

Third Quarter of the Fiscal Year Ending March 31, 2021

Results of Operations

January 28, 2021

SB Technology Corp.

Security Code : 4726

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Financial Results

 SB Technology

- Vendor management projects for SoftBank Corp. and newly consolidated subsidiaries drive sales growth.
- Costs increased due to personnel expenses and prior investments due to increase in employees.
- Secured an increase in operating income despite a delay in orders and acceptance inspections in the enterprises area as well as weakness in some subsidiary businesses.

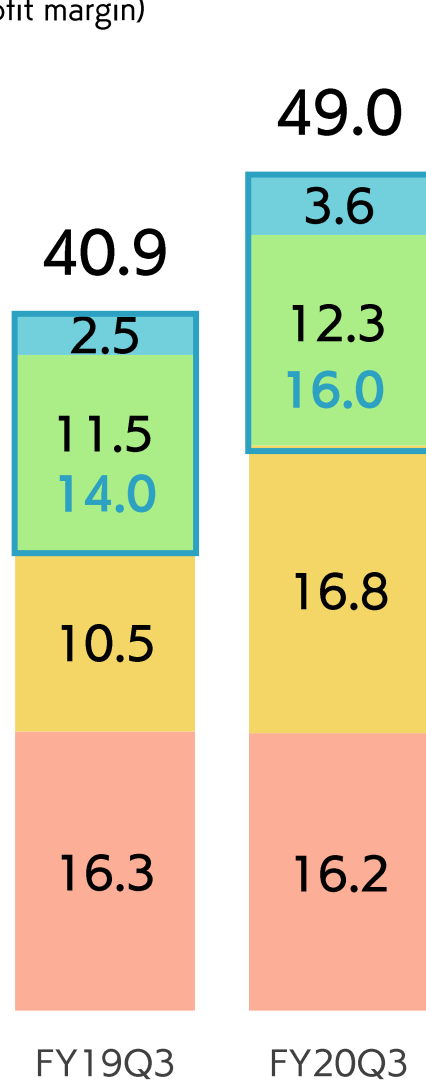
[Millions of Yen]	(Profit margin)	FY20Q3	FY19Q3	Change	Change %
Net sales	Record High	17,197	14,074	+3,123	+22.2%
Operating income	Record High	876 (5.1%)	813 (5.8%)	+62 (▲0.7pt)	+7.7%
Ordinary income	Record High	884 (5.1%)	820 (5.8%)	+64 (▲0.7pt)	+7.8%
Profit attributable to owners of parent Net profit	Record High	586 (3.4%)	526 (3.7%)	+59 (▲0.3pt)	+11.4%

- Achieved record-high figures for each indicator
- Made steady progress compared to the initial earnings forecast

[Millions of Yen]	(Profit margin)	FY20Q3	FY19Q3	Change	Change %	Forecast	Progress %
Net sales		49,062	40,916	+8,146	+19.9%	62,000	79.1%
Operating income		2,473 (5.0%)	2,154 (5.3%)	+318 (▲0.3pt)	+14.8%	3,600 (5.8%)	68.7%
Ordinary income		2,461 (5.0%)	2,162 (5.3%)	+298 (▲0.3pt)	+13.8%	3,600 (5.8%)	68.4%
Profit attributable to owners of parent Net profit		1,479 (3.0%)	1,326 (3.2%)	+152 (▲0.2pt)	+11.5%	2,100 (3.4%)	70.4%

Net sales

[Billions of yen]
(Profit margin)



Marginal income



- Corporate DX investment remains strong, with BIT growth of about 1.5x YoY
- TS is on track to exceed initial sales forecasts

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

- Expansion of development of cloud computing for business divisions of SoftBank Corp.
- Revenues increased due to electronic application platform of the MAFF* and the Ministry of Health, Labor and Welfare O-NET project, etc.

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

- Revenues increased due to growth in building Zero-trust security and public operation projects, despite a contraction in large-scale system development for the SB Group compared to the previous fiscal year.

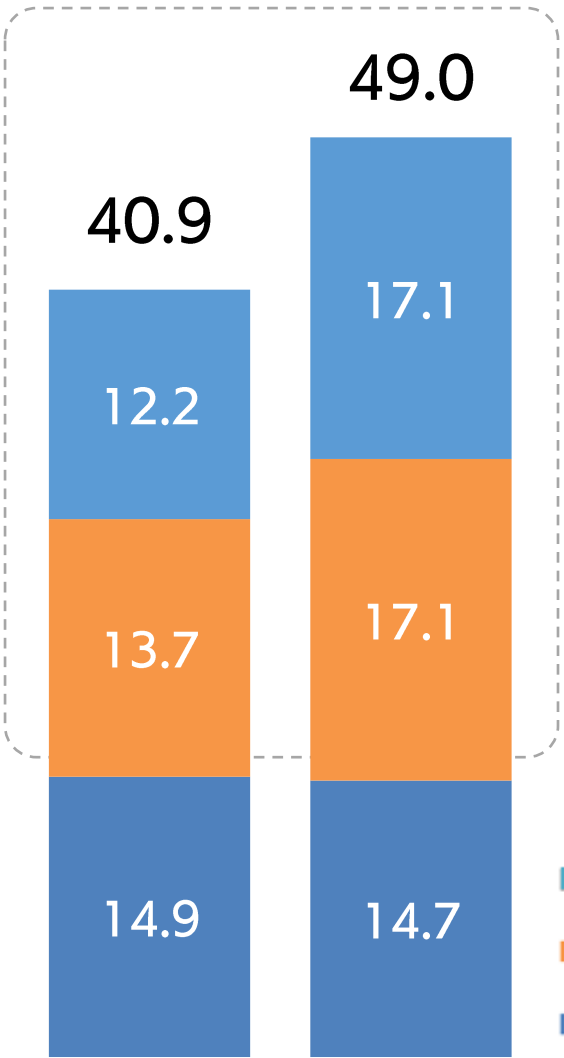
Technical (TS) : Increase in both sales and profits

- Significant growth over initial forecasts due to expansion of vendor management projects for SoftBank Corp. and consolidation of DENEN Co. Ltd.

EC : Lower sales, but higher operating income

- Revenues and profits declined in the Norton Store Business as initially expected.
- Expansion of the font business contributed to higher profitability.

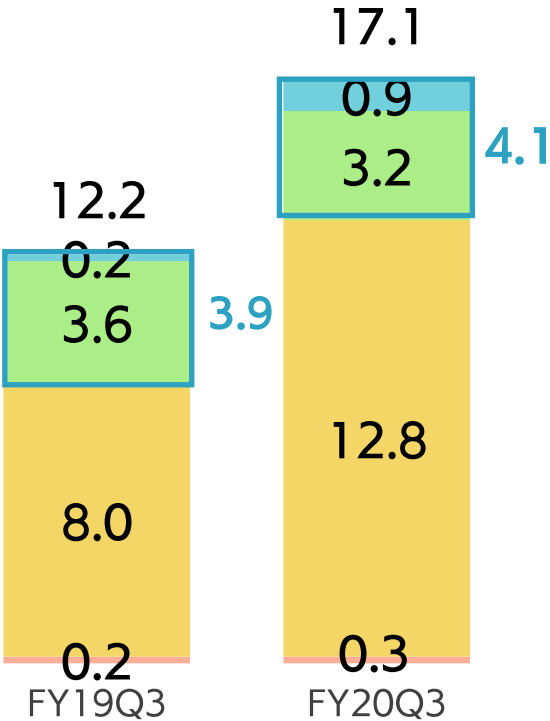
By customer type



Customer type × Solution category

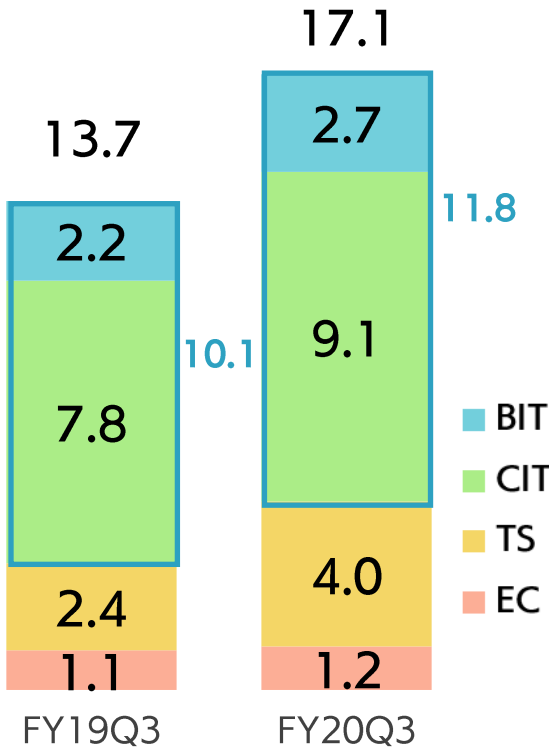
SB Group

BIT: System development for business divisions and IoT support
CIT: Completion of development of large-scale cloud systems
TS: Vendor management projects led



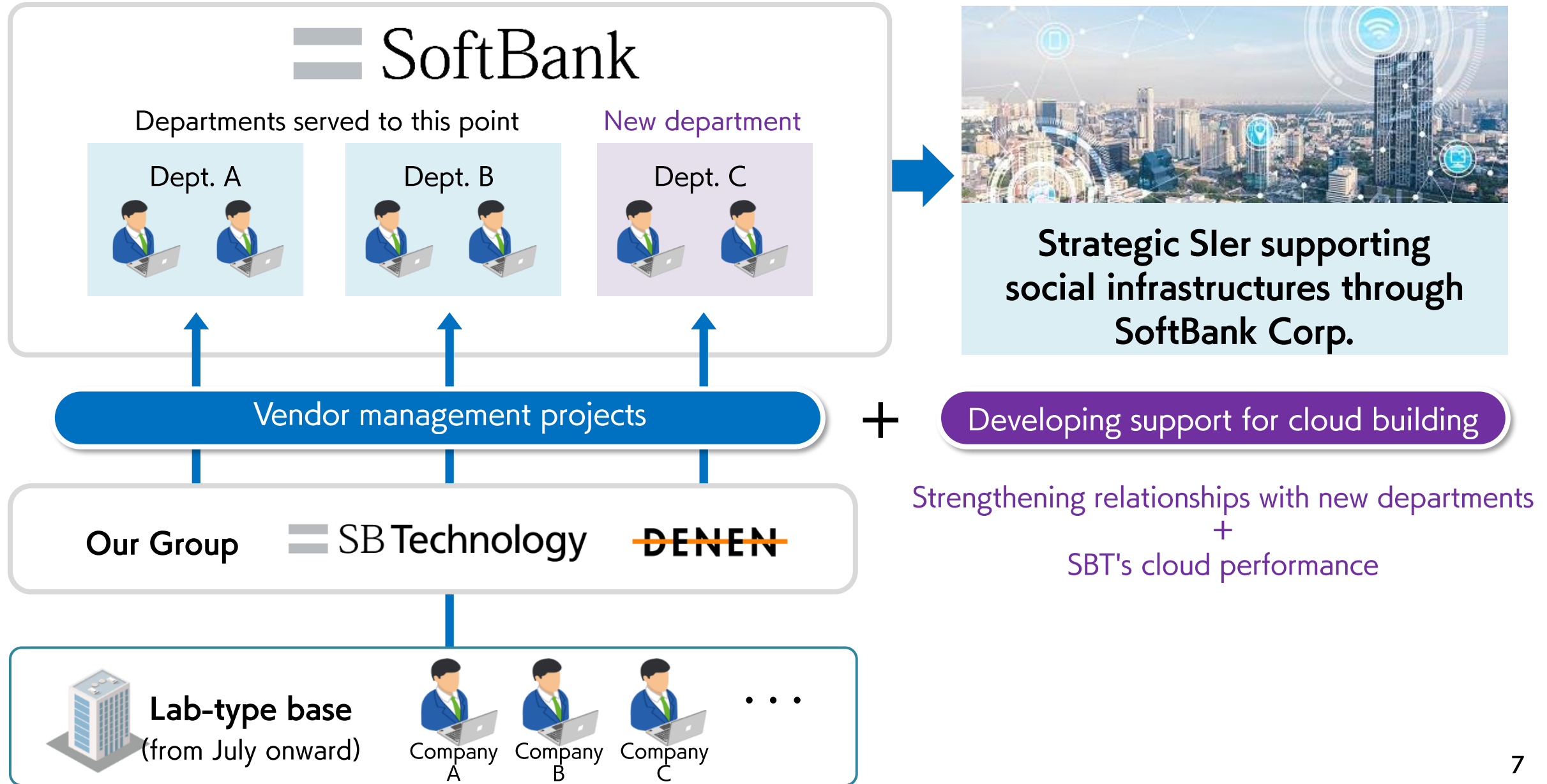
Enterprises/Public

BIT: Electronic application platform development & O-NET project performed strongly
CIT: Increased Cloud operations and security
Increased sales of our own services (clouXion & MSS)
TS: Newly added subsidiary contributed to increase in sales



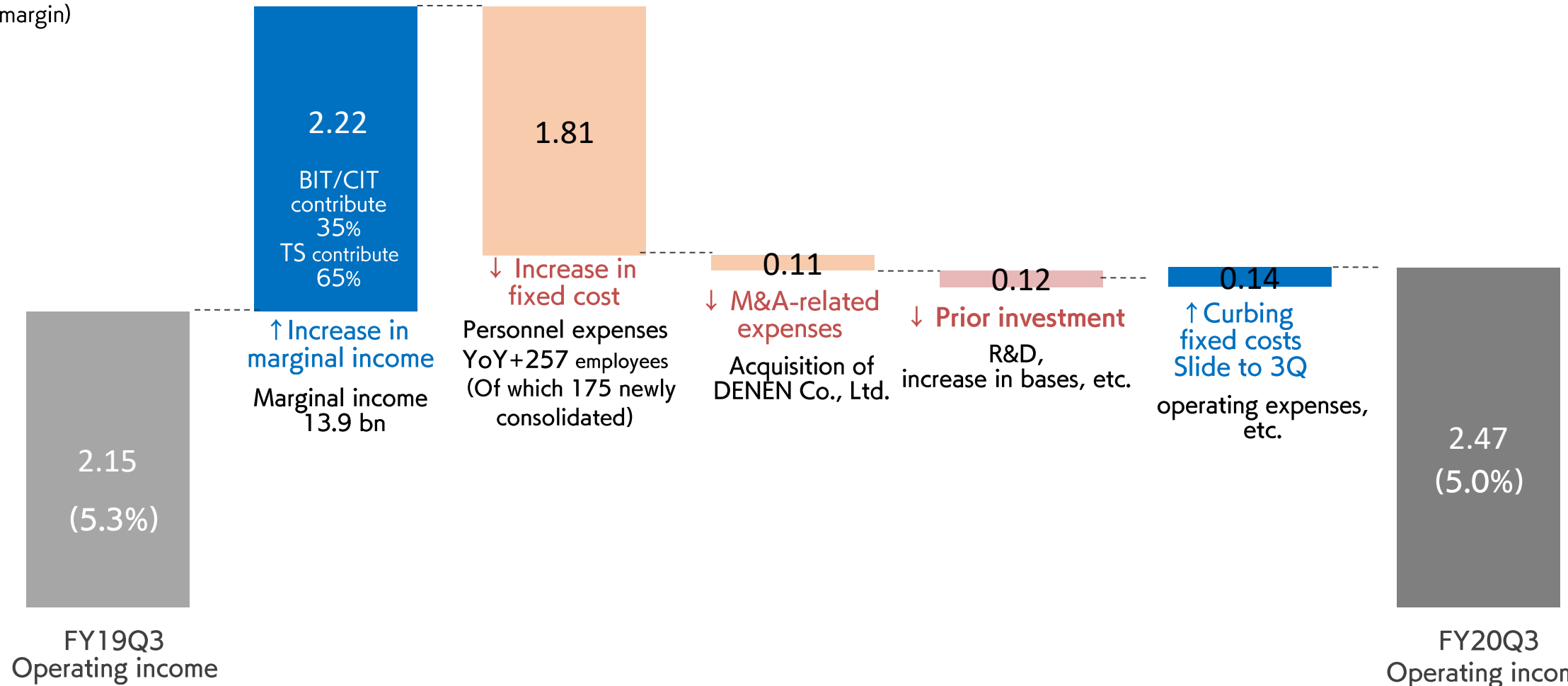
※ All Solution Segments for Individual Customers are EC.

Expansion and Development of Vendor Management Projects for SoftBank Corp.



- Increase in costs due to personnel expenses, prior investment and M&A-related expenses, partially restrained expenses due to remote working.
- Operating income increased due to growth in marginal income, particularly in BIT/CIT/TS.

[Billions of yen]
(Profit margin)



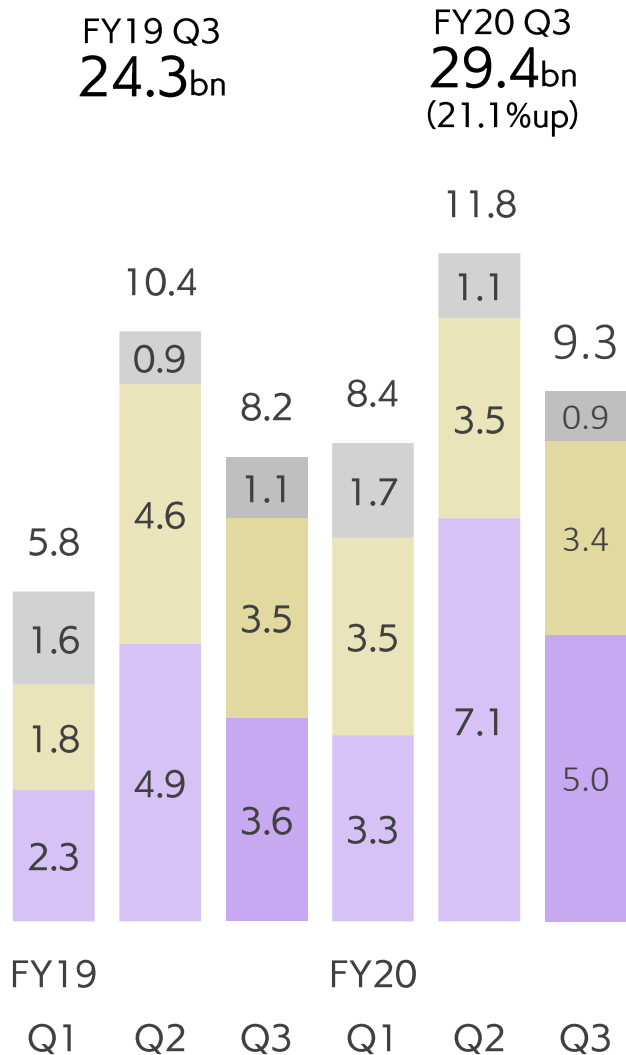
Prospects for FY20/IT Investment Trends (by Customer Segment)

Although the third wave of COVID-19 has had an impact on the enterprise segment, **digitalization has accelerated by cloudification, zero trust security, promotion of DX, etc.**

Customer Segment	SoftBank group	Enterprises	Public
Tailwind	Increased inquiries for cloud development Increased in zero trust security inquiries	Accelerated DX (in response to new norms) Increased in zero trust security inquiries Accelerated collaboration in areas of cooperation	Promotion of digital government
Risk	-	Delay in some projects and sliding to next term	Securing resources

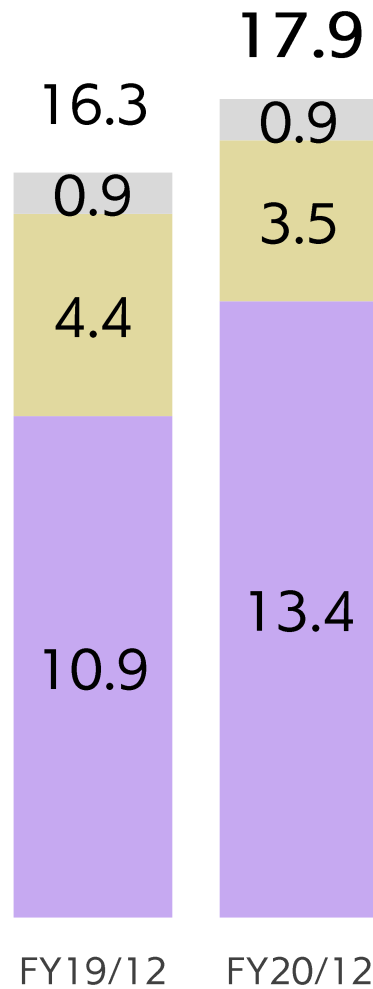
Orders Received

Q3 Record High



Orders Backlog

Record high Level



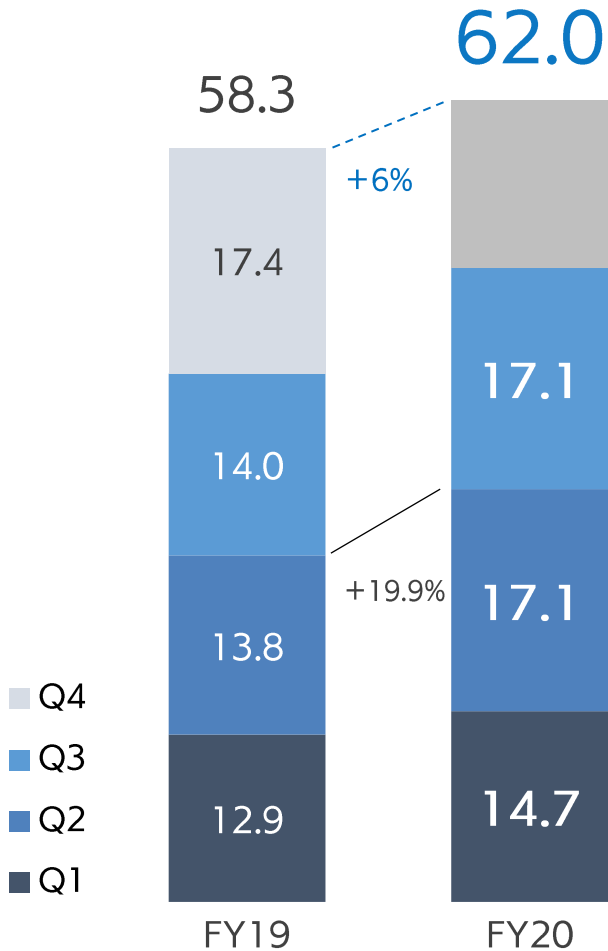
Non-consolidated order backlog

(YoY) **9.3% UP**

Flow
License/HW
Development
Stock
Operation/Services

Orders Received	【 Flow / development 】 <ul style="list-style-type: none"> BIT orders grew by approx. 30% YoY due to cloud development for SoftBank Corp. and IoT construction for enterprises. 【 Stock 】 <ul style="list-style-type: none"> Sales of TS increased for vendor management projects. Completed portion of management standardization included in stock. CIT : Our own services performed strongly.
Orders Backlog	【 Flow / development 】 <ul style="list-style-type: none"> Flow (development) decreased the completed management standardization of vendor management projects were included in the stock. 【 Stock 】 <ul style="list-style-type: none"> Order backlog for TS increased due to management standardization of vendor management projects. Order backlog for CIT increased due to public investment projects.

