

※ It is translated by AI

# Third Quarter of the Fiscal Year Ending March 31, 2023

## Results of Operations

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January 25, 2023

SB Technology Corp.

Security Code : 4726

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

*Disclaimer:*

*This is an English translation of the captioned release. This translation is prepared and provided for the purpose of the reader's convenience. All readers are recommended to refer to the original version in Japanese of the release for complete information.*

 SB Technology

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# Financial Results

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**Financial  
Results****Public Sector and Enterprise drive revenue growth**

Operating income declined due to the inability to cover the increase in fixed costs resulting from the strengthening of personnel, etc.

**Orders  
Received**

Orders received increased in Enterprise and Public Sector, record high in Q3

**Record-high order backlog at the end of December**

**Full-year  
Forecast**

Continue withdrawal from low-margin projects, etc., leaving operating income unchanged despite lower sales

**Full-year forecast net sales JPY 67 billion, Operating income JPY 5.4 billion Improving margins**

- Public Sector and Enterprise projects increased, offsetting lower Telecommunication revenues
- Despite an improvement in the gross profit margin, operating income decreased due to an increase in SG&A expenses stemming from the strengthening of personnel and other factors

[Millions of yen]	(Profit margin)	FY22Q3	FY21Q3	Change	Change %
Net sales		<span>Record High</span> 48,231	47,626	+605	+1.3%
Operating income		3,541 (7.3%)	3,660 (7.7%)	▲118	▲3.2%
Ordinary income		3,489 (7.2%)	3,622 (7.6%)	▲133	▲3.7%
Profit attributable to owners of parent Net profit		2,108 (4.4%)	2,187 (4.6%)	▲79	▲3.6%
EBITDA*		4,778	4,813	▲34	▲0.7%

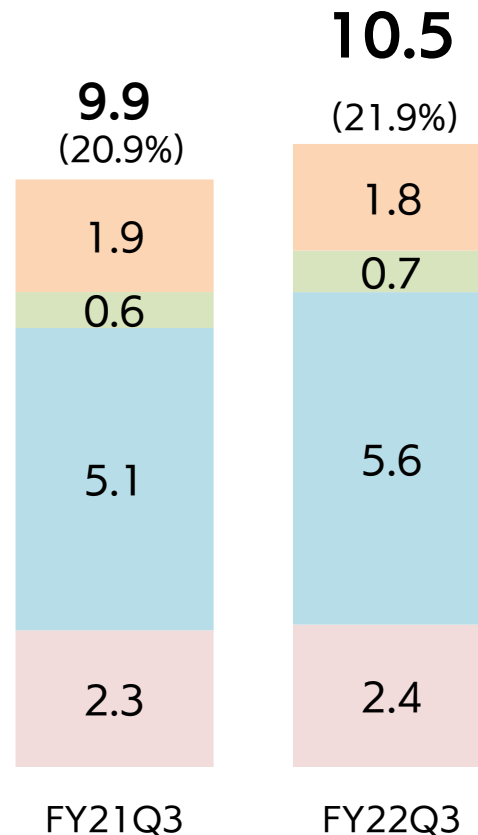
\*EBITDA=Operating income+Amortization of goodwill+Depreciation

## Net sales



## Gross profit

(Billions of yen)  
(Profit margin)



### Consumer : Decrease in both sales and profits

- The impact of the change in the contract with NortonLifeLock Co., Ltd. is delayed from the initial forecast

### Public Sector : Increase in both sales and profits

- Growth in sales through projects for the Ministry of Agriculture, Forestry and Fisheries and the operation of Local Government Information SC\*
- Securing increased profits despite the cost of responding to the August municipal information-related SC disruption and activity costs for horizontal deployment to central ministries and agencies

### Enterprise : Increase in both sales and profits

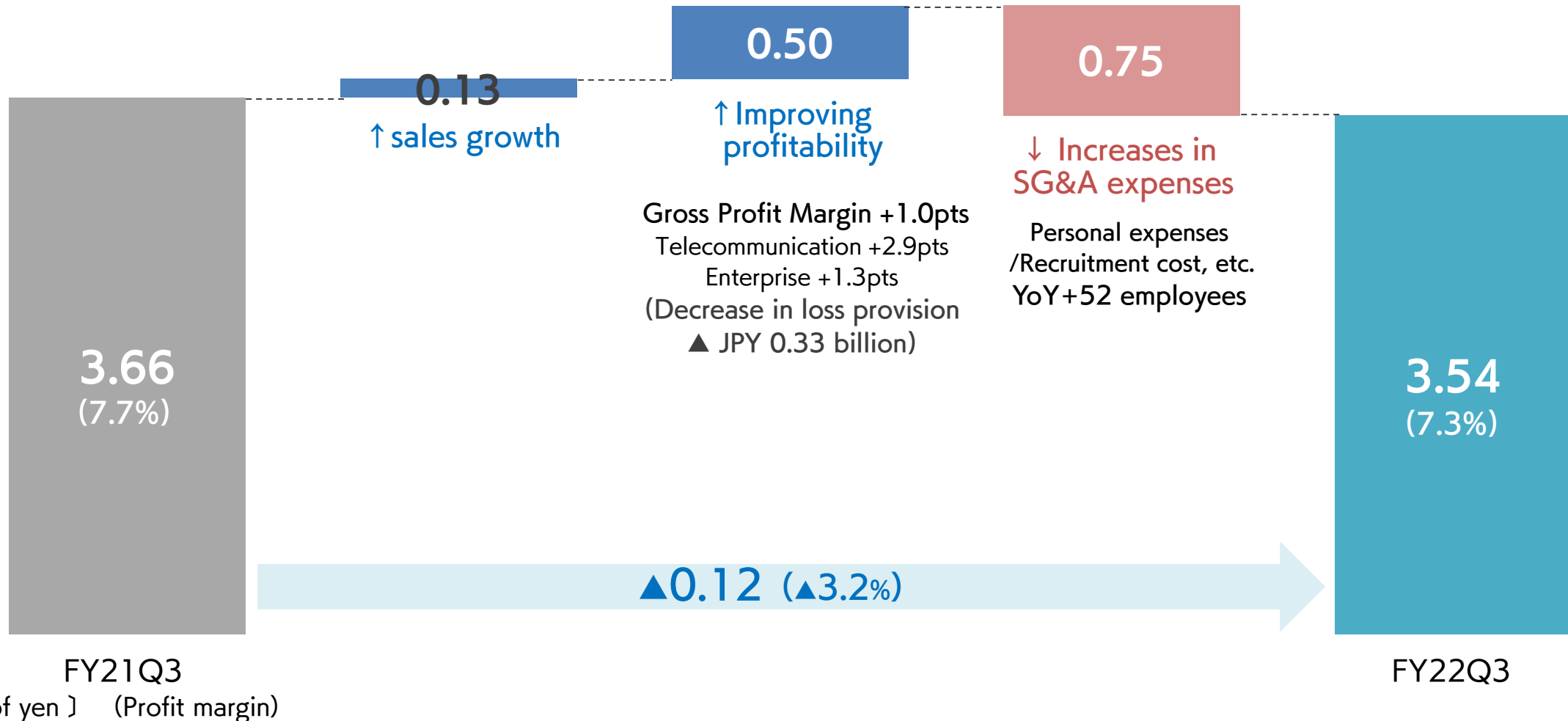
- Steady growth in Managed Security Service
- Strong growth in cloud construction for the manufacturing industry

### Telecommunication : Decrease in sales, and Increase in profits

- Profit margin improvement due to improved efficiency, despite a decrease in sales due to a shift to high-value-added areas by narrowing down vendor management projects

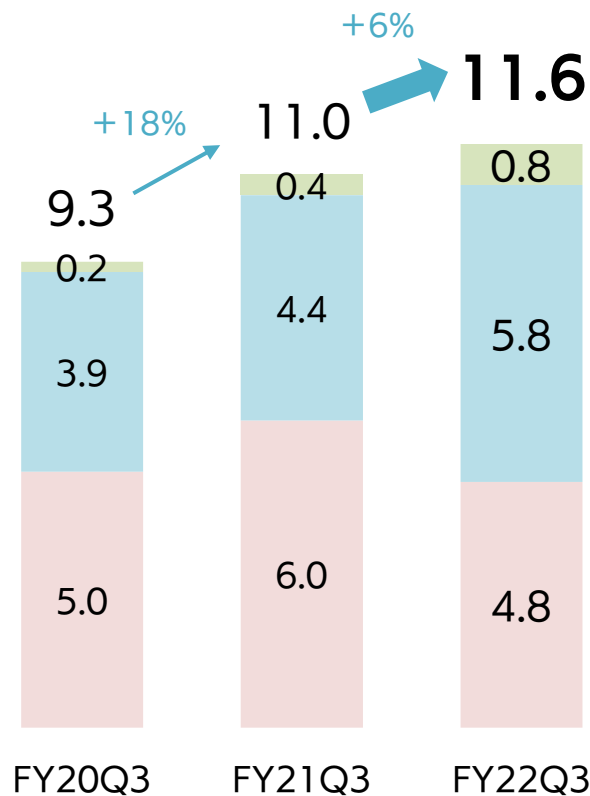
※SC : Abbreviation for security cloud

- Gross profit margin improved due to improved efficiency of Telecommunication, growth in security services, and lower loss provision
- Operating income decreased by JPY 120 million due to an increase in SG&A expenses accompanying the increase in the number of employees.

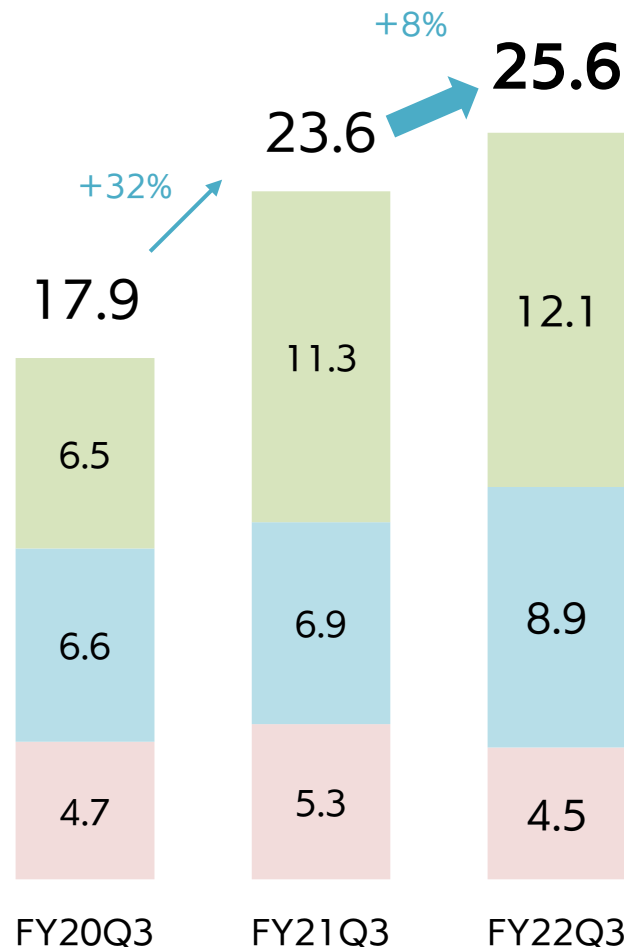


Orders received

- Public Sector
- Enterprise
- Telecommunication



Order Backlog



Single order balance (YoY basis)

JPY **2.0** billions UP

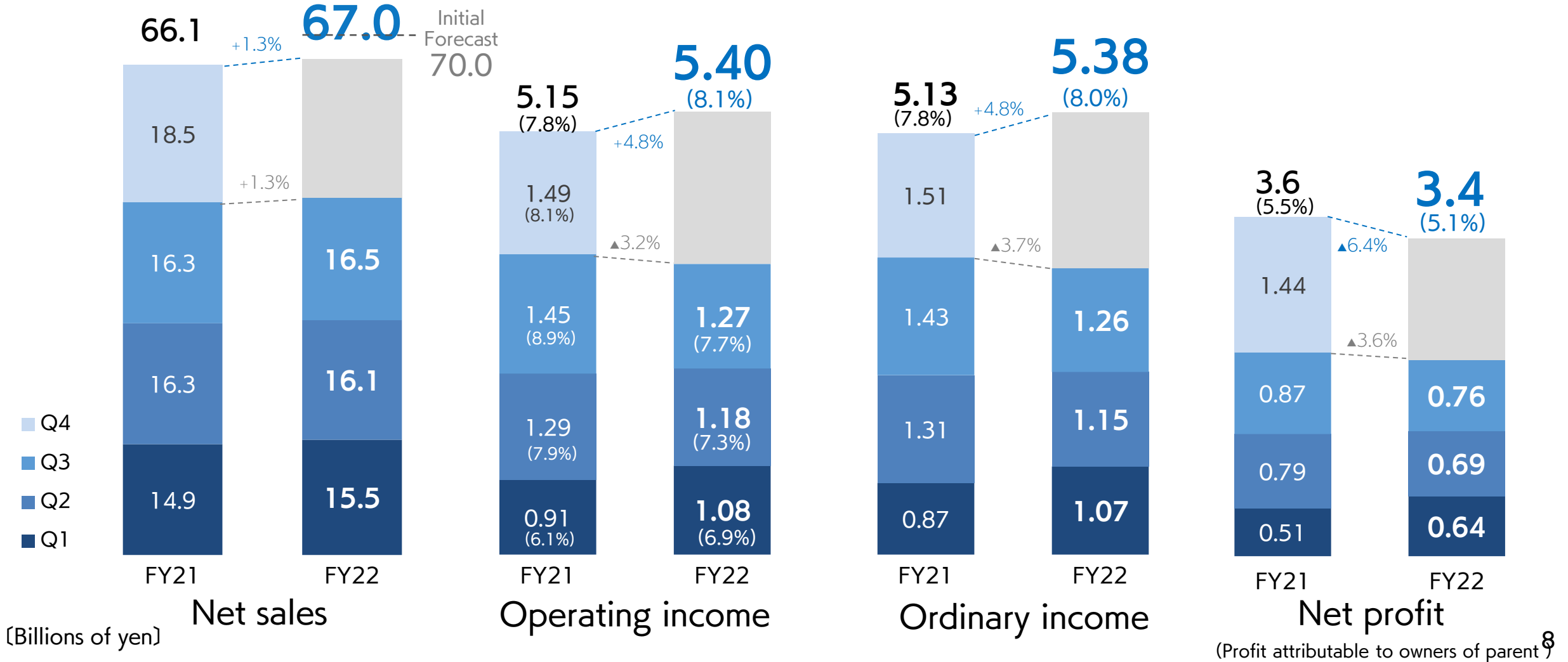
Q3/ Main orders

- Received orders for cloud development for construction industry
- Steady accumulation of orders for Managed Security Service
- Reduction in vendor management projects for Telecommunication
- Approximately 54% of the order backlog is expected to generate sales this Quarter



Revised downward  
only for sales

- The shift from low-margin projects to high-value-added areas is being promoted, and sales are expected to fall short of the initial forecast
- Profits remained unchanged due to improved profitability and a decrease in the impact of the change in the contract with NortonLifeLock Co.

