

※ It is translated by AI

Fiscal Year Ending March 31, 2023 (FY2022)

# Results of Operations

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April 27, 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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## FY22 Financial Results

Net sales, operating income, and ordinary income achieved record highs

Operating income improved 0.5 of a percentage point year on year to 8.3%

## Orders Received

Received orders for large-scale operational projects from central ministries and agencies in several years

Achieving record-high orders and order backlog to FY23

## FY23 Forecast

Full-year forecast net sales ¥69 billion operating income ¥6.4 billion

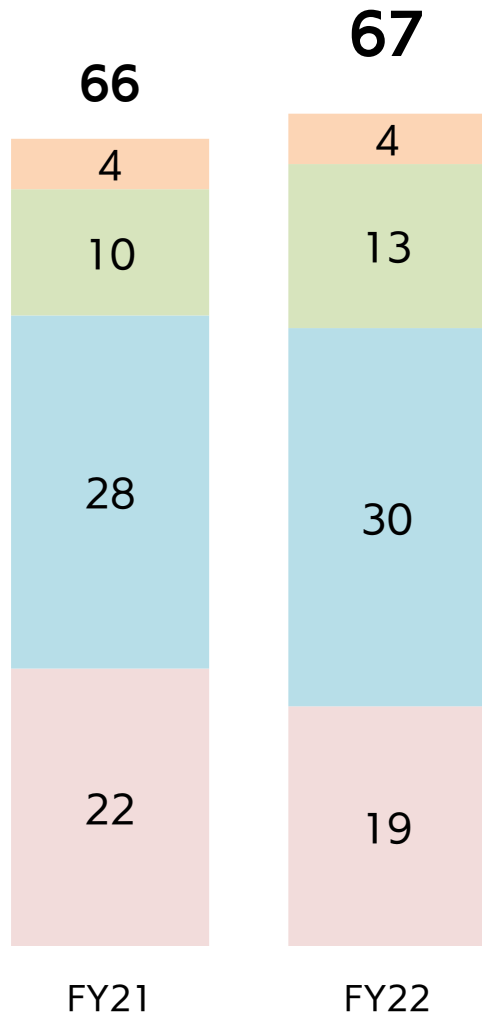
Aiming for growth in high-value-added services such as security and improvements in quality and productivity, the operating income will be in the 9% range ahead of the medium-term plan target

- Public Sector and Enterprise projects increased, offsetting lower Telecommunication revenues
- Achieved record-high net sales and operating income, and net profit decreased due to the impact of the gain on sales of investment securities in the previous fiscal year of approximately ¥600 million

[Millions of yen] (Profit margin)	FY22	FY21	Change	Change %
Net sales	Record High 67,227	66,183	+1,044	+1.6%
Operating income	Record High 5,557 (8.3%)	5,152 (7.8%)	+404	+7.8%
Ordinary income	Record High 5,499 (8.2%)	5,133 (7.8%)	+365	+7.1%
Profit attributable to owners of parent Net profit	3,497 (5.2%)	3,630 (5.5%)	▲133	▲3.7%
EBITDA ※	Record High 7,217	6,702	+514	+7.7%

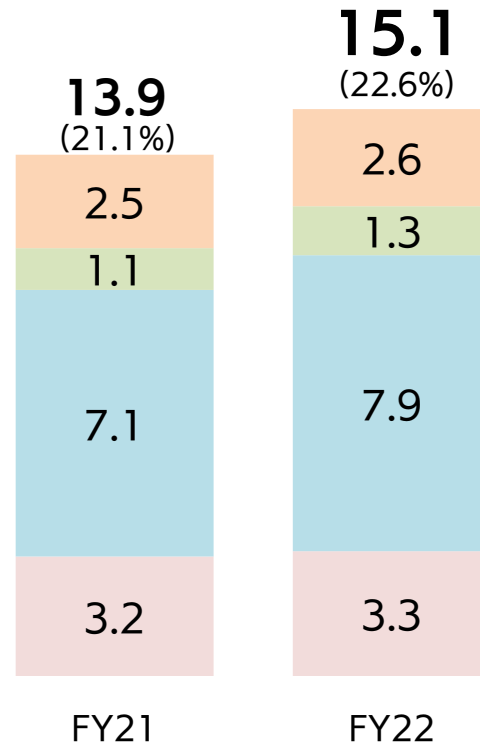
\*EBITDA=Operating income+Amortization of goodwill+Depreciation

## Net sales



## Gross profit

(Billions of yen)  
(Profit margin)



### Consumer : Flat in sales, and Increase in profits

- The impact of the change in the contract with NortonLifeLock Co., Ltd. is delayed from the initial forecast
- Profits increased due to the acquisition of large-scale projects by Fontworks Inc.

### 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 municipal information-related SC disruption

### Enterprise : Increase in both sales and profits

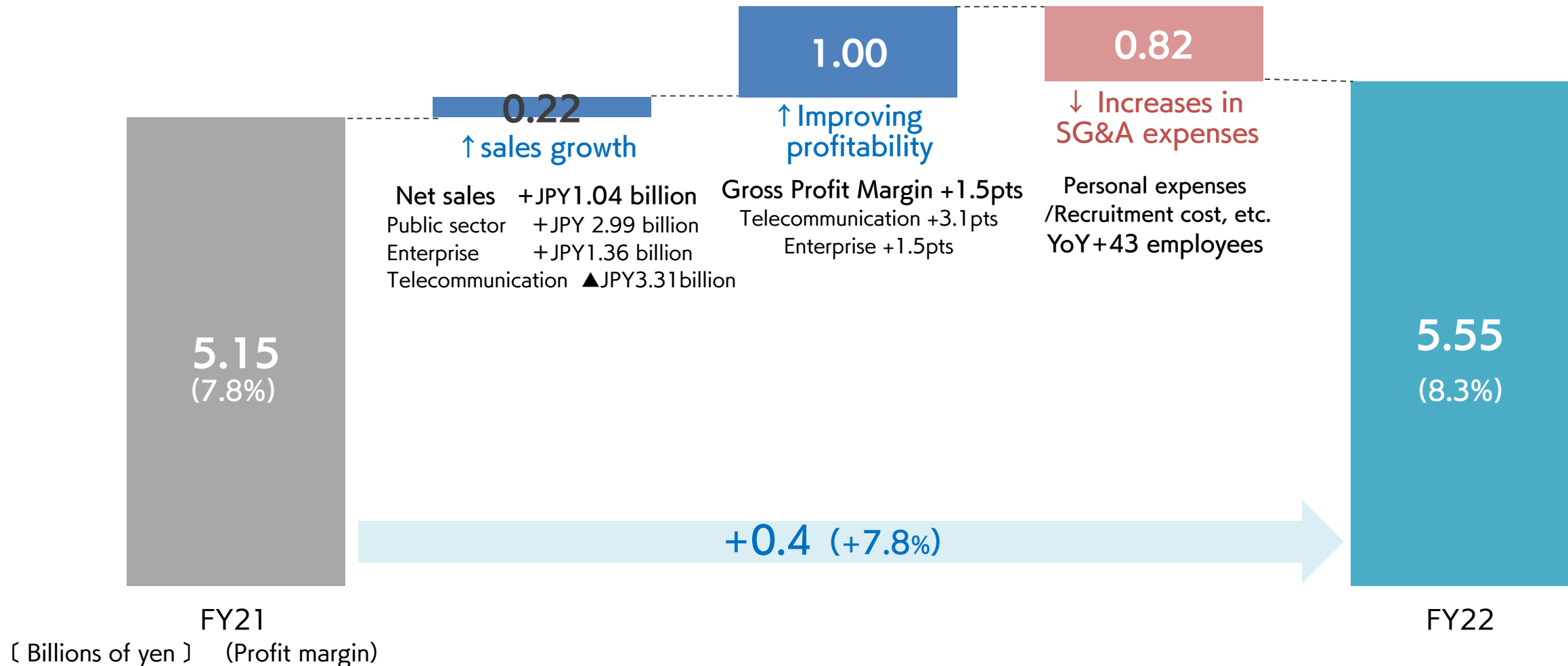
- Steady growth in Managed Security Service
- Strong growth in cloud construction for the manufacturing industry

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

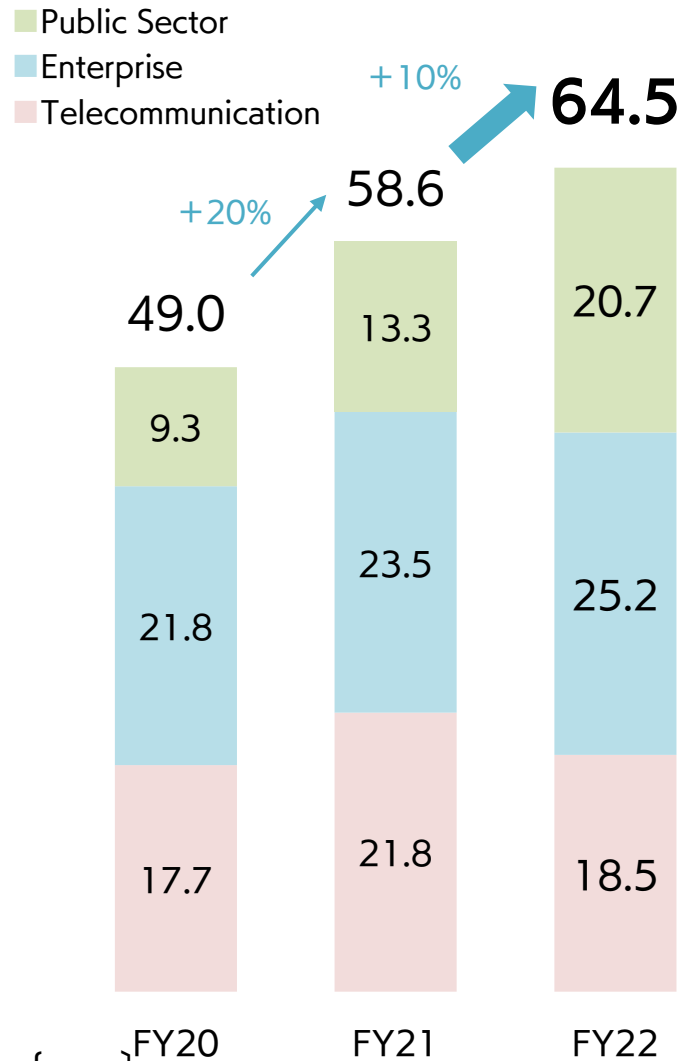
- Profit margin improvement due to improved efficiency, despite a decrease in sales due to a shift to high-value-added areas by narrowing down vendor management projects

※SC : Abbreviation for security cloud

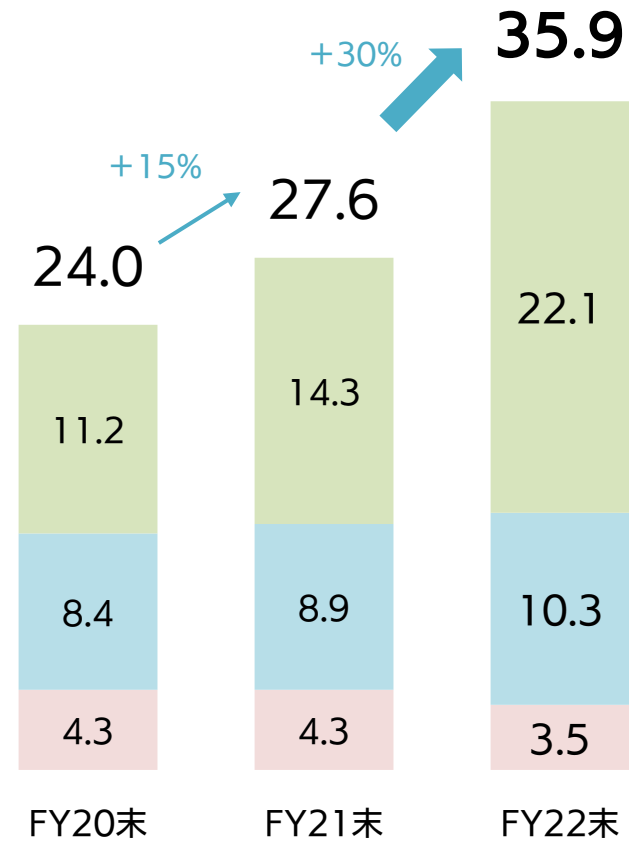
- Gross profit margin improved by 1.5 points due to improved the efficiency in Telecommunication area, and increased security services
- Despite an increase of 820 million in SG&A expenses due to an increase in the number of employees, operating income increased by 400 million (+7.8%)



Orders received



Order Backlog



Single order balance  
(YoY basis)

JPY **8.3** billions UP

FY22 Main orders

- Received orders for multi-year operation projects by the Ministry of Agriculture, Forestry and Fisheries.
- Steady accumulation of orders for Managed Security Service
- Reduction in vendor management projects for Telecommunication
- Approximately 66% of the order backlog is expected to generate sales in FY23



- Despite restrained investment in the Telecommunications field and the impact of changes to the contract with NortonLifeLock Co., Ltd. demand for security and cloud utilization is strong and Enterprise and Public Sector sales are expanding.
- The operating income is expected to be in the 9% range, one year ahead of the medium-term plan target, due to growth in-house services and improvements in quality and productivity.

