the Workplace.

The considerable growth of our employees is the driving force behind the significant growth of SBT.

We work to enhance the skills of all employees and pursue initiatives to bolster productivity.



On/off switching (Providing variety to keep workers refreshed)

- Flextime system without core time requirements
- Project completion leave



No overtime days
Premium Fridays, etc.



Growth Support (Securing and retaining talented human resource)

- Grade skipping system for new employees
- Certification acquisition support



Obtaining the high grade of "Eruboshi" Certification^{*3}



Use of ICT (Reduction and creation of time)

- Sharing information across the organization
- Use of web meetings, mobile devices



Major Award Wins in Recent Years

Cloud



Microsoft Japan
Partner of the Year 2018



2018 Titan Award
APAC category



Award in Microsoft MVP
for Microsoft Azure(2017)



Microsoft Japan
Partner of the Year 2017



Three crowns of Microsoft Japan
Partner of the Year 2016,
the greatest number of crowns in Japan



Four crowns of 2016
Microsoft Worldwide Partner Award

Security



Imperva, Inc.
Top Growth Partner Award



McAfee
Partner Award 2016 in two divisions



Special prize in 2016 JNSA Awards
by Japan Network Security Association



Office Security Award of
the 27th Nikkei New Office Award

Digital Marketing

Most
Valuable
Professional



Five employees received
a Sitecore MVP Award (2018)
for the second consecutive year,
the greatest number of wins
in Japan



Five employees received
a Sitecore MVP Award (2017),
the greatest number of wins
in Japan

Most
Valuable
Professional



Sitecore MVP Award (2016)

Other



Japan HR Challenge Awards 2018
for recruitment by Ministry of
Health, Labor and Welfare, etc.
(2018)



GOOD DESIGN AWARD 2018

Action of "Study Group on Text Layout for
Next-Generation Web Browsers" received a
Good Design Award 2018. SBT's FONTPLUS service
contributes to the action.

Notes on Material

1. The classification of some solutions to service categories has been revised. Net sales and marginal profit figures in the individual service categories for the preceding fiscal year and earlier are based on the current accounting method.
2. The figures shown in the diagrams in this material may not be identical to those stated in the consolidated financial reports due to rounding.
3. The Partial Amendments to the Accounting Standard for Tax Effect Accounting, etc. apply to accounting for the first quarter of the current fiscal year and later.

Disclaimer

This presentation was prepared based on information available and views held at the time it was made. The statements that are not historical fact, including, without limitation, plans, forecasts and strategies, are forward-looking statements, which are by their nature subject to risks and uncertainties. The actual results may differ materially from those expressed or implied in any forward-looking statement due to a change in the operating environment or other reasons.

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Harnessing the Power of Technology
to Build a Brighter Future

 SoftBank **Technology**