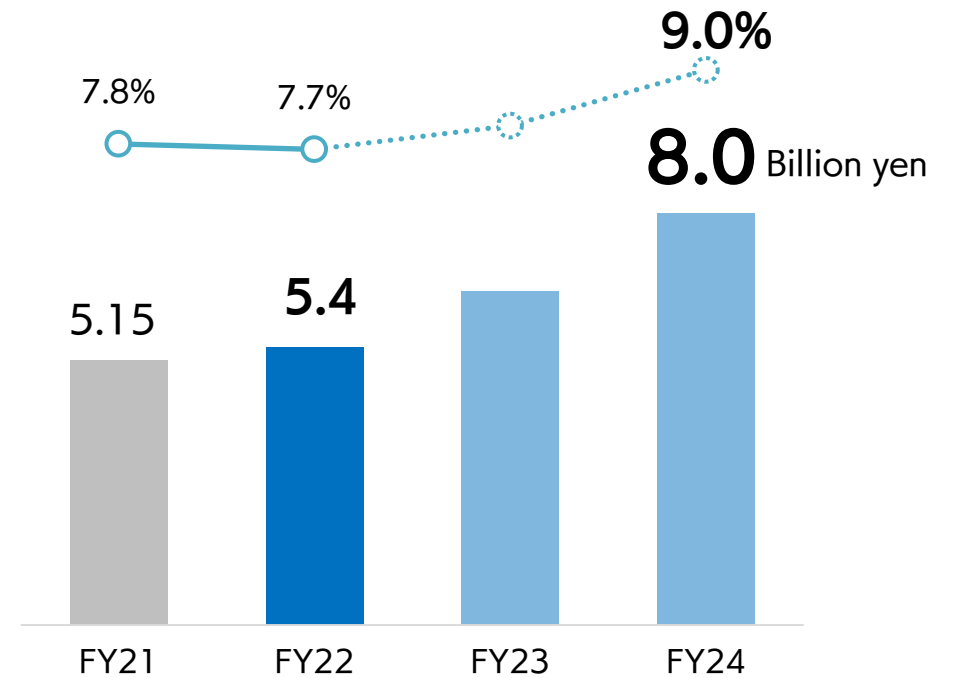
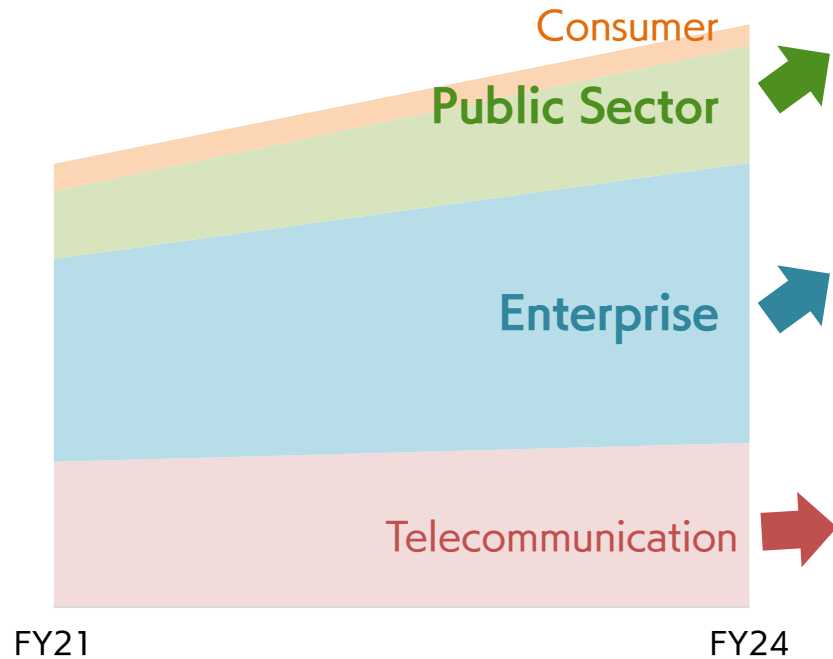


# Progress of each business

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## FY24 Management Indicators

1. Operating income JPY 8 billion
2. Operating Income 9% range
3. Cloud Security & Services Net sales over JPY 50 billion



By the growth in the Enterprise and Public Sector, Aim to achieve **operating income of 8 billion** and an **operating income of 9% range**



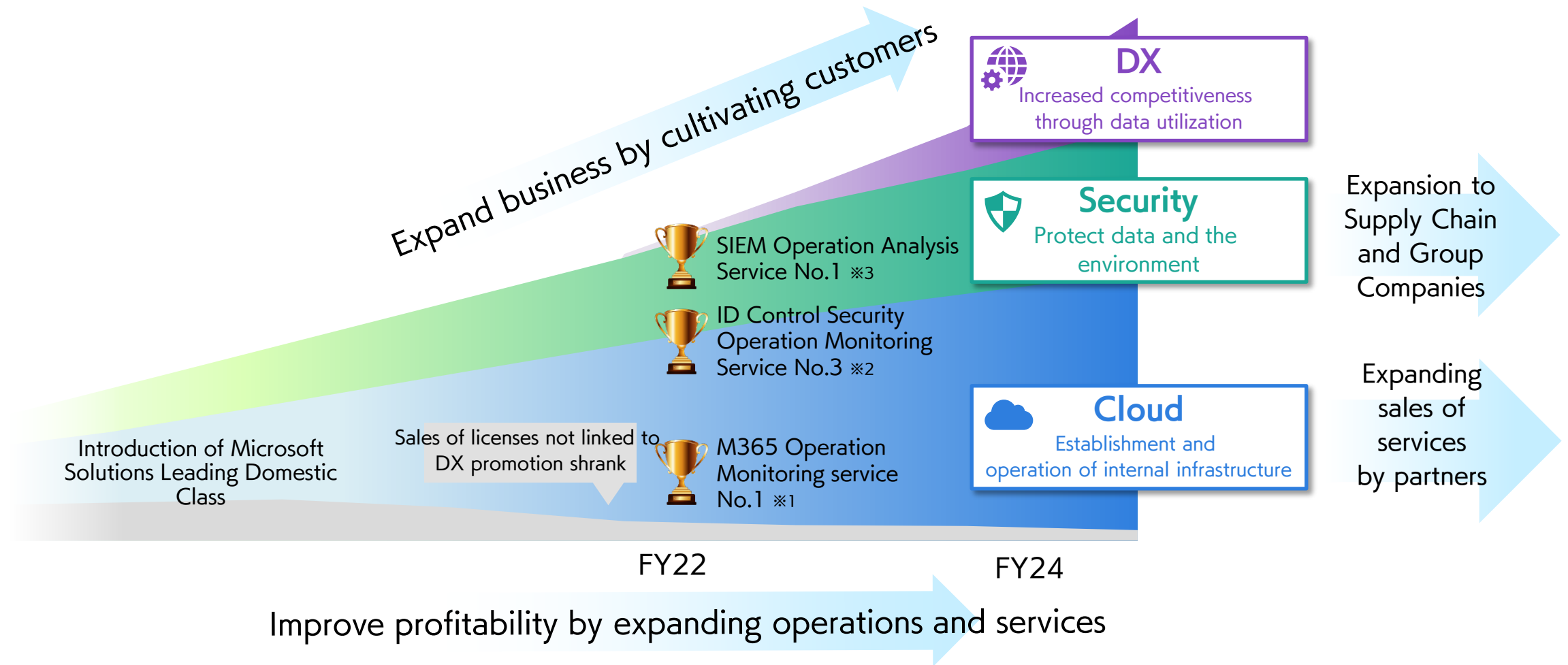
### Efforts in the current fiscal year

- Shift to high-value-added projects
- Expand business in new areas
- Rearrangement of vendors
- Improving quality by strengthening PM
- Optimization of costs and contract management

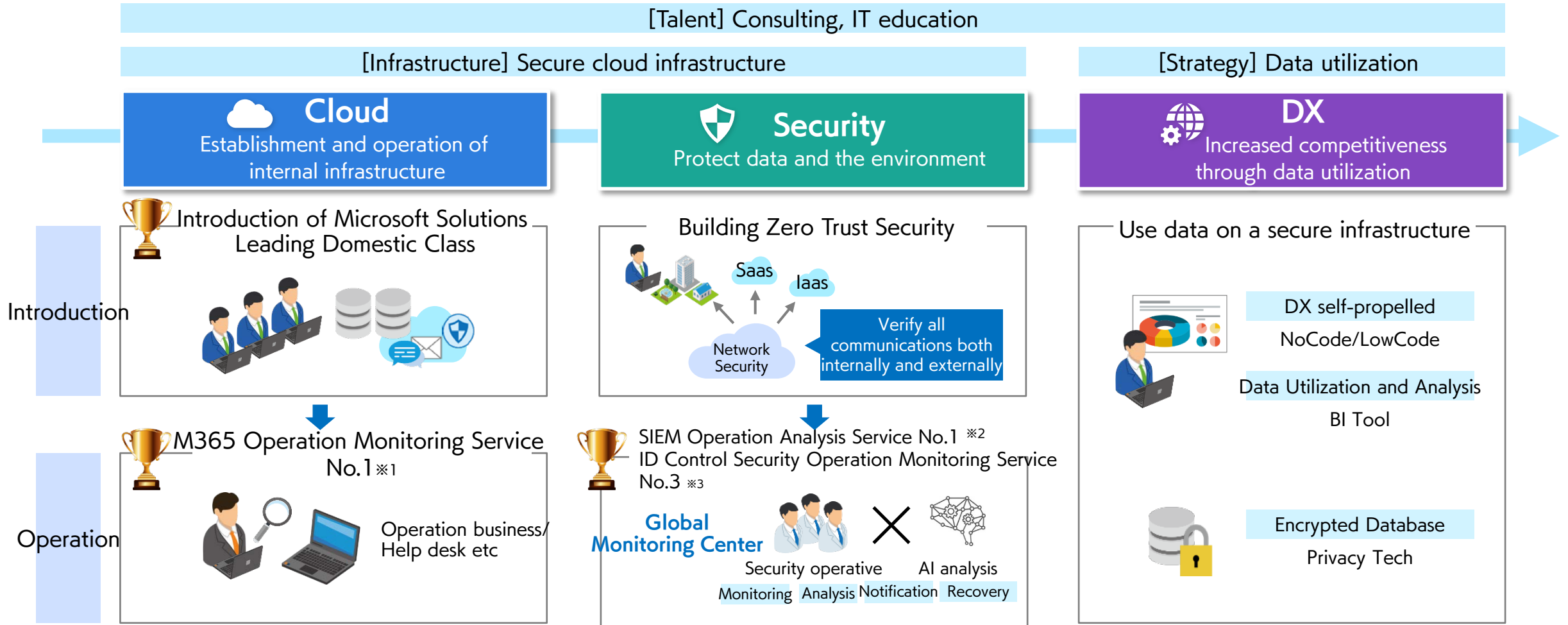
### Toward FY23 and beyond

- Use of offshore
- Reinforcement of personnel recruitment and education
- Strengthening the system for testing processes

**Profit margin continues to improve due to initiatives such as quality improvement and withdrawal from low-profit projects**



## Promoting DX by supporting customers' business foundations through Cloud/Security service

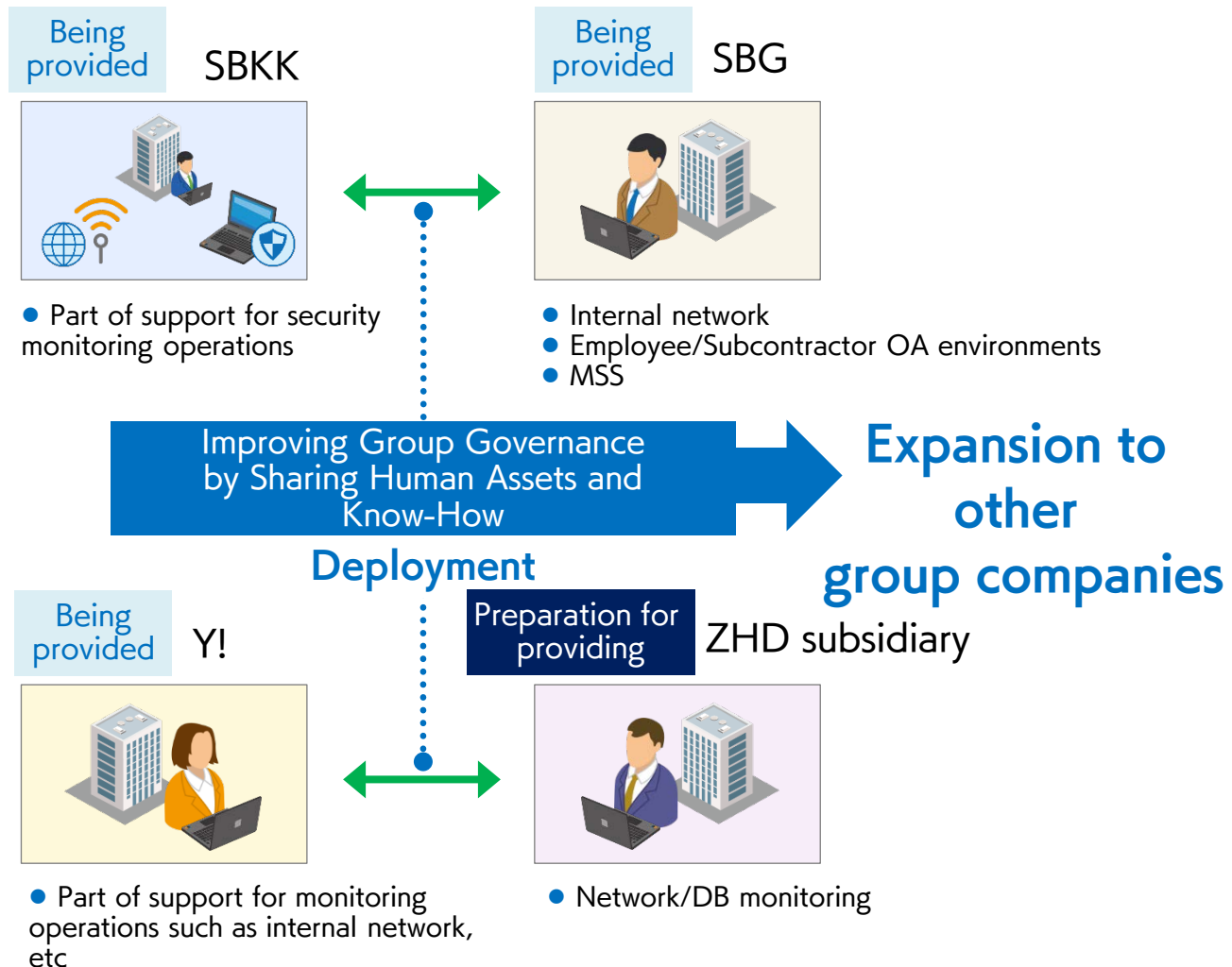


## Promoting DX by Supporting Customers' Business Foundations through Cloud/Security service

※1 : Microsoft365 Operation and Monitoring Services Market, ※2 : ID Control Security Operation Monitoring Service Market, ※3 : SIEM Operation Analysis Service/Managed XDR Service Market  
 Source of ※1, ※2, ※3 : ITR "ITR MarketView : Endpoint-security-type/information-leak-proof SOC service2022" Vendor-based sales share (FY2021)