[Millions of yen] (Profit margin)	FY23	FY22	Change	Change %
<b>Net sales</b>	<b>69,000</b>	<b>67,227</b>	<b>+1,772</b>	<b>+2.6%</b>
Telecommunication	16,300	19,575	▲3,275	▲16.7%
Enterprise	35,400	30,358	+5,042	+16.6%
Public Sector	14,000	13,223	+777	+5.9%
Consumer	3,300	4,070	▲770	▲18.9%
<b>Operating income</b>	<b>6,400</b> (9.3%)	<b>5,557</b> (8.3%)	<b>+842</b>	<b>+15.2%</b>
<b>Ordinary income</b>	<b>6,350</b> (9.2%)	<b>5,499</b> (8.2%)	<b>+850</b>	<b>+15.5%</b>
<b>Profit attributable to owners of parent Net profit</b>	<b>3,950</b> (5.7%)	<b>3,497</b> (5.2%)	<b>+452</b>	<b>+12.9%</b>

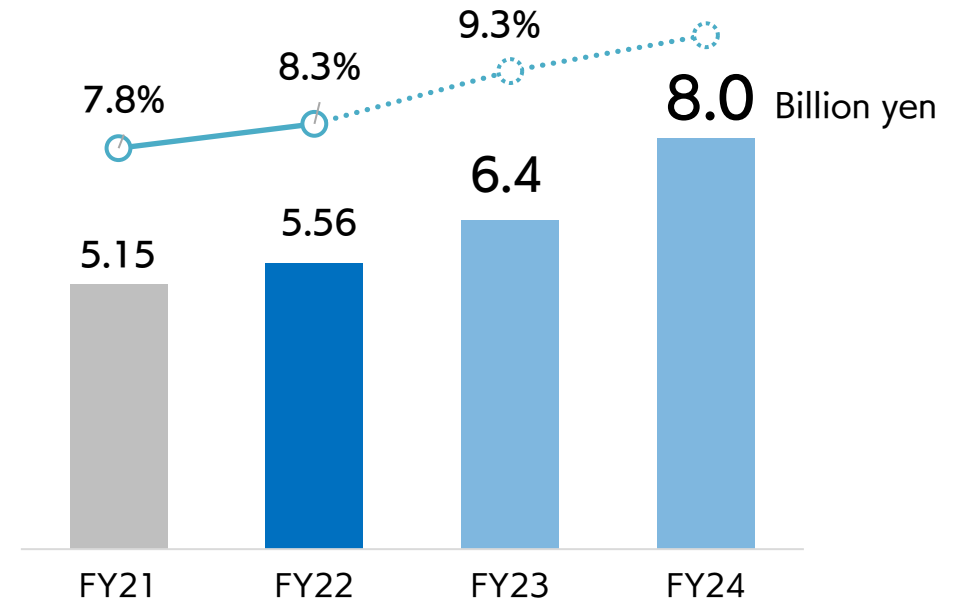
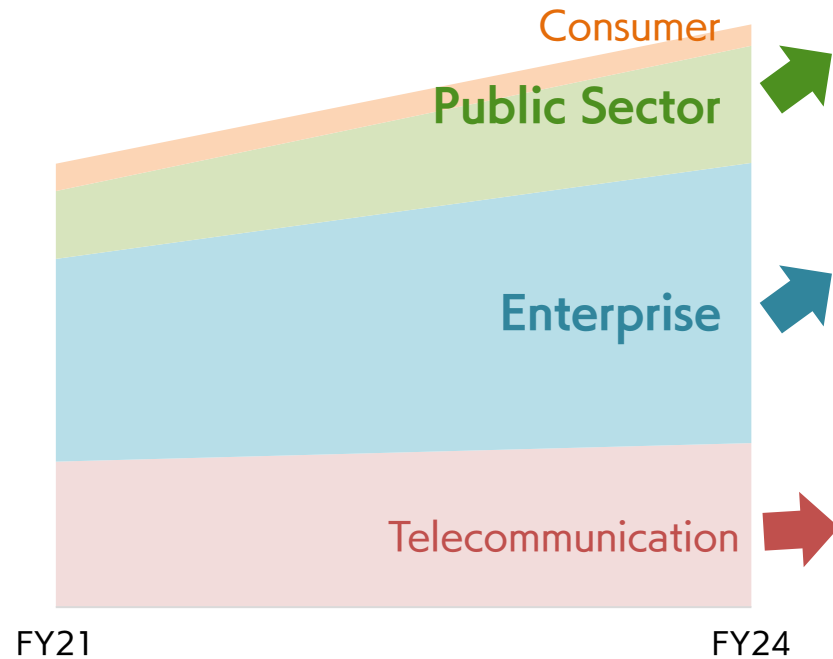
# Progress of Medium-Term Management Plan

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

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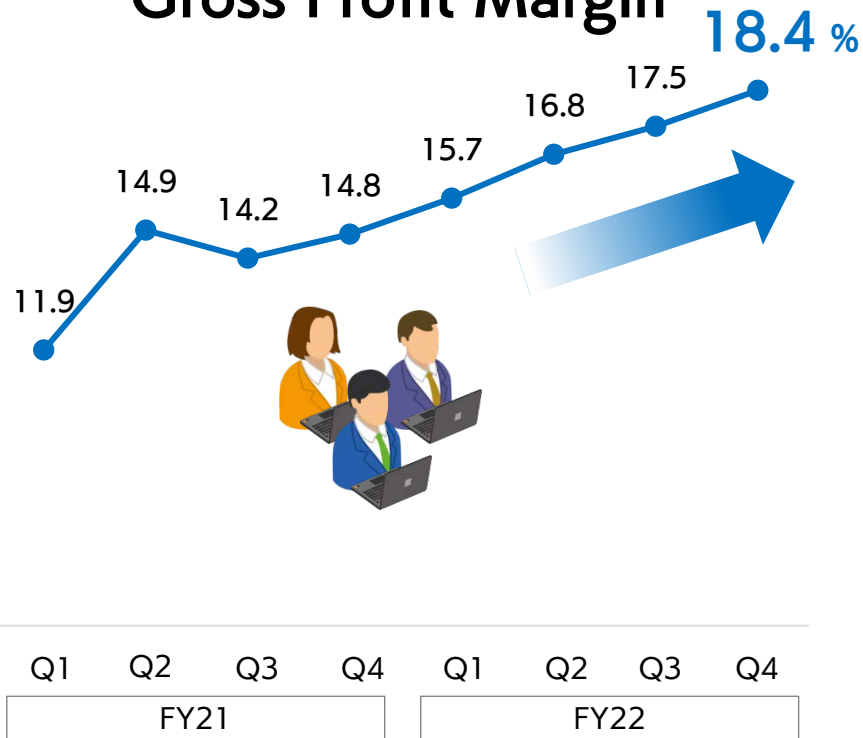
## FY24 Management Indicators

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 / operating income of 9% range

## Transition of Gross Profit Margin

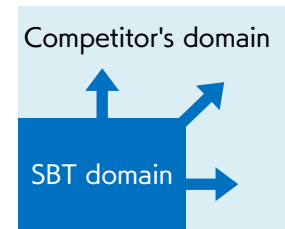


## FY23 Initiatives



### Use of offshore

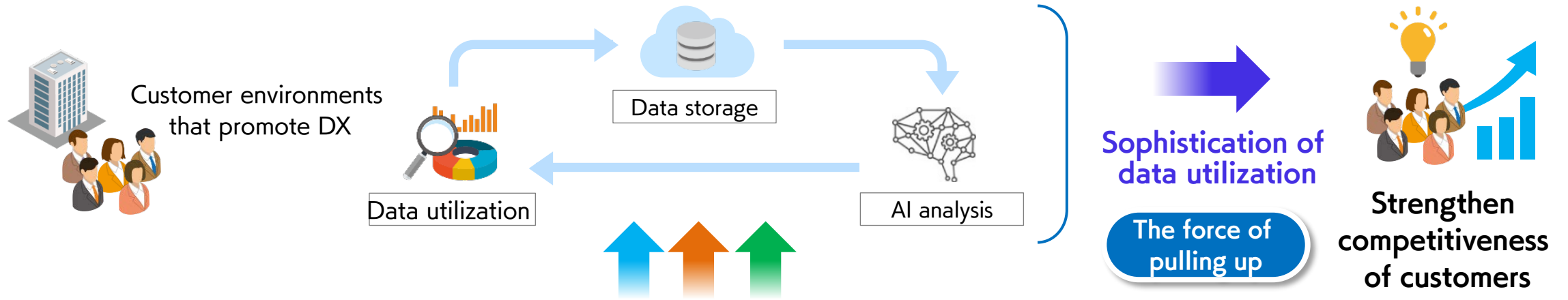
(Cost reduction/Resource reserve)



### To expand Share of wallet

(Invading on competitive areas)

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



Services provided by SB technology



## Managed Security Service

The force of pushing up

### Normal time (Planned)

- Understanding IT assets and managing vulnerability
- Defective cloud configuration detection and Risk report