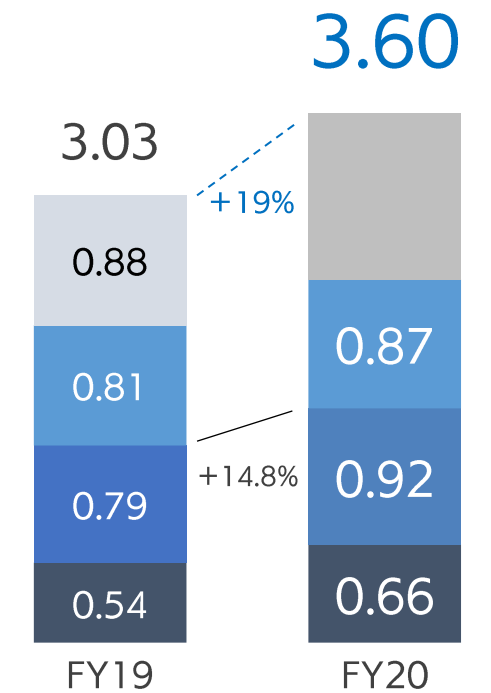
Forecasts remain unchanged



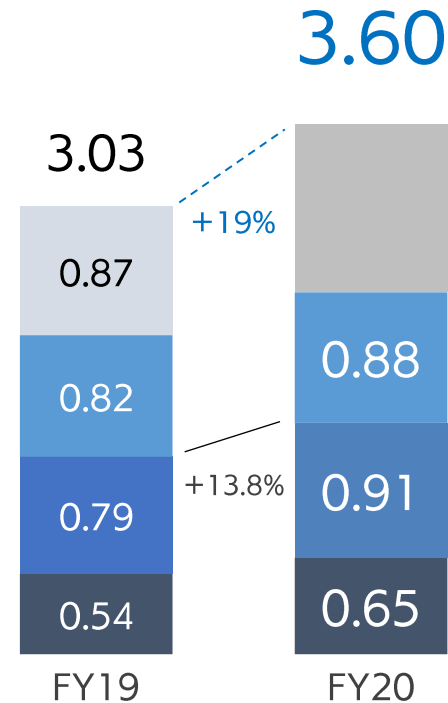
Net Sales

[Billions of yen]

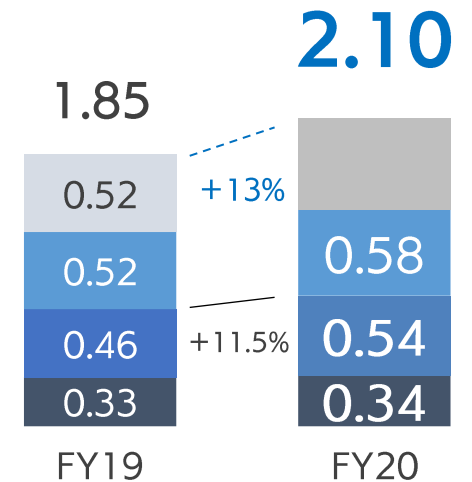
- Sales trended higher than expected, partly due to effects of consolidation with DENEN Co. Ltd.
- Order backlog is also accumulating at record-high levels, and operating income of 3.6 billion is within sight
- Examining unprofitable projects and the risk of acceptance delays due to the impact of COVID-19, as well as the business progress of subsidiaries



Operating income



Ordinary income



Net income

(Profit attributable to owners of parent)

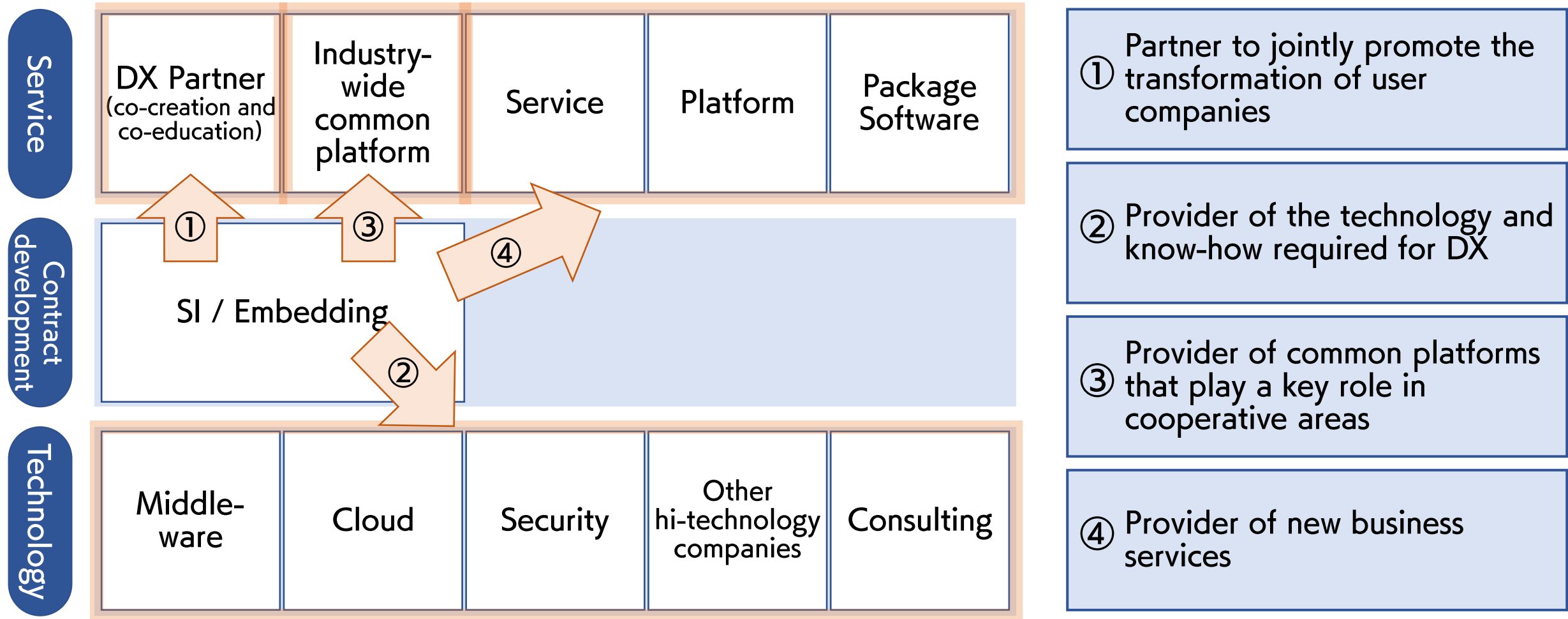
Toward the Realization of Our Medium-Term Plan

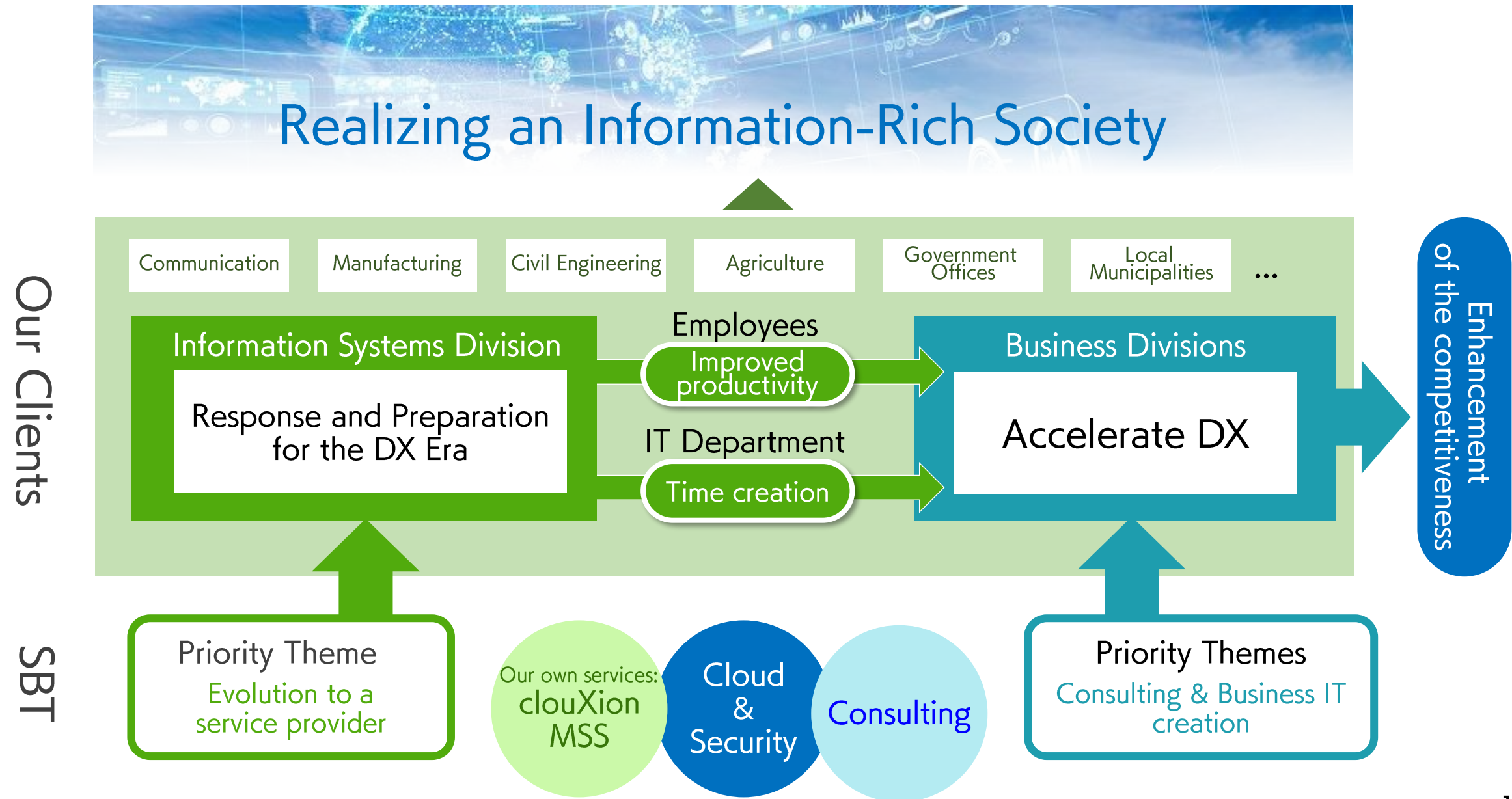
Tertiary Medium-Term Management Plan
(FY19 - FY21)

 SB Technology

Reference> METI DX Report 2 – Vendor's Target Direction –

- We must become a co-creative partner that promotes DX in an integrated manner with our user companies.
- We expect to become a provider of new business services that propose new value to society based on the strength of IT.





For the construction industry

① Partner to jointly promote the transformation of user companies

③ Common platform providers that play a key role in the area of cooperation

Promoting DX through a service that solves common issues for contractors, subcontractors, and others in the construction industry



Conventional common issues

Prime contractor

- Building a server in a workshop (risk of losing data in the event of a disaster)
- Managing users is complicated

Cooperating companies

- Managing IDs/passwords for every site



Solved using Con-Bridge

Prime contractor

- Cloud usage and data both are securely preserved
- Centralized ID Management with integrated authentication

Cooperating companies

- Access information from multiple workstations with a single ID



Integrated ID management and server cloudification
External service linkage (planned)

Enhancing local government security by providing the next-generation local government information security cloud in a service-based manner



Conventional issues

- Since each service must be constructed separately, they take time to introduce, and are expensive.
- Specifications must be created to match the equipment.
- End of support for equipment and disposal at the time of replacement are issues



Solved using the service

- Reduced the time and cost of service use
- MIC's mandatory requirements are met, shortening the time required to create specifications.
- No cost required when replacing because the local government does not have assets

**Municipal Information Security
Cloud Service**

Provides the following as a single service:
Internet Connectivity / Security / Access Line

For the construction industry and manufacturers

① Partner to jointly promote the transformation of user companies

② Providers of the technology and know-how required for DX

Helping customers to promote DX in response to on-site issues such as labor shortages and contactless operations

Conventional issues

- A need to physically visit the site
- Visiting problematic due to the COVID-19 pandemic, but phone calls take time
- Unable to confirm that work has been done correctly



Solved using HoloLens 2 (smart glasses)

- Skilled craftsmen instruct on-site workers through video sharing of on-site conditions
- On-site workers carry out operations according to the instructions of skilled workers.
- Can be used for operational verification and educational materials with the Teams recording function



Implementation Support for
Microsoft HoloLens 2

Initial setup support / Operating procedure training
Inquiry support / Device management support

Zero trust security that supports remote work

① Partner to jointly promote the transformation of user companies

② Providers of the technology and know-how required for DX

Short-term implementation of security measures required in the new normal era



Conventional issues

- Conventional security measures are insufficient due to the establishment of telecommuting as the new standard
- Insufficient knowledge on Zero Trust Security
- A need for early action to deal with sudden changes in work styles



Solved using this pack

- Reduces the burden on IT personnel in terms of defining requirements and design phases
- Can be built in as little as one month, usually taking about six months.
- Packaging realizes countermeasures in a way that minimizes costs

Zero Trust Security Starter Pack

**Our best practices based on
our extensive implementation experience**

Monitoring communications / Managing terminals / Authentication & certification

Initiatives for Sustainability

Corporate Philosophy

Information Revolution — Happiness for Everyone

~Technologies Design the Future~



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

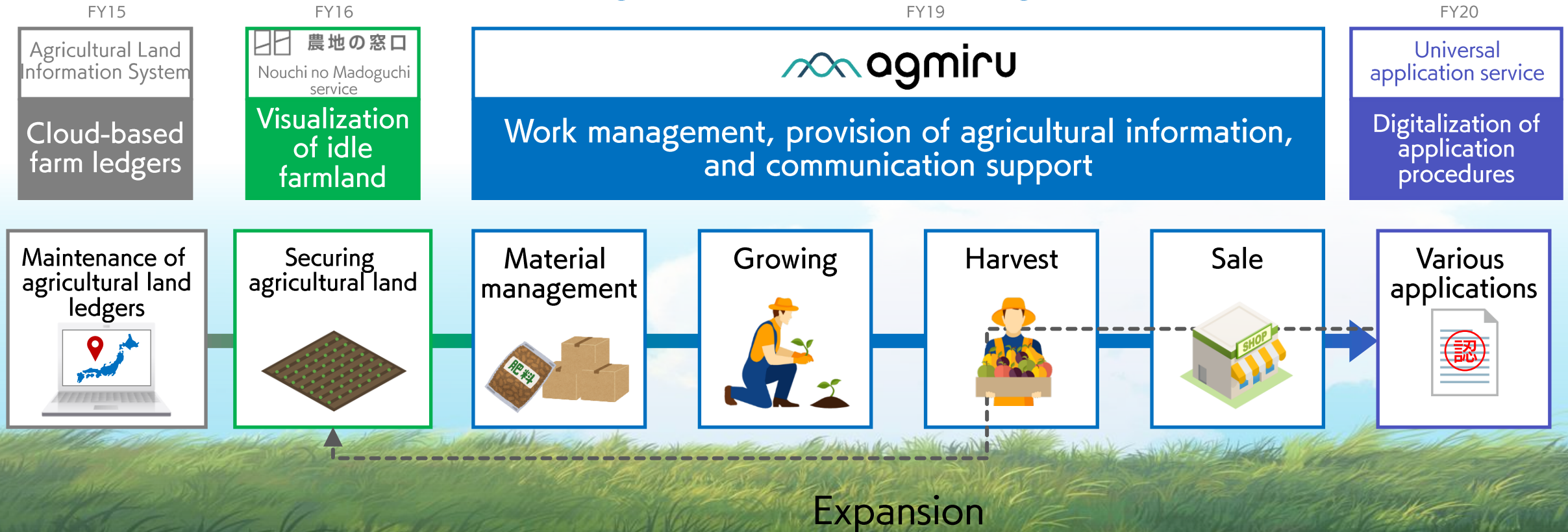


Addressing Agricultural Issues

Utilizing ICT and data to improve agricultural sustainability



In coordination with related organizations and the SBT Group, we aim to solve agricultural issues through ICT services.



Social Infrastructure Initiatives

Supporting the creation of a resilient social infrastructure in an age when cyber attacks directly affect people's lives and businesses



We provide a variety of solutions to prepare for the expanding threat of cyber attacks.

Cyber Resilience

Local Government Information Security Cloud

Security measures against cyber attacks
Achieving efficiency and convenience for local governments

Zero Trust Security

Security measures irrespective of location in response to the new normal era

Managed Security Service

Monitoring/operation by security experts 24 hours a day, 365 days a year

Resilient Communities

Leading Companies • Government Offices



1. Operating income ※¹ JPY4.3 bn
2. To 50% of BIT & CIT※² sales
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

Information Revolution — Happiness for everyone

~Technologies Design the Future~

 **SB Technology**

Overview of each solution

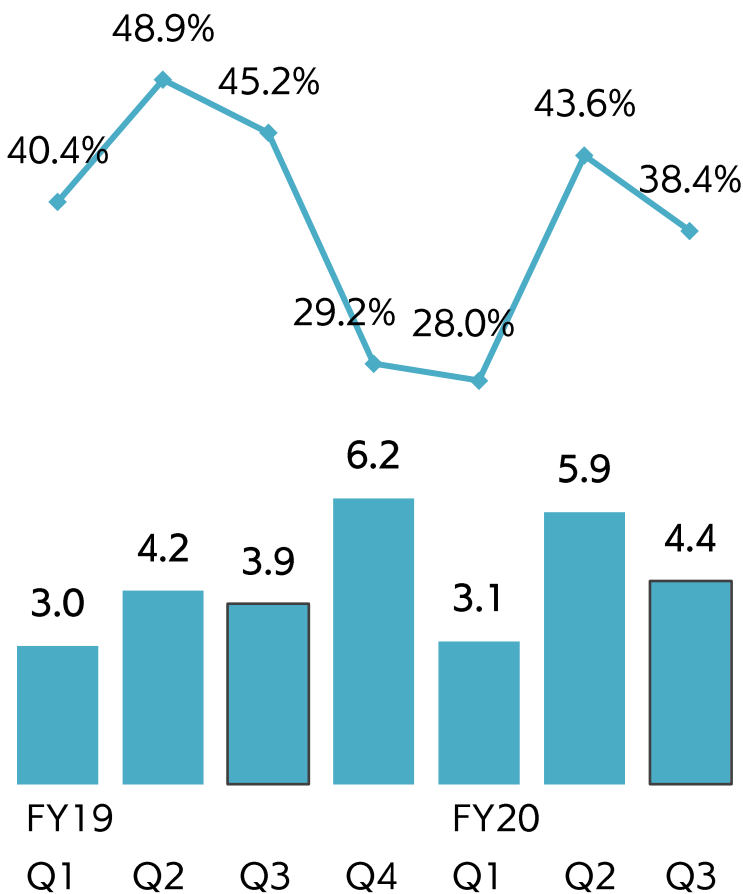
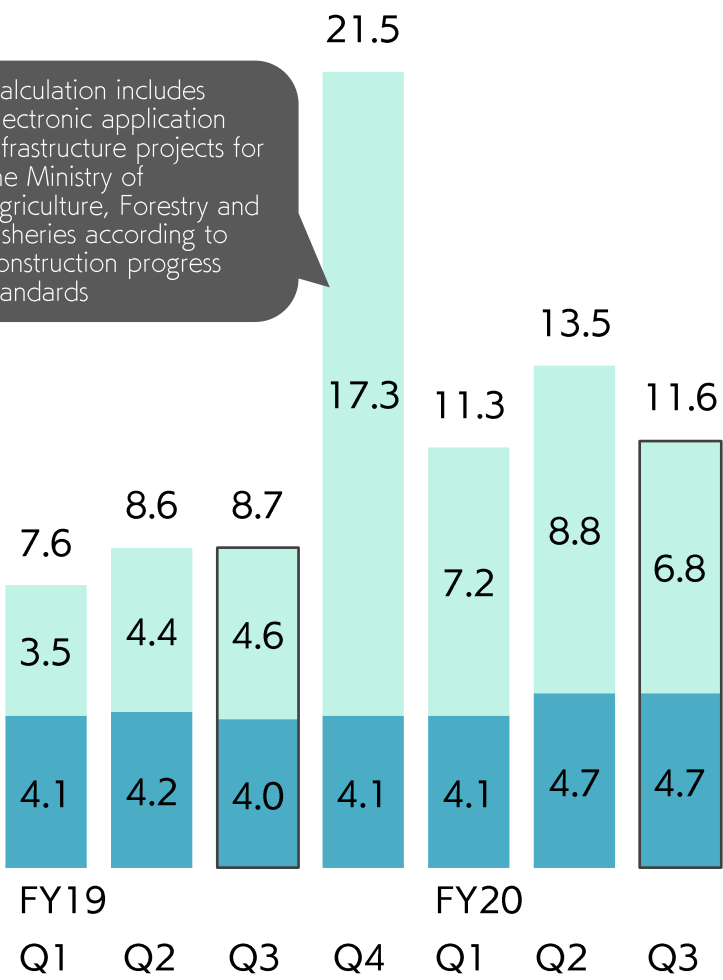
— SB Technology

Net sales

Marginal income

■ Stock ■ Flow

Calculation includes electronic application infrastructure projects for the Ministry of Agriculture, Forestry and Fisheries according to construction progress standards

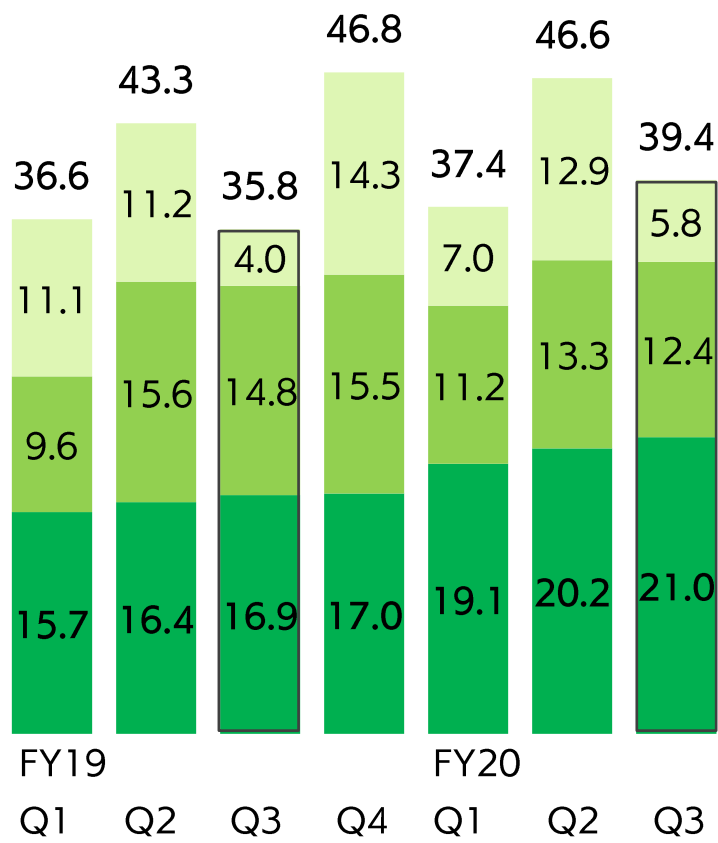


Cloud business solutions for business units

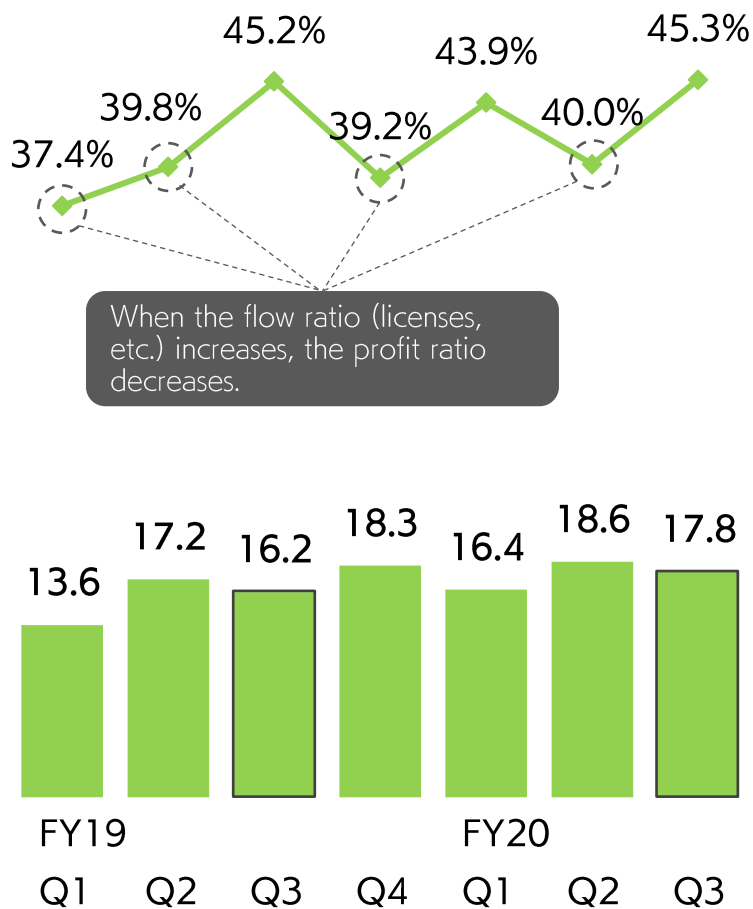
Main customers: Global manufacturing, construction and agriculture
Consists primarily of customer service development, development/provision of industry-specific services, collaboration and PoC (proof of concept), etc.