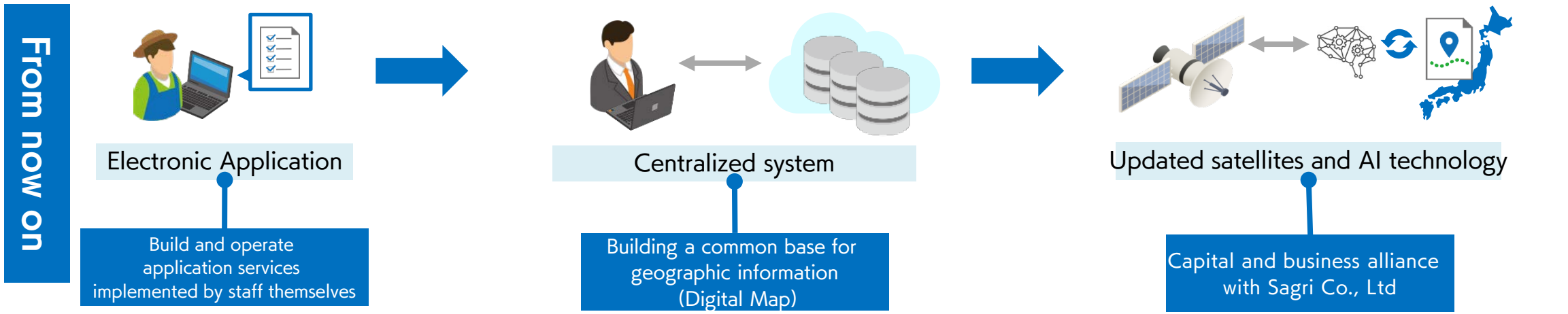
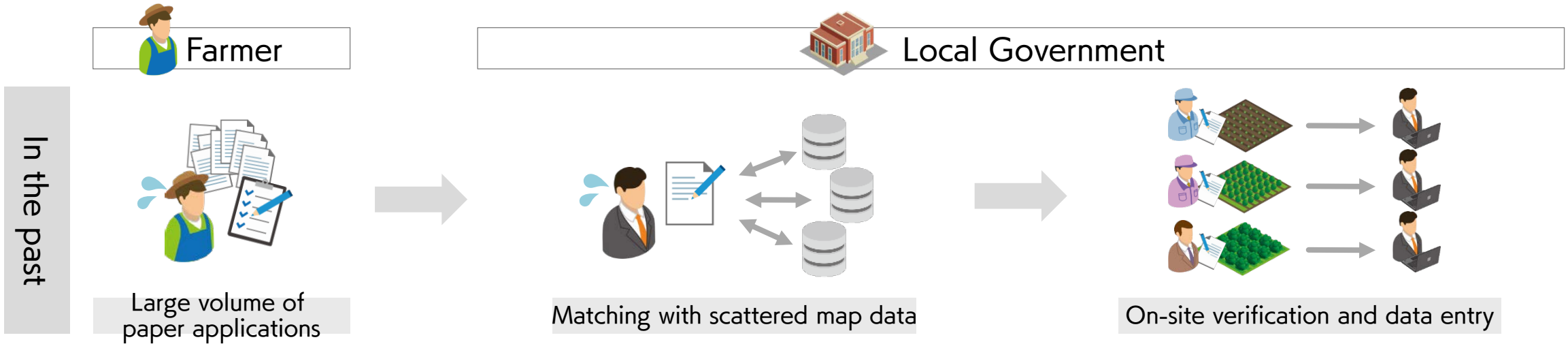
## SBT Security Monitoring Center

M365 Operation Monitoring Service No.1※1  
 SIEM Operation Analysis Service No.1※2



## Opportunities to expand the security business for SB group companies

※1 : Microsoft365 Operation and Monitoring Services Market, ※2 : : SIEM Operation Analysis Service/Managed XDR Service Market,  
 Source of ※1, ※2 : ITR "ITR MarketView : Endpoint-security-type/information-leak-proof SOC service2022" Vendor-based sales share (FY2021)



**Aiming to develop business in the map field where our strengths and knowledge can be utilized**



FY22

FY23

## Next Generation Local Government SC ※1

12 prefectures  
(405 municipalities) order

5 years of expertise + Services that meet new requirements of the Ministry of Internal Affairs and Communications  
Due to service delivery type, possible to be used in multiple prefectures regardless of the area

**Local Government Information Security Cloud**

Advantages of Each Local Government

- Less expensive than individual construction
- Functions are continuously improved
- No need for periodic system replacement

**Provision of services to improve the operational efficiency of local governments**

**Provision of optional services**  
EDR※2 monitoring and operation, remote desktops, etc



FY22 order  
2 prefectures

Mar., '23-  
Construction

Apr., '23-  
Service provision

Construction  
→ Apr. '22-  
service in progress

FY21 order  
10 prefectures

Yamagata Prefecture,  
which is currently  
providing services

Dec., '22-  
Construction

Jan., '23-  
Service provision

**In addition to providing stable services, support is also provided for the convenience and efficiency of operations**

※1 : Abbreviation for Security Cloud

※2 : Security of endpoints such as terminals (abbreviation for Endpoint Detection and Response)

**1. Operating income JPY 8 billion**

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2. Operating Income 9% range

3. Cloud Security & Services  
Net sales over JPY 50 billion

# Information Revolution - Happiness for everyone

- Technologies Design the Future -

 SB Technology

# Appendix

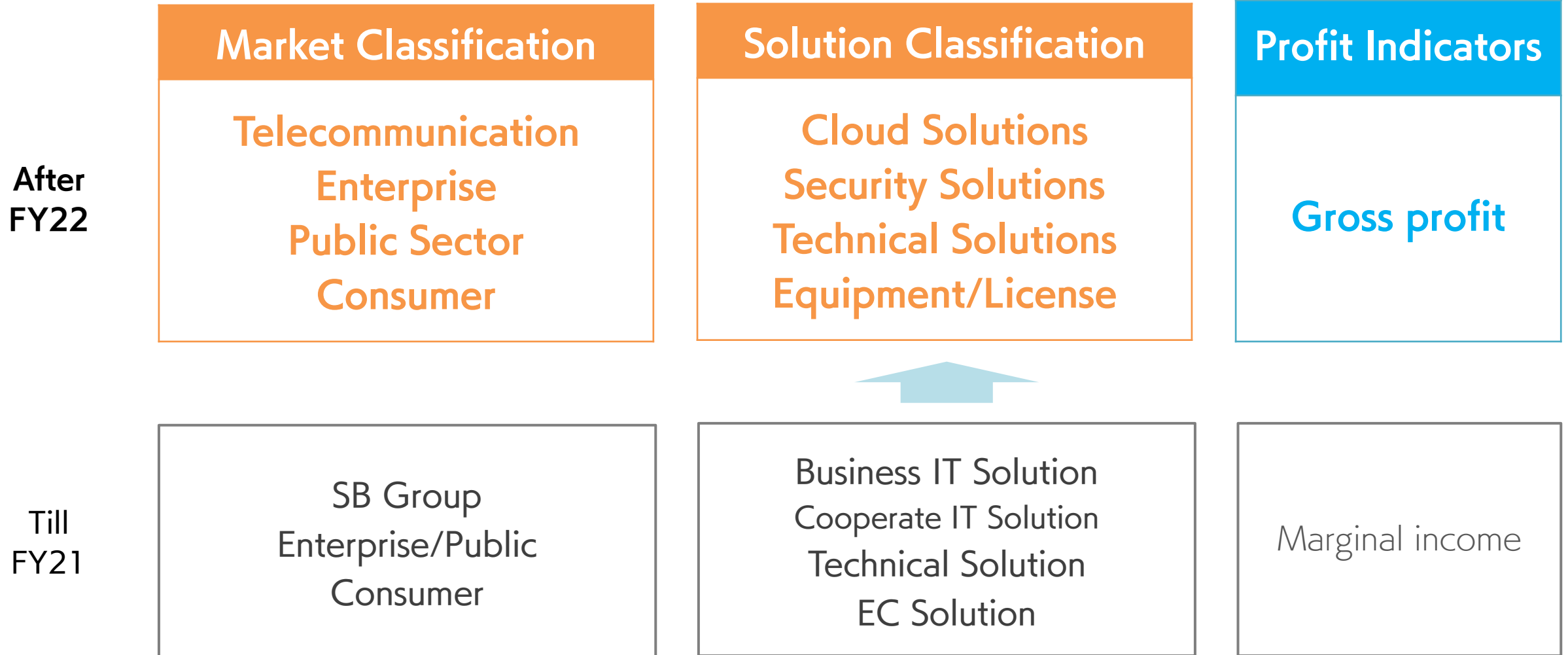
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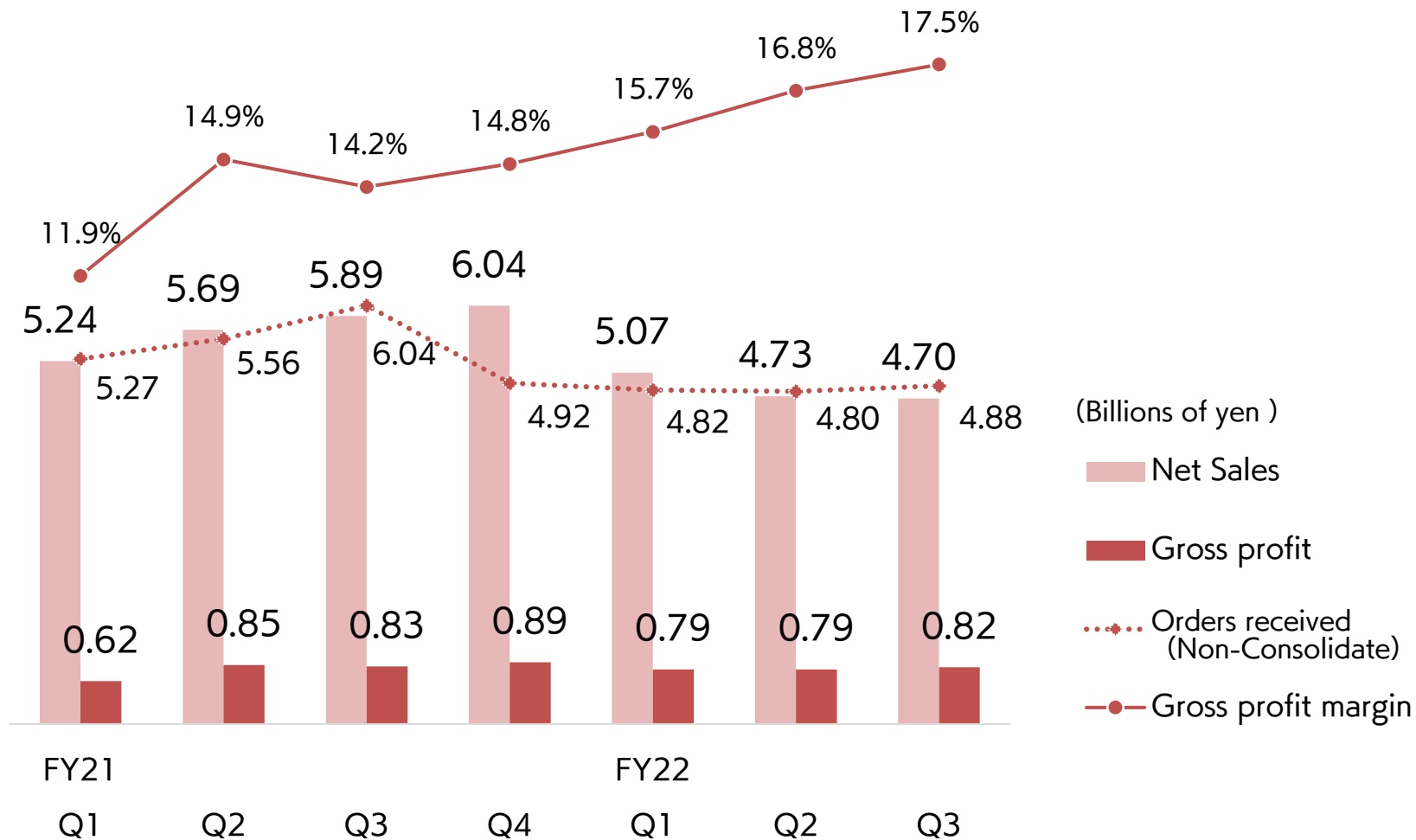
- Increase in cloud security projects for Public Sector and Enterprises; increase in sales, offsetting a decline in Telecommunications revenue
- Operating income decreased due to the inability to cover the increase in SG&A expenses.