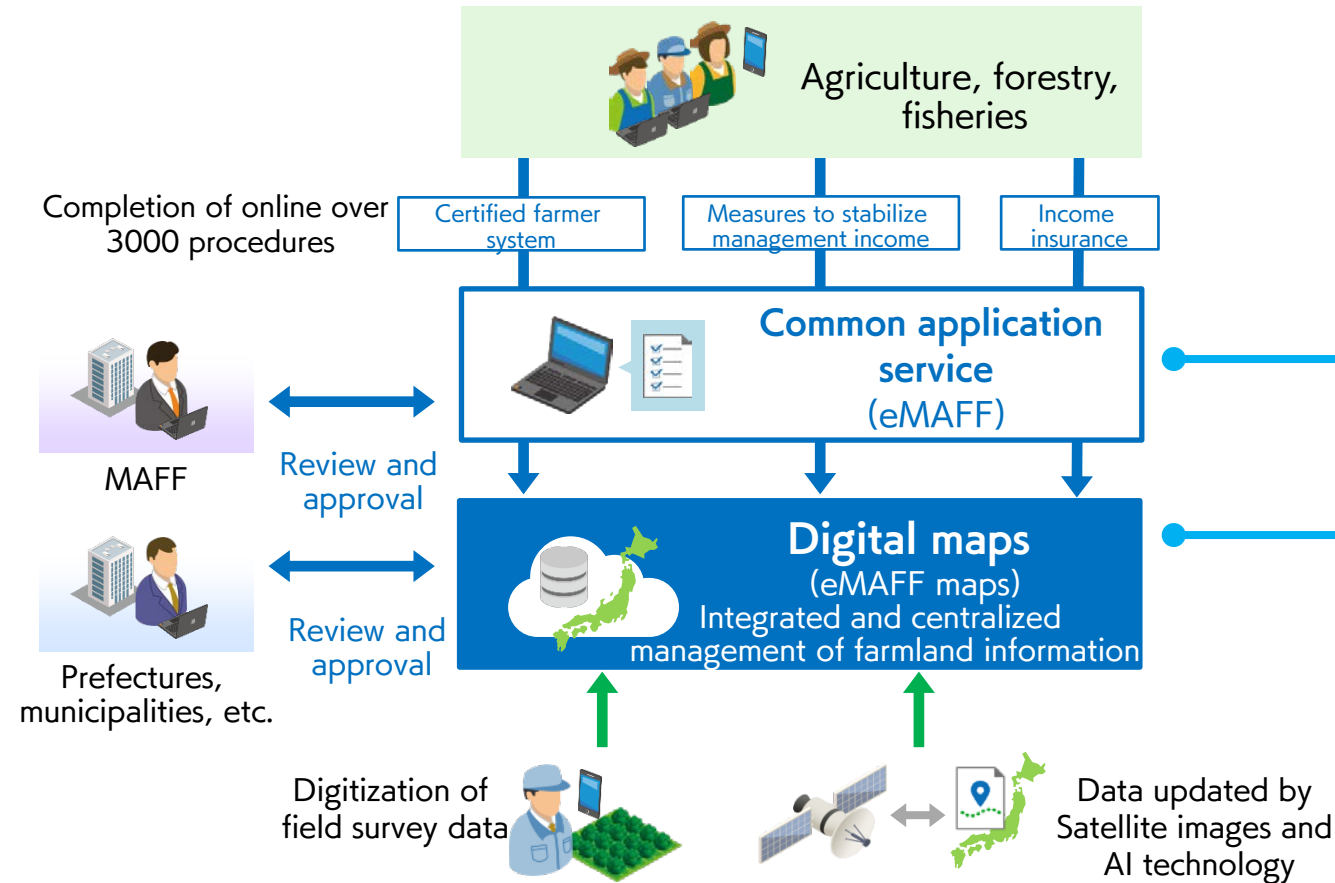
### Crisis detection

- Security log collection and correlation-based attack analysis
- Security monitoring 24 hours a day, 365 days a year

### Investigation and restoration support

- Response to failure/attack detection
- Support from "Initial" to "Restoration"

Established a security service provision system that can support the customer's cloud environment from normal times to emergencies



## Initiatives since FY23

- Improving online utilization rate for application procedures
- Other developments in the knowledge-based application business
- More efficient operations through the use of chats and AI

## Initiatives since FY23

- Efficiency and labor saving of on-site confirmation work, etc. using such as satellite images
- Deployment of map domain business to local governments, etc.

Since FY23, we have focused on utilizing digitized data, mainly in areas where our strengths have been active, and on expanding into other areas

## Local Government Information Security Cloud

Prevention of recurrence and completion of final report

Establishment of a system for stable operation



Replacement of the server aggregation Switch Further multiplexing and enhanced fault detection systems



Strengthen information sharing with local governments through monthly regular meetings and service portals

Developing local government businesses to improve profitability



### Option Service

Example of Option



EDR※ Monitoring/Operation



Remote Desktop

Improve convenience of operations

### Microsoft 365 Introduction/transition + Security



Microsoft 365



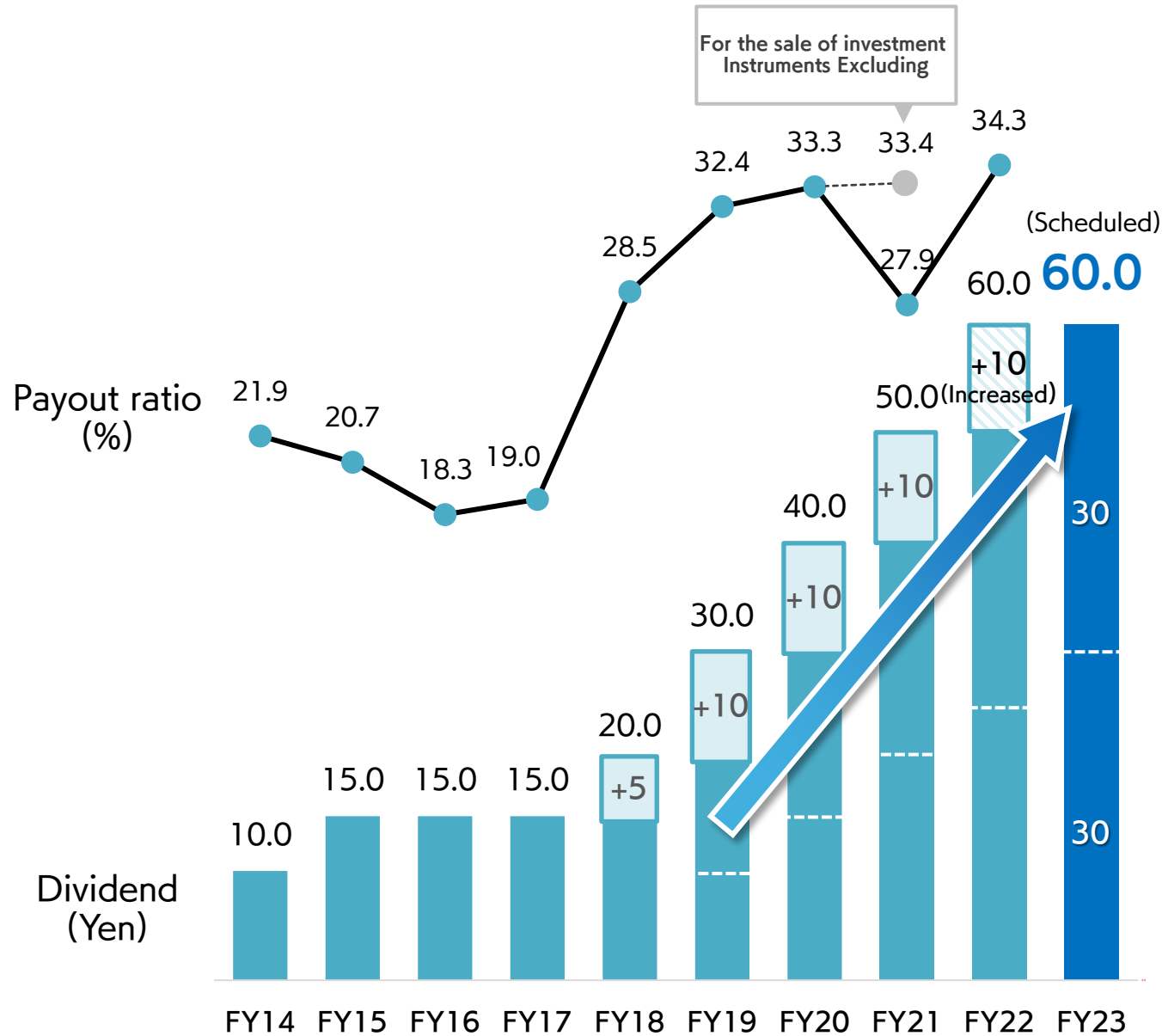
Security Service



Implementing measures to prevent recurrence to ensure stable operation of information-based SC  
Acquisition of communication infrastructure around local governments  
in addition to optional services

# Shareholder Returns





**Annual dividend of ¥60 per share (planned)**  
 which is up ¥10 in FY22 Q4,  
 Acquisition of treasury stock:  
 ¥1.09 billion

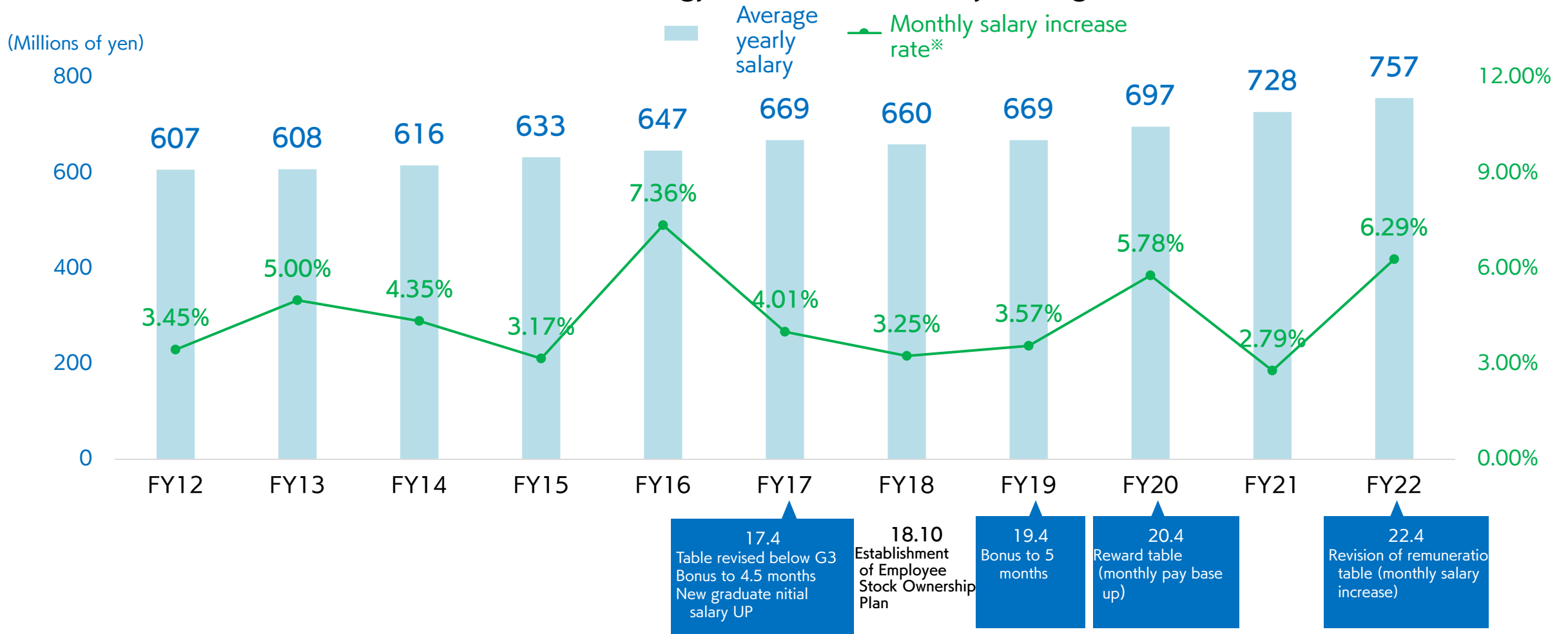
In FY23 Q4, the company plans to invest in services development, M&A, and other growth-oriented investments.

**Scheduled Annual dividend of 60 yen**  
 (Mid-term 30yen/Term-end 30yen)

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

Since 2012, monthly salaries have averaged "about twice the level" compared to the public level on a wage increase rate basis.