Flow	Expansion of systems development for business divisions at SoftBank Corp. IoT system development for the manufacturing industry, and energy-saving IoT projects for the construction industry
Stock	Successful implementation of the Ministry of Agriculture, Forestry and Fisheries electronic application infrastructure project and the O-NET project for the Ministry of Health, Labor and Welfare

Net sales



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>Corporate and public sector sales increased steadily, despite a reactionary decline in cloud adoption/development following large-scale development for the SB Group.</p> <p>In terms of security, support for zero trust security measures increased for groups and corporations.</p>
Stock	<p>Steadily advanced the cycle from development and construction to operation, and cloud and security operations increased.</p> <p>Our own services(*) also remained steady.</p>

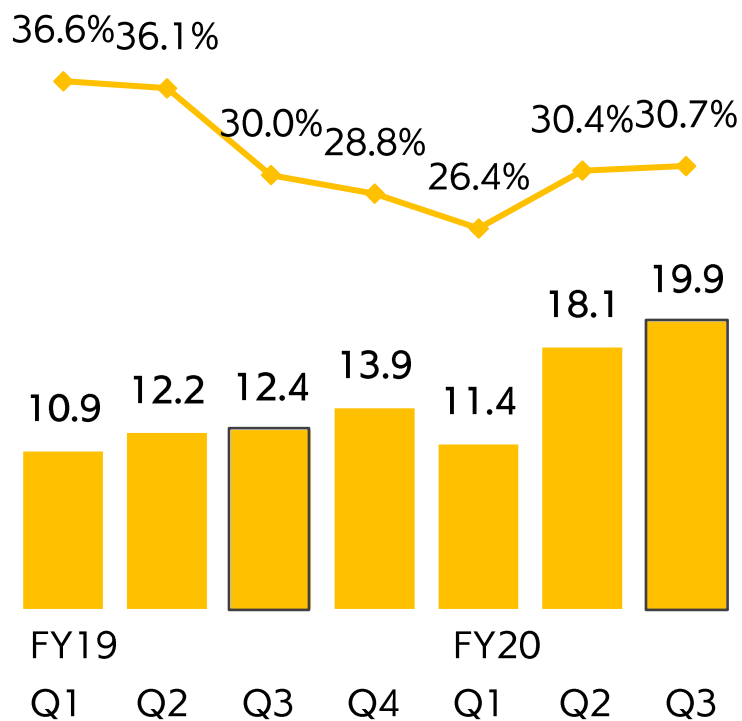
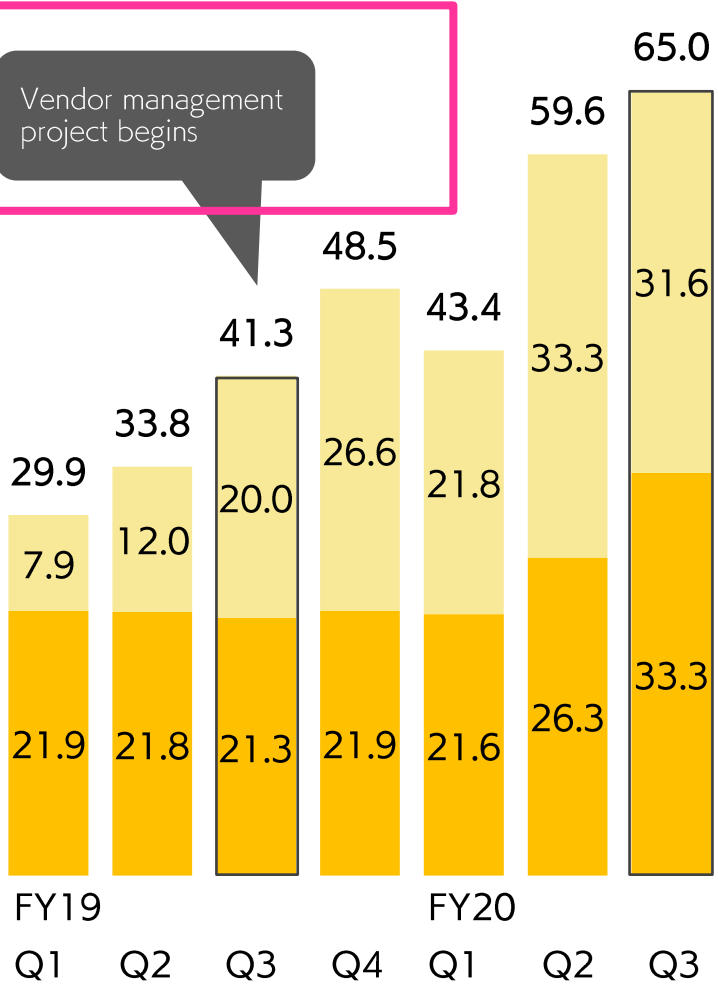
*clouXion, Managed Security Service

Net sales

Marginal income

■ Flow ■ Stock

Vendor management project begins



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

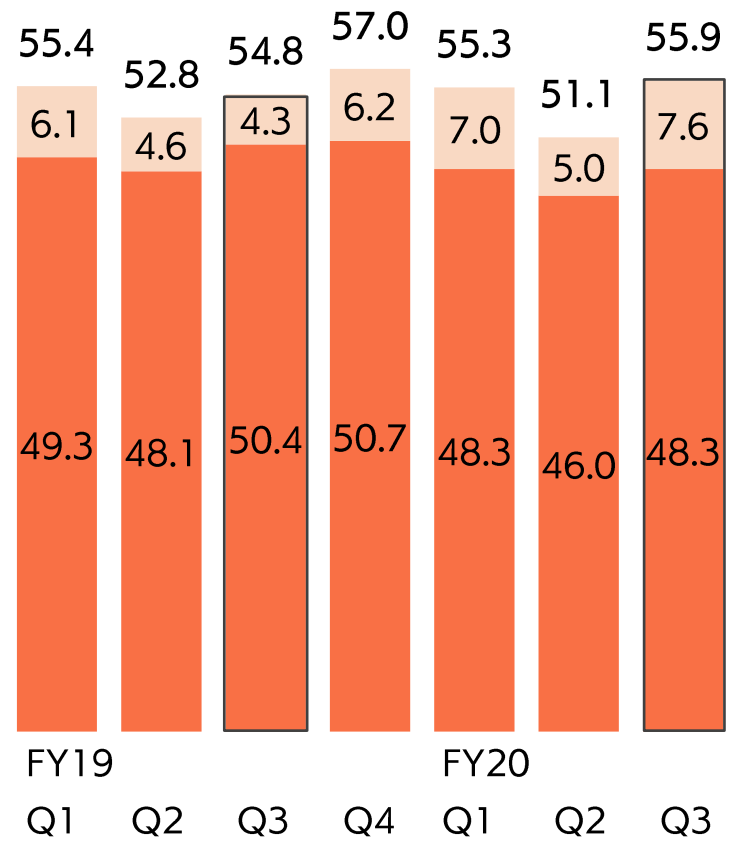
Main customers : SoftBank Companies

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

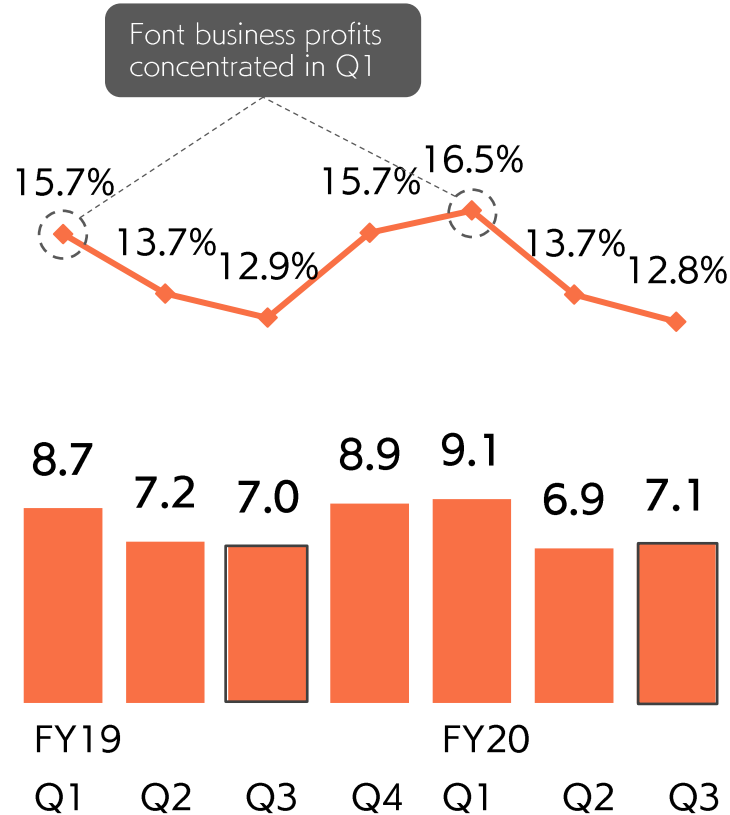
Flow	Newly added DENEN Co. Ltd. contributed to increase in sales and marginal profit
	Expansion of vendor management projects for SoftBank Corp.
Stock	Unified management methods for vendor management projects and improved efficiency contributed to an increase in stock

Net sales

Font, etc Norton store



Marginal income



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.

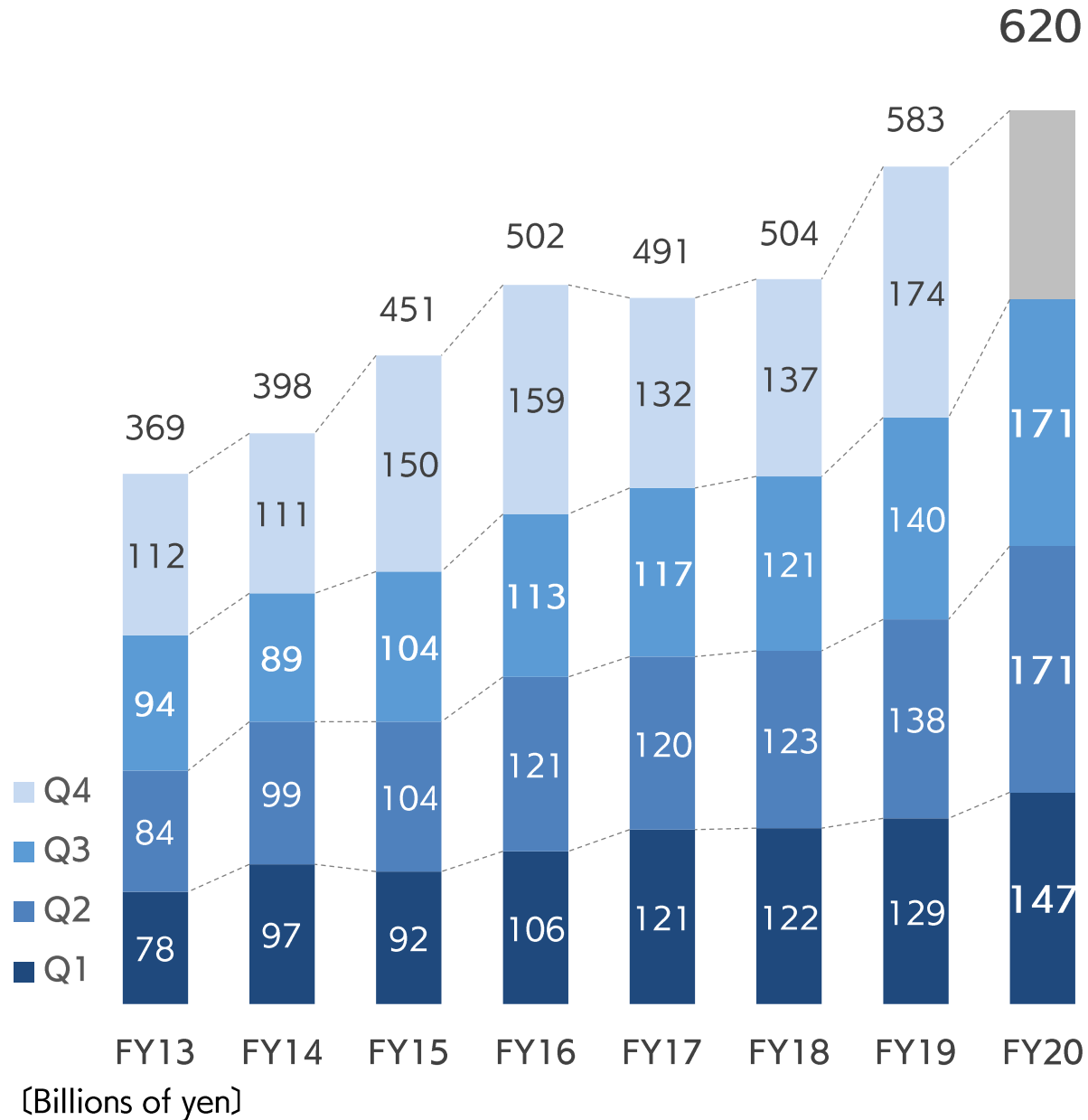
Norton Store's management agency services saw higher sales but lower profits due to peaking out and changes in the invoicing rate

On the other hand, the Font Business performed well, contributing to an increase in profits

Numerical data

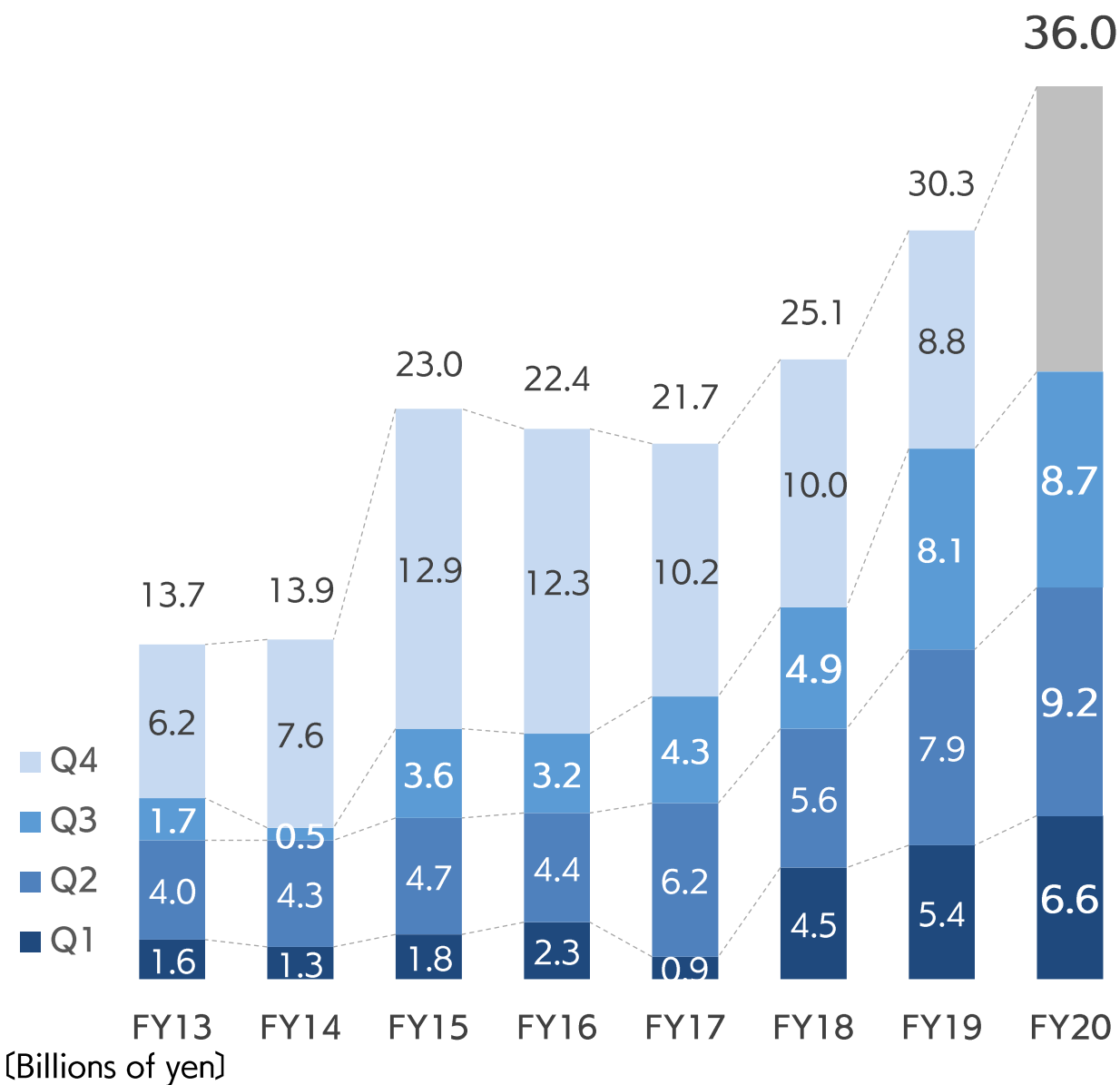
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(Millions of yen)	End of December, 2019	End of March, 2020	End of December, 2020	Since end of previous term	YoY
Current assets	21,283	24,350	25,225	875	3,942
Cash and deposits	9,631	9,826	9,882	55	251
Accounts receivable and other receivables	9,356	12,714	12,624	△ 90	3,267
Fixed assets	7,822	8,135	9,222	1,086	1,399
Tangible fixed assets	1,565	1,488	1,641	153	76
Intangible fixed assets	3,015	3,049	4,358	1,309	1,344
Investments and other assets	3,241	3,597	3,220	△ 377	△ 20
Total assets	29,105	32,486	34,447	1,960	5,341
Current liabilities	10,689	13,528	13,354	△ 174	2,664
Long-term liabilities	1,375	1,340	2,542	1,202	1,168
Net assets	17,040	17,617	18,550	932	1,509



Q3 Cumulative Net sales
(YoY) **19.9%_{up}**

Q3 Net sales
(YoY) **22.2%_{up}**



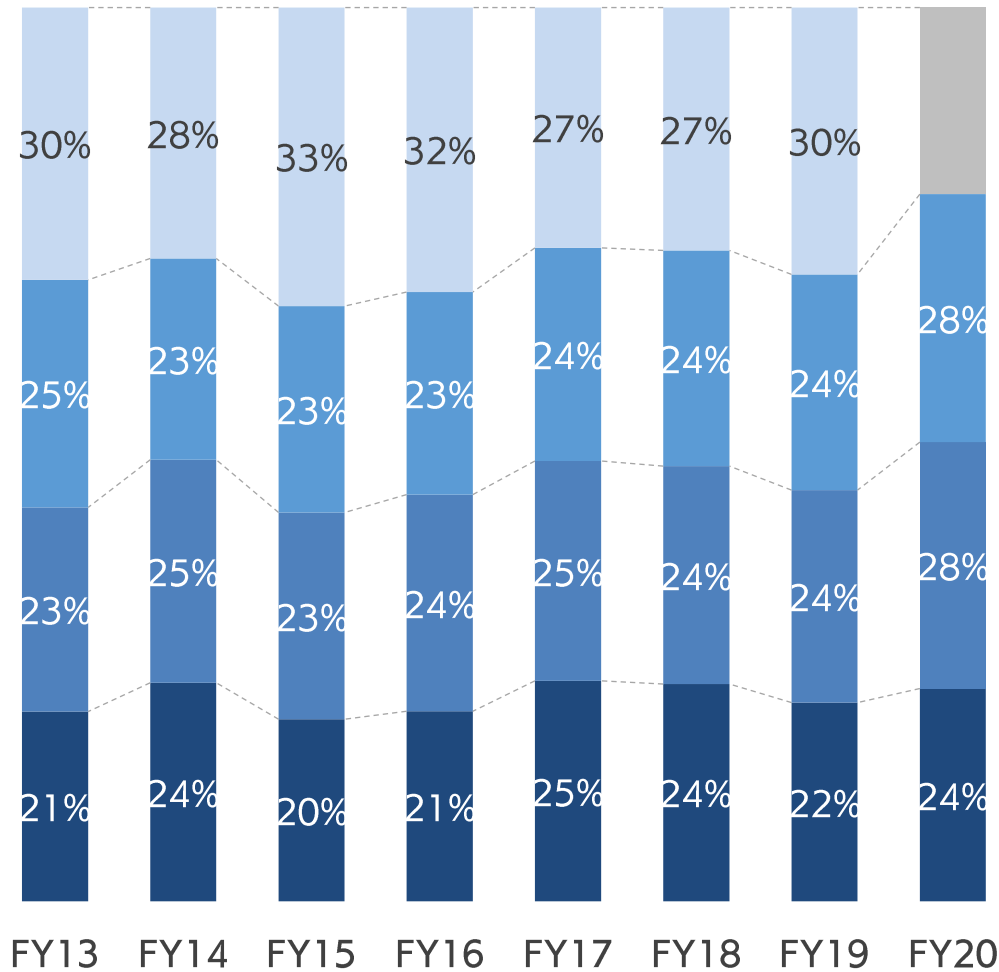
Medium-Term Management Plan
Target: 20% Operating Income Growth

Q3 Cumulative Operating income
(YoY) **14.8%_{up}**

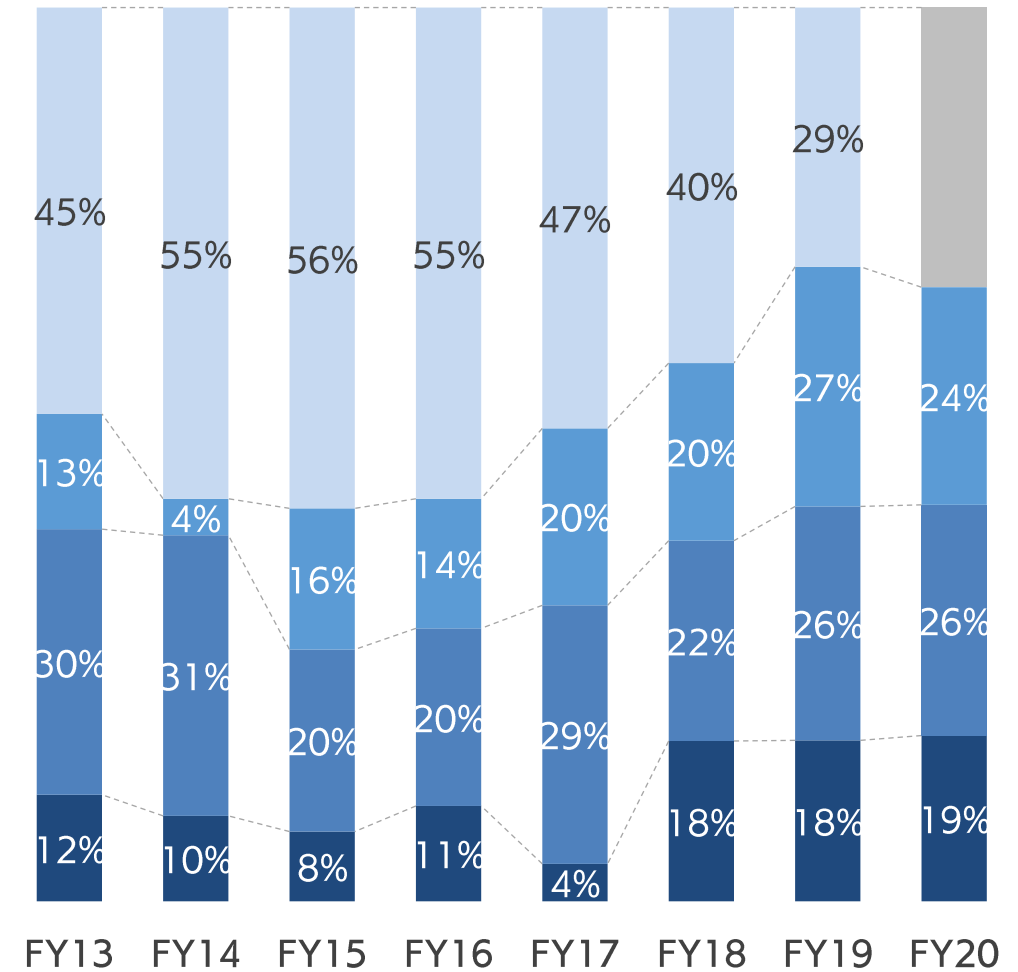
Q3 Operating income
(YoY) **7.7%_{up}**

Net sales

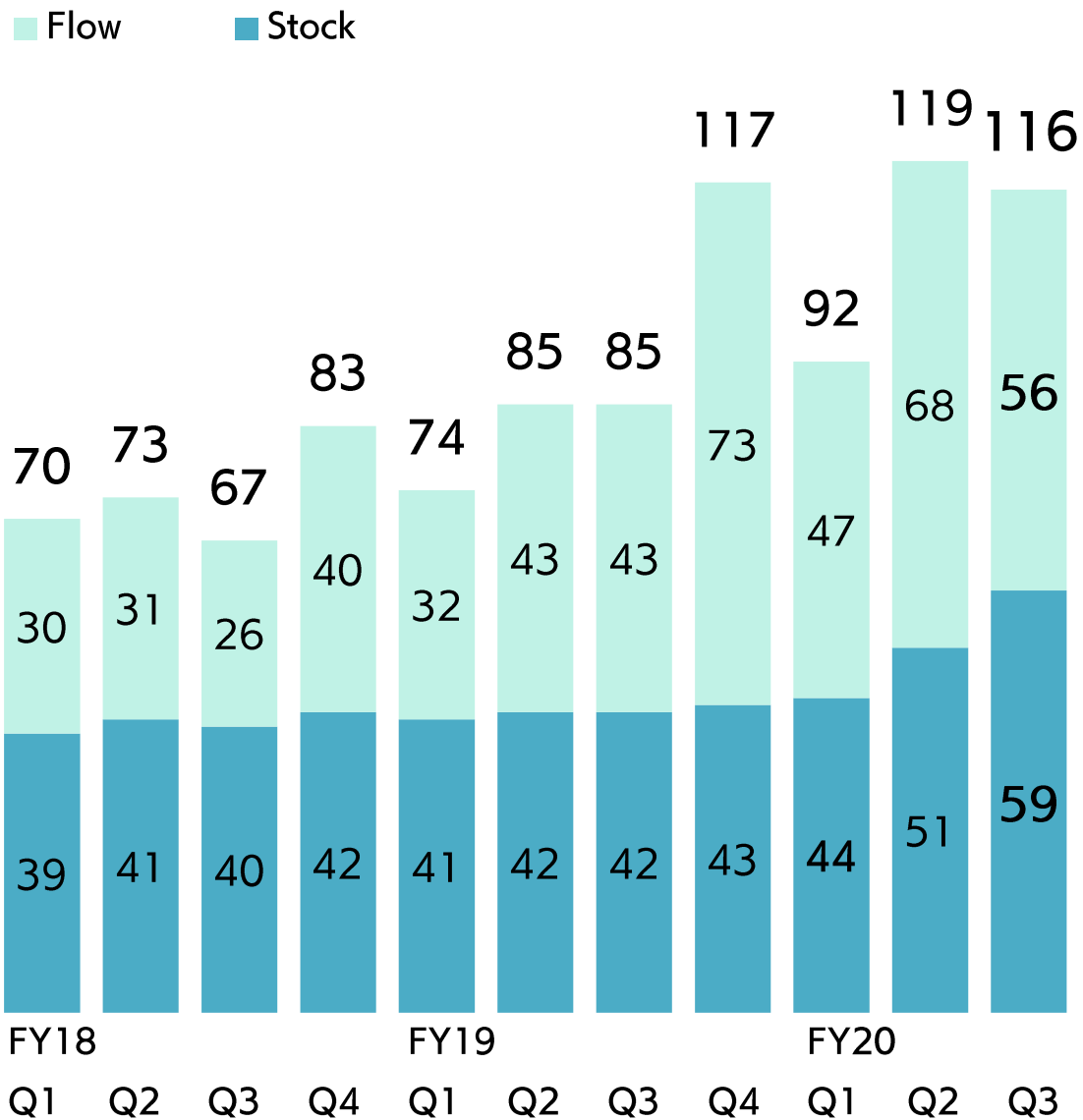
■ Q4 ■ Q3 ■ Q2 ■ Q1



Operating income



[Billions of yen]