[Millions of yen]	(Profit margin)	FY22Q3	FY21Q3	Change	Change %
Net sales		16,524	16,309	+215	+1.3%
Operating income		1,271 (7.7%)	1,454 (8.9%)	▲183	▲12.6%
Ordinary income		1,266 (7.7%)	1,433 (8.8%)	▲166	▲11.6%
Profit attributable to owners of parent		762 (4.6%)	871 (5.3%)	▲109	▲12.6%
Net profit					
EBITDA *		1,685	1,861	▲176	▲9.5%

\*EBITDA=Operating income+Amortization of goodwill+Depreciation

From this fiscal year, we have changed the following to make it easier to understand how our business portfolio is transformed and how our business performance is compared to the external environment and other companies.





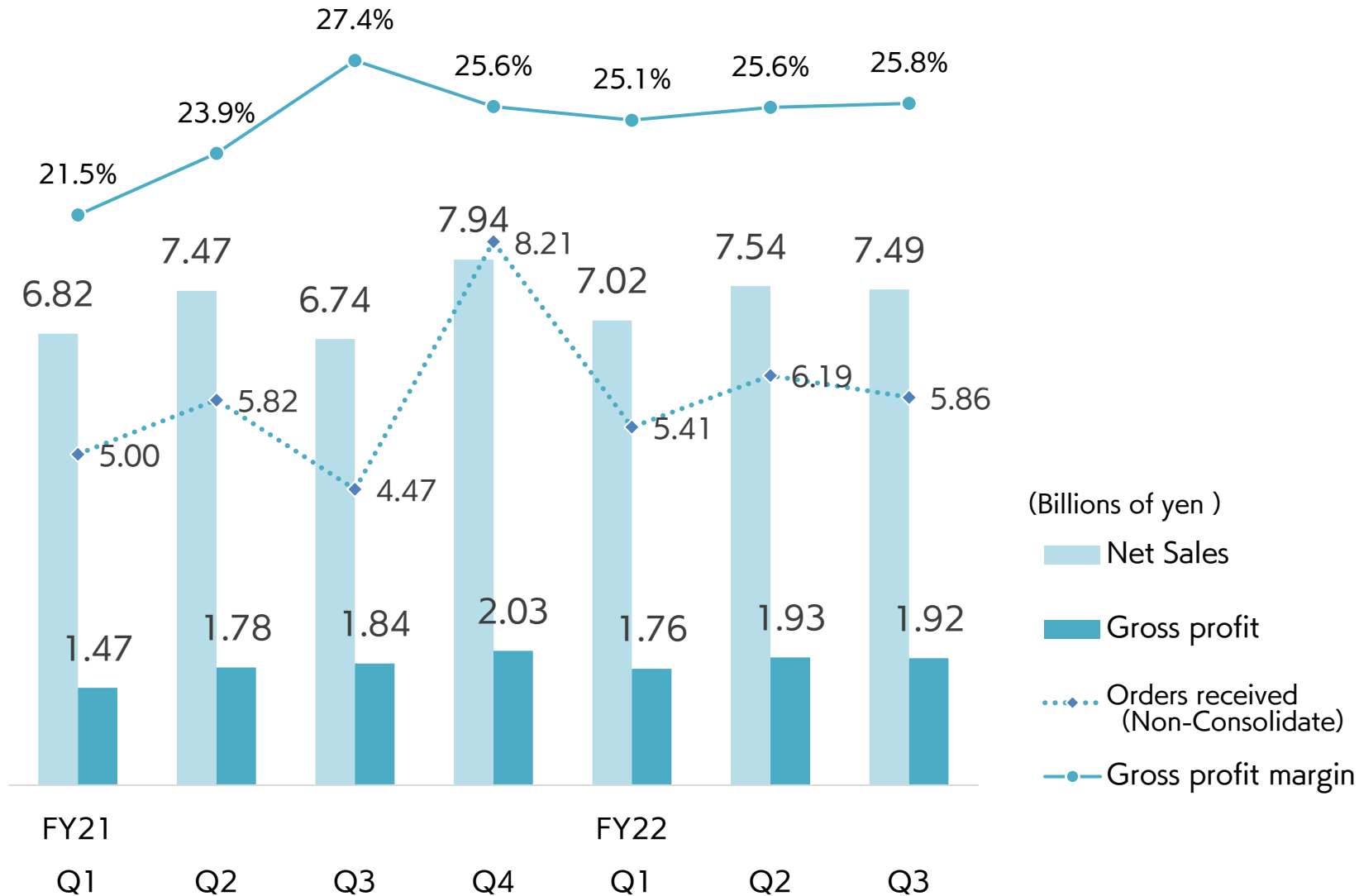
### Telecommunication (QoQ)

#### Orders received (Non-Consolidated)

- Decreased due to strategic narrowing of vendor management projects and the absence of large-scale projects in the previous fiscal year.

#### Net sales/Gross profit

- Shift from low-profit projects such as vendor management projects to high-value-added areas
- Profit margin improved due to progress in efficiency improvement



## Enterprise (QoQ)

### Orders received (Non-Consolidated)

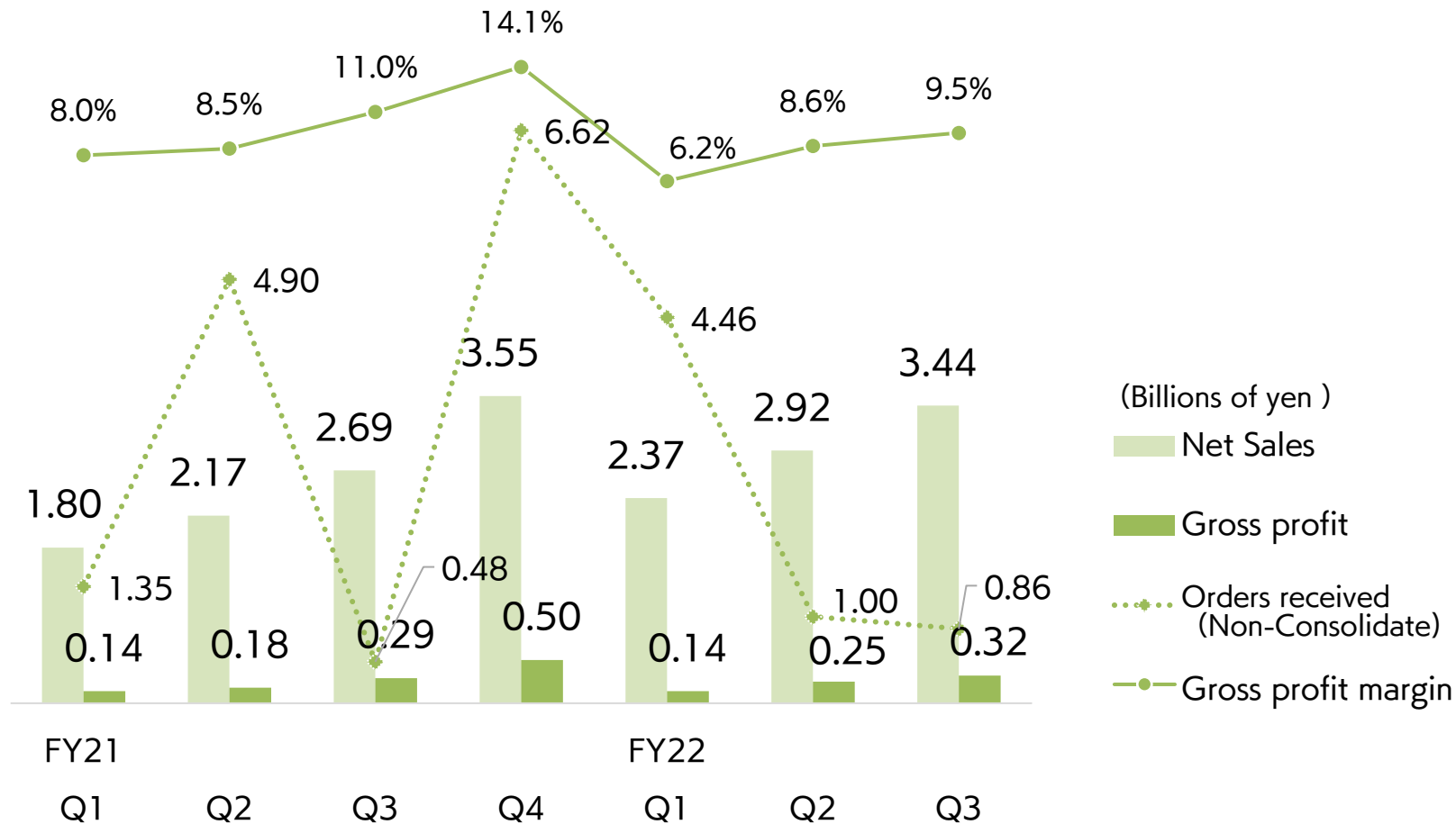
- Increase in In-house service MSS\*, cloud development, operation and maintenance projects

### Net sales/Gross profit

- Sales of MSS grew 1.6 times year on year
- Cloud operation performed well

※ Acronym for Managed Security Service





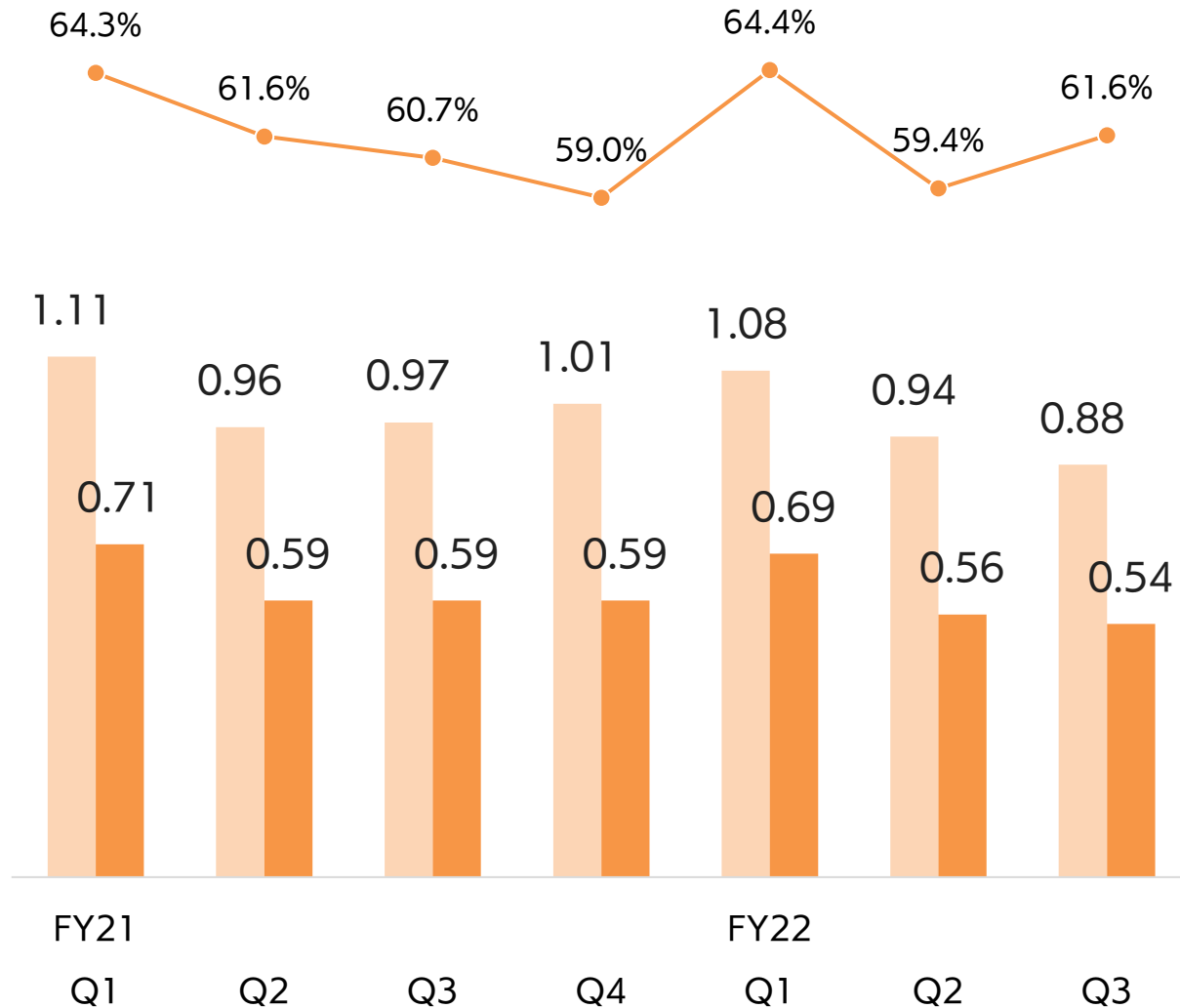
## Public Sector (QoQ)

### Orders received (Non-Consolidated)

- Increased due to orders received for map information-related projects from the Ministry of Agriculture, Forestry and Fisheries

### Net sales/Gross profit

- Sales grew due to projects for the Ministry of Agriculture and Fisheries and the operation of Local Government Information SC
- Earnings growth was secured despite the cost of acquiring projects for horizontal expansion to Central Government Ministries and Agencies



(Billions of yen )

- Net sales
- Gross profit
- Gross profit margin

Consumer (QoQ)

**Net sales/Gross profit**

- The impact of the contract change with NortonLifeLock Co., Ltd. is behind schedule, but sales and profits declined QoQ

		FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY21	FY22Q1	FY22Q2	FY22Q3	QoQ	
										Change	Change %
Consolidated performance (Millions of yen)	Net sales	14,994	16,322	16,309	18,557	66,183	15,560	16,145	16,524	+215	+1.3%
	Gross profit	2,954	3,416	3,571	4,030	13,974	3,405	3,538	3,625	+53	+1.5%
	Profit margin	19.7%	20.9%	21.9%	21.7%	21.1%	21.9%	21.9%	21.9%	+0.0pt	-
Telecommunication	Net sales	5,241	5,699	5,898	6,048	22,888	5,079	4,731	4,701	▲1,197	▲20.3%
	Gross profit	621	851	838	896	3,208	796	793	820	▲17	▲2.1%
	Profit margin	11.9%	14.9%	14.2%	14.8%	14.0%	15.7%	16.8%	17.5%	+3.3pt	-
Enterprise	Net sales	6,826	7,478	6,742	7,945	28,993	7,021	7,540	7,493	+751	+11.1%
	Gross profit	1,470	1,784	1,845	2,036	7,137	1,763	1,930	1,929	+84	+4.6%
	Profit margin	21.5%	23.9%	27.4%	25.6%	24.6%	25.1%	25.6%	25.8%	▲1.6pt	-
Public Sector	Net sales	1,809	2,176	2,692	3,552	10,230	2,374	2,927	3,442	+750	+27.9%
	Gross profit	144	184	296	501	1,126	147	252	328	+32	+11.0%
	Profit margin	8.0%	8.5%	11.0%	14.1%	11.0%	6.2%	8.6%	9.5%	▲1.5pt	-
Consumer	Net sales	1,116	967	975	1,010	4,070	1,084	946	886	▲88	▲9.1%
	Gross profit	718	596	591	595	2,502	698	561	546	▲45	▲7.7%
	Profit margin	64.3%	61.6%	60.7%	59.0%	61.5%	64.4%	59.4%	61.6%	+0.9pt	-

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

Consolidated performance (Millions of yen)	FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY21	FY22Q1	FY22Q2	FY22Q3	QoQ	
									Change	Change %
Net sales	14,994	16,322	16,309	18,557	66,183	15,560	16,145	16,524	+215	+1.3%
Telecommunication	5,241	5,699	5,898	6,048	22,888	5,079	4,731	4,701	▲1,197	▲20.3%
Enterprise	6,826	7,478	6,742	7,945	28,993	7,021	7,540	7,493	+751	+11.1%
Public Sector	1,809	2,176	2,692	3,552	10,230	2,374	2,927	3,442	+750	+27.9%
Consumer	1,116	967	975	1,010	4,070	1,084	946	886	▲88	▲9.1%
Cost of sales	12,039	12,905	12,737	14,526	52,209	12,154	12,607	12,899	+161	+1.3%
Gross profit	2,954	3,416	3,571	4,030	13,974	3,405	3,538	3,625	+53	+1.5%
SG&A expenses	2,042	2,123	2,117	2,538	8,821	2,320	2,353	2,354	+236	+11.2%
Operating income	912	1,293	1,454	1,492	5,152	1,085	1,184	1,271	▲183	▲12.6%
Other Income and Expenses	▲34	18	▲20	17	▲19	▲15	▲32	▲4	+16	-
Ordinary income	877	1,311	1,433	1,510	5,133	1,070	1,152	1,266	▲166	▲11.6%
Extraordinary gain/loss	19	▲21	▲1	503	499	7	23	3	+4	-
Net profit attributable to owners of parent	516	798	871	1,443	3,630	646	699	762	▲109	▲12.6%
EBITDA	1,274	1,676	1,861	1,889	6,702	1,494	1,599	1,685	▲176	▲9.5%
Non-Consolidated Order Backlog	23,634	26,403	23,678	27,612	27,612	29,602	27,921	25,641	+1,962	+8.3%

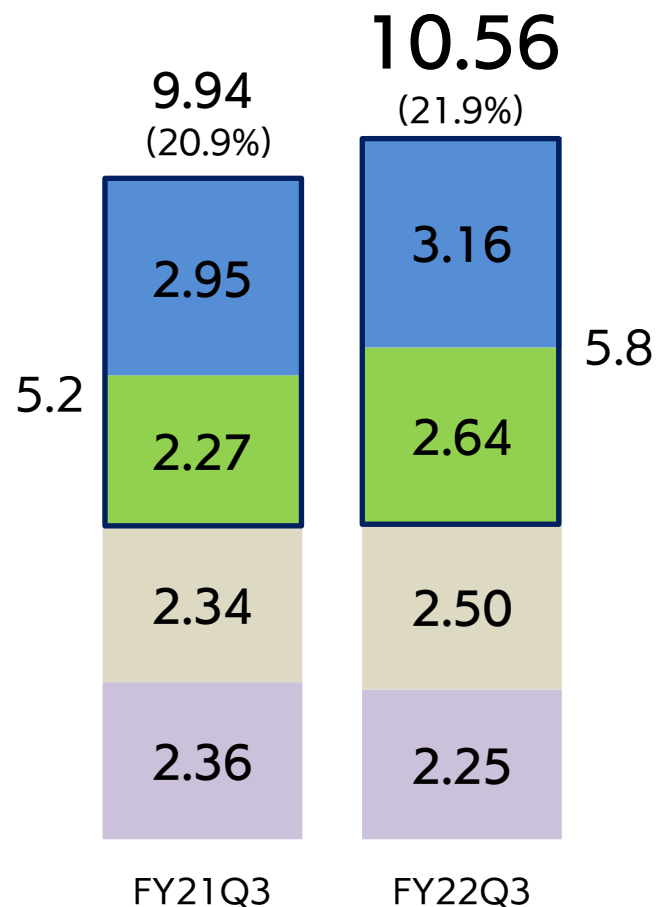
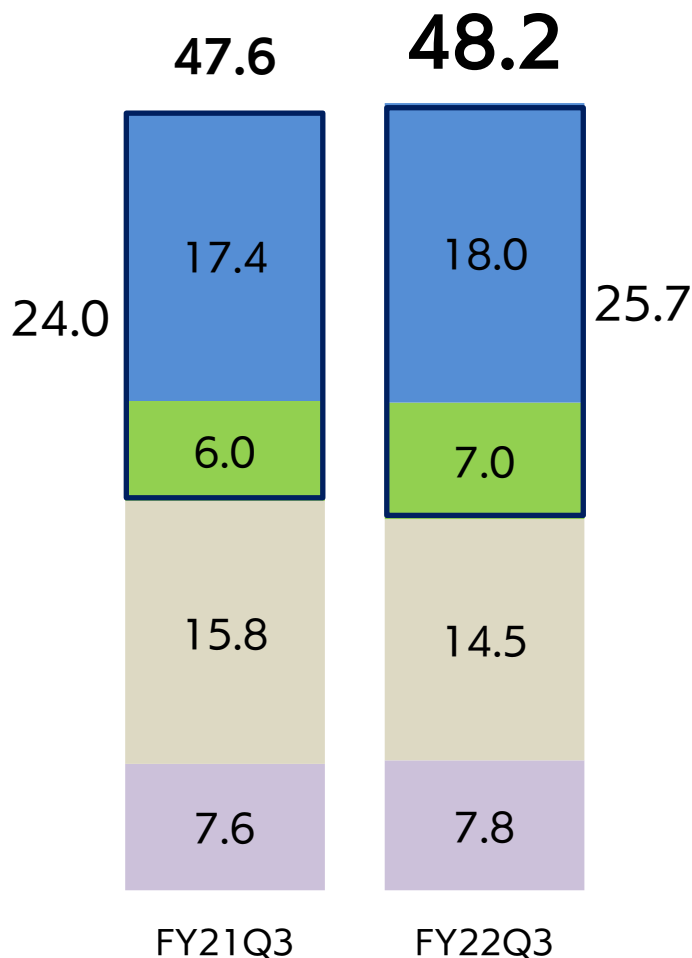
※EBITDA=Operating income+Amortization of goodwill+Depreciation

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

## Net sales

## Gross profit

(Billions of yen)  
(Profit margin)



### Cloud Solutions : Increase in both sales and profits

- Steady operation of digital maps and common applications for the Ministry of Agriculture, Fisheries and Fisheries
- Growth in Cloud building and transition Support for Enterprises

### Security Solutions : Increase in both sales and profits

- Began operating 9 prefectures of the next Local Government Information SC from FY22.
- Steady progress in MSS for Enterprise

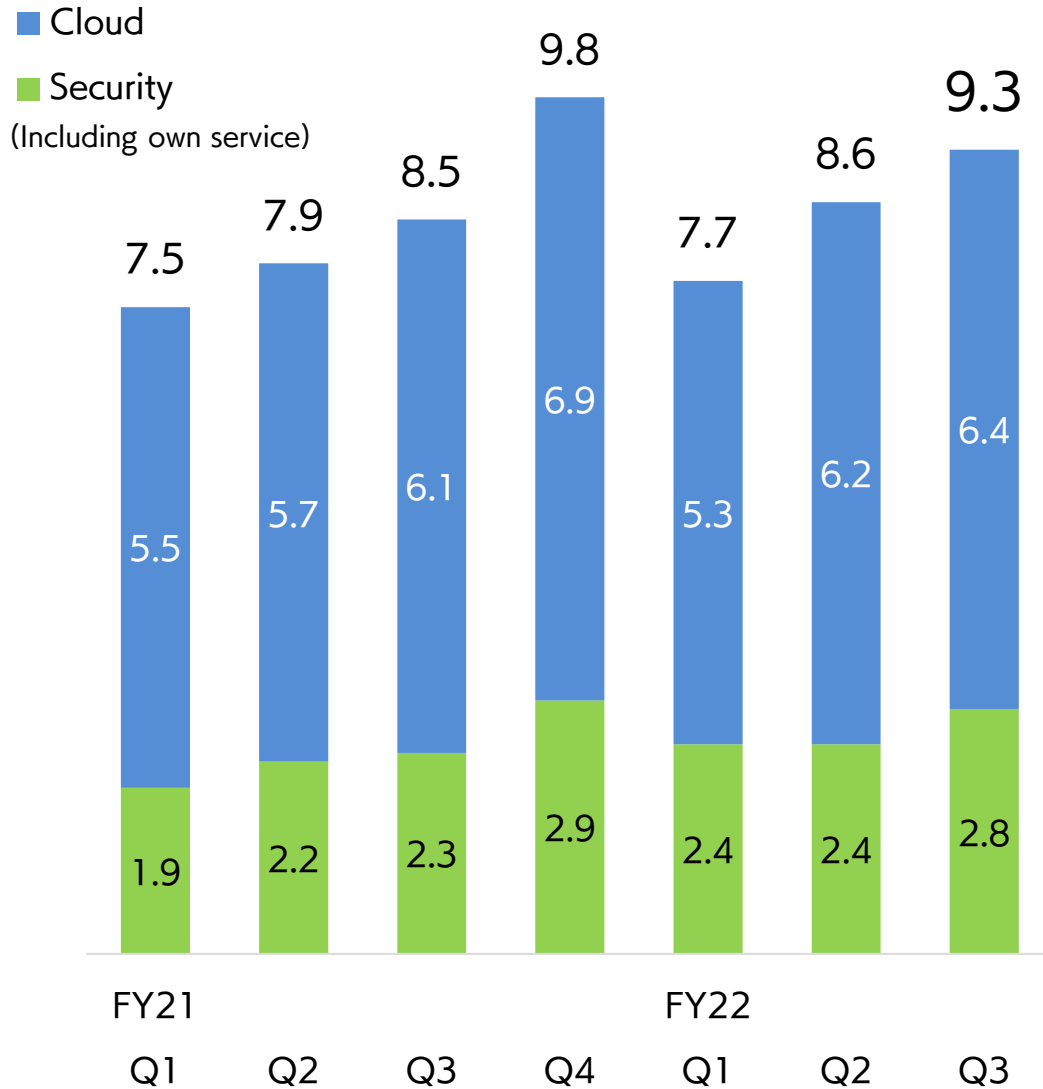
### Technical Solutions : Decrease in sales, and Increase in profits

- Shifting from vendor management projects to areas where added value can be generated. Improving efficiency, resulting in improved profit margins

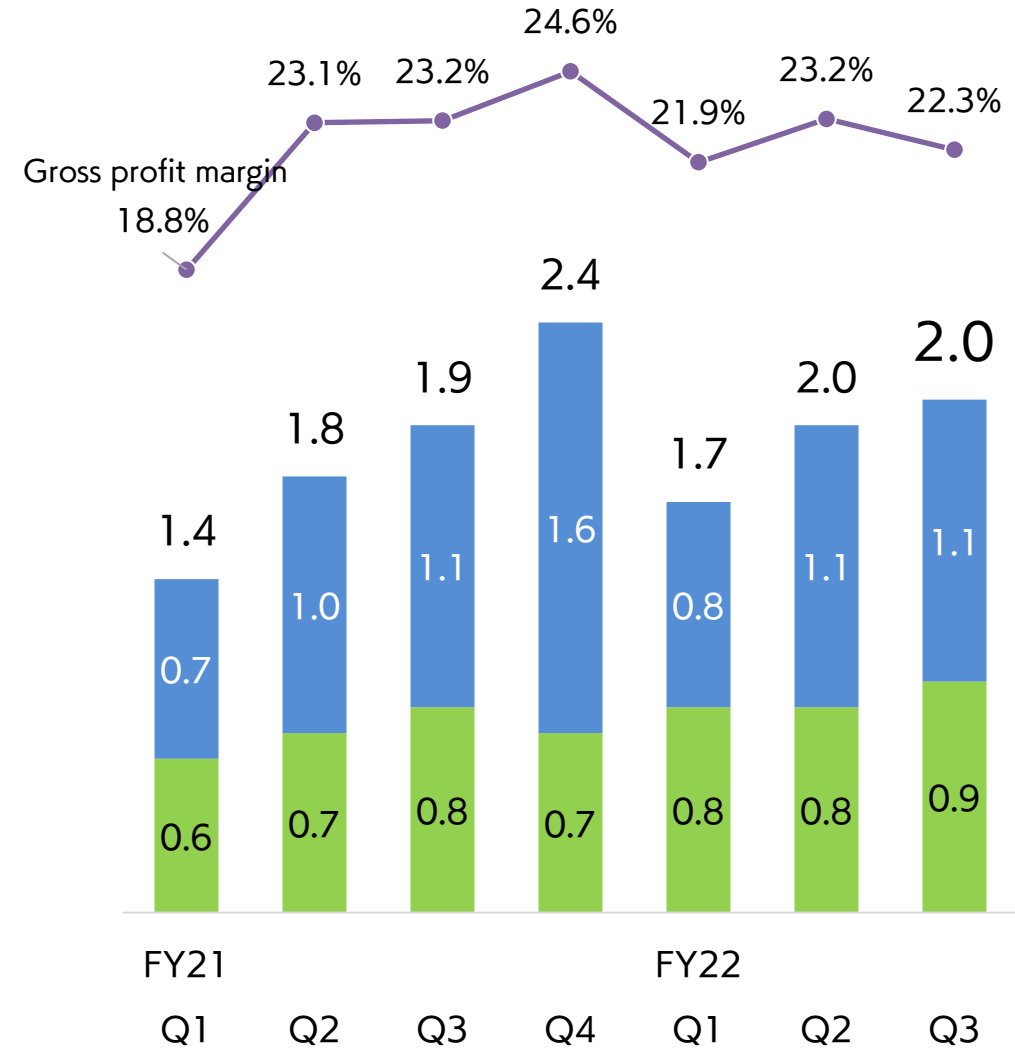
### Equipment/License : Increase in sales, and Decrease in profits

- Increase in licenses for the manufacturing industry
- Profit decreased due to a change in contract with Norton LifeRock Co., Ltd.