<FY22> SB Technology 6.29% All-industry average 2.02%



※Average rate of increase compared to the "current monthly wage" and "monthly wage after the next year's wage increase after the year's evaluation" of the subject of the year evaluation

**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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# Consolidated P/L (January–March)

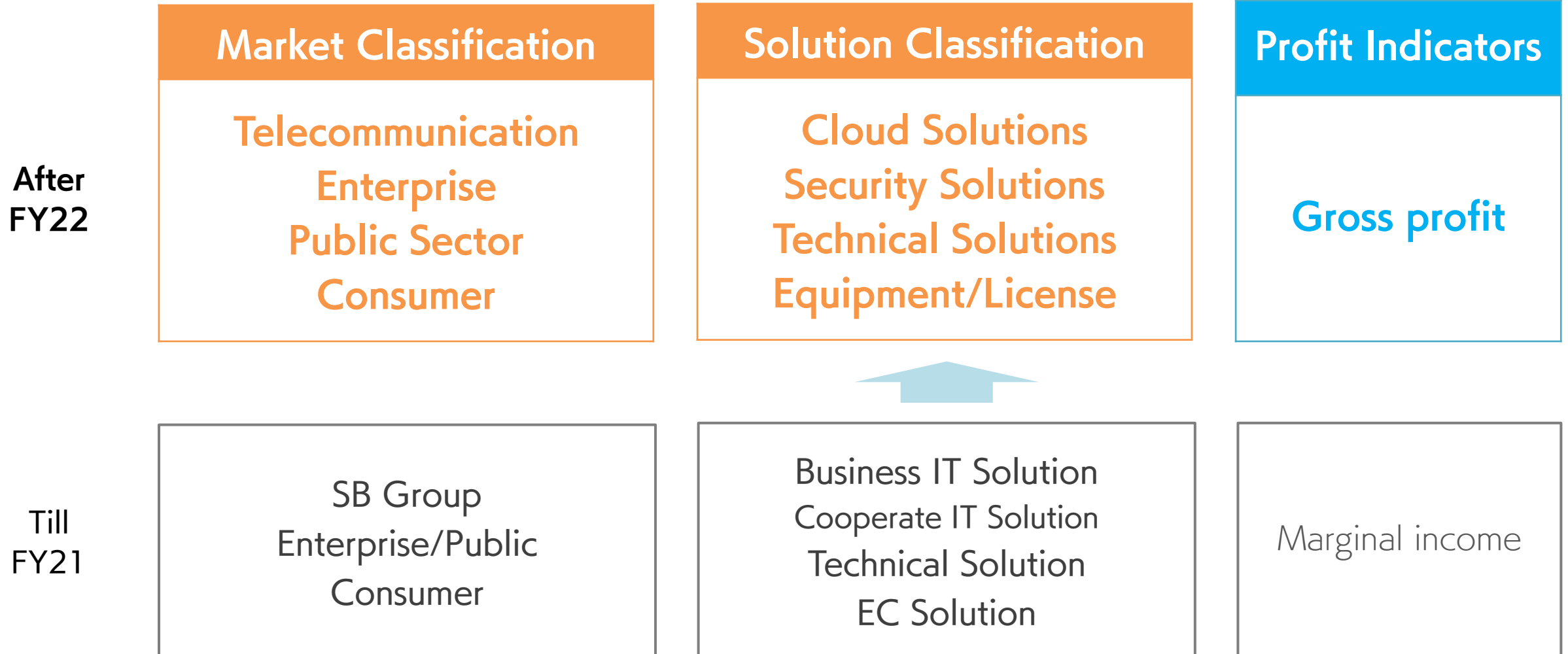
| FY2022 Q4

- Increase in cloud security projects for Public Sector and Enterprises; increase in sales, offsetting a decline in Telecommunications revenue
- Net income decreased due to the impact of gain on sales of investment securities in the previous Q4.

[Millions of yen]	(Profit margin)	FY22Q4	FY21Q4	Change	Change %
Net sales		Record High 18,996	18,557	+438	+2.4%
Operating income		Record High 2,015 (10.6%)	1,492 (8.0%)	+522	+35.0%
Ordinary income		Record High 2,009 (10.6%)	1,510 (8.1%)	+499	+33.0%
Profit attributable to owners of parent Net profit		1,388 (7.3%)	1,443 (7.8%)	▲54	▲3.8%
EBITDA ※		Record High 2,438	1,889	+549	+29.1%

\*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)

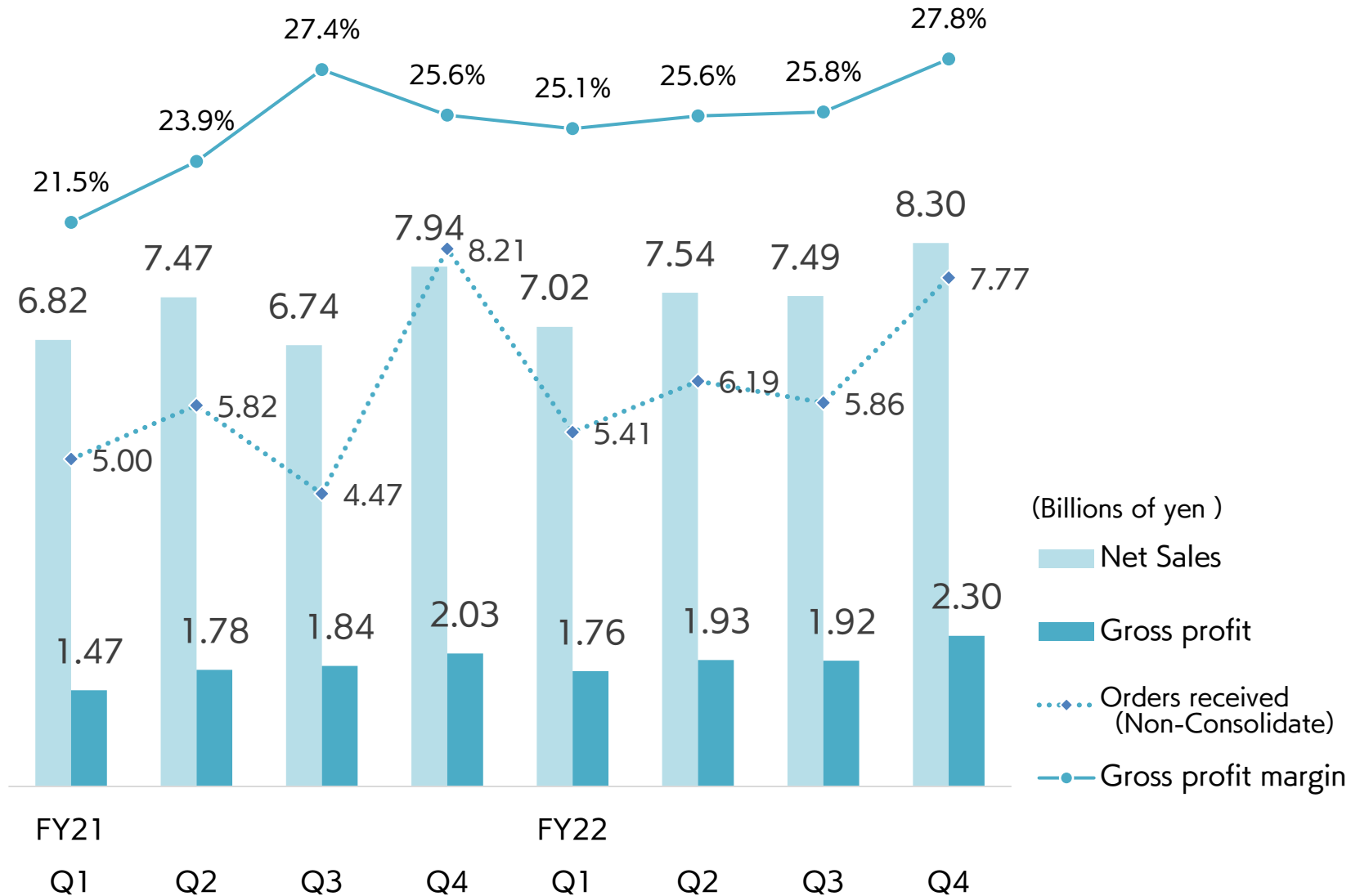
### Orders received (Non-Consolidated)

- 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)

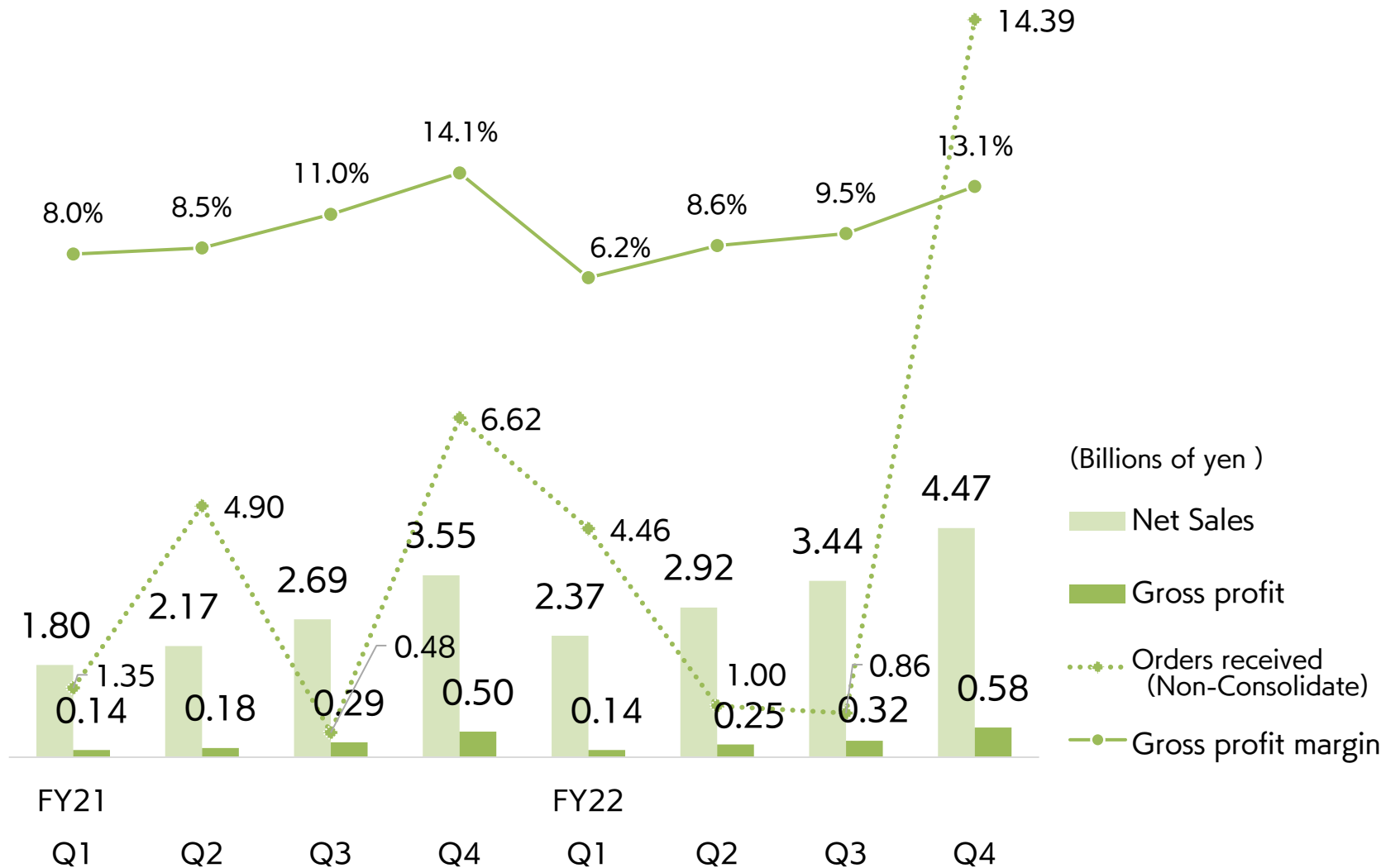
### Orders received (Non-Consolidated)

- Although sales of in-house service MSS\* and cloud development/operation/maintenance projects increased, sales decreased due to the termination of large-scale equipment licensing sales.