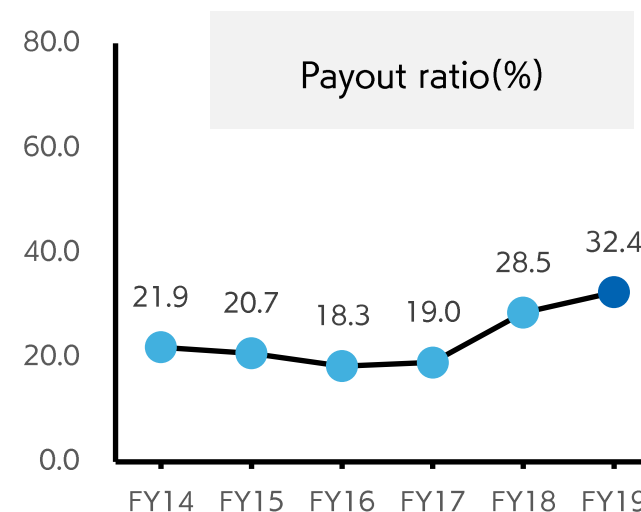
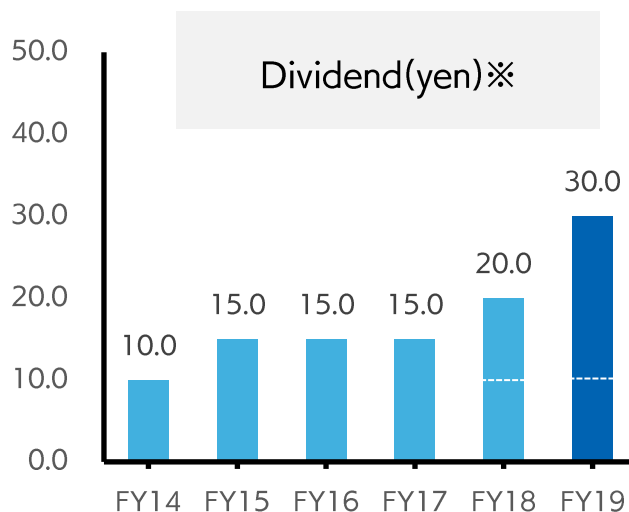
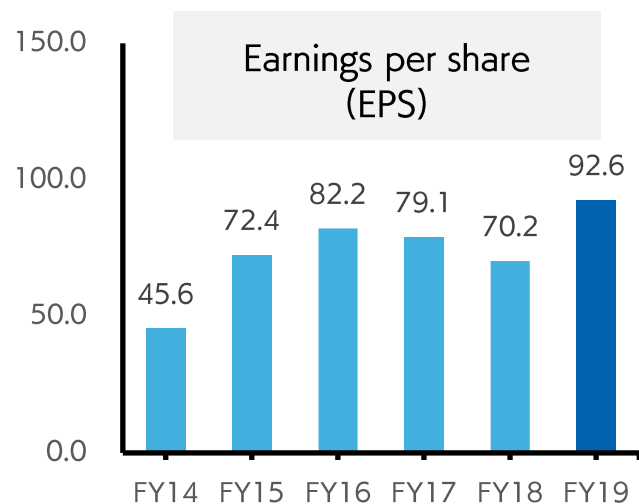
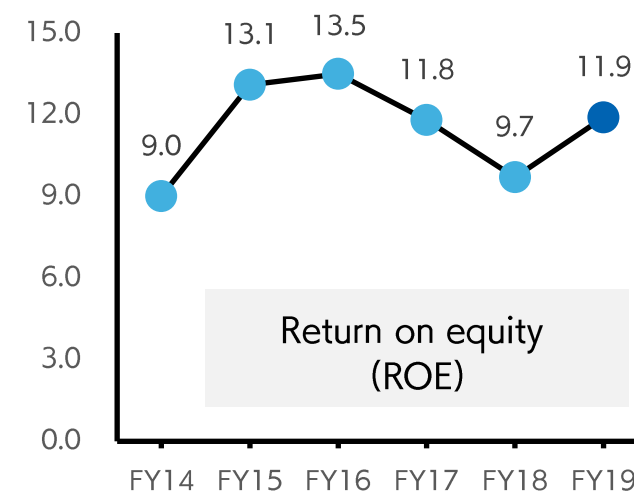
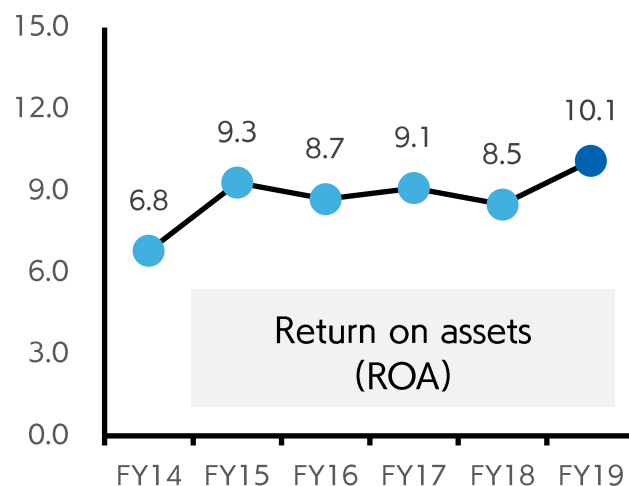
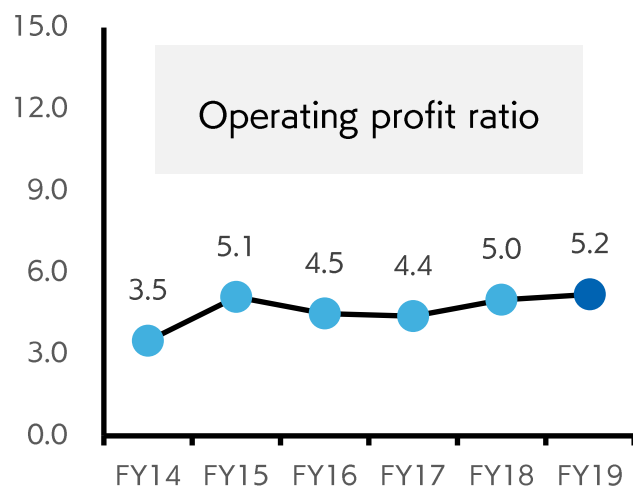
Q3 Cumulative Stock sales
(YoY) **28.6bn_{up}**

Q3 Stock sales
(YoY) **16.7bn_{up}**

(Millions of yen)		FY19Q1	FY19Q2	FY19Q3	FY19Q4	FY19	FY20Q1	FY20Q2	FY20Q3	FY19Q3 Cumulative	FY20Q3 Cumulative	YoY	
												Change	Change%
Total	Sale	12,969	13,872	14,074	17,408	58,324	14,759	17,105	17,197	40,916	49,062	+8,146	+19.9%
	Marginal income	3,642	4,095	3,964	4,759	16,461	4,017	4,969	4,940	11,702	13,927	+2,224	+19.0%
	Profit ratio	28.1%	29.5%	28.2%	27.3%	27.7%	27.2%	29.1%	28.7%	28.6%	28.4%	▲0.2pt	-
BIT solution	Sale	764	868	872	2,155	4,660	1,135	1,358	1,161	2,505	3,655	+1,150	+45.9%
	Marginal income	309	424	394	629	1,757	318	592	446	1,127	1,356	+228	+20.3%
	Profit ratio	40.4%	48.9%	45.2%	29.2%	37.7%	28.0%	43.6%	38.4%	45.0%	37.1%	▲7.9pt	-
CIT Solutions	Sale	3,664	4,333	3,582	4,689	16,629	3,743	4,664	3,940	11,580	12,348	+767	+6.6%
	Marginal income	1,369	1,726	1,620	1,835	6,552	1,643	1,866	1,786	4,716	5,296	+579	+12.3%
	Profit ratio	37.4%	39.8%	45.2%	39.2%	40.3%	43.9%	40.0%	45.3%	40.7%	42.9%	+2.2pt	-
TS Solutions	Sale	2,991	3,387	4,137	4,855	15,371	4,346	5,969	6,500	10,516	16,817	+6,300	+59.9%
	Marginal income	1,093	1,221	1,242	1,398	4,953	1,145	1,811	1,993	3,557	4,951	+1,393	+39.2%
	Profit ratio	36.6%	36.1%	30.0%	28.8%	32.2%	26.4%	30.4%	30.7%	33.8%	29.4%	▲4.4pt	-
EC Solutions	Sale	5,548	5,283	5,482	5,708	22,022	5,533	5,112	5,595	16,313	16,241	▲72	▲0.4%
	Marginal income	870	723	706	897	3,198	910	698	713	2,300	2,322	+21	+1.0%
	Profit ratio	15.7%	13.7%	12.9%	15.7%	14.5%	16.5%	13.7%	12.8%	14.1%	14.3%	+0.2pt	-
Total of core businesses (BIT+CIT)	Sale	4,429	5,201	4,454	6,844	21,149	4,878	6,022	5,101	14,085	16,003	+1,917	+13.6%
	Marginal income	1,678	2,150	2,014	2,464	8,315	1,961	2,459	2,233	5,844	6,653	+808	+13.8%
	Profit ratio	37.9%	41.4%	45.2%	36.0%	39.3%	40.2%	40.8%	43.8%	41.5%	41.6%	+0.1pt	-
	Component ratio	34.1%	37.5%	31.7%	39.3%	36.5%	33.1%	35.2%	29.7%	34.4%	32.6%	▲1.8pt	-

(Millions of yen)	FY19Q1	FY19Q2	FY19Q3	FY19Q4	FY19	FY20Q1	FY20Q2	FY20Q3	FY19Q3 Cumulative	FY20Q3 Cumulative	YoY	
											Change	Change%
Sale	12,969	13,872	14,074	17,408	58,324	14,759	17,105	17,197	40,916	49,062	+8,146	+19.9%
BIT Solutions	764	868	872	2,155	4,660	1,135	1,358	1,161	2,505	3,655	+1,150	+45.9%
CIT Solutions	3,664	4,333	3,582	4,689	16,269	3,743	4,664	3,940	11,580	12,348	+767	+6.6%
Technical solutions	2,991	3,387	4,137	4,855	15,371	4,346	5,969	6,500	10,516	16,817	+6,300	+59.9%
EC Solutions	5,548	5,283	5,482	5,708	22,022	5,533	5,112	5,595	16,313	16,241	▲72	▲0.4%
Cost of sales	10,873	11,479	11,647	14,897	48,897	12,326	14,317	14,477	34,000	41,121	+7,120	+20.9%
Gross profit	2,096	2,392	2,427	2,511	9,426	2,433	2,787	2,720	6,915	7,940	+1,025	+14.8%
SG&A expenses	1,550	1,597	1,613	1,630	6,391	1,766	1,857	1,843	4,760	5,467	+707	+14.9%
Operating income	546	794	813	880	3,035	666	929	876	2,154	2,472	+317	+14.8%
Other Income and Expenses	▲0	1	6	▲9	▲2	▲8	▲11	8	7	▲11	▲19	-
Ordinary income	545	796	820	871	3,033	658	918	884	2,162	2,461	+298	+13.8%
Extraordinary gain/loss	0	▲14	2	▲46	▲58	▲5	▲44	49	▲12	0	+12	-
Net profit attributable to owners of parent	330	469	526	529	1,856	348	543	586	1,326	1,479	+152	+11.5%
Marginal income	3,642	4,095	3,964	4,759	16,461	4,017	4,969	4,940	11,702	13,927	+2,224	+19.0%
Fixed cost	3,096	3,300	3,150	3,877	13,425	3,350	4,040	4,063	9,547	11,454	+1,906	+20.0%
Non-consolidated order backlog	12,715	15,712	16,393	16,392	16,392	16,537	18,204	17,910	16,393	17,910	+1,516	+9.3%

(※) Amounts for the same period of the previous fiscal year for each solution segment are calculated in accordance with the current booking method.



(※) 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.

Corporate Information

 SB Technology

Management philosophy

Mission

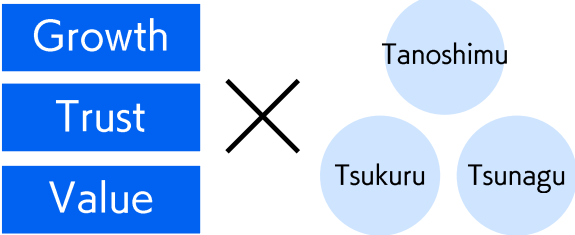
Information Revolution, Happiness for everyone
- Technologies Design the Future -

Vision

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

Value

Accept Diversity
Three Perspectives x Three Actions



Corporate Data (As of March 31, 2020)

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 1,176 mn
Number of employees	1,068 (consolidated)

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

Officers (As of June 26, 2020)

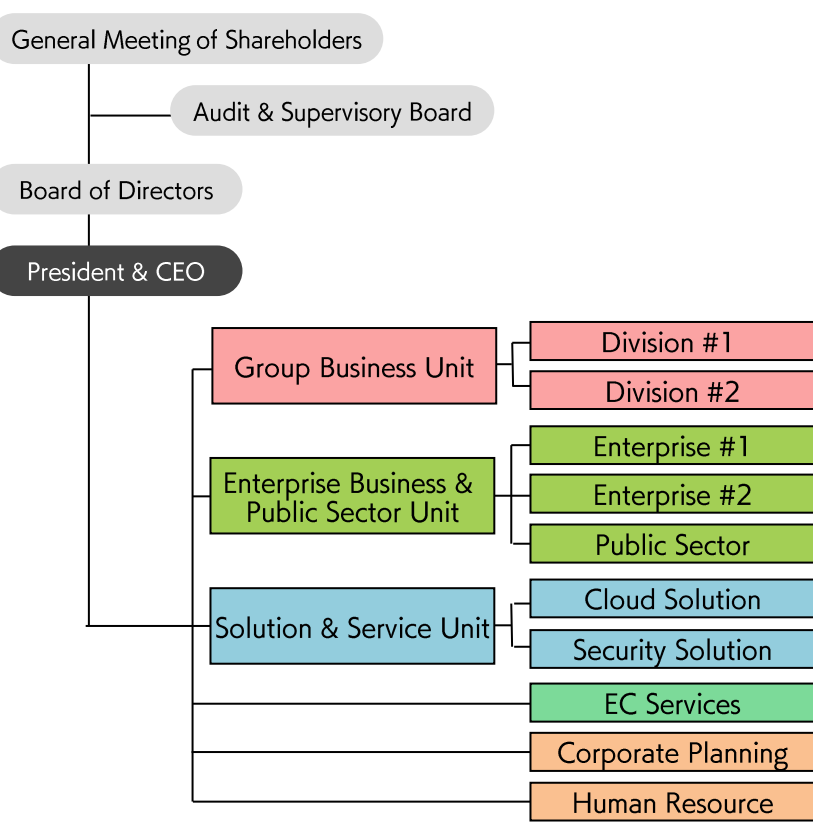
Board of Directors and Corporate Auditors

Representative Director CEO	Shinichi Ata	Chairman of Audit & Supervisory Board	Mitsumasa Ueno
Director CSO	Mitsuhiro Sato		
Director	Akira Kitamura	Audit & Supervisory Board Member	Haruhiko Hirose
Director	Takashi Kodama		
Director	Masaki Watanabe	Audit & Supervisory Board Member	Michiaki Nakano
Director	Kimihiko Kaneko		
External Member of the Board	Shigeo Suzuki	Audit & Supervisory Board Member	Naito Takashi
External Member of the Board	Yoshie Munakata		

Executive Officers

President & CEO	Shinichi Ata
Senior Executive Vice President & CSO	Mitsuhiro Sato
Executive Vice President	Akira Kitamura
Executive Vice President & CIO	Takashi Kodama
Executive Vice President	Masaki Watanabe
Vice President CCO	Seiichi Masaoka
Vice President	Tetsuya Shimizu

Organizational Chart (As of October 1, 2020)



Certification and accreditation (As of April 1, 2020)

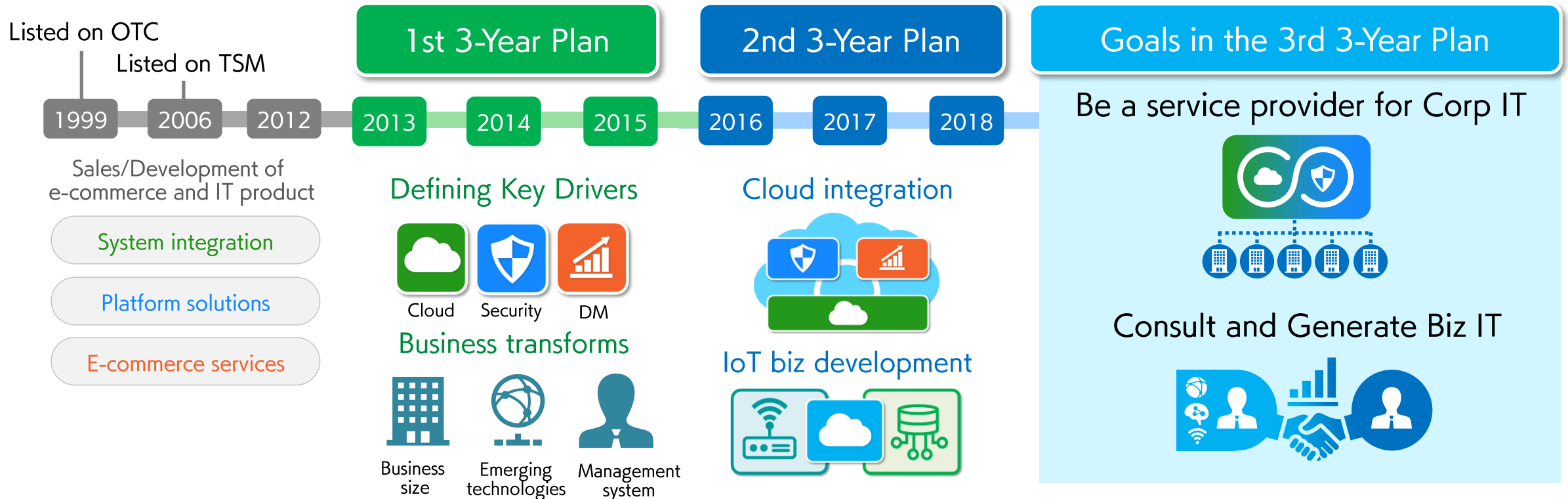


Long-term targets and Positioning of the New 3-Year Plan

Long-term goal

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

- Cloud & Security No.1
- Creating Global Business with Customers through Advanced Technologies and Creativity



ICT Service Business

Utilizing advanced technologies such as cloud computing, security, IoT, and AI to contribute to the digital transformation of client companies, and to the creation of new businesses



Business IT Solutions

Cloud business
(for business divisions)

- Consulting service
- DX Solutions
- AI, IoT Solutions, etc.



Corporate IT Solutions

Cloud business
(for company-wide and administrative divisions)

- Cloud Integration
- Business efficiency services
- Cloud security services
- Security operations monitoring service
- E-authentication solutions, etc.



Technical solutions

- Support for development and operation of on-premises (including private cloud computing)
- Equipment sales, construction, operation and maintenance services
- Sales and embedded developments of Linux/OSS related products, etc.



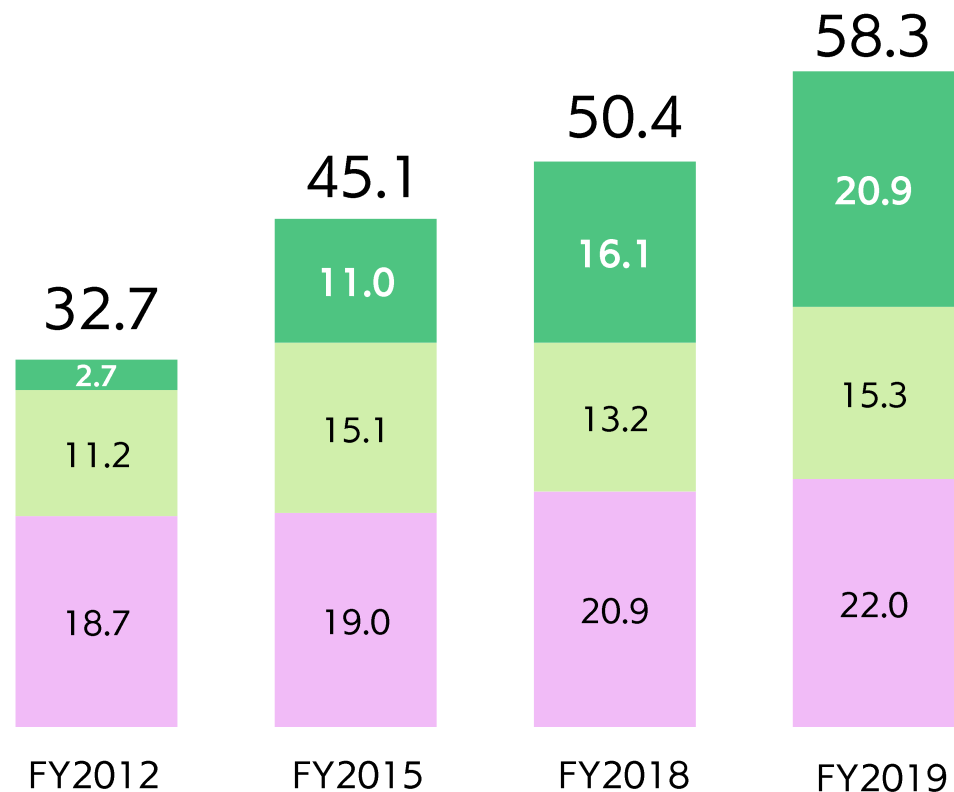
EC Solutions

- EC site management agency
- E-commerce sales of font licenses, etc.