Net sales



Gross profit



[Billions of yen]

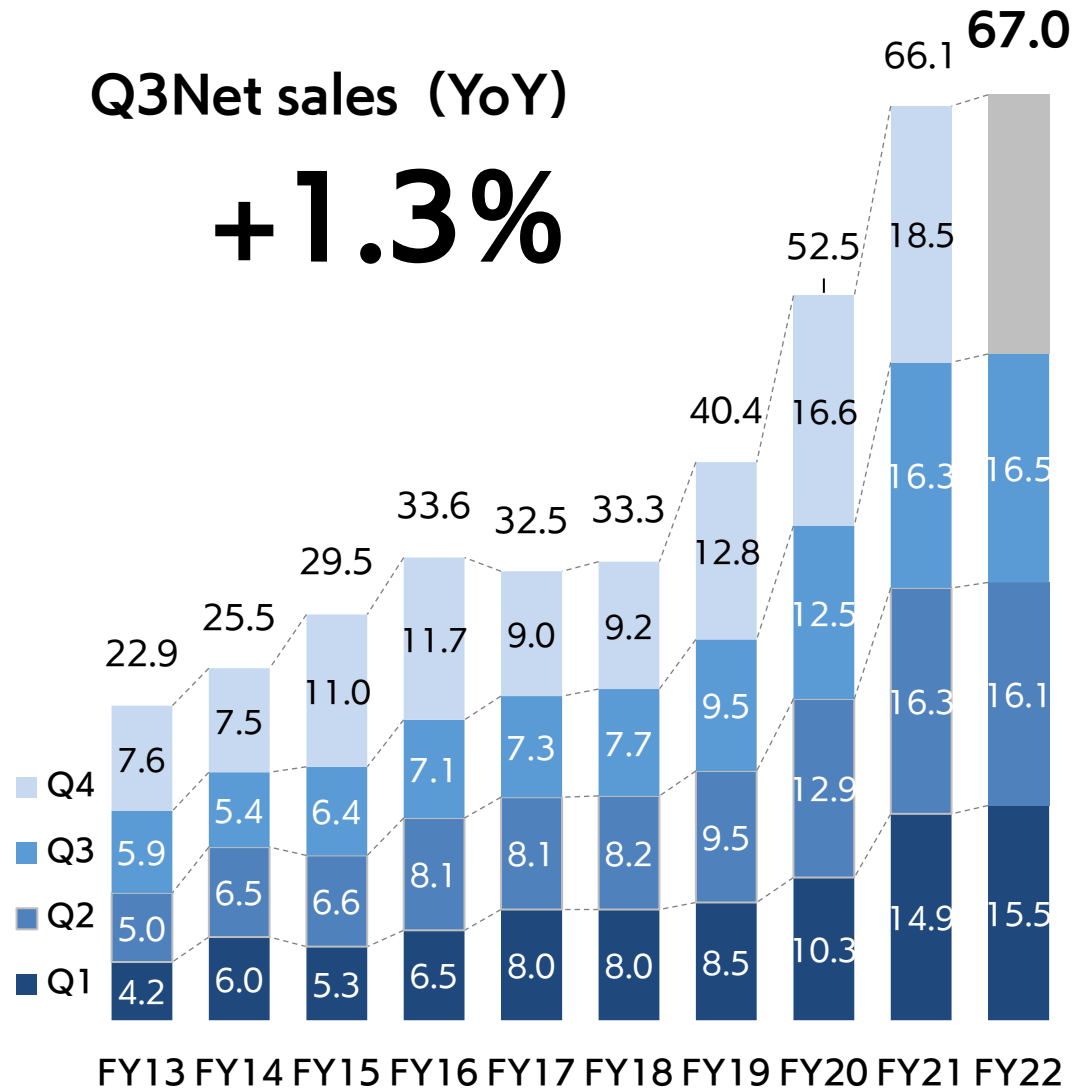
		FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY21	FY22Q1	FY22Q2	FY22Q3	QoQ	
										Change	Change %
Consolidated performance (Millions of yen )	Net sales	14,994	16,322	16,309	18,557	66,183	15,560	16,145	16,524	+215	+1.3%
	Gross profit	2,954	3,416	3,571	4,030	13,974	3,405	3,538	3,625	+53	+1.5%
	Profit margin	19.7%	20.9%	21.9%	21.7%	21.1%	21.9%	21.9%	21.9%	+0.0pt	-
Cloud Solutions	Net sales	5,550	5,765	6,129	6,963	24,408	5,327	6,234	6,485	+356	+5.8%
	Gross profit	727	1,071	1,156	1,660	4,616	857	1,173	1,134	▲22	▲1.9%
	Profit margin	13.1%	18.6%	18.9%	23.9%	18.9%	16.1%	18.8%	17.5%	▲1.4pt	-
Security Solutions	Net sales	1,979	2,234	2,392	2,907	9,514	2,467	2,457	2,843	+450	+18.8%
	Gross profit	687	775	816	766	3,046	852	843	946	+130	+16.0%
	Profit margin	34.7%	34.7%	34.1%	26.4%	32.0%	34.6%	34.3%	33.3%	▲0.8pt	-
Technical Solutions	Net sales	4,875	5,469	5,543	5,780	21,667	5,093	4,773	4,675	▲867	▲15.6%
	Gross profit	676	828	837	897	3,239	822	830	854	+16	+2.0%
	Profit margin	13.9%	15.1%	15.1%	15.5%	15.0%	16.1%	17.4%	18.3%	+3.2pt	-
Equipment/License	Net sales	2,589	2,853	2,244	2,905	10,592	2,671	2,680	2,520	+275	+12.3%
	Gross profit	863	741	761	705	3,071	873	690	690	▲70	▲9.3%
	Profit margin	33.3%	26.0%	33.9%	24.3%	29.0%	32.7%	25.8%	27.4%	▲6.5pt	-
Management Indicators <sup>※1</sup> Total	Net sales	7,530	7,999	8,521	9,870	33,922	7,795	8,692	9,328	+806	+9.5%
	Gross profit	1,415	1,847	1,972	2,427	7,663	1,710	2,016	2,080	+107	+5.5%
	Profit margin	18.8%	23.1%	23.2%	24.6%	22.6%	21.9%	23.2%	22.3%	▲0.9pt	-

※1 : Cloud Solutions+Security Solutions (Including Our own service)

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

## Q3 Net sales (YoY)

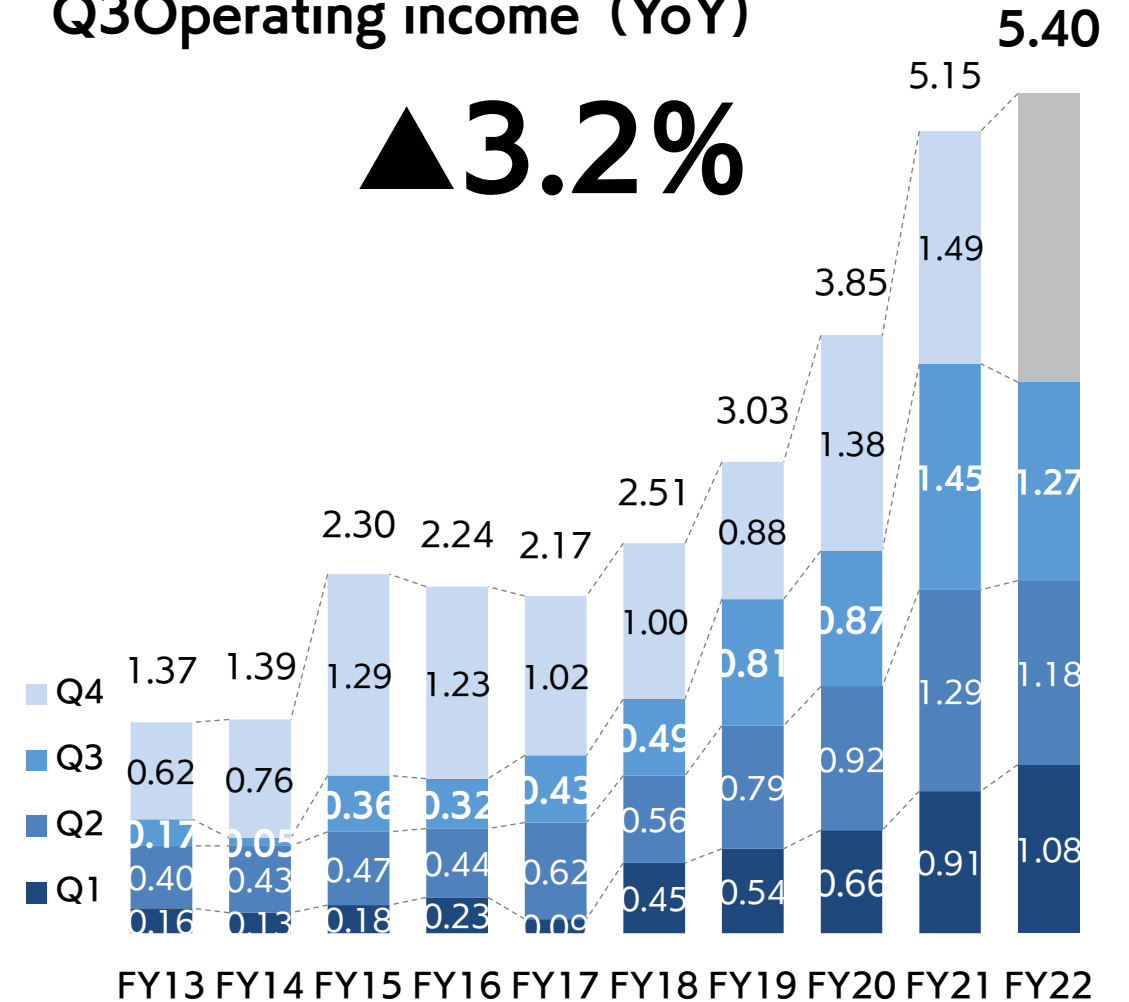
# +1.3%



Med-term plan target operating income JPY 8 billion  
(FY24 consolidated operating income)

## Q3 Operating income (YoY)

# ▲3.2%

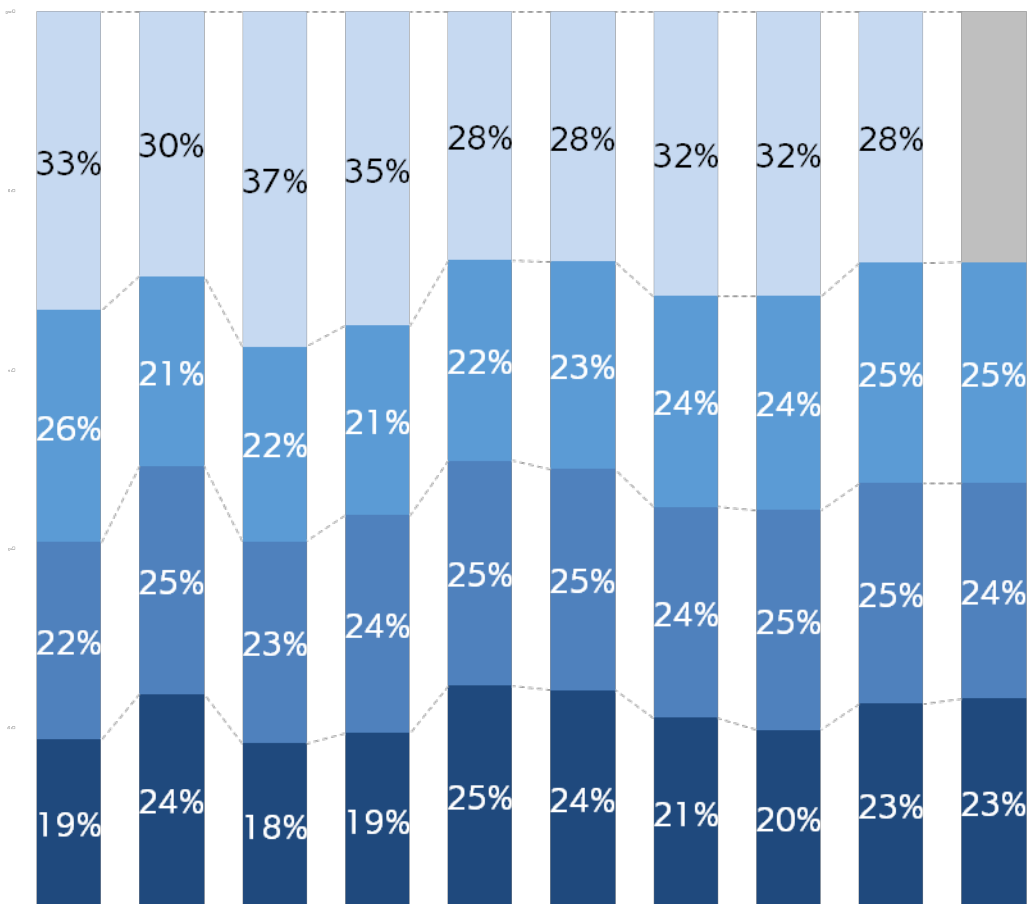


※The Company has adopted the "Accounting Standard for Revenue Recognition" (the new revenue recognition standard) from FY21 Q1. Net sales before FY20 are based on historical net sales figures for the Norton business, which is the main impact.