### Net sales/Gross profit

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

※ Acronym for Managed Security Service



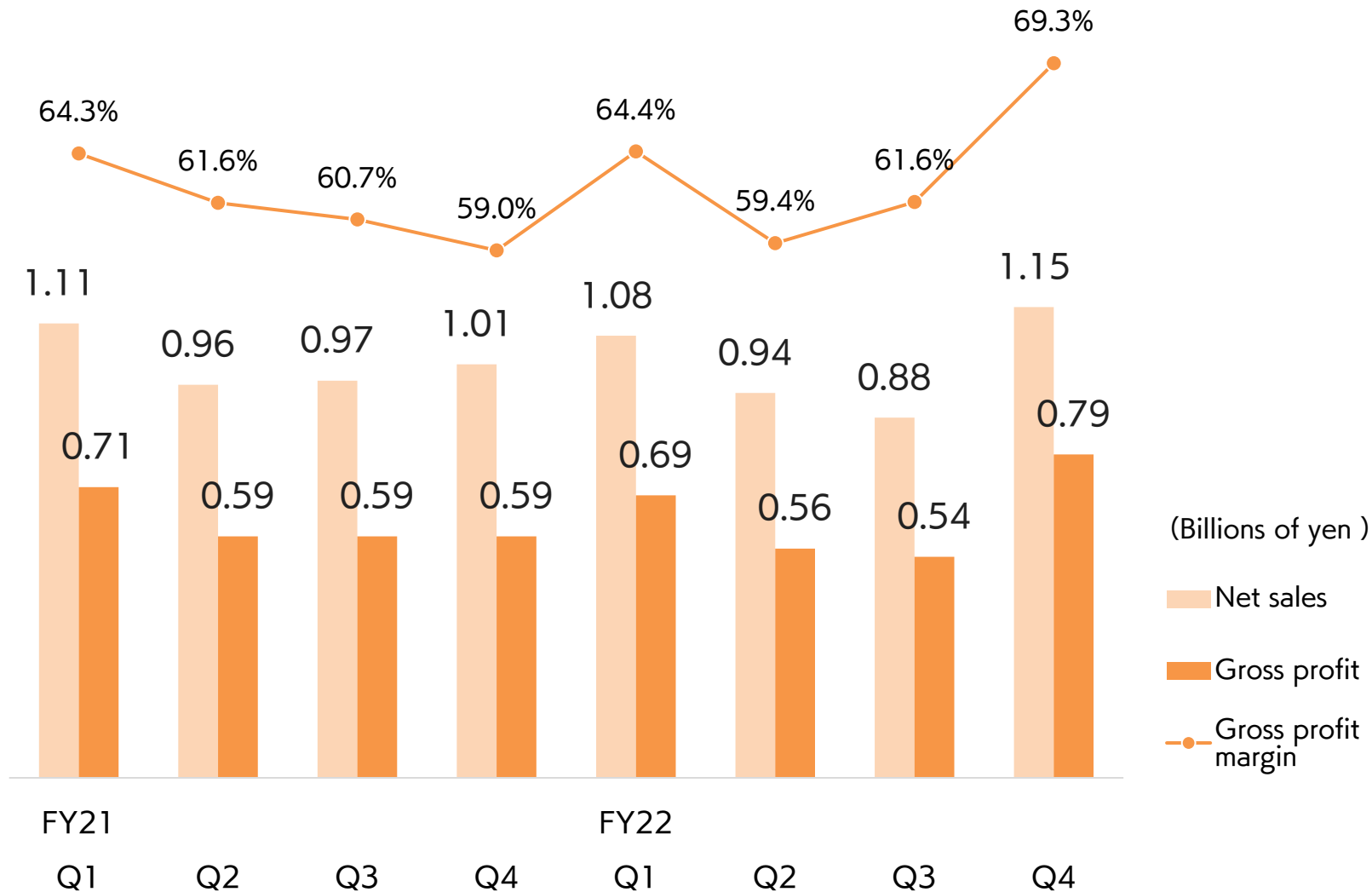
## Public Sector (QoQ)

### Orders received (Non-Consolidated)

- Increased due to common applications for the Ministry of Agriculture, Forestry and Fisheries and orders for multi-year operation projects related to maps

### Net sales/Gross profit

- Sales grew due to projects for the Ministry of Agriculture and Fisheries and the operation of Local Government Information SC
- Reserve for Local Government Information SC incurred, but increased profit



### Consumer (QoQ)

#### Net sales/Gross profit

- The impact of a contract change with NortonLifeLock Co., Ltd. was behind the initial plan. However, sales and earnings increased in QoQ due to large-scale projects of Fontworks Inc.

		FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY21	FY22Q1	FY22Q2	FY22Q3	FY22Q4	FY22	YOY	
												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	18,996	67,227	+1,044	+1.6%
	Gross profit	2,954	3,416	3,571	4,030	13,974	3,405	3,538	3,625	4,625	15,194	+1,220	+8.7%
	Profit margin	19.7%	20.9%	21.9%	21.7%	21.1%	21.9%	21.9%	21.9%	24.3%	22.6%	+1.5pt	-
Telecommunication	Net sales	5,241	5,699	5,898	6,048	22,888	5,079	4,731	4,701	5,062	19,575	▲3,313	▲14.5%
	Gross profit	621	851	838	896	3,208	796	793	820	933	3,343	+135	+4.2%
	Profit margin	11.9%	14.9%	14.2%	14.8%	14.0%	15.7%	16.8%	17.5%	18.4%	17.1%	+3.1pt	-
Enterprise	Net sales	6,826	7,478	6,742	7,945	28,993	7,021	7,540	7,493	8,301	30,358	+1,364	+4.7%
	Gross profit	1,470	1,784	1,845	2,036	7,136	1,763	1,930	1,929	2,305	7,929	+792	+11.1%
	Profit margin	21.5%	23.9%	27.4%	25.6%	24.6%	25.1%	25.6%	25.8%	27.8%	26.1%	+1.5pt	-
Public Sector	Net sales	1,809	2,176	2,692	3,552	10,230	2,374	2,927	3,442	4,477	13,223	+2,992	+29.2%
	Gross profit	144	184	296	501	1,126	147	252	328	586	1,315	+188	+16.8%
	Profit margin	8.0%	8.5%	11.0%	14.1%	11.0%	6.2%	8.6%	9.5%	13.1%	9.9%	▲1.1pt	-
Consumer	Net sales	1,116	967	975	1,010	4,070	1,084	946	886	1,153	4,070	+0	+0.0%
	Gross profit	718	596	591	595	2,502	698	561	546	799	2,606	+104	+4.2%
	Profit margin	64.3%	61.6%	60.7%	59.0%	61.5%	64.4%	59.4%	61.6%	69.3%	64.0%	+2.5pt	-

※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	FY22Q4	FY22	YOY	
											Change	Change %
Net sales	14,994	16,322	16,309	18,557	66,183	15,560	16,145	16,524	18,996	67,227	+1,044	+1.6%
Telecommunication	5,241	5,699	5,898	6,048	22,888	5,079	4,731	4,701	5,062	19,575	▲3,313	▲14.5%
Enterprise	6,826	7,478	6,742	7,945	28,993	7,021	7,540	7,493	8,301	30,358	+1,364	+4.7%
Public Sector	1,809	2,176	2,692	3,552	10,230	2,374	2,927	3,442	4,477	13,223	+2,992	+29.2%
Consumer /License	1,116	967	975	1,010	4,070	1,084	946	886	1,153	4,070	+0	+0.0%
Cost of sales	12,039	12,905	12,737	14,526	52,209	12,154	12,607	12,899	14,370	52,032	▲176	▲0.3%
Gross profit	2,954	3,416	3,571	4,030	13,974	3,405	3,538	3,625	4,625	15,194	+1,220	+8.7%
SG&A expenses	2,042	2,123	2,117	2,538	8,821	2,320	2,353	2,354	2,609	9,637	+816	+9.3%
Operating income	912	1,293	1,454	1,492	5,152	1,085	1,184	1,271	2,015	5,557	+404	+7.8%
Other Income and Expenses	▲34	18	▲20	17	▲19	▲15	▲32	▲4	▲5	▲58	▲38	-
Ordinary income	877	1,311	1,433	1,510	5,133	1,070	1,152	1,266	2,009	5,499	+365	+7.1%
Extraordinary gain/loss	19	▲21	▲1	503	499	7	23	3	▲77	▲42	▲542	-
Net profit attributable to owners of parent	516	798	871	1,443	3,630	646	699	762	1,388	3,497	▲133	▲3.7%
EBITA	1,274	1,676	1,861	1,889	6,702	1,494	1,599	1,685	2,438	7,217	+514	+7.7%
Non-Consolidated Order Backlog	23,634	26,403	23,678	27,612	27,612	29,602	27,921	25,641	35,939	35,939	+8,327	+30.2%

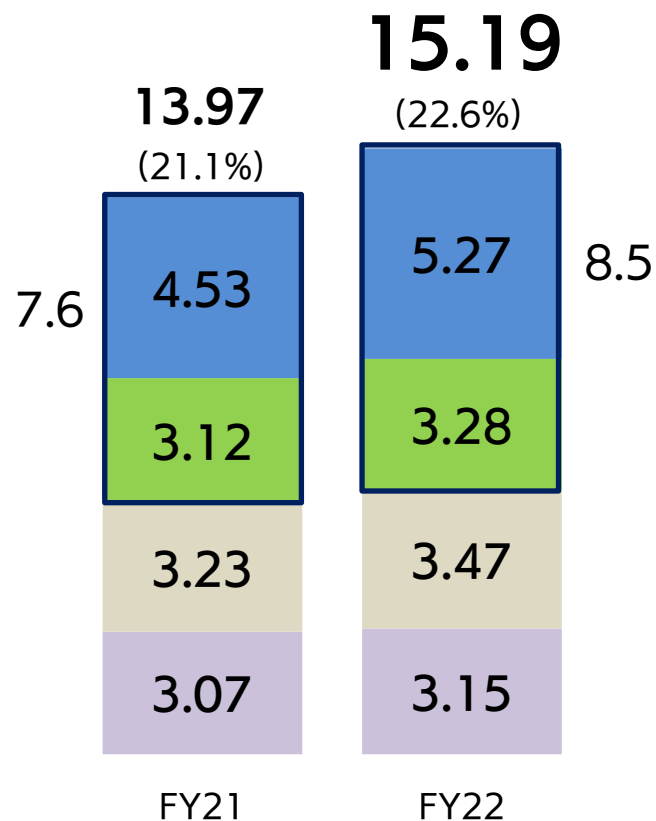
※EBITDA=Operating income+Amortization of goodwill+Depreciation

※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 10 prefectures of Local Government Information SC from FY22.
- Steady progress in MSS for Enterprise

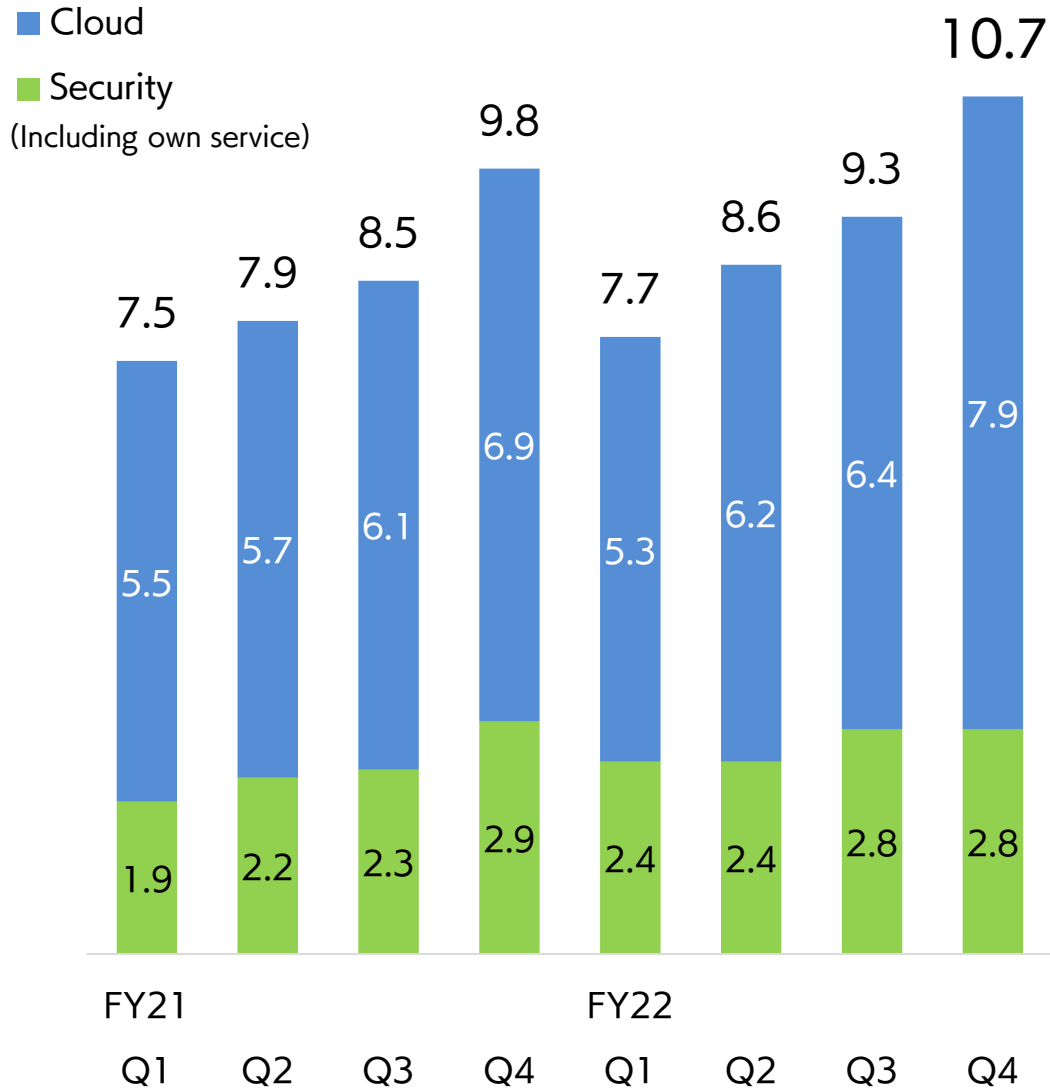
### Technical Solutions : Decrease in sales, and Increase in profits