Transition of Business Portfolio

SB Technology

By Segment:
Steady Growth in Focused Businesses



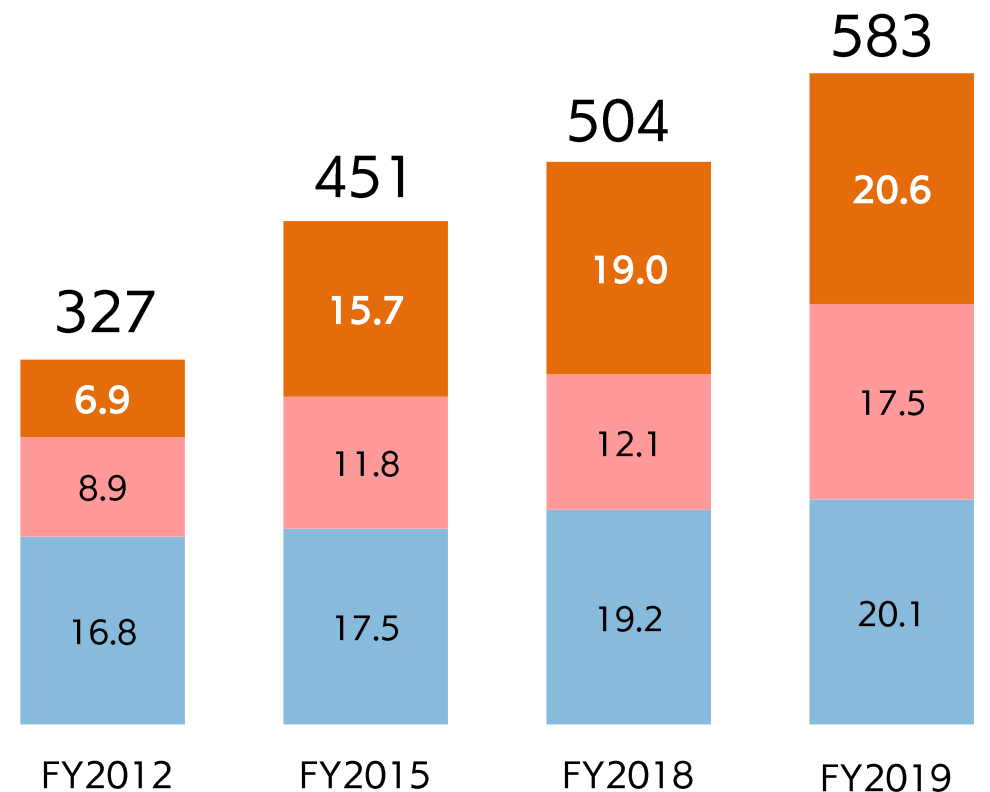
Core businesses^{※1}
• BIT
• CIT

TIS^{※2}

EC

[Billions of yen]

By customer:
Focused Business mainly on Enterprise/Public sector



Enterprises/Public

SB Group

Individuals

※1) Segment until FY2018 : Cloud solutions, Security solutions, Data Analytics
※2) Segment until FY2018 : System integration, IT infrastructure solutions

SBT by the Numbers

*Items not marked as “consolidated” are statistics for SBT alone.

Employees

SBT consolidated
Number of
Employees

1,307

(As of September 2020)

2020th
New Graduate

45

(consolidated basis)

Average age

37.4

years of age

Working Style

Reduction of overtime by improving productivity

42 hours → 23 hours
FY2015 FY2019

Percentage of paid leave
taken per employee

73%

Percentage of employees
commuting to main office

25%

(July-September 2020)

Growth Support

Use of Skill Development Leave (FY2019)

Number of employees
who have acquired

154

Total days acquired

347

Internal and external training participants
Total FY17-19

1,300

Technical Personnel

Ratio of job
types

7 : 2 : 1

(Technology) (Sales) (Management)

Percentage of SBT
technical personnel
with
PMP(*) certification

24%

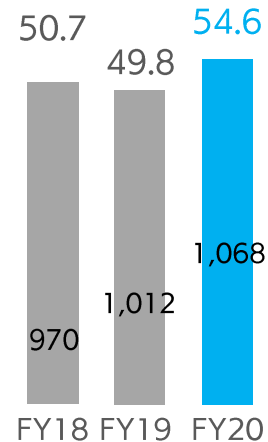
Development
partners

2,000

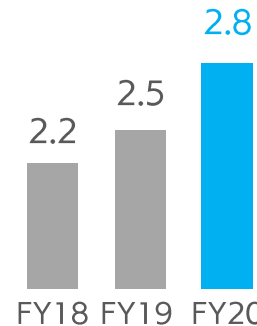
(As of September 2020)

Index per Employee

Net sales

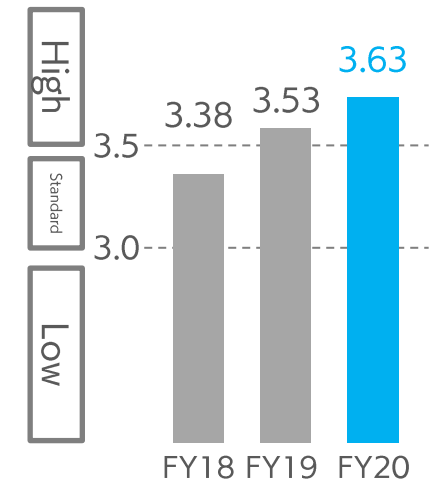


Operating income



(consolidated, millions of yen)

Comprehensive Employee Satisfaction (5-Level Evaluation)

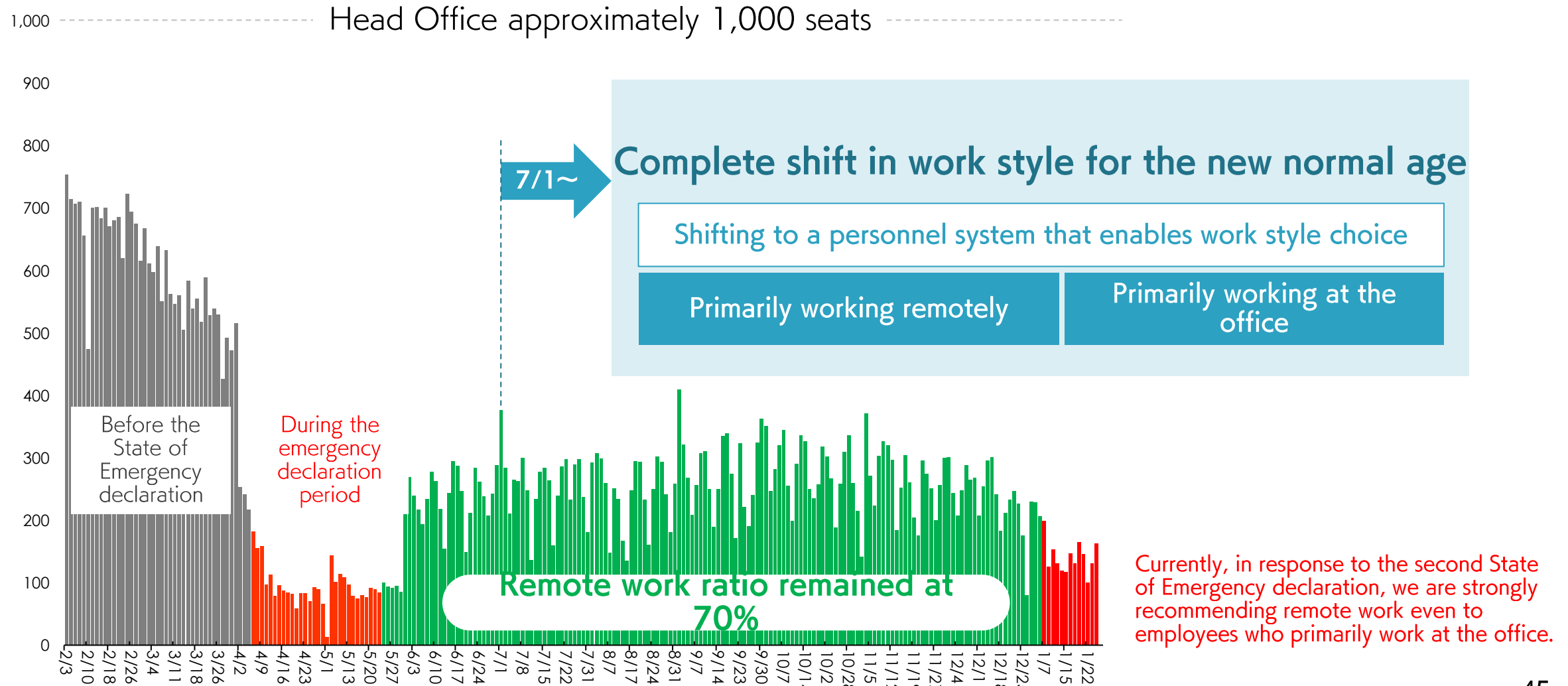


The number one
indicator valued by our
employees is a feeling
that they are doing
meaningful work.

On the survey,
categories related to
meaning and value of
work are consistently
rated high year after
year.

Remote Work Status

Implementing business activities while continuing remote work through the use of Teams



Awards received

Cloud

Microsoft Partner of the Year 7 consecutive years

- Internet of Things (IoT) Award, Automotive Award (2020)
- Internet of Things (IoT) Award (2019)
- Security and Compliance Award (2018)
- Cloud Productivity Award (2017)
- Messaging Award, Public Sector Award, Cloud Platform Award (System Integrator) (2016)
- Cloud Platform Competency Award(System Integrator) Identity and Access Competency Award (2015)
- Identity and Access Competency Award (2014)
- Cloud Partner Award (2012)



Microsoft Worldwide Partner Award 4 Prize

- 2020 Microsoft Country Partner of the Year
- The Microsoft 2019 Partner of the Year Awards "Internet of Things Partner of the Year" finalists
- Collaboration and Content Partner of the Year Finalist (2017)
- Country Partner of the Year Award, Cloud Packaged Solutions, Messaging, Public Sector-Government Award (2016)



Security



Imperva, Inc.
Top Growth Partner Award Award
(2017)



Japan Network Security Association
JNSA Prize special award (2017)



McAfee
Received Partner Award 2016
2 category award



27th Nikkei New Office Award
Office Security Award (2014)



Others



7th Japan HR Challenge Award
Winning the Excellence Award
in the Recruiting Division (2018)



GOOD DESIGN AWARD 2018

To the next generation of Web Browser text layout
The activities of the study group were awarded
the Good Design Award. SBT contributes through
the provision of "FONTPLUS". (2018)



Sitecore MVP Award
Received 3 in the technology
category(2020)



Sitecore MVP Award
Received 4 in the technology
category(2019)



Sitecore MVP Award
Received the highest number of
5 in Japan for 2 consecutive years
(2018)

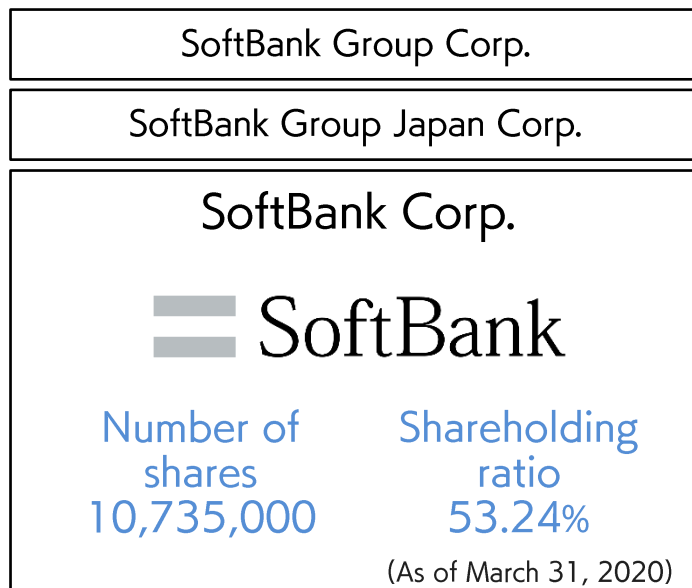


Sitecore MVP Award
Received the highest 5 awards
in Japan (2017)



Sitecore MVP Award
Awarded (2016)

Group structure



Group Companies



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 : 52



Fontworks

FONTWORKS Incorporated

Planning, development, and sales of fonts (typefaces), software development, technical services, OEM, etc.

Representatives : Ai Harada
Shareholding ratio : 100%
Number of employees : 46



Kan Corporation

Providing educational content that employs cloud services to achieve internal business improvement and innovations in communication.

Representatives : Mitsuhiro Sato
Shareholding ratio : 100%
Number of employees : 8



CyberTrust Japan Co., Ltd.

Providing of IoT services, OSS/Linux services, and certification/security services

Representatives : Yasutoshi Magara
Shareholding ratio : 71.92%
Number of employees : 211



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 : 4



DENEN Co. Ltd.

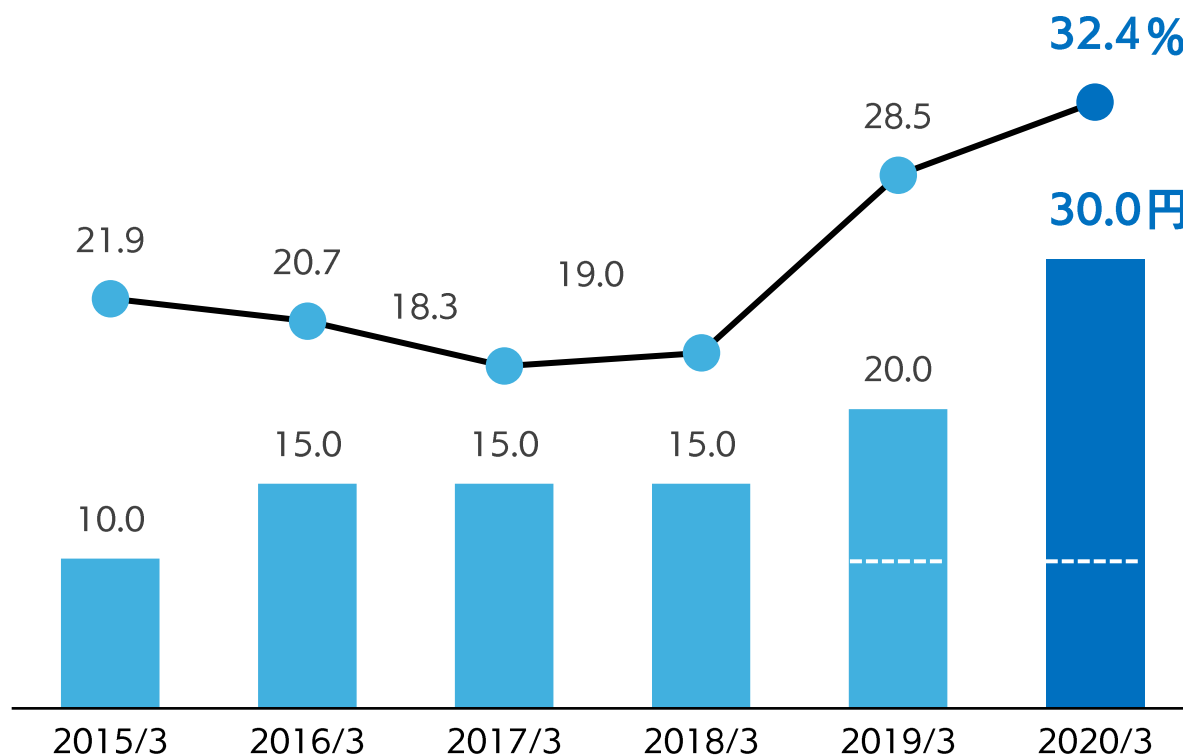
Providing system consulting and web system development solutions, primarily for the telecommunications sector and local governments.

Representatives : Toshio Kato
Shareholding ratio : 100%
Number of employees : 113

Dividend policy/Dividend Information

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/ Dividend 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

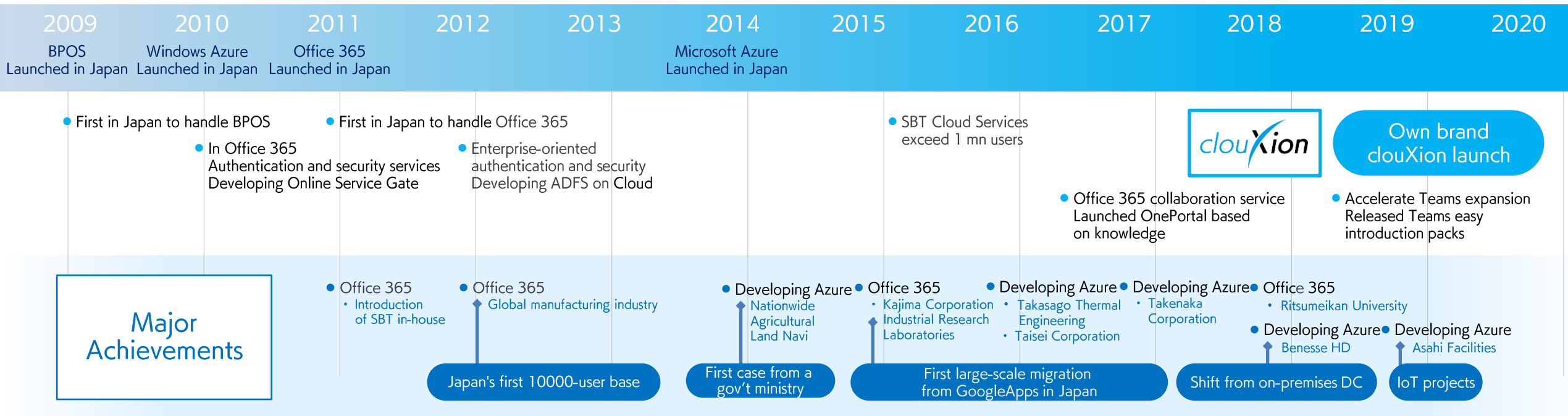
*The Company conducted the 2-for-1 share split of the Company's common stock on June 1, 2017.

Our Business

= SB Technology

Microsoft Cloud Business Strengths

- ✓ **The Longest History of Initiatives in Japan** SBT launched its Microsoft Cloud Business in 2009, when the cloud was in its infancy. We are No.1 in the number of companies that have introduced Teams in Japan.
- ✓ **A Top-Class Track Record** From Microsoft 365 deployment for entire companies to development in Azure environments for business divisions, with a focus on leading companies, SBT's track record is top-class.
- ✓ **A Wealth of Unique Solutions** SBT has developed numerous cloud utilization solutions based on our knowledge base and feedback from our end users, and is No.1 in sales of services using Azure.



Cloud Implementation Successes (as of end of September 2020)

Category	Count
Cloud SI Implementation	1,099 companies
Cloud SI Implementation	393 companies
ClouXion Implementation	706 companies

Microsoft Cloud Competencies

Certification to recognize the performance of a partner that sells and deploys cloud services

SBT claimed The GOLD Prize in 4 areas

- Gold • Cloud Platform
- Gold • Cloud Productivity
- Gold • Enterprise Mobility Management
- Silver • S&M Cloud Solutions

Microsoft Partner of the Year

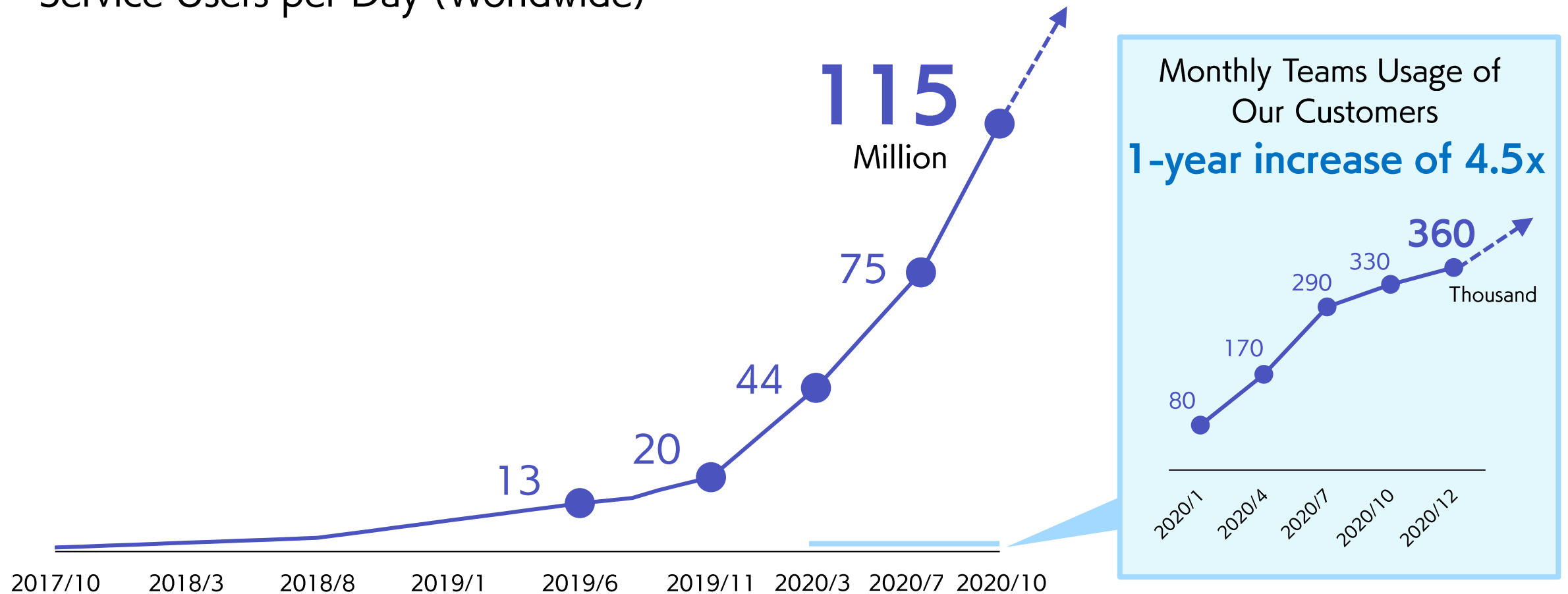
8-time award winner;
Awarded for seven consecutive years since 2014

Japan's first quadruple crown

(as of August 2020)

Microsoft Teams

Service Users per Day (Worldwide)



Source: Microsoft Japan

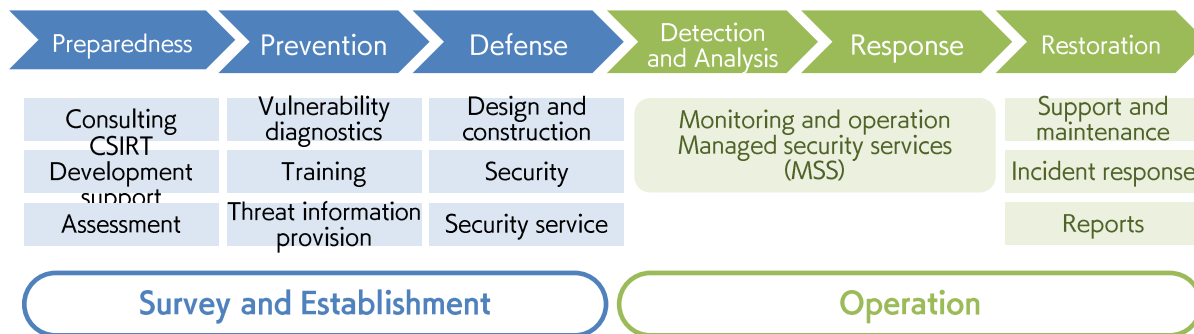
Why Our Clients Choose SBT

A long-standing record of security and early efforts toward cloud security

Since the beginning of 2000, we have focused on the security business, and have been the first to work towards the realization of optimal security for the cloud, making use of our top-class domestic cloud adoption record and expertise.

Total solutions from the introduction of security to operation

We use our extensive experience and know-how as an integrator familiar with the cloud to provide total security solutions, from planning to operation.



In-house SOC*s with full global support

We operate multiple SOC*s in Japan and abroad, and our security specialists monitor your security risks 24 hours a day, 365 days a year. Our services were recognized as conforming to "Information Security Service Standards" stipulated by METI.