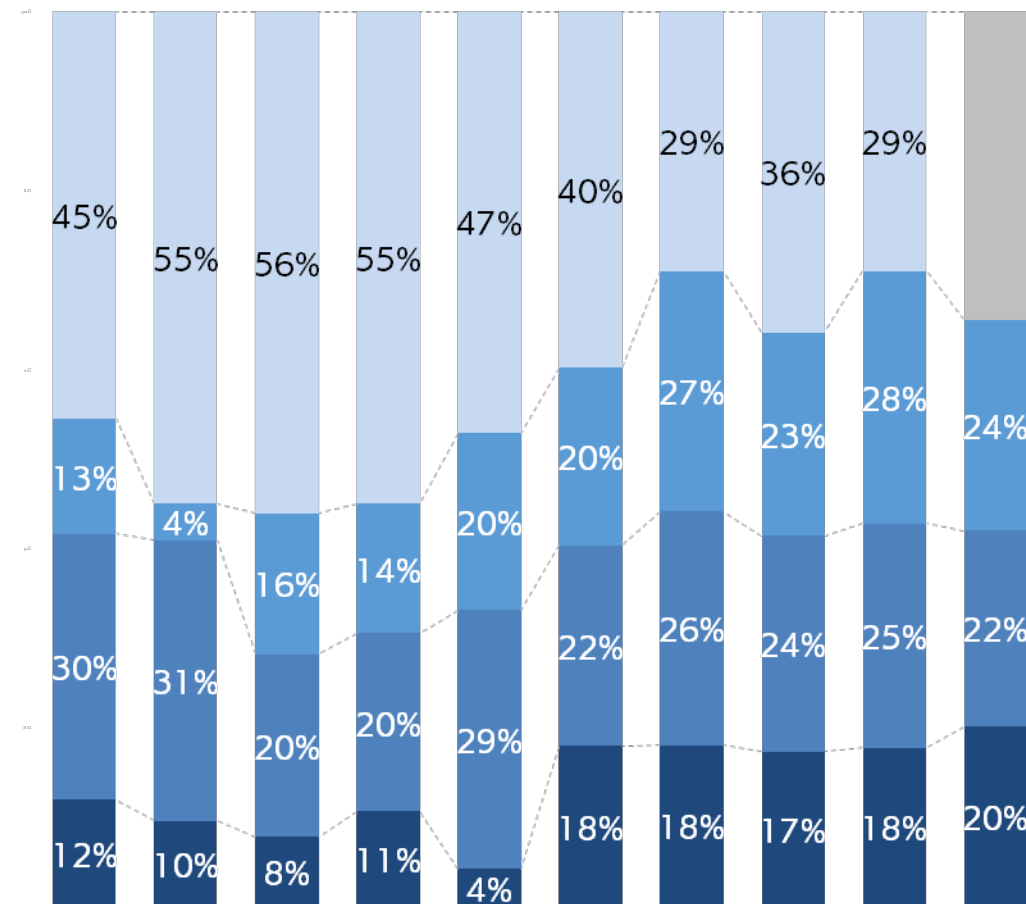


## Net sales

■ Q4 ■ Q3 ■ Q2 ■ Q1



## Operating income



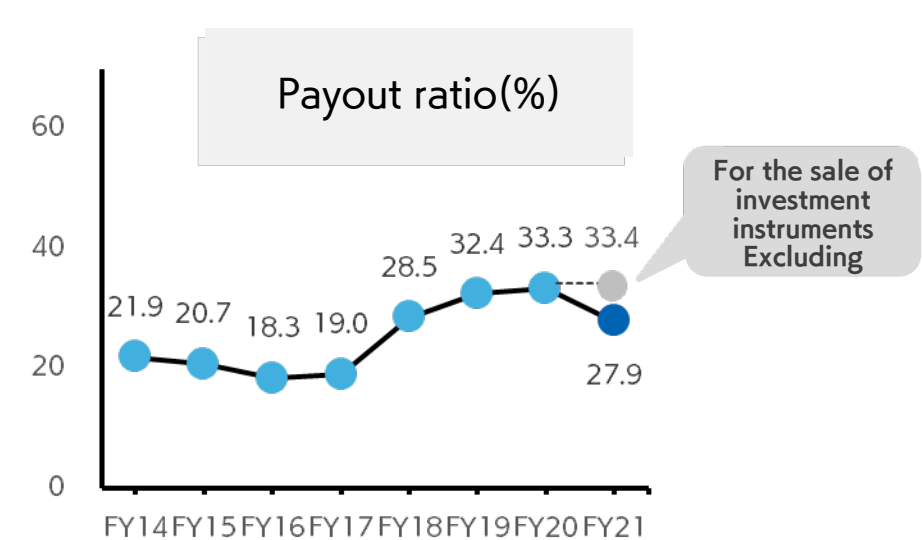
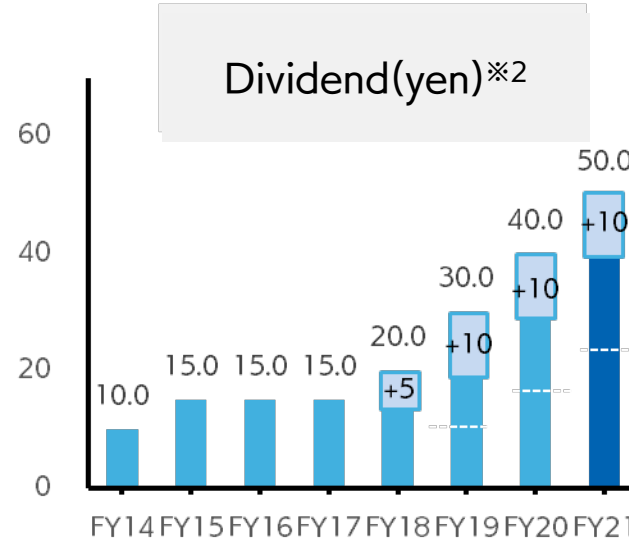
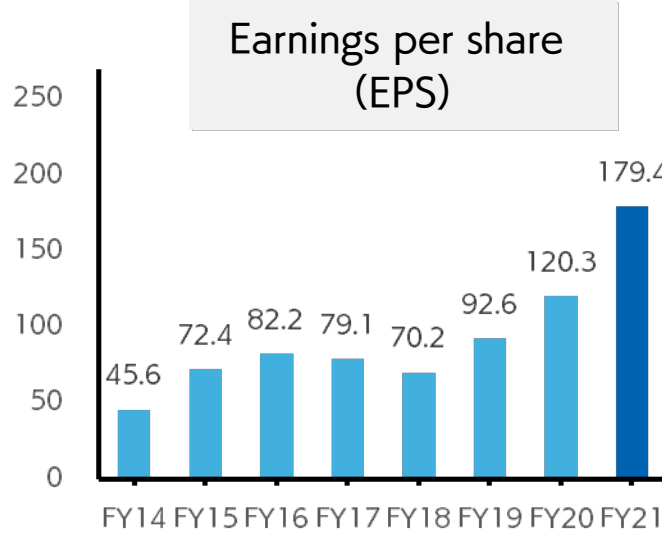
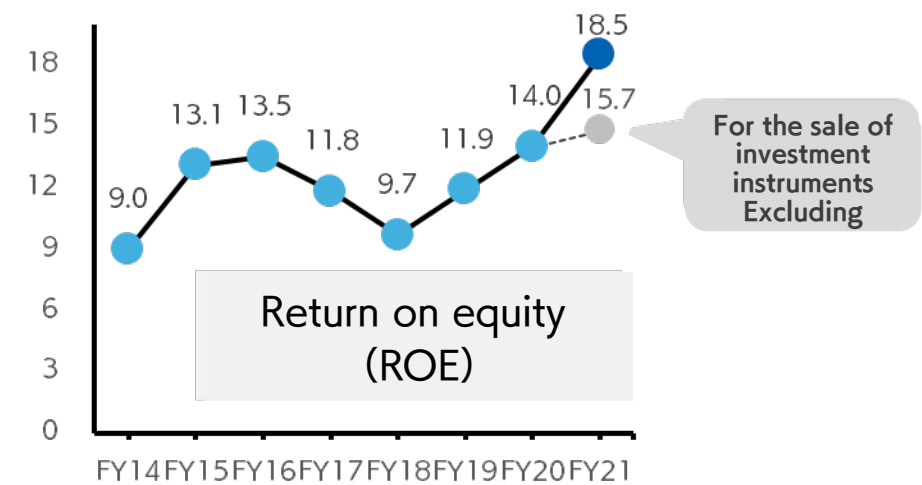
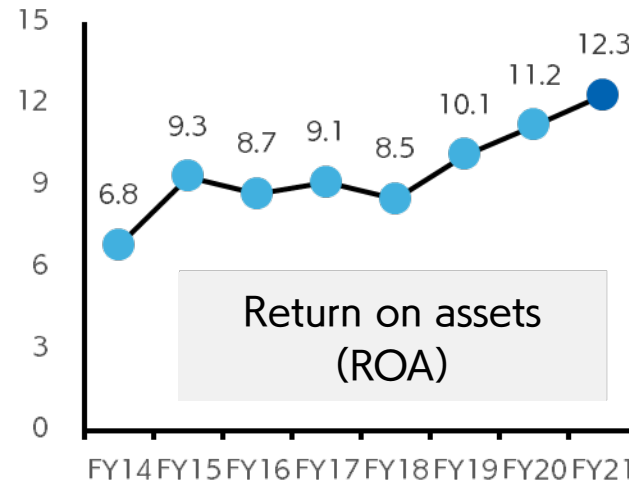
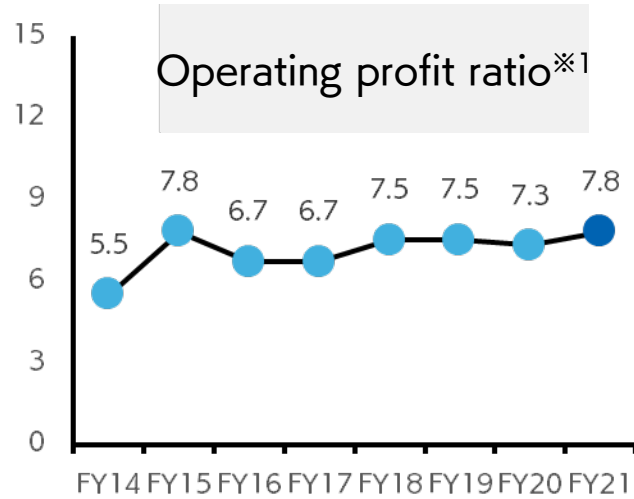
FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22

FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22

[Billions of yen]

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

[ Millions of yen]	End of December, 2021	End of March, 2022	End of December, 2022	Since end of previous term	QoQ
<b>Current assets</b>	29,817	34,326	31,623	△ 2,702	1,806
Cash and deposits	8,729	8,762	8,903	141	173
Accounts receivable and other receivables	17,580	22,290	19,071	△ 3,218	1,491
<b>Fixed assets</b>	11,052	10,036	9,491	△ 544	△ 1,561
Tangible fixed assets	2,048	1,661	1,969	307	△ 78
Intangible fixed assets	4,700	4,486	4,305	△ 180	△ 394
Investments and other assets	4,303	3,888	3,216	△ 671	△ 1,087
<b>Total assets</b>	40,872	44,365	41,116	△ 3,248	243
<b>Current liabilities</b>	15,852	18,896	15,851	△ 3,045	0
<b>Long-term liabilities</b>	2,112	2,088	1,617	△ 470	△ 494
<b>Net assets</b>	22,908	23,379	23,647	267	739



※1 : The Company has adopted the "Accounting Standard for Revenue Recognition" (the new revenue recognition standard) from FY21Q1. Operating profit margin when net sales of NortonLifeLock, which is the main impact, are displayed from the past

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

# Corporate Information

SB Technology

## Corporate Data

(As of March 31, 2022)

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 1,254 mn
Number of employees	1,379 (consolidated)

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

## Management philosophy

### Mission

Information Revolution, Happiness for everyone

~ Technologies Design the Future ~

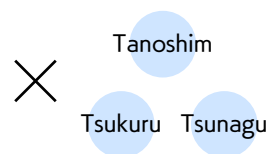
### Vision

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

### Value

Three Actions  
×  
Accept Diversity  
Three Perspectives

Growth  
Trust  
Value



## Officers

(As of June 20, 2022)

### Board of Directors

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

### Executive Officers

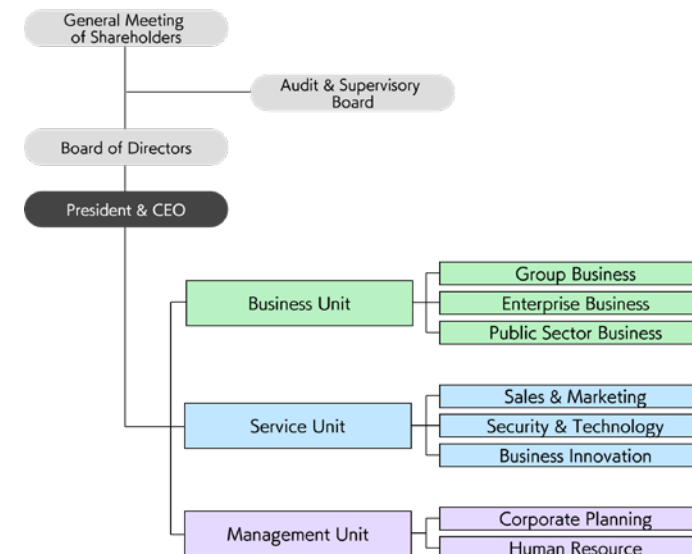
President & CEO	Shinichi Ata
Senior Executive Vice President & CSO	Mitsuhiro Sato
Executive Vice President & CFO	Masaaki Okazaki
Executive Vice President	Akira Kitamura
Executive Vice President & CIO	Masaki Watanabe
Vice President CCO	Seiichi Masaoka
Vice President	Takashi Kodama
Vice President	Makoto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

### Auditors

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

## Organization chart

(As of April 1, 2022)



## Certification and accreditation

(As of September 1, 2022)



# Group structure

SoftBank Group Corp.