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

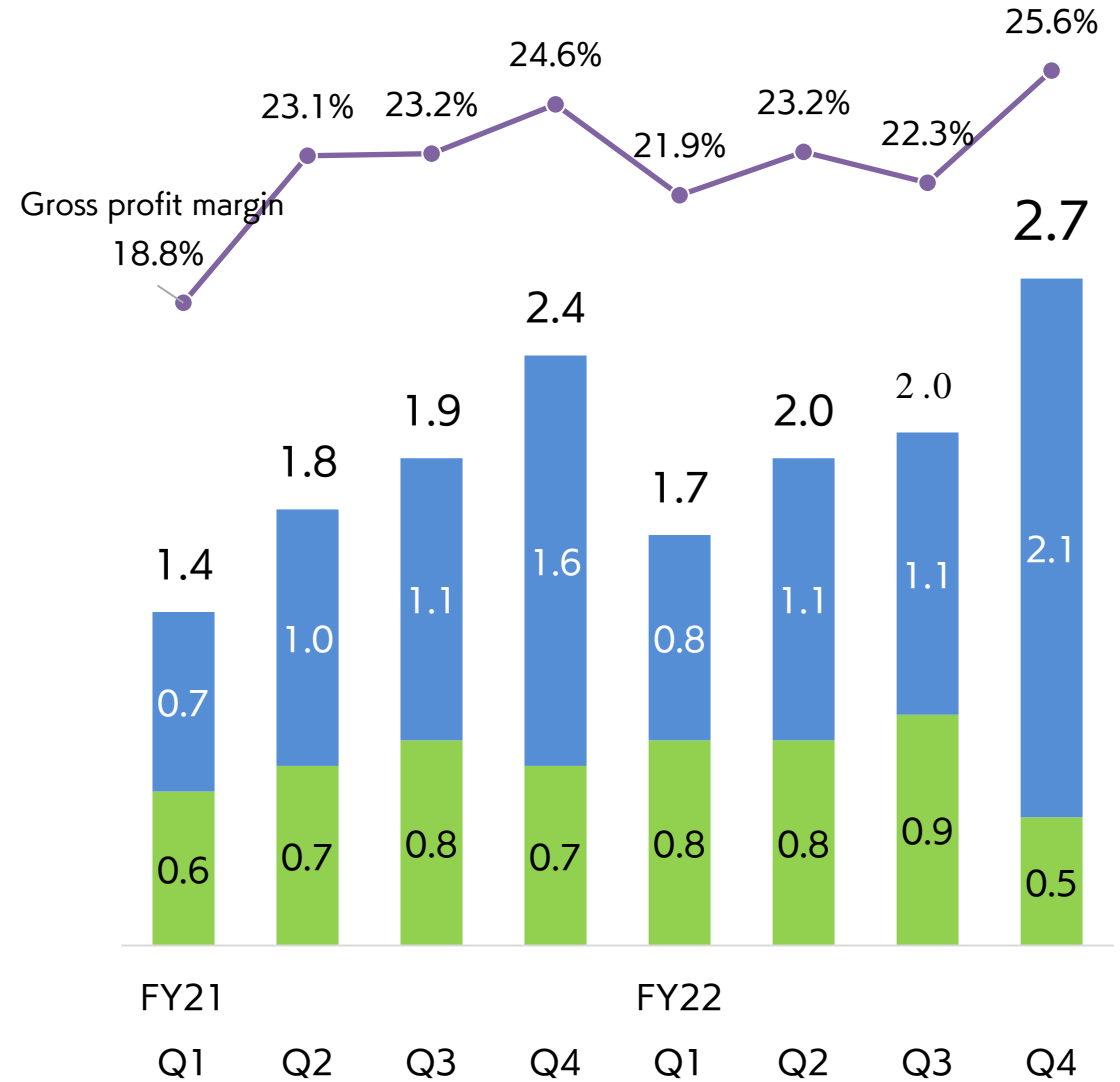
### Equipment/License : Increase in both sales and profits

- Increase in licenses for the manufacturing industry
- Profits increased due to acquisition of large-scale projects by Fontworks Inc.

Net sales



Gross profit



[Billions of yen]

		FY21Q1	FY21Q2	FY21Q3	FY21Q4	FY21	FY22Q1	FY22Q2	FY22Q3	FY22Q4	FY22	YOY	
												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	18,996	67,227	+1,044	+1.6%
	Gross profit	2,954	3,416	3,571	4,030	13,974	3,405	3,538	3,625	4,625	15,194	+1,220	+8.7%
	Profit margin	19.7%	20.9%	21.9%	21.7%	21.1%	21.9%	21.9%	21.9%	24.3%	22.6%	+1.5pt	-
Cloud Solutions	Net sales	5,492	5,719	6,067	6,915	24,195	5,237	6,160	6,424	7,946	25,768	+1,573	+6.5%
	Gross profit	711	1,051	1,137	1,633	4,533	827	1,149	1,099	2,199	5,276	+743	+16.4%
	Profit margin	12.9%	18.4%	18.7%	23.6%	18.7%	15.8%	18.7%	17.1%	27.7%	20.5%	+1.8pt	-
Security Solutions	Net sales	2,037	2,280	2,454	2,955	9,727	2,558	2,531	2,903	2,823	10,817	+1,089	+11.2%
	Gross profit	703	795	835	794	3,129	882	867	981	555	3,286	+156	+5.0%
	Profit margin	34.5%	34.9%	34.0%	26.9%	32.2%	34.5%	34.3%	33.8%	19.7%	30.4%	▲1.8pt	-
Technical Solutions	Net sales	4,875	5,469	5,543	5,780	21,667	5,093	4,773	4,675	5,134	19,677	▲1,989	▲9.2%
	Gross profit	676	828	837	897	3,239	822	830	854	968	3,475	+236	+7.3%
	Profit margin	13.9%	15.1%	15.1%	15.5%	15.0%	16.1%	17.4%	18.3%	18.9%	17.7%	+2.7pt	-
Equipment/License	Net sales	2,589	2,853	2,244	2,905	10,592	2,671	2,680	2,520	3,091	10,963	+371	+3.5%
	Gross profit	863	741	761	705	3,071	873	690	690	902	3,156	+85	+2.8%
	Profit margin	33.3%	26.0%	33.9%	24.3%	29.0%	32.7%	25.8%	27.4%	29.2%	28.8%	▲0.2pt	-

Management Indicators*1 Total	Net sales	7,530	7,999	8,521	9,870	33,922	7,795	8,692	9,328	10,769	36,585	+2,662	+7.8%
	Gross profit	1,415	1,847	1,972	2,427	7,663	1,710	2,016	2,080	2,755	8,562	+899	+11.7%
	Profit margin	18.8%	23.1%	23.2%	24.6%	22.6%	21.9%	23.2%	22.3%	25.6%	23.4%	+0.8pt	-

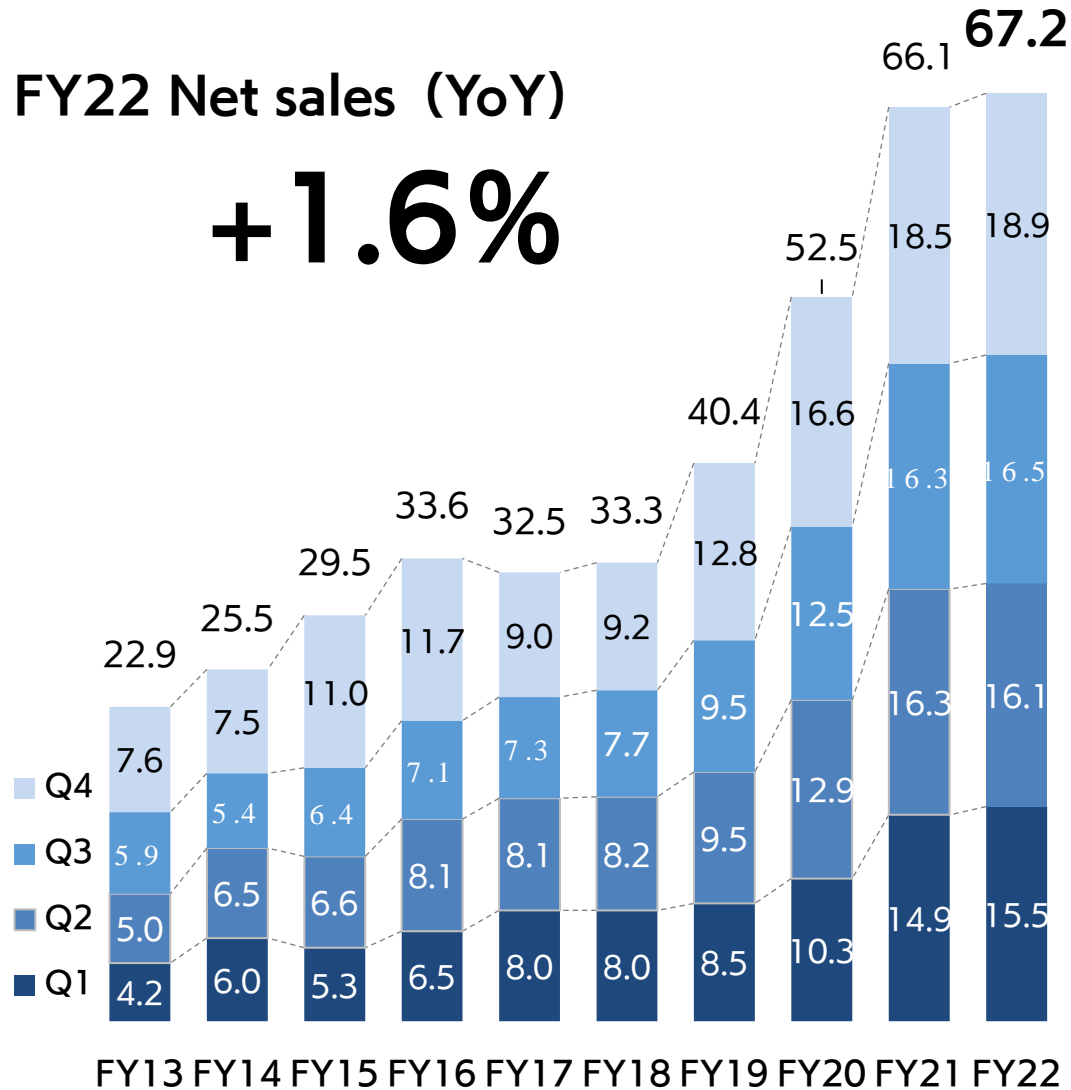
\*1 : Cloud Solutions+Security Solutions (Including Our own service)