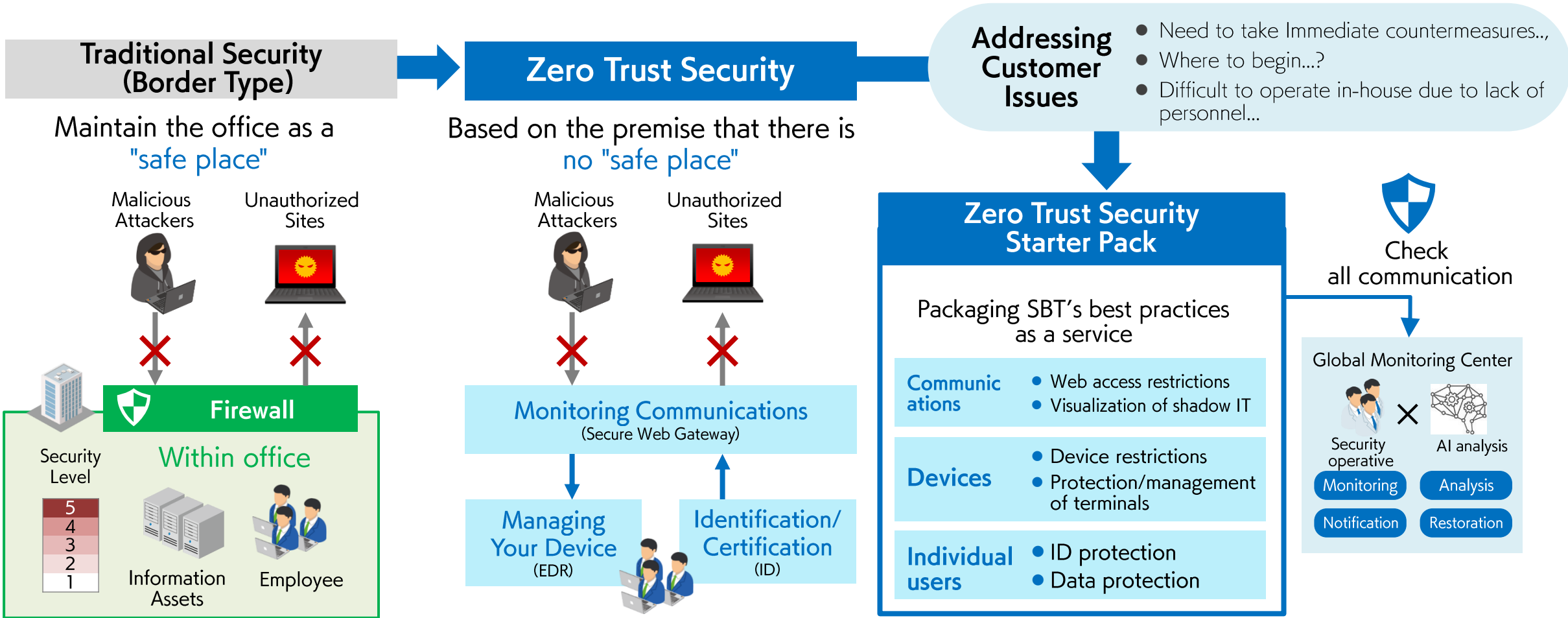
An impressive implementation track record, primarily among leading companies and local governments

- Detect massive quantities of alerts
SOC support for major telecom carriers
- Local government information security cloud
Provision of NOCs and SOC*s to 4 prefectures and 121 municipalities
- Security Support Across a Wide Range of Sectors, including manufacturing and construction

Numerous external security awards received

Microsoft	Security and Compliance award	2018
Imperva, Inc.	Top Growth Partner Award	2017
Japan Network Security Association JNSA	Prize special award	2017
McAfee	Partner Award 2016 2 category award	2016

Security measures in the new normal era



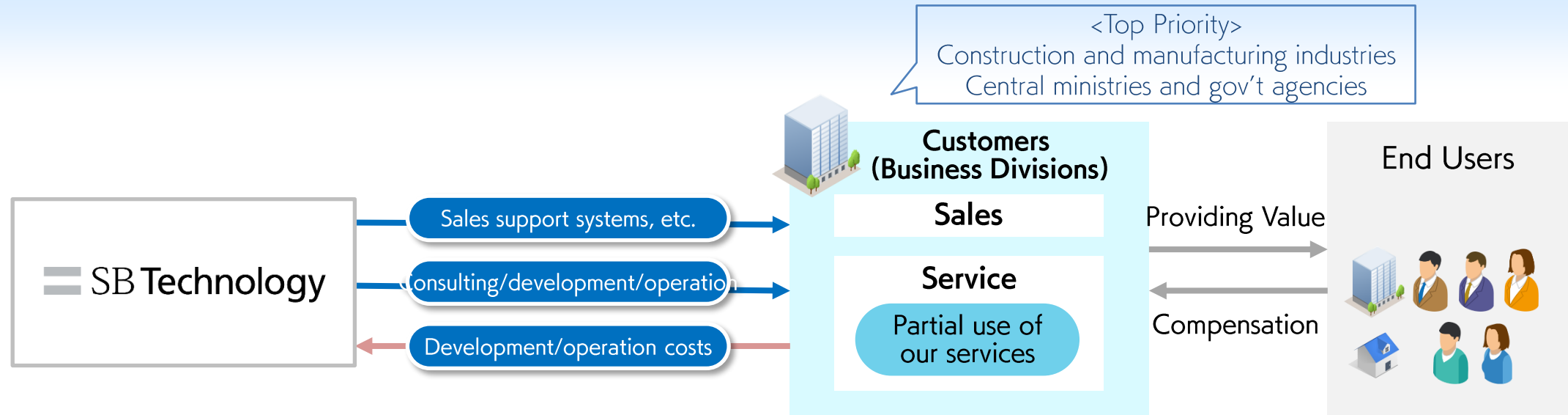
Introducing Business IT Solutions



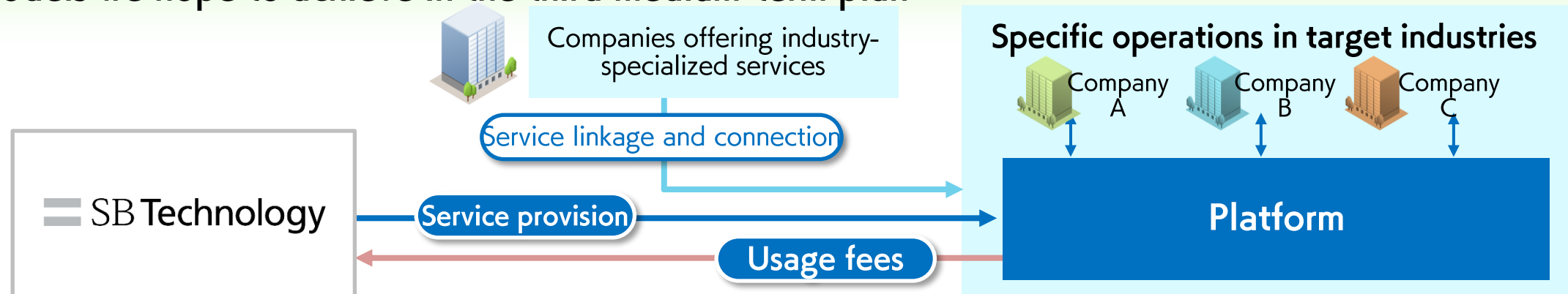
Business IT Solutions

Cloud Business
(For Business divisions)

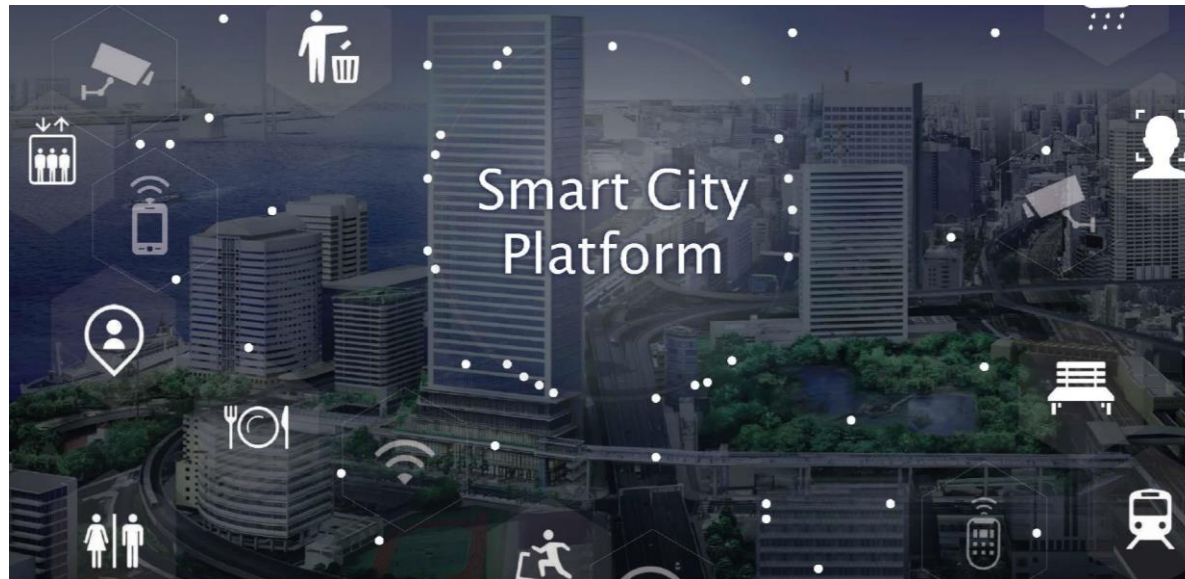
- Consulting services
- DX Solution
- AI, IoT Solution, etc.



➤ Models we hope to achieve in the third medium-term plan



Examples of Smart City Platform building



Development



- Supporting the development of platform infrastructure
- Support for developing Azure infrastructure

Management / Operation



- Monitoring response (Alert detection)
- Primary response/isolation
- SBT development operations, etc.

Services Introduced

- Cloud development
- IoT Core Connect

Customer Overview

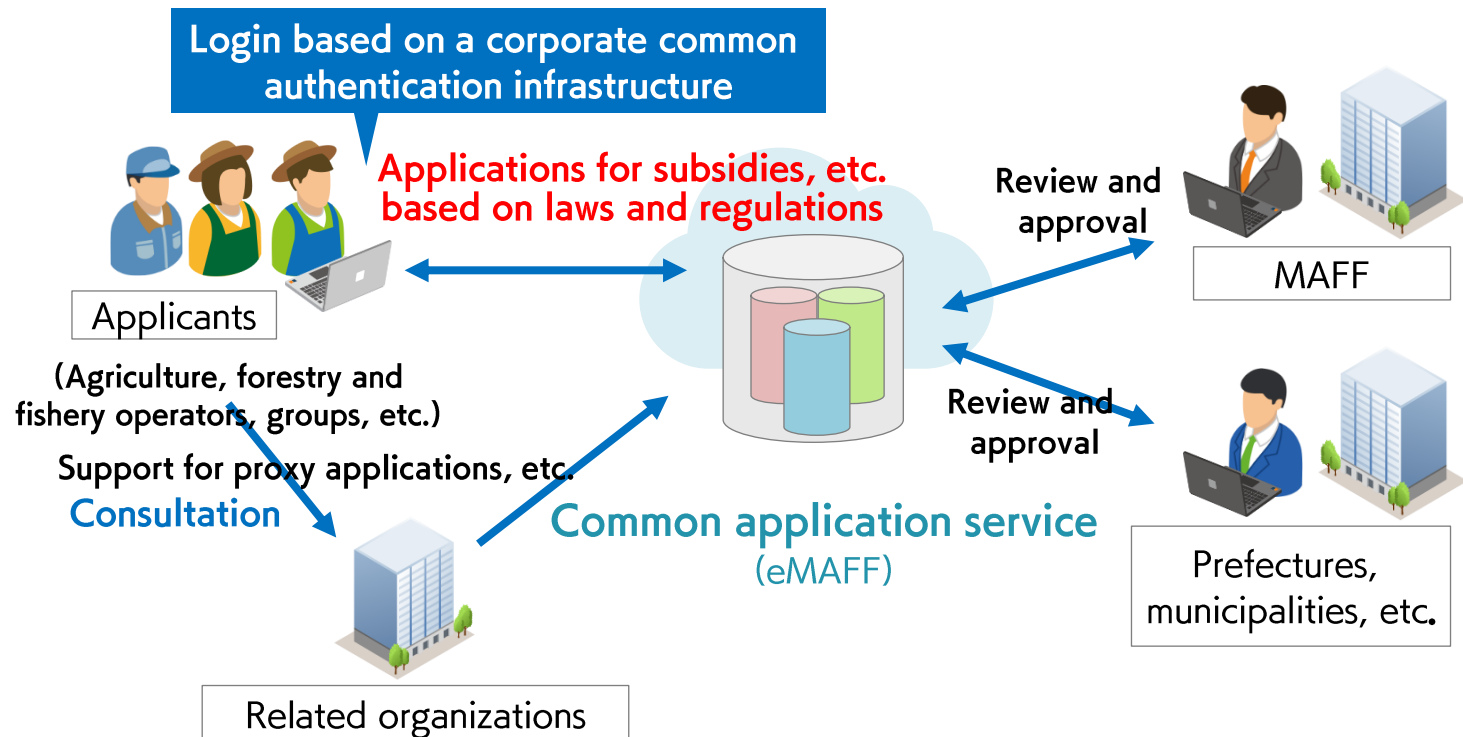
Customer	SoftBank Corp.
Field	Information & communication

Case Outline

- Supporting the establishment of a platform infrastructure for the "Smart City Platform" established by SoftBank
- Adopting "IoT Core Connect" as part of device-intelligence gathering measures
- Detection and isolation of alerts coming from Smart City Platform at the SBT Monitoring Center

Example of digital government

MAFF* Common application service (eMAFF)



* Diagram created based on a press release by the Ministry of Agriculture, Forestry and Fisheries

Services Introduced

- Cloud development (system for the people)

Customer Overview

Customer	MAFF
Field	Central government ministries

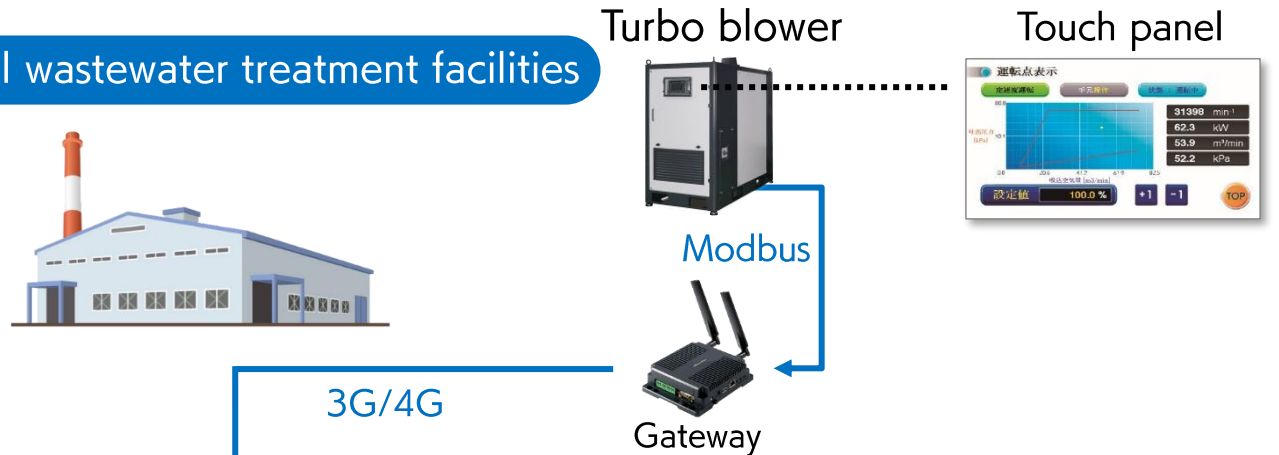
Case Outline

- Contributing to the promotion of "From Paper to Digital" by making full use of cloud and security Knowledge
- Development of a system that allows for electronic applications for subsidies and grants to be made according to laws and regulations under the jurisdiction of the Ministry of Agriculture, Forestry and Fisheries,

* Ministry of Agriculture, Forestry and Fisheries

IoT implementation at a wastewater treatment facility

Industrial wastewater treatment facilities



- Allows for remote management of turbo blower operation status and setting data.
- Delivers email notifications to relevant parties on the content and regarding how to deal with errors when they occur.
- Features an intuitive and easy-to-operate screen
- Automatically creates slips for daily, weekly, and monthly reports (in connection with external service)



Operating screen



Trend graph screens

Person in charge at
ShinMaywa Industries

ShinMaywa Industries
Maintenance Provider

End-user

Services Introduced

- IoT Core Connect

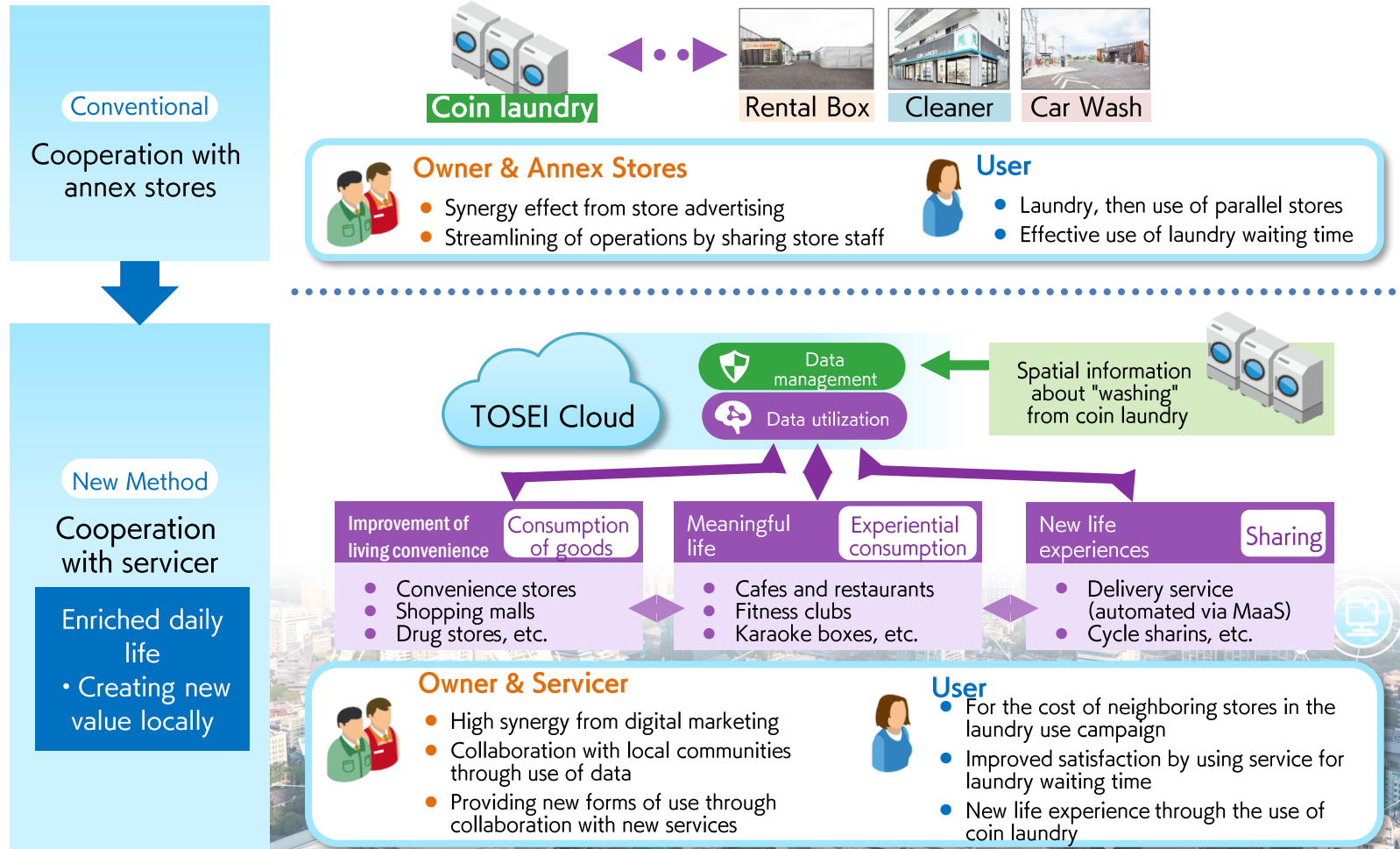
Customer Overview

Customer	ShinMaywa Industries, Ltd.
Field	Manufacturing industry

Case Outline

- Employed IoT to minimize downtime for turbo blowers
- Reduced the burden of checking the status of equipment operation and reduced management costs through a remote monitoring service customized to our client's specifications
- Future plans for ICC to further improve the quality of products and product preservation/repair through AI-based preventive maintenance.

IoT example of a coin laundry



"TOSEI Cloud" service concept image

Services Introduced

- IoT Core Connect

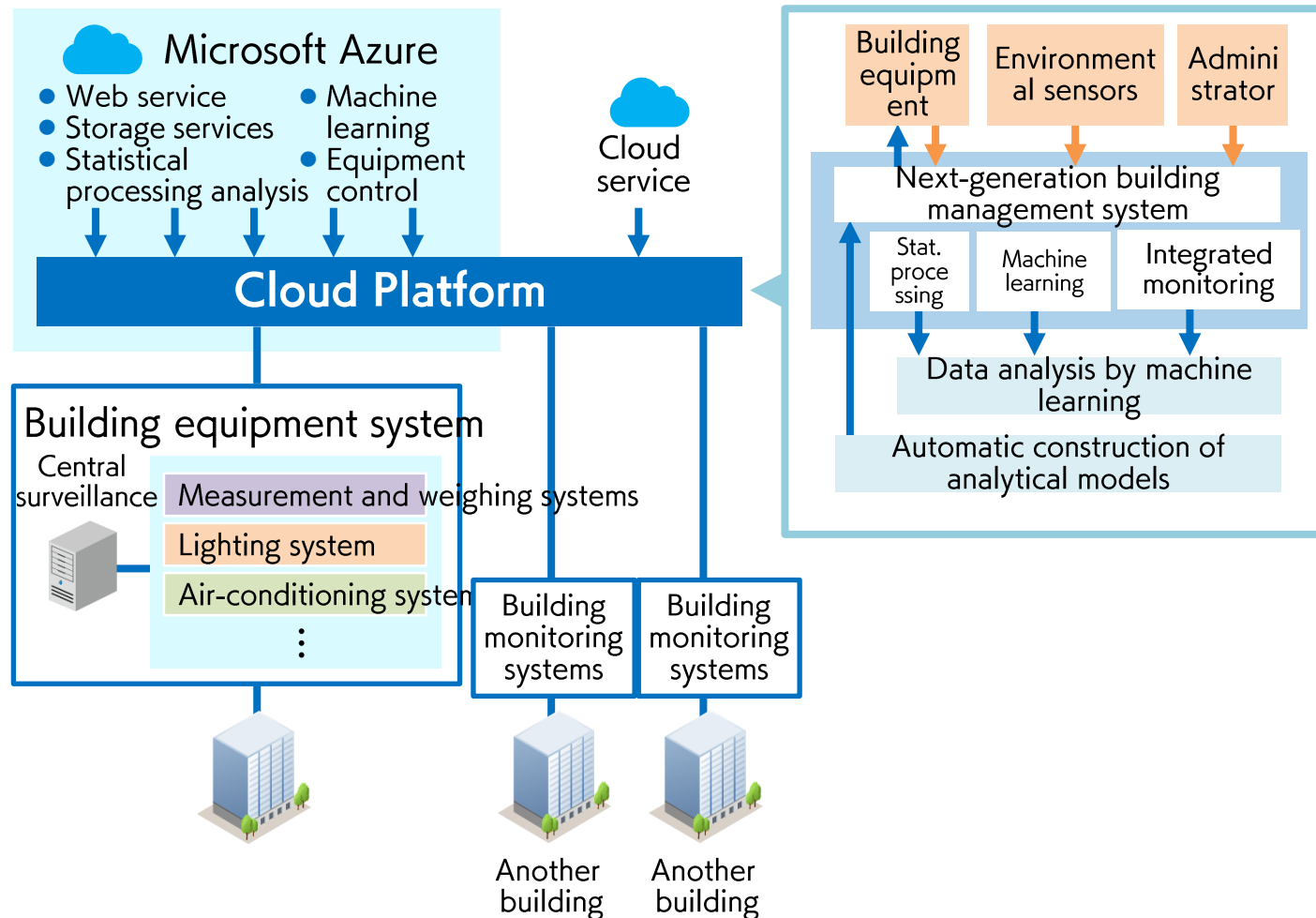
Customer Overview

Customer	TOSEI Corporation
Field	Manufacturing industry

Case Outline

- To create new value for coin laundry customers and owners, we have made coin laundry IoT a reality.
- Adopted "IoT Core Connect" for IoT data control
- Equipment operation information is provided to customers, allowing them to check in advance to see if machines are available for use.
- Operators manage sales information, operation information, and equipment information, all in real time.

