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July 20, 2017

Dear Sir,



Company Name: SoftBank Technology Corp.
(Code No.: 4726 Tokyo Stock Exchange, First Section)
Representative: Shinichi Ata
President & CEO
Contact Person: Hatanaka Yoichiro
Senior Director
Corporate Planning Dept.
Phone: +81-3-6892-3063

Notice Regarding Merger between Subsidiaries

SoftBank Technology Corp. (hereinafter “the Company”) hereby announces that a meeting of its Board of Directors on July 20, 2017 approved a resolution to execute a merger effective on a planned date of October 1, 2017 (hereinafter “the Merger”) between two of its subsidiaries, Miracle Linux Corporation (hereinafter “Miracle Linux”) and Cybertrust Japan Co., Ltd. (hereinafter “Cybertrust”).

This announcement omits part of the details of the Merger given that it is a merger between subsidiaries of SoftBank Technology Corp.

1. Purpose of the Merger

Since its founding in 2000, Miracle Linux has been offering an enterprise Linux operating system featuring Japan-quality technologies and support under the brand of *MIRACLE LINUX* to telecommunications operators, the public sector, financial businesses and other customers in a broad array of industries. In addition to its track record of adoption in the enterprise domain, it applied Linux kernel technologies to an embedded Linux operating system for dedicated devices, resulting in sales growth. Amid the recent acceleration of practical application of the Internet of Things (IoT) solutions, Linux is increasingly being adopted as operating system for IoT devices. Accordingly, its embedded technology business continues to grow.

Cybertrust is an information security company that has been offering security and reassurance to a large number of clients and partners through electronic certification services since its establishment in 1995. As Japan’s first commercial electronic certification authority, it has the longest operation track record in the country and provides server certificates and other electronic certification services. It also offers the Secure IoT Platform, which is a certification platform aimed at ensuring secure and reassuring utilization of IoT devices, modes of use and applications of which have been expanding in recent years.

The new company resulting from the Merger will integrate Miracle Linux's embedded technologies with Cybertrust's security technologies to run a globally accepted IoT business that defines the Secure IoT Platform as a pillar of its growth strategy.

The brand names of existing businesses of the two companies concerned will be maintained. *MIRACLE LINUX* and Cybertrust's server certification *SureServer* and all other services will continue to be provided.

2. Summary of the Merger

(1) Merger timeline

Resolution of the Board of Directors for the Merger (The Company)	July 20, 2017
Resolution of the Board of Directors for the Merger and execution of the Merger agreement (Companies subject to the Merger)	July 20, 2017
Public notice of the Merger (Companies subject to the Merger)	August 21, 2017 (planned)
Approval of the General Meeting of Shareholders for the Merger (Two companies concerned)	August 15, 2017 (planned)
Date of the Merger (the effective date)	October 1, 2017 (planned)

(2) Method of the Merger

The Merger will be an absorption-type merger in which Miracle Linux will be the surviving company. The company resulting from the Merger will change its name into Cybertrust Japan Co., Ltd.

(3) Allotment of shares upon the Merger

	Miracle Linux Corporation (Surviving company)	Cybertrust Japan Co., Ltd. (Disappearing company)
Allotment of shares upon the Merger (merger ratio)	1	0.30577

(4) Treatment of share options and bonds with share options of the disappearing company

Not applicable

3. Outline of the Companies Subject to the Merger

	Surviving company	Disappearing company
(1) Company Name	Miracle Linux Corporation	Cybertrust Japan Co., Ltd.
(2) Address	Shinjuku-ku, Tokyo	Minato-ku, Tokyo
(3) Representative	Tatsuo Ito, President and CEO	Yasutoshi Magara, President and CEO
(4) Business	Development of Linux operating systems, development of software for enterprises on the basis of open source software (OSS), embedded Linux related business, and support and consulting business	Certification services business and security solutions business
(5) Capital	400 million yen	100 million yen

(6) Date of Establishment	June 1, 2000	September 19, 1995
(7) Principal Shareholders and Their Shareholding Ratios	NTT DATA Corporation Otsuka Corporation OBIC Business Consultants Co., Ltd. SunBridge Inc. SoftBank Technology Corp. (57.8%) NEC Corporation Hitachi, Ltd.	SoftBank Technology Corp. (100.0%)
(8) Fiscal Year End	March 31	March 31
(9) Financial Position and Operating Results for the Most Recent Fiscal Year		
Net assets	712 million yen	2,099 million yen
Total assets	1,283 million yen	2,692 million yen
Net assets per share	89,103 yen	66,424 yen
Net sales	1,136 million yen	1,982 million yen
Operating profit	190 million yen	160 million yen
Ordinary profit	197 million yen	160 million yen
Profit	143 million yen	246 million yen
Profit per share	17,973 yen	7,811 yen

4. Status after the Merger (expected)

(1) Company Name	Cybertrust Japan Co., Ltd.	
(2) Address	SHINJUKU EASTSIDE SQUARE 7F 6-27-30, Shinjuku, Shinjuku-ku, Tokyo 160-0022 Japan	
(3) Representative	Shinichi Ata, President & CEO	
(4) Business	<ul style="list-style-type: none"> • IoT related business • Electronic authentication services and security solution business • Development of Linux operating systems, development of software for enterprises on the basis of open source software (OSS), embedded Linux related business, and support and consulting business 	
(5) Capital	400 million yen	
(6) Fiscal Year End	March 31	
(7) Principal Shareholders and Their Shareholding Ratios	SoftBank Technology Corp.	80.9%

5. Future Outlook

This Merger will have a minor impact on the Company's consolidated financial results for the fiscal year ending March 31, 2018.