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



## FY22 Net sales (YoY)

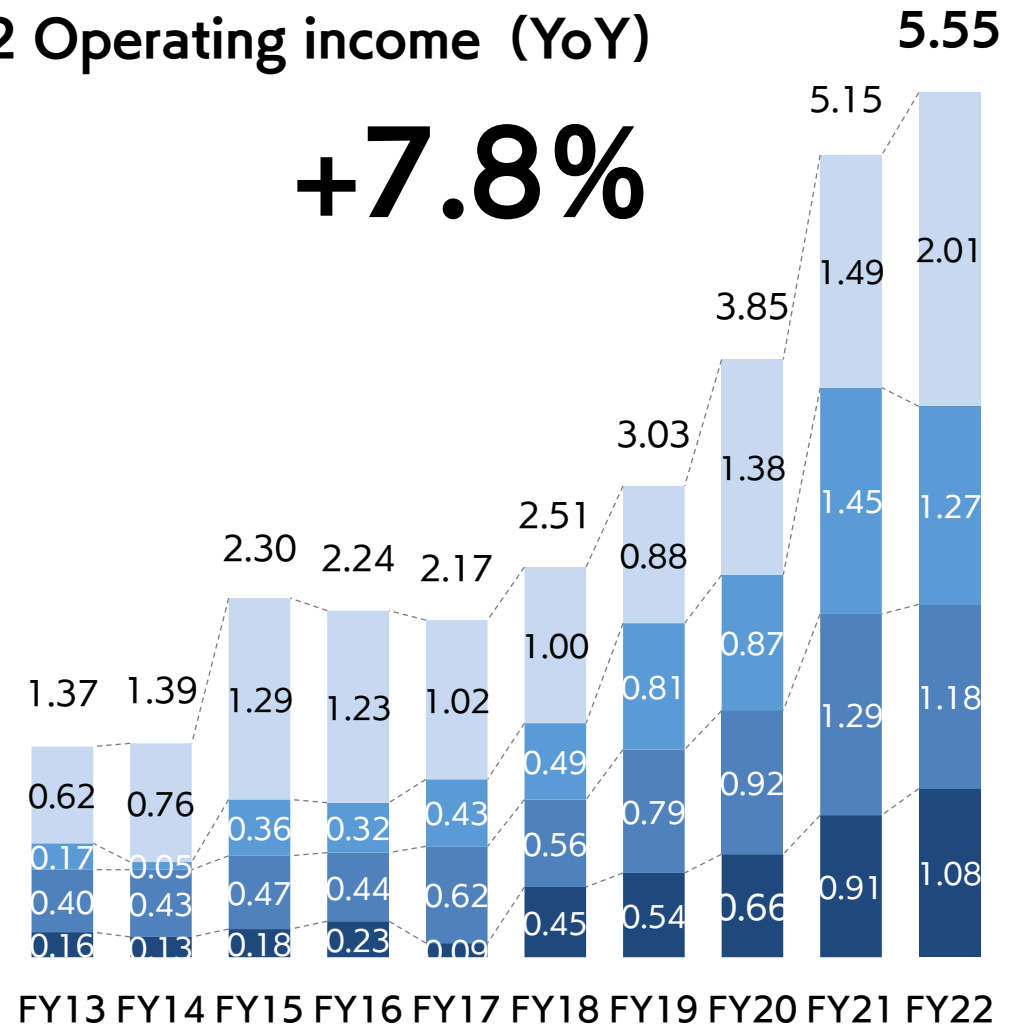
# +1.6%



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

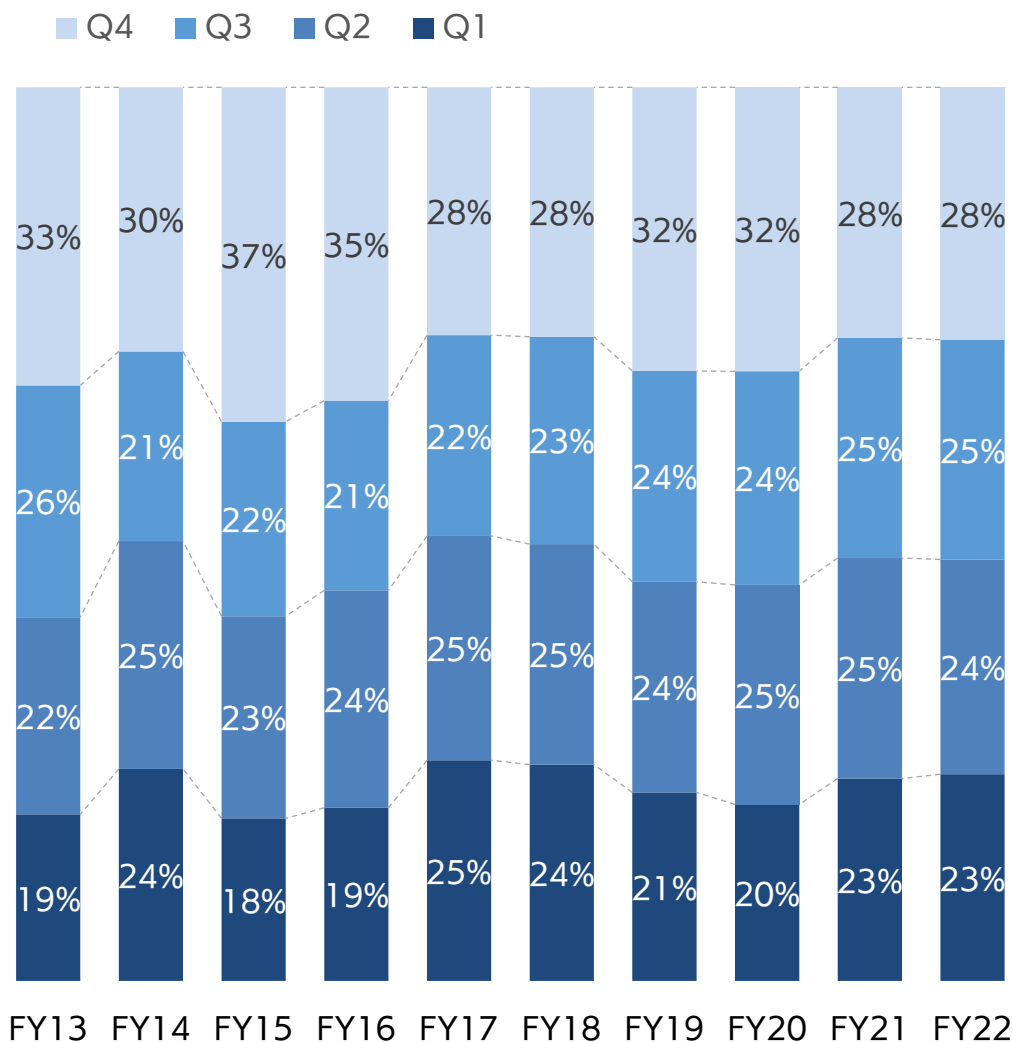
## FY22 Operating income (YoY)

# +7.8%

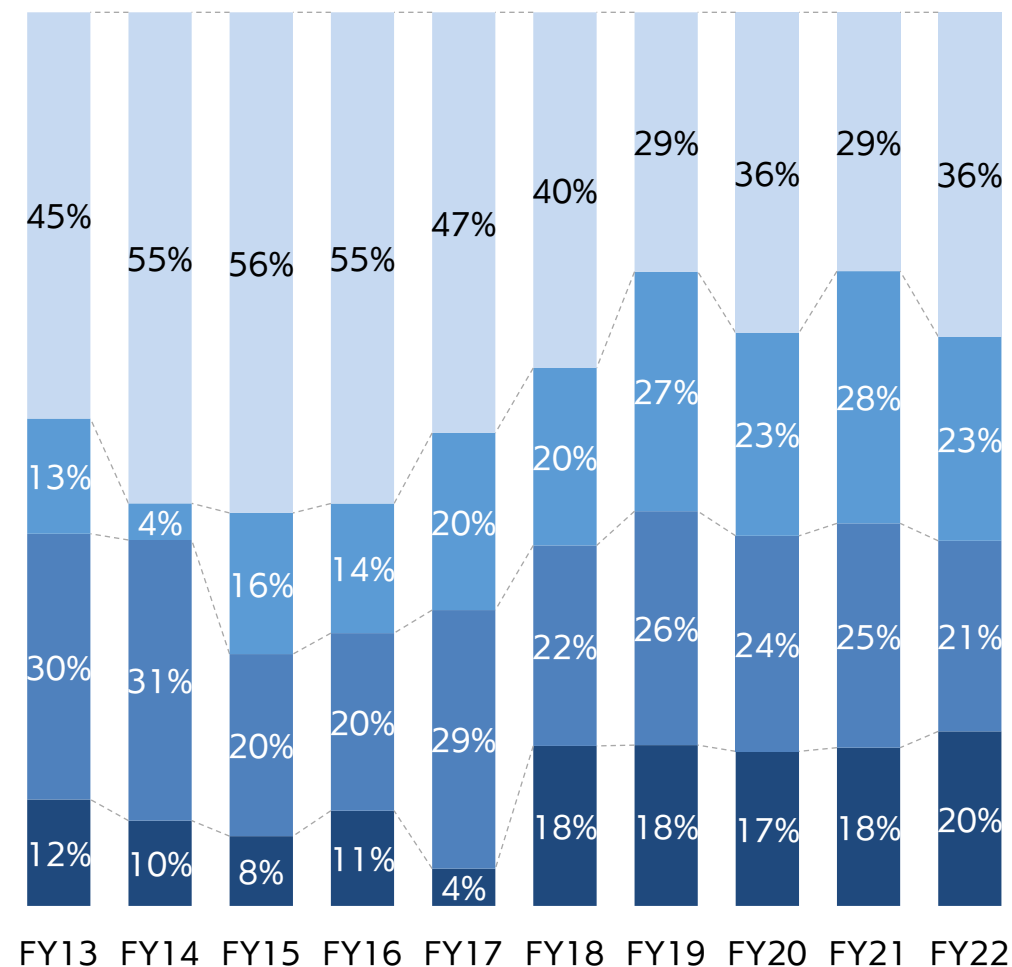


※The Company has adopted the "Accounting Standard for Revenue Recognition" (the new revenue recognition standard) from FY21 Q1. Net sales before FY20 are based on historical net sales figures for the Norton business, which is the main impact.