IoT implementation at a building



Services Introduced

- Azure Machine Learning analytics support systems
- IoT construction servicing

Customer Overview

Customer	Takenaka Corporation
Field	Construction industry

Case Outline

- Instituted demonstration experiments to reduce power consumption in multiple buildings using machine learning
- Built a system to predict power consumption using Azure ML
- Provided one-stop support for power consumption prediction systems and optimization

Example of a common industry-targeted service (for the construction industry)

Common challenges of the past

Prime contractor

- A need to build a physical server in the workshop
- Risk of losing data in the event of a disaster
- Managing users is complicated

Cooperating companies

- IDs/passwords must be managed for every site



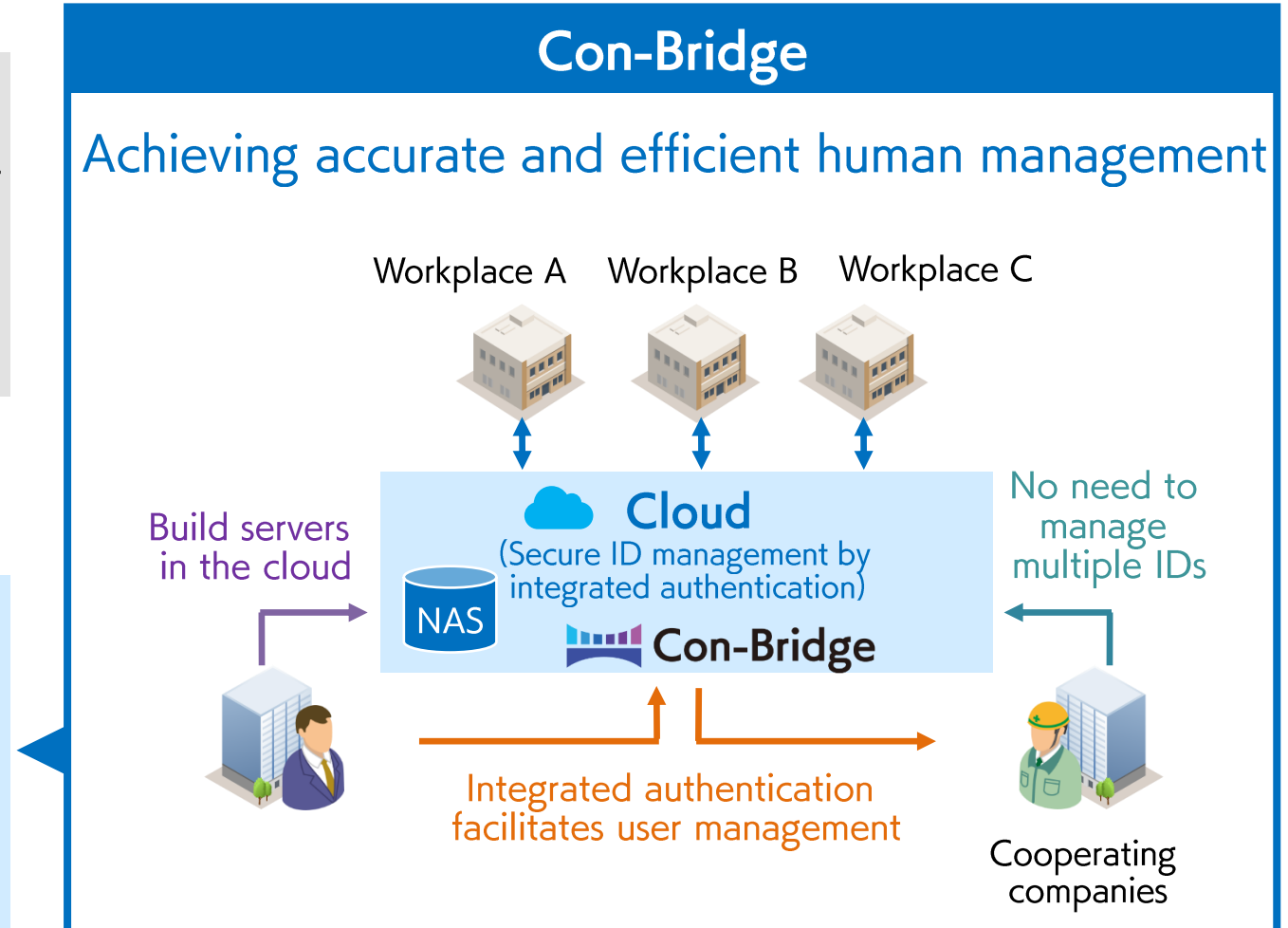
Solved with Con-Bridge

Prime contractor

- Build servers in the cloud
- Securely preserve data
- Centralized ID management with integrated authentication

Cooperating companies

- Access to information from multiple workstations with one ID



Example of BIT/Introduction of services (7/7)

Examples of a common industry-targeted service (for the manufacturing and construction fields)

Conventional issues

- A need to physically visit the site
- Physical visits are problematic due to the COVID-19 pandemic, but phone calls take time
- Unable to confirm that work has been done correctly



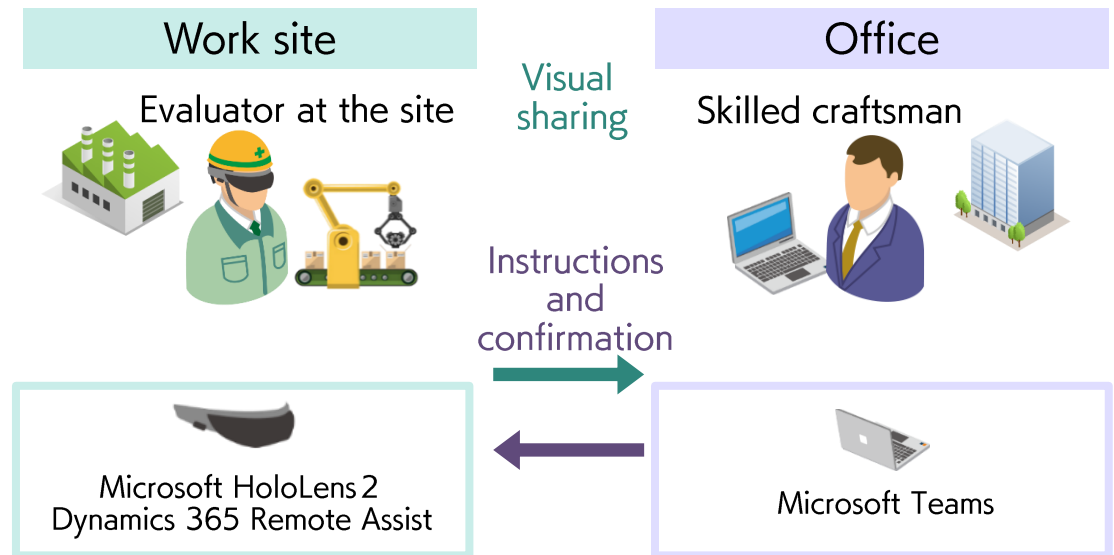
Solved using HoloLens 2 (smart glasses)

- Skilled craftsmen instruct on-site workers through video sharing of on-site conditions
- On-site workers carry out operations according to the instructions of skilled workers.
- Used for operational verification and educational materials with the Teams recording function



Microsoft HoloLens 2 Implementation Support Service

Supporting remote operations by skilled workers and experts



Initial setup support & operating procedure training
Inquiry support & device management support

Introducing Corporate IT Solutions



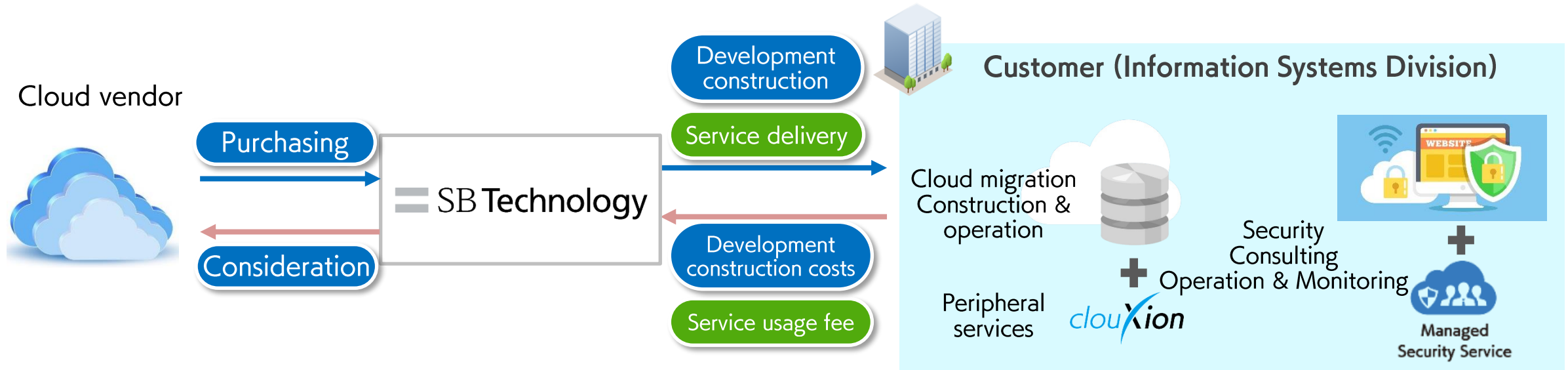
Corporate IT Solutions

Cloud Business
(for company-wide and administrative divisions)

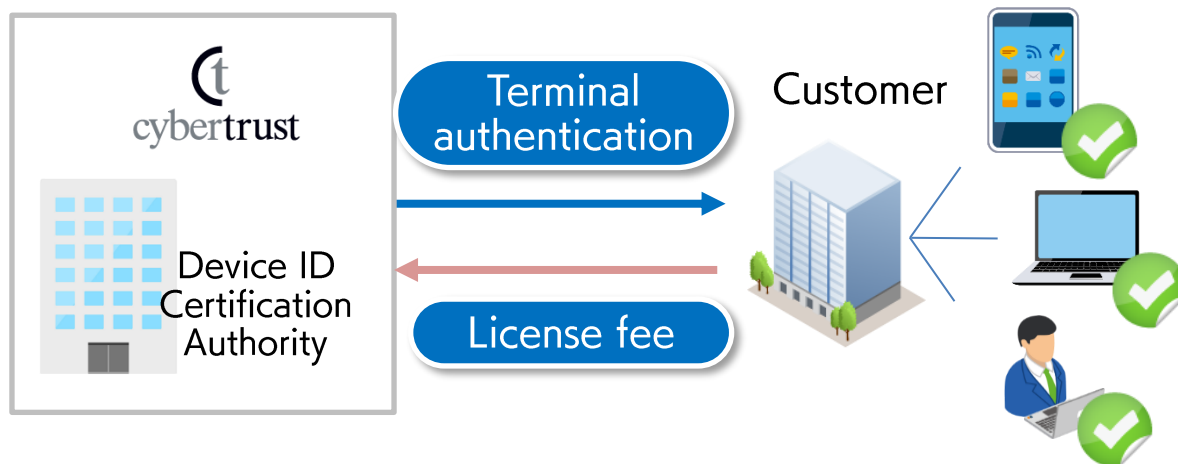
- Cloud Integration
- Business efficiency services
- Cloud security services
- Security operations monitoring service
- E-authentication solutions, etc.

CIT's Business Model

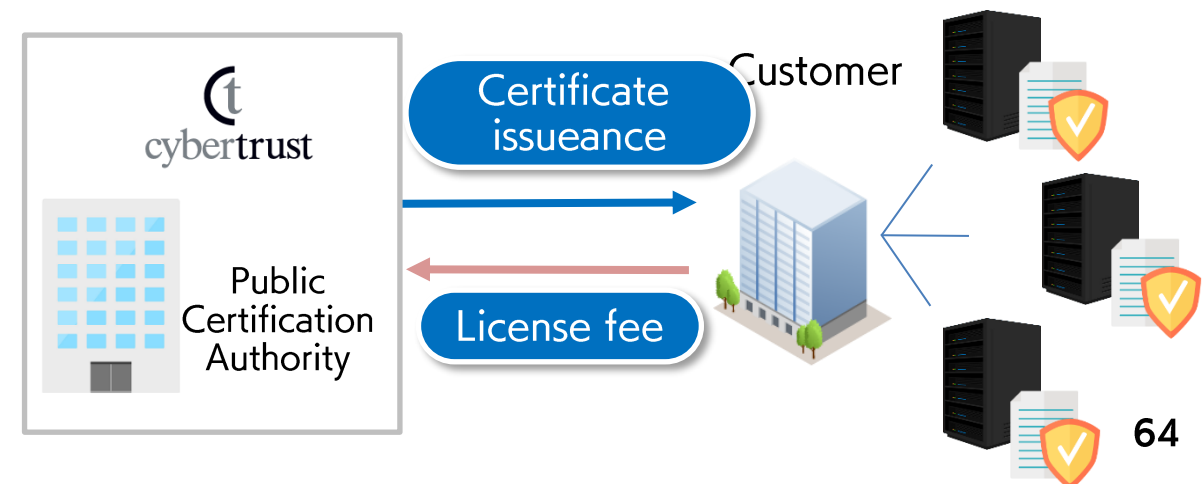
SB Technology



Number of devices x Device ID cost



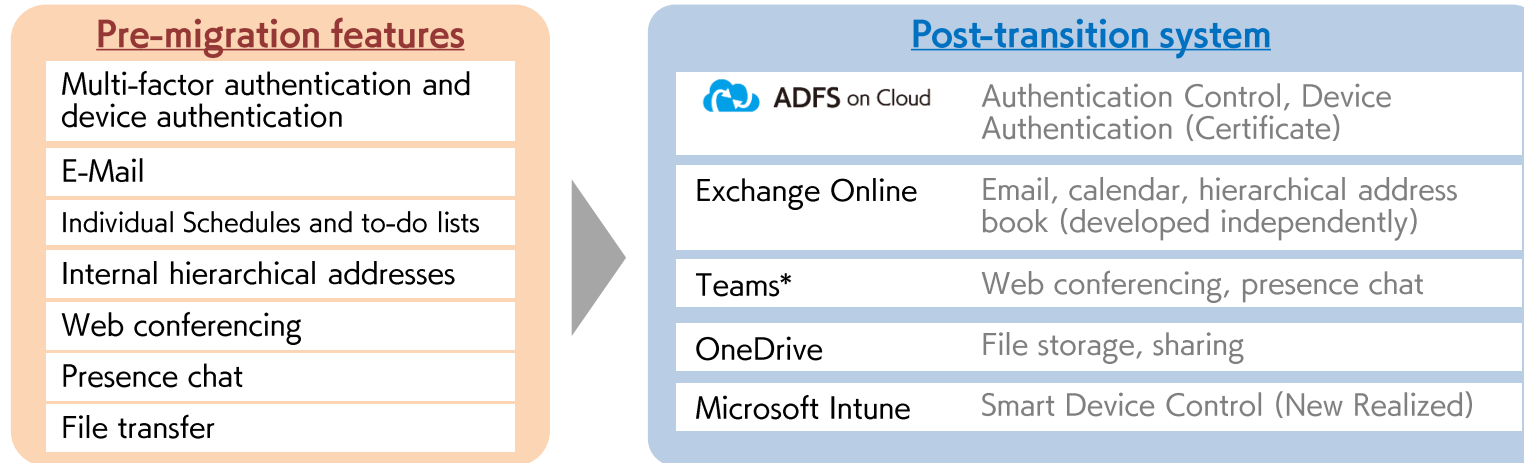
Number of servers (number of domains) x Certificate cost



Case study of Cloud migration

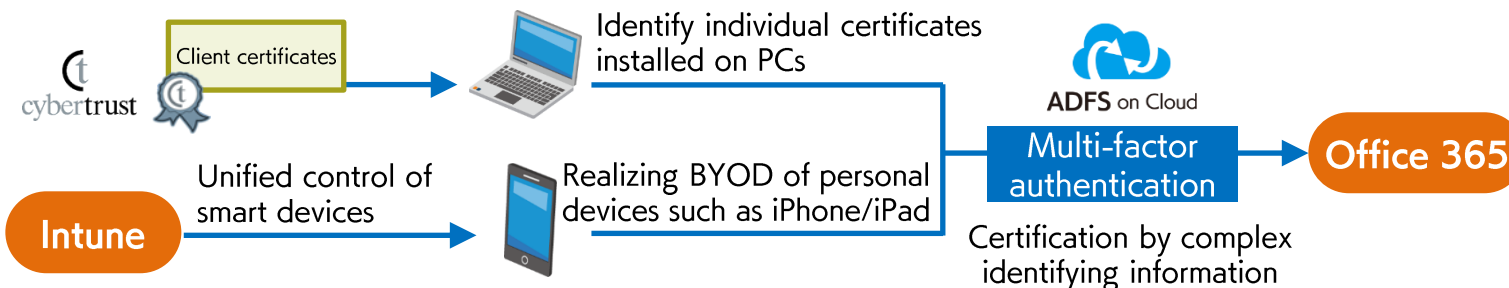
Combining SBT's proprietary service clouXion, certification from Cybertrust Japan Co., Ltd., and various Microsoft services, we have built a secure access control system that identifies users and terminals, and achieved an environment where smart devices can be securely used. BYOD(*) has also been realized.

* Bring your own device: a system by which employees can use individually owned smartphones and laptops for their work



■ Certification infrastructure centered ADFS on Cloud

* Name at the time of introduction



Services Introduced

- Microsoft Office 365
- Microsoft Azure
- Microsoft Intune
- ADFS on Cloud (clouXion)

Customer Overview

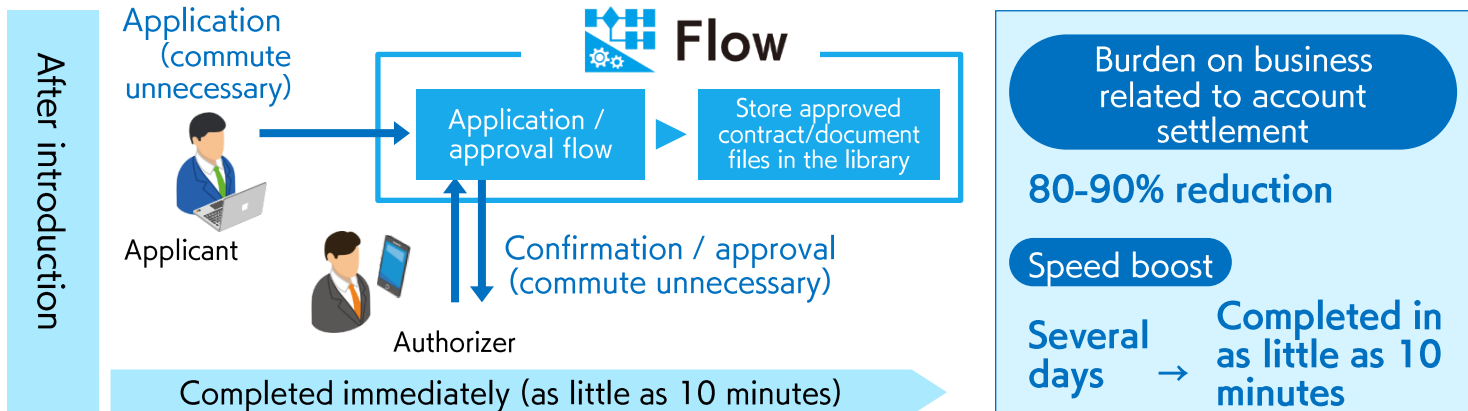
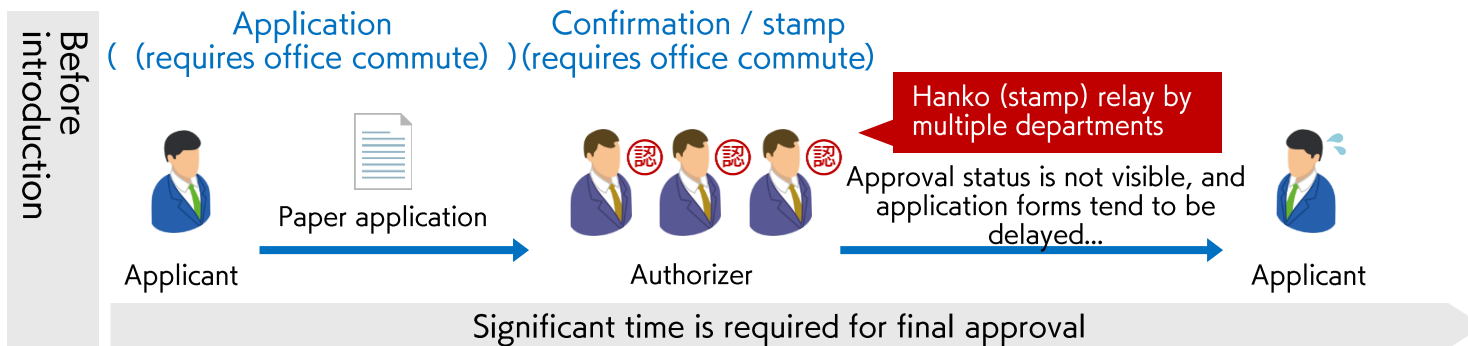
Customer	Taisei Corporation
Field	Construction industry

Case Outline

- Built a next-generation communication infrastructure to improve individual and organizational productivity
- A case study with a scale of 20,000 users
- Utilized smart devices to achieve wide-ranging work style transformation

Case study of Flow

Through the introduction of Flow, a workflow service based on SharePoint Online, application and work approval previously handled through paper documents—requiring a long time and high cost to complete—was transformed to an efficient digital system. Applications which formerly took multiple days to process can now be completed in 10 minutes at the shortest.



Services Introduced

- Flow

Customer Overview

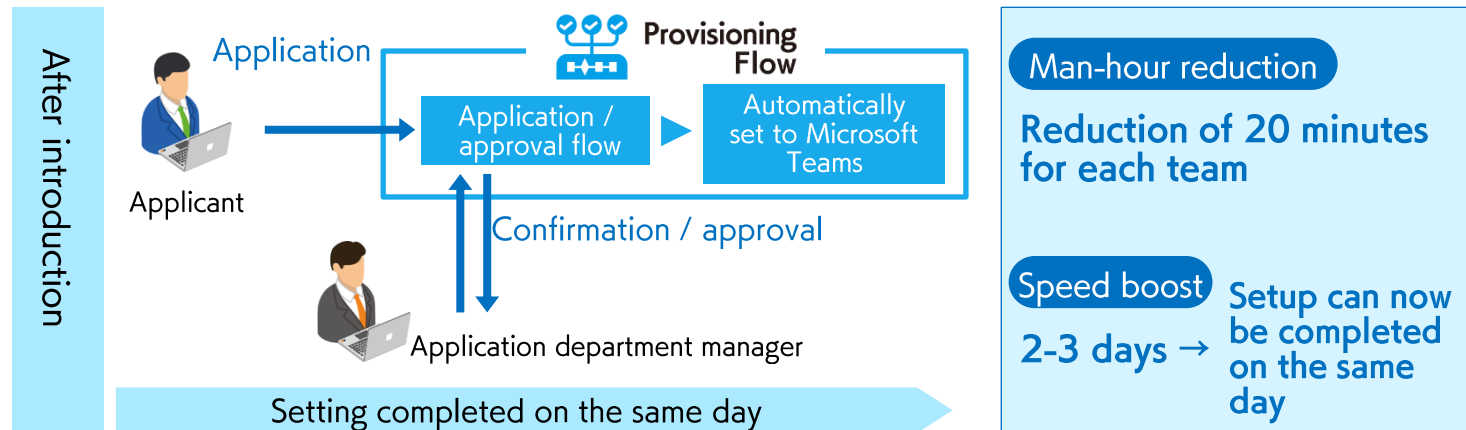
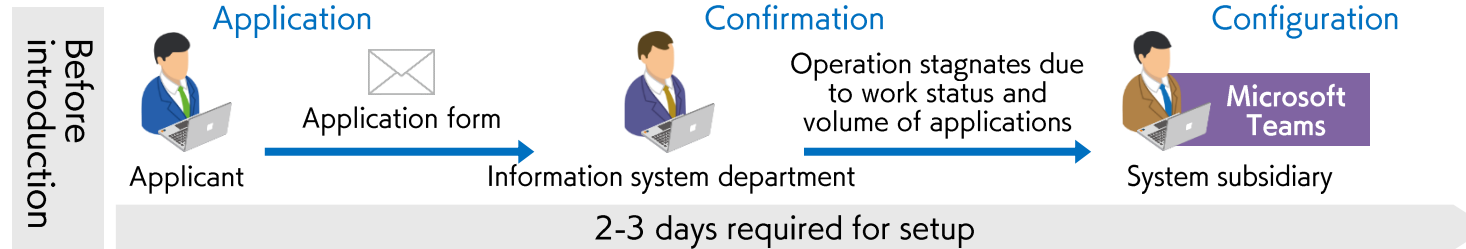
Customer	Onward Kashiya Co., Ltd.
Field	Retail / service industry

Case Outline

- Flow introduced for approximately 4000 accounts, including some group companies
- Applications that formerly required multiple days can now be processed in as little as 10 minutes, with the workload associated with application and adjudication processing reduced by 8-9%
- Approval can now be processed via smartphone, removing the need for a physical commute to the office

Case study of Provisioning Flow

Introduced Provisioning Flow, a SharePoint based cloud service, to solve Microsoft Teams operational issues. Built an application workflow and significantly reduced the time it takes to create a team.