Parent company:  
SoftBank Corp.  
SB  
SoftBank

Number of shares  
10,735,000

Shareholding  
ratio  
52.99%

(As of March 31, 2022)

SB Technology

## Group Companies (As of April 1, 2022)



### 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 : 54



### FONTWORKS Incorporated

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

Representatives : Ai Harada  
Shareholding ratio : 100%  
Number of employees : 53



### Kan Corporation

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

Representatives : Saori Aoki  
Shareholding ratio : 100%  
Number of employees : 8



### CyberTrust Japan Co., Ltd.

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

Representatives : Yasutoshi Magara  
Shareholding ratio : 58.42%  
Number of employees : 221



### REDEN Corp.

Providing a platform to promote the use of agricultural data and support the acceleration of the agricultural growth cycle

Representatives : Ikuma Uehara  
Shareholding ratio : 82.57%  
Number of employees : 2



### DENEN Co. Ltd.

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

Representatives : Masao Watanabe  
Shareholding ratio : 100%  
Number of employees : 79



### I/O SYSTEM INTEGRATION CO., LTD

Development, sales and maintenance of information processing systems

Representatives : Masayuki Sekiguchi  
Shareholding ratio : 100%  
Number of employees : 26

## For Big enterprise, government office Cloud Introduction No.1

SB Technology Corp.

ICT Service Business

### Telecommunication

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

### Enterprise

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

### Public Sector

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

### Consumer

- EC site operation Substitute such as Norton Store, etc
- EC sales of font licenses, etc



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

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

### Performance

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

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



### External evaluation

Received an award given by Microsoft Japan to its partners for nine consecutive years. The two divisions received awards in recognition of their efforts to decarbonize and respond to security in demonstration experiments with local governments in 2022.

Microsoft Japan Partner of the Year



Awarded for nine consecutive years since 2014

Microsoft Worldwide Partner Award



Japan's first quadruple crown

### Service

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

**clouXion**  
clouXion installation result  
**832 companies**

As of April, 2022





## Provide total solutions for information security

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

### Performance

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



### External evaluation

In fiscal 2021, we won the top ※2 for sales by vendor in two markets: Microsoft 365 Operation Monitoring Service and SIEM Operation Analysis Service/Managed XDR Service. These are being researched by ITR.



Source : ITR "ITR MarketView : Endpoint-security-type/information-leak-proof SOC service2022"

### Service

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



Security Monitoring Centre

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

※2 Source: ITR"ITR Market View: Endpoint-security/information-leakage SOC Services Marketing 2022



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

The SBT Group aims to realize a sustainable society.

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

### Basic Policy



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



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



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



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



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



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









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



# Material issues (Materiality) and KPI

In order to achieve the six materiality goals of SBT Group., we have established a KPI (Initiative Indicator). We will further strengthen our sustainability initiatives and contribute to the realization of a sustainable society.

Materiality issues (Materiality)	Project themes	KPI	Target	Target year
Contributing to the global environment through the use of clouds 	Responding to climate change through technology, reducing environmental impact: : Increasing customer energy/resource efficiency, promoting the use of cloud services to reduce CO2 emissions and environmental impact.	Cloud Security & Service Sales	Sales target of ¥50 billion set in the 4th Medium-Term Business Plan (FY22-24)	2024
Promoting accessibility and data utilization through advanced technology 	Building society and industry through DX: Promote the use of advanced data in an advancing digital society, and promote a co-creating DX that creates new value with our customers.	Cloud Security & Service Sales	Sales target of ¥50 billion set in the 4th Medium-Term Business Plan (FY22-24)	2024
		Investment in innovation	120% compared to the previous year	2024
Continuous enhancement of high-level security technology 	Providing cyber security-related services that support a safe social infrastructure: Contributing to the realization of a safe and secure information society by supporting the improvement of the convenience of digital infrastructure that is essential to society and ensuring the safety of information.	Cloud Security & Service Sales	Sales target of ¥50 billion set in the 4th Medium-Term Business Plan (FY22-24)	2024
		Cumulative number of security monitoring ID/ sensors	130% compared to the previous year	2024
Contributing to the safety assurance of food, the foundation of the nation, through technology 	Promote DX in agricultural administrative procedures: Promote public-private partnerships based on the national agricultural DX concept, promote digitization of agricultural administrative procedures, and reduce the burden on farmers and agricultural parties.	Number of computerized administrative procedures by the Ministry of Agriculture, Forestry and Fisheries	3,000	2025
	Contributing to sustainable agriculture with the support of farmers and agricultural participants: : Through the establishment of a digital platform that connects producers and consumers, we will contribute to the stable supply of food in the future by supporting both the improvement of agriculture's productivity and real use and sustainability.	Users of "agmiru" agriculture platform	150% (compared to 2021)	2024
Contributing to society through various lifestyles 	Creating harmony with society through business and contributing to the creation of a richer life: : We will contribute to the realization of a more comfortable and richer life by practicing "models of working styles that respond to diverse lifestyles" that utilize technology and by making extensive proposals to society.	Promotion of Life Work Balance	Corporate average overtime 25 hours per month	2024
		Promotion of an efficient working system that combines the flex system with the telework system	System promotion and operation	2024
		Developing Positive Work Environment	50% of male employees taking childcare leave	2024
Expanding human capital to drive growth and building a framework for business creation 	Development and promotion of diverse human resources: : We will support the further growth of each individual by introducing a personnel system that allows employees to climb equally according to their roles without depending on attributes, and by creating training that enables employees to voluntarily career up and opportunities for Reskilling that is commensurate with changes in business.	Enhancement of skills-up support system	Promotion and operation of systems	2024
		Collaboration with business partners and the establishment of education schemes	Introduction and start of system	2024

## 2022/12/02 [Case Study] Introduction of "Smart Secure Service", a cyber security service, in the TAKENAKA CORPORATION's new office building



In Takenaka Central Building South, a new office building of TAKENAKA CORPORATION, support was provided for the introduction of "Smart Secure Service", a cyber security service for office buildings, and a portion of the data-processing infrastructure. It is operated as a smart building with various advanced techniques such as lights and air conditioning connected to IoT equipment, and was adopted as a cyber security measure in this building system.

## 2022/12/06 Certified as the "100 Telework Pioneer" selected by MIC



It was certified as a "100 Telework Pioneer" selected by the Ministry of Internal Affairs and Communications. The "100 Telework Pioneer" is an initiative by the Ministry of Internal Affairs and Communications to certify companies and organizations striving to promote the widespread use of telework by introducing and utilizing telework and to raise the rate of implementation and prevent long-time work. We are promoting work style reforms based on the concept that "each and every employee can live with a rich life." We are implementing telework through the flex work system, a remote conference system for all employees, and reducing overtime hours by transforming work styles using IT.

## 2022/12/21 Concluded a capital and business alliance with Sagri Co., Ltd

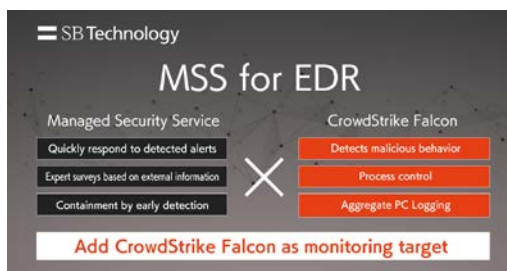
SB Technology



We concluded a capital and business alliance with Sagri Co., Ltd (Sagri). Sagri provides services using satellite-data and AI and compartment technologies to solve problems in agriculture and the environment. Sagri has deep knowledge and technical capabilities in the agricultural field.

We have many years of experience and know-how in supporting the digitization of the Ministry of Agriculture, Forestry and Fisheries. By leveraging the business synergies of both companies this time, we will promote DX in the field of the Ministry of Agriculture, Forestry and Fisheries and contribute to the further realization of administrative digitalization.

## 2022/12/22 Launched a managed security service for "CrowdStrike Falcon"



"CrowdStrike Falcon", an integrated security platform capable of detecting and responding to cyber-attacks, was added as a new target for monitoring "MSS for EDR", a managed security service.

"CrowdStrike Falcon" has established a leading position in the cybersecurity industry and has a large share in the end-point security market.

Security Analyst operates and monitors the customer's "CrowdStrike Falcon" 24 hours a day, 365 days a year from the Security Monitoring Center (SBT-SOC).



## 2023/01/24 "Microsoft 365 operation monitoring service" "SIEM Management Analysis Service/Managed XDR Service" Ranked No. 1 in the market

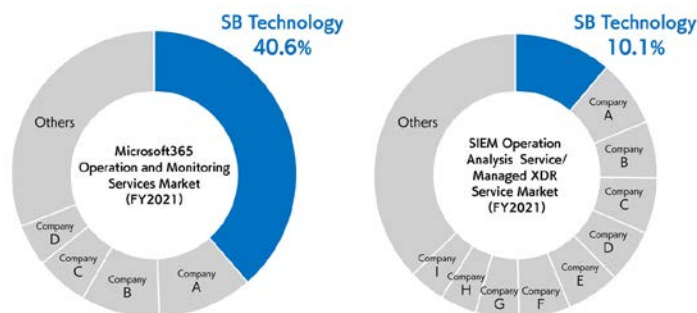
Achieved 2 crowns among 6 domestic Endpoint security countermeasure/Information leakage countermeasure SOC service fields surveyed by ITR

Of the six categories of ITR Market View: Endpoint-security-type and information-leakage-type SOC Services Market 2022 published in January 2023 by ITR Corporation (ITR), Microsoft 365 Operation Monitoring Services and SIEM Operation Analysis Services/Managed XDR Services, we ranked first share in sales by vendors in fiscal 2021.



Source : ITR "ITR MarketView : Endpoint-security-type/information-leak-proof SOC service2022"

According to this report, SBT's domestic share of Microsoft 365 operation monitoring services market was 40.6% in fiscal 2021, when it was ranked No. 1, and ranked No. 1 in all categories in terms of sales value share by industry and number of employees. Our domestic market share in SIEM management analytics services/managed XDR services market, which was also ranked No. 1, was 10.1%, and in fiscal 2022 (forecast), it is expected to grow significantly, by 145.6% compared to the previous fiscal year. In the above two fields, SBT is expected to be ranked No. 1 in fiscal 2022 as well.



Source : ITR "ITR MarketView : Endpoint-security-type/information-leak-proof SOC service2022"  
 [Left] Created by SBT based on "Microsoft365 Operation and Monitoring Services Market: Vendor-based sales share (FY2021)"  
 [Right] Created by SBT based on "SIEM Operation Analysis Service/Managed XDR Service Market: Vendor-based sales share (FY2021)"

In other fields, the domestic market share in ID security management/operation monitoring service market was 10.1% (third place) in fiscal 2021, and in fiscal 2022 (forecast), it is expected to grow rapidly to 194.7% compared to the previous fiscal year. Domestic market share in the managed EDR services market sector was 4.8% (sixth place), ranking third in the market share by number of employees with 10,000 or more employees.

# SB Technology by Numbers

\*Items not marked as "consolidated" are statistics for SBT alone



## Employees

SBT consolidated  
Number of Employees  
**1,379**  
(2022年3月)

2022nd  
New Graduate  
**59**  
(consolidated basis)

Average age  
**38.2**  
(March 2022)

## Working Style

Reduction of overtime by improving productivity

**42 hours** → **27 hours**  
FY2015 FY2021

Percentage of paid leave  
taken per employee  
**63%**  
(March 2022)

Remote working rate  
**75%**  
(Headquarters office FY21H2 achievements)

## Growth Support

Use of Skill Development Leave (FY2021)  
Number of employees who have acquired  
**234**  
Total days acquired  
**538**

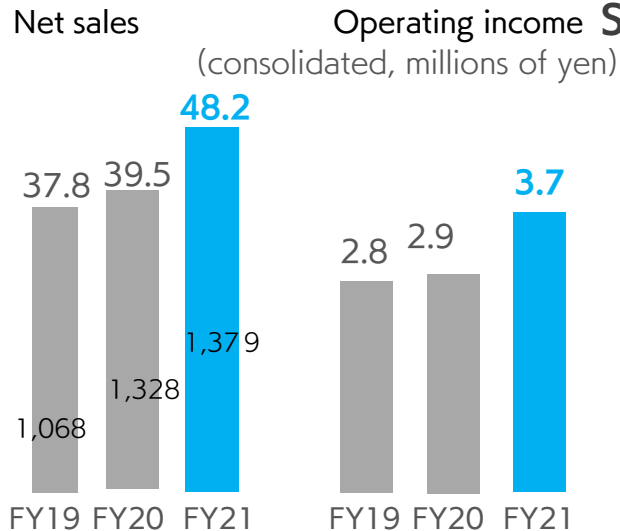
PMP Holder : CBAP Holder  
**123** : **49**  
(March 2022)

## Technical Personnel

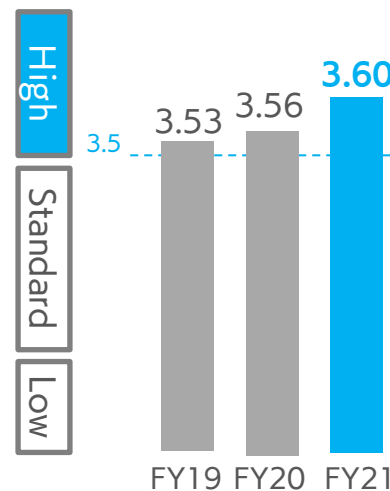
Ratio of job types  
**7 : 2 : 1**  
(Technology) (Sales) (Management)  
(March 2022)

Development partners  
**3,000**  
(March 2022)

## Index per Employee



## Comprehensive Employee Satisfaction (5-Level Evaluation)



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

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

One of the most important indicators for our employees is the sense that their work is rewarding. Every year, each index in the survey related to rewarding work is rated high.

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

# Materials to be Considered

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

## Disclaimer

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

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



# Information Revolution - Happiness for everyone

- Technologies Design the Future -

 SB Technology

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