Services Introduced

- Provisioning Flow

Customer Overview

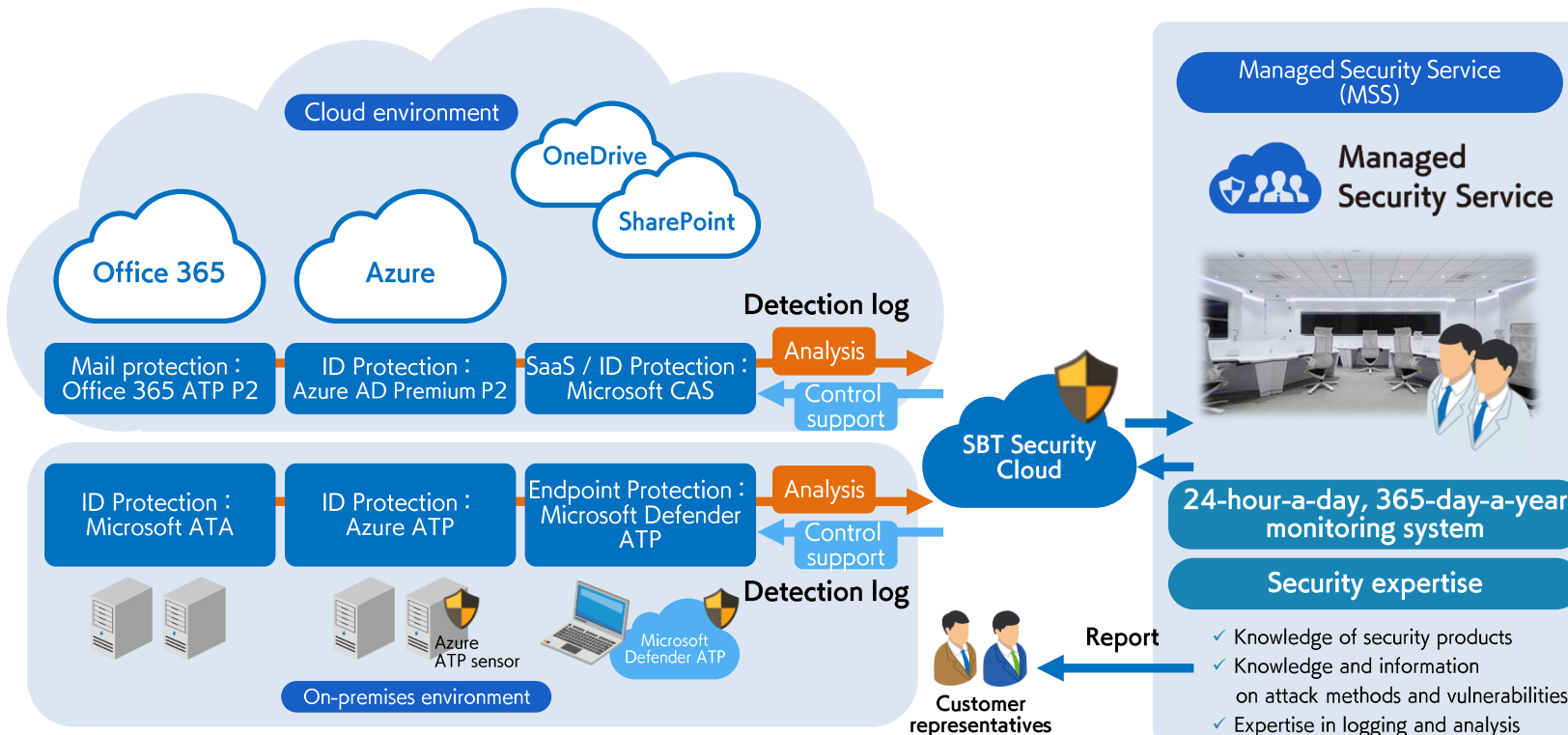
Customer	Asahi Group Holdings, Ltd.
Field	Manufacturing industry

Case Outline

- Introduced "Provisioning Flow" and "Easy-to-install Pack for Microsoft Teams" to streamline operations such as creating Microsoft Teams teams
- Shortened the period from application to team creation is from two to three days to within a single day.
- Eliminated manual input and transcription errors through automation

Case study of MSS for Microsoft 365

Reduced the workload of a university Information Systems Department from a situation where Microsoft 365's security functions continued to detect a large number of alerts. Through 24-hour, 365-day threat monitoring and correlation analysis of logs, security experts can now effectively deal with cyber attacks.



* Microsoft Defender ATP's response requires a separate MSS for EDR contract.

Services Introduced

- **MSS for Microsoft 365**

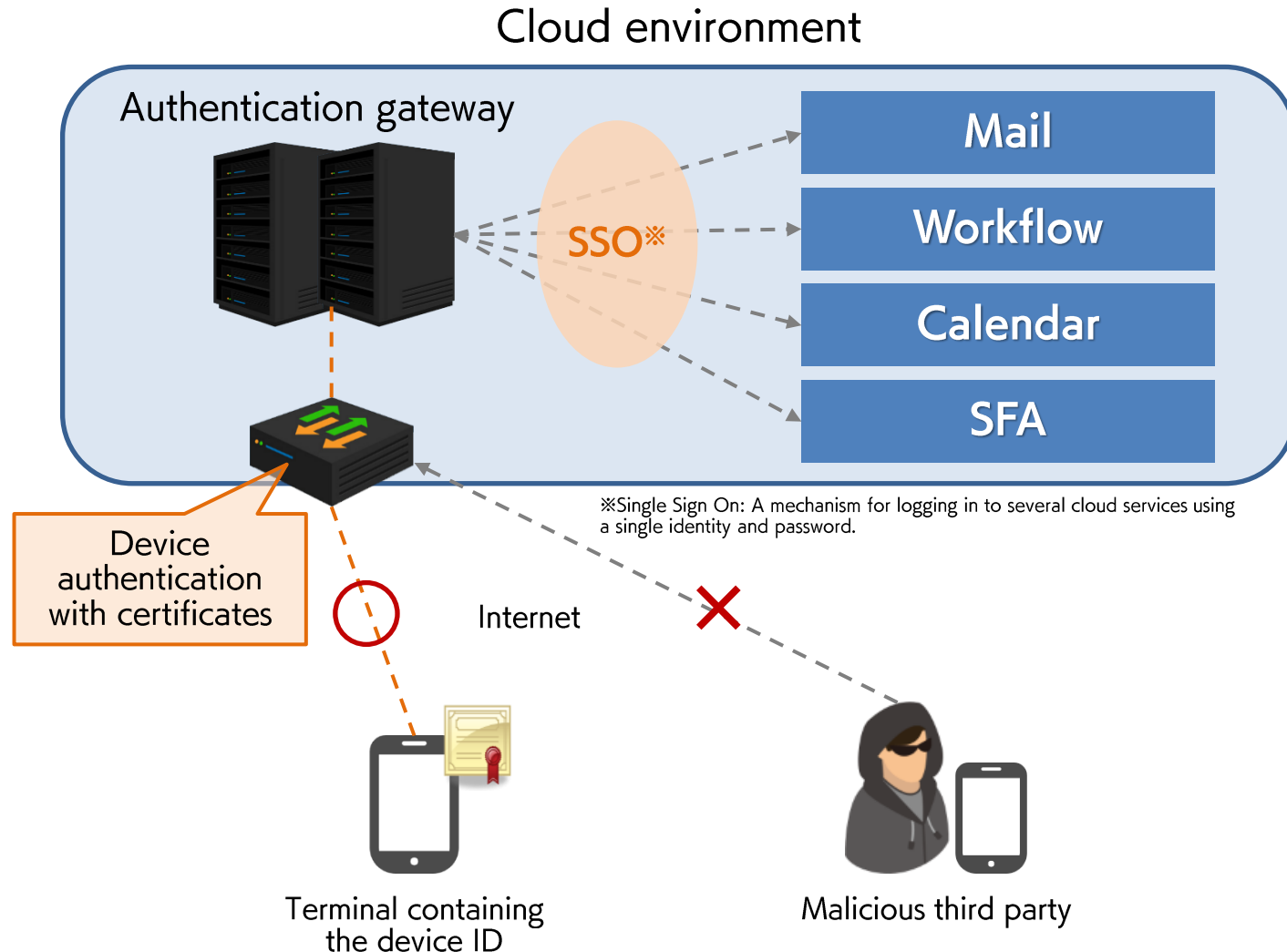
Customer Overview

Customer	Tokyo University of Science, an incorporated educational institution
Field	Education

Case Outline

- Reduced the workload of the Information Systems Division by about six man-days per month
- Reports from security experts are now utilized for further security enhancement measures

Case study of Cyber Trust Device ID



Services Introduced

- Device ID

Customer Overview

Customer	Sios K.K.
Field	Information & communication

Case Outline

- Due to strongly voiced requests from sales representatives, BYOD (Bring Your Own Device) was approved, and personal devices came to be used for business. This resulted in issues such as model compatibility and added workload for configuration.
- To solve these issues, we introduced a CyberTrust device ID that supports multi-OS and multi-device and can significantly reduce operational costs
- It is now possible to complete everything from application to use on the same day, improving operational efficiency. The number of man-hours required for operation and management of electronic certificates has been halved.

Case study of M-SOLUTIONS Smart at batch for kintone

Services Introduced

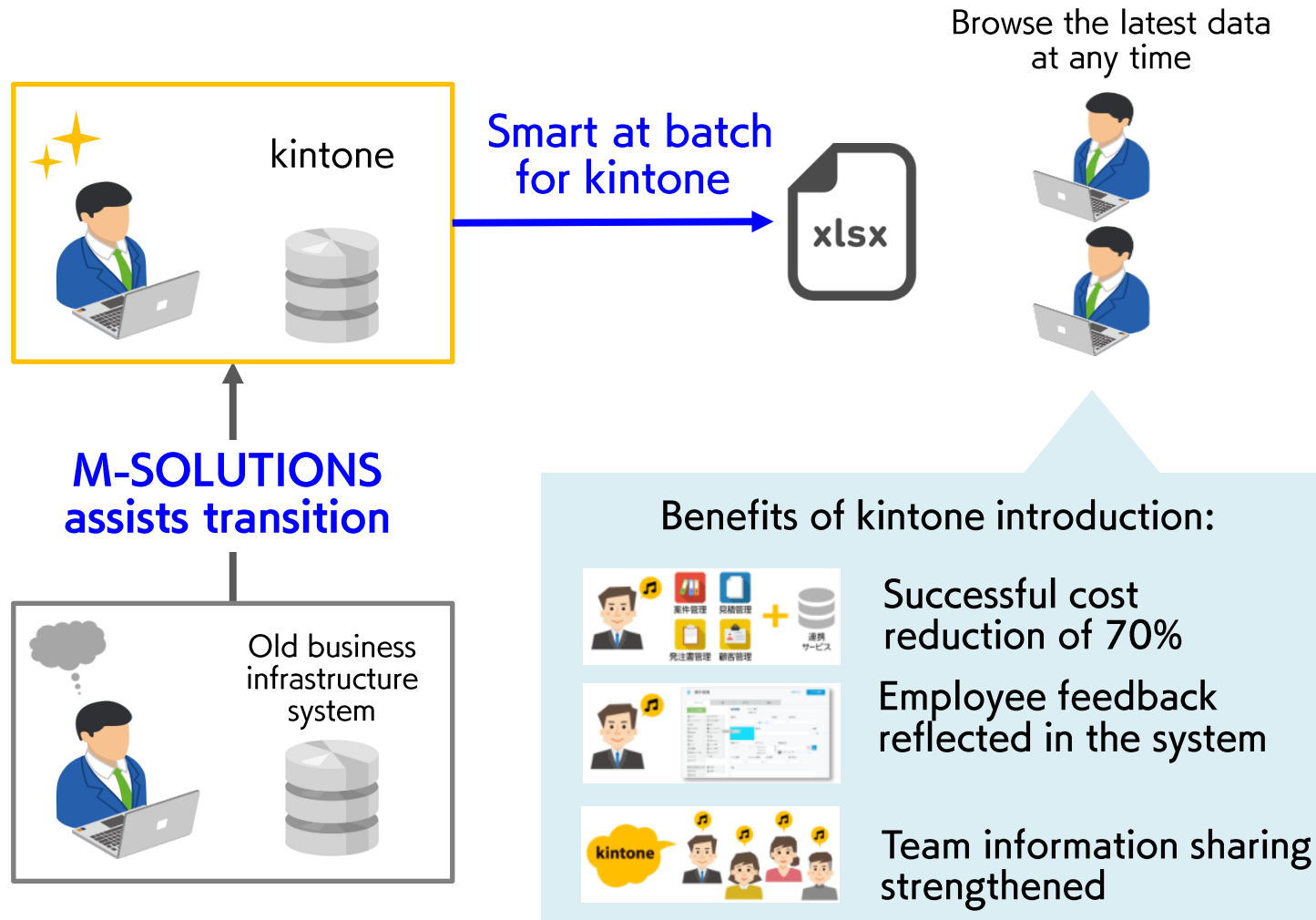
- Smart at batch for kintone

Customer Overview

Customer	Zeal Co., Ltd.
Field	Information & communication

Case Outline

- There is a cost each time functions are added and items modified, increasing the burden on employees who must adapt to the system.
- Achieved system optimization of adding desired functions in a manner adapted to the workplace, and realized cost reduction of 70%.
- Using M-SOLUTIONS's Smart at batch for kintone, all members—including the company president—can browse kintone's updates on Excel.

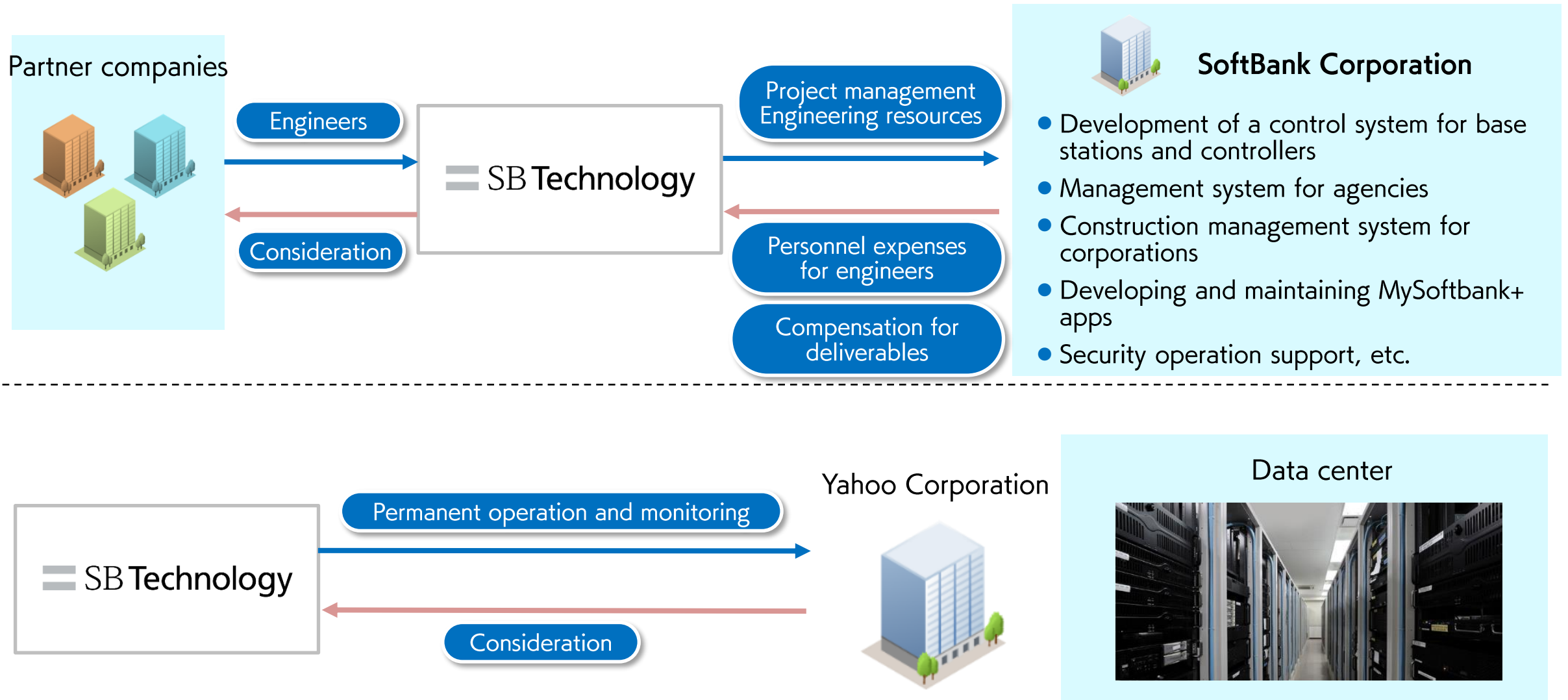


Introduction of Technical Solutions

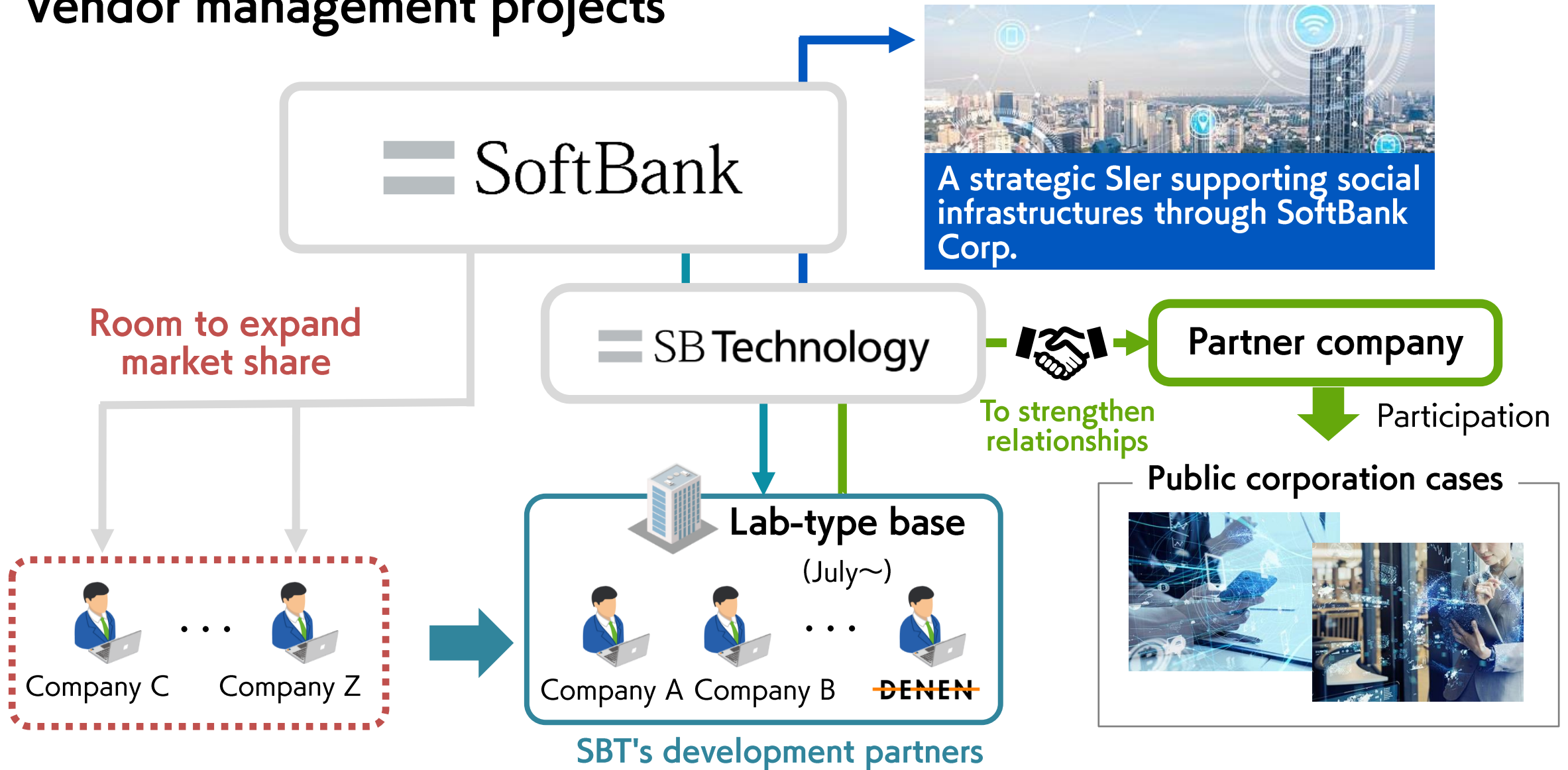


Technical Solutions

- Support for development and operation of on-premises(including private cloud computing)
- Equipment sales, construction, operation and maintenance services
- Sales and embedded developments of Linux/OSS related products, etc



Vendor management projects



Introduction of EC Solution

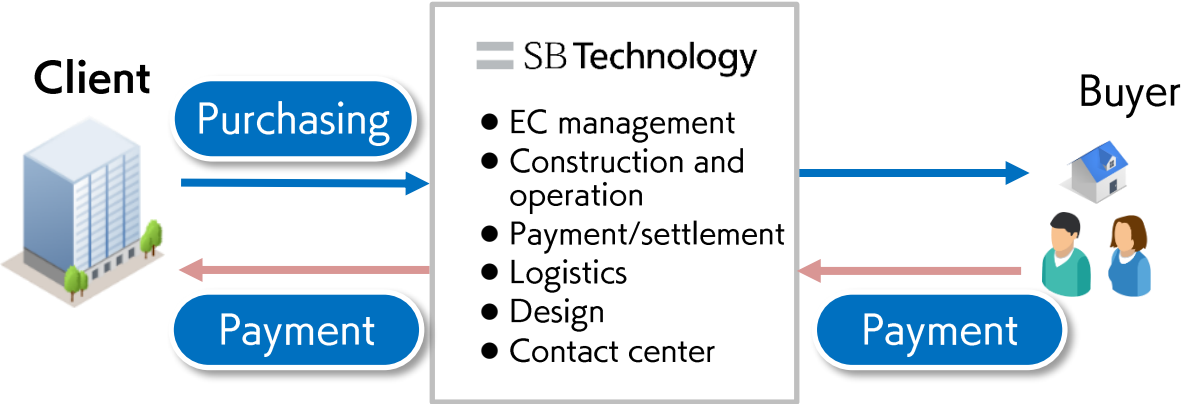
EC Solutions

- EC site management agency
- E-commerce sales of font licenses, etc.

EC Site Distribution Agent Model

Operated with profit margins from purchase and sale

SBT is the primary seller

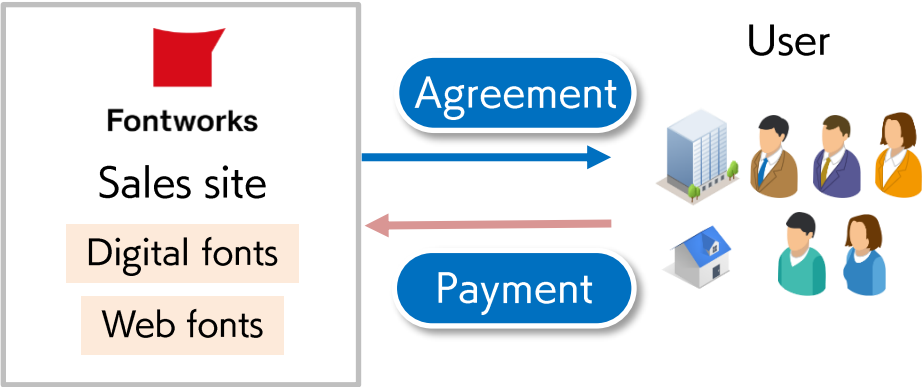


EC Site Subcontractor Model

Operated with payment for services



Year × License number type

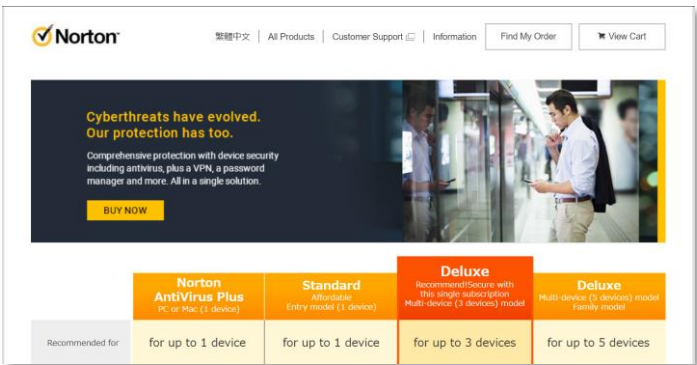


Case Study / Introduction of Services (1/2)

Japan



Hong Kong



Taiwan



China



Korea



EC Site Sales Agency Type

Customer Overview

Customer	NortonLifeLock Inc. (formerly Symantec Corporation)
Field	Information & communication

Case Outline

- One-stop operation of the Norton Store, a distributor of antivirus software which boasts a global share
- 25 years of experience in operating the Japanese site



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Materials to be Considered

1. Due to a review of solution classifications for some solutions, the amounts of sales and marginal income before the previous fiscal year for each service classification have been calculated in accordance with the current method of recording.
2. 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.

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 **SB Technology**