## Net sales



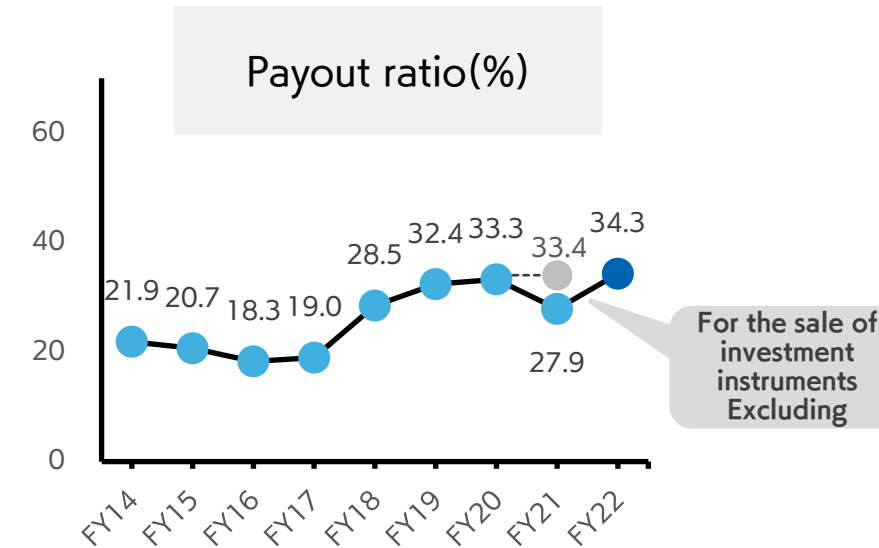
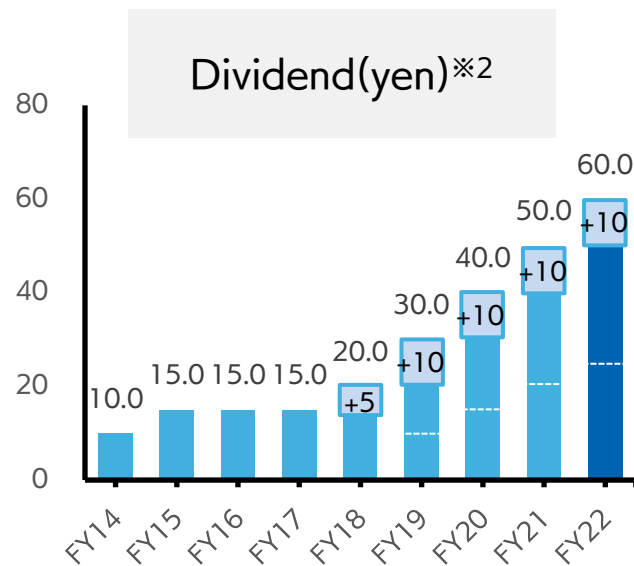
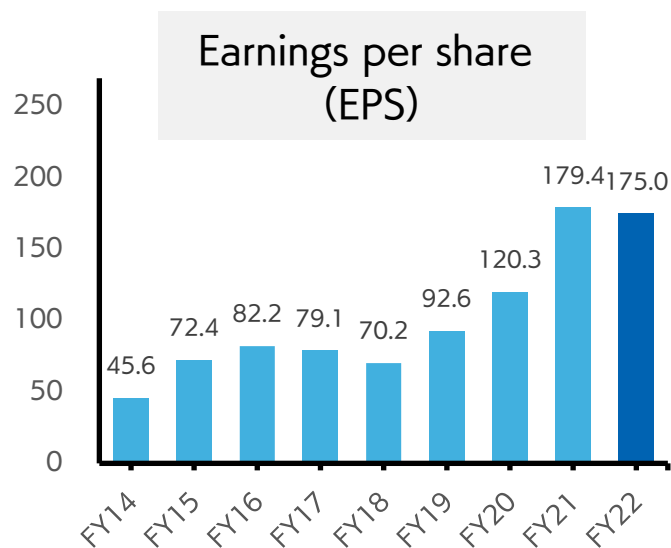
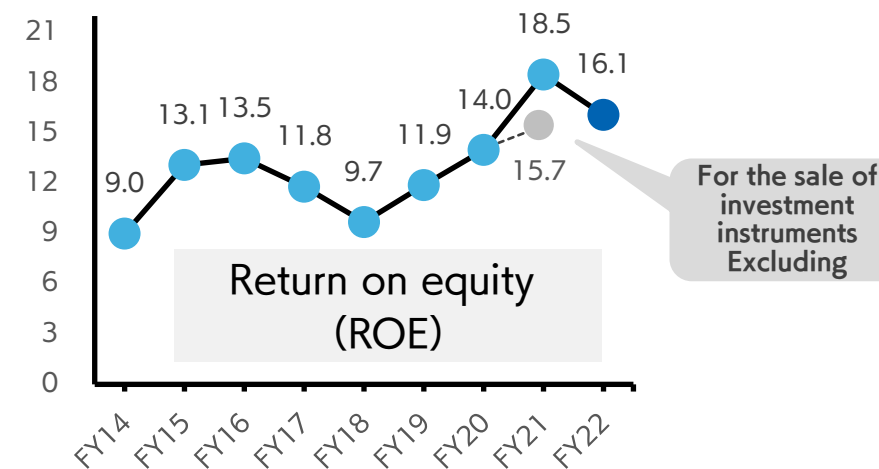
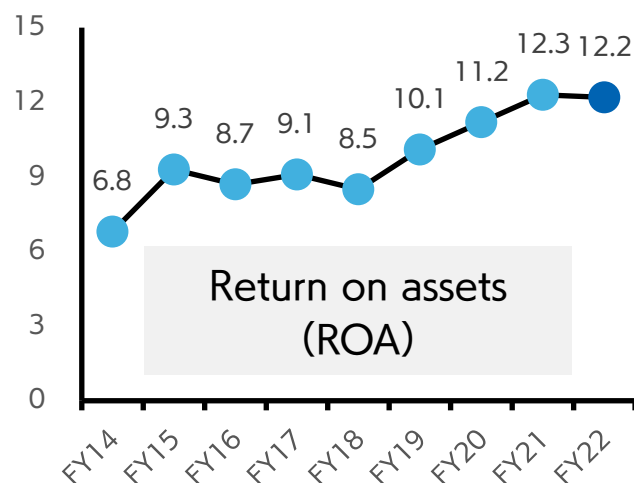
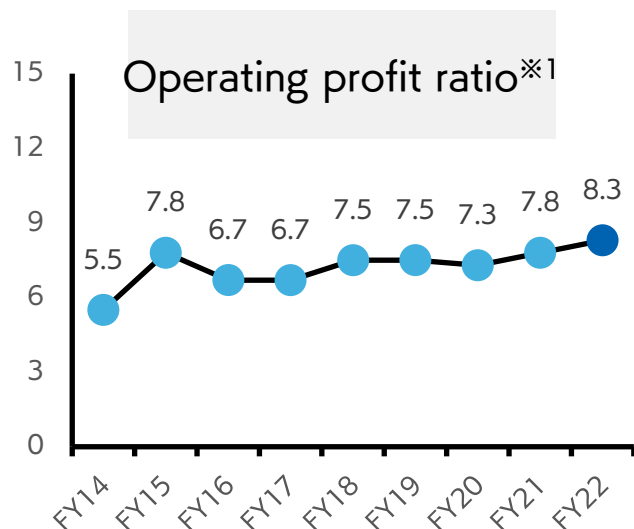
## Operating income



[Billions of yen]

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

〔 Millions of yen〕	End of March, 2022	End of March, 2023	YoY
<b>Current assets</b>	34,326	35,622	1,295
Cash and deposits	8,762	8,221	△ 540
Accounts receivable and other receivables	22,290	24,133	1,843
<b>Fixed assets</b>	10,036	9,842	△ 193
Tangible fixed assets	1,661	1,681	19
Intangible fixed assets	4,486	4,120	△ 365
Investments and other assets	3,888	4,040	152
<b>Total assets</b>	44,365	45,466	1,100
<b>Current liabilities</b>	18,896	18,590	△ 306
<b>Long-term liabilities</b>	2,088	1,708	△ 380
<b>Net assets</b>	23,379	25,167	1,787



※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, 2023)

Trade Name	SB Technology Corp. (*)
Address	27-30, Shinjuku 6-chome, Shinjuku-ku, Tokyo
Description of Businesses	ICT services business
Establishment	October 16, 1990
Common stock	JPY 1,270 mn
Number of employees	Consolidated 1,417 (Non-consolidated 918)

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



ISMS Certified Organizations:  
Headquarters, Shibadaimon, Tennozu,  
Osaka, Nagoya, Fukuoka, Toyama

## Management philosophy

### Mission

**Information Revolution, Happiness for everyone**

~ Technologies Design the Future ~

### Vision

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

### Value

Three Actions  
×  
Accept Diversity  
Three Perspectives

Growth  
Trust  
Value

Tanoshim  
Tsukuru Tsunagu

## Officers

(As of April 1, 2023)

### 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	Seichi Masaoka
Vice President	Makoto Aoki
Vice President	Takuya Miyazawa
Vice President CDO	Kengo Kanazawa
Vice President CMO	Ikuma Uehara

### Auditors

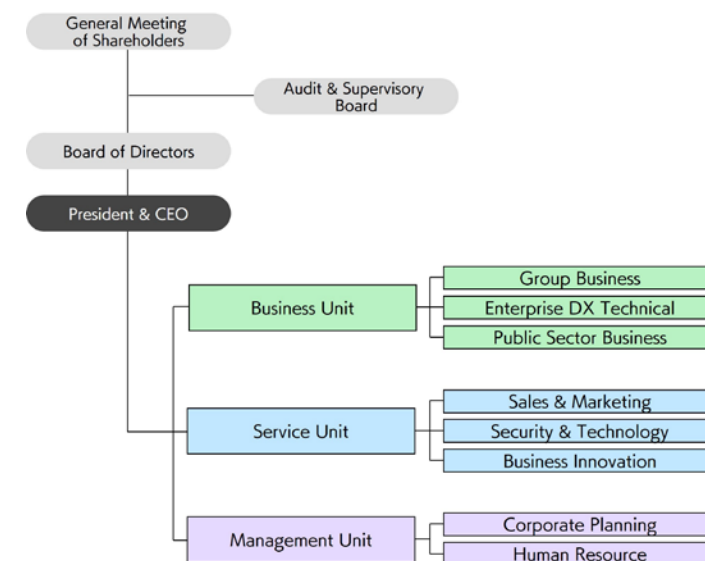
Chairman of Audit & Supervisory Board	Mitsumasa Ueno
Audit & Supervisory Board	Haruhiko Hirose
Audit & Supervisory Board	Michiaki Nakano
Audit & Supervisory Board	Takashi Naito

The official title in English is as follows:

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

## Organization chart

(As of April 1, 2023)



## Certification and accreditation

(As of April 1, 2023)



えるぼし



くるみん



令和4年度  
「テレワーク先駆者百選」



2023  
健康経営優良法人  
Health and productivity  
健康経営優良法人2023



DX認定

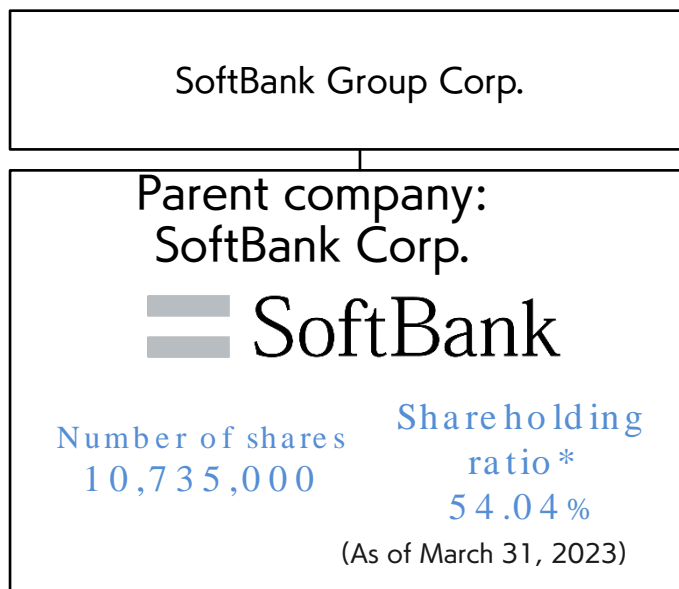


FTSE Blossom Japan Sector  
Relative Index



JPX日経中小型株指数

# Group structure



## Group Companies

(As of March 31, 2023)



### M-SOLUTIONS, Inc.

Providing cloud services and system design, development, operation and maintenance services primarily focused on smart devices

Representatives : Manabu Uekusa  
Shareholding ratio : 100%  
Number of employees : 56



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 : 57



KAN

### 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 : 10



cybertrust

### CyberTrust Japan Co., Ltd.

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

Representatives : Yasutoshi Magara  
Shareholding ratio : 58.01%  
Number of employees : 225



### 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 : 76



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

Development, sales and maintenance of information processing systems

Representatives : Masayuki Sekiguchi  
Shareholding ratio : 100%  
Number of employees : 27

With Cloud and Security  
Support customer DX

ICT Service Business

## Telecommunication

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

## Enterprise

- Cloud consulting/Migration assistance/Construction/Operation/IT education service, AI/IoT 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  
**898 companies**

As of April, 2023



## Provide total solutions for information security

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

### Performance

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



### External evaluation

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.



In order to achieve the six materiality targets 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.

Material Issues (Materiality)	Relevant SDG targets	Key initiatives	KPI	Target	Target fiscal year
<p><b>Help protect the global environment using cloud computing</b> We will help reduce greenhouse gas emissions by encouraging the use of cloud computing through data centers with high electric efficiency.</p>		<p><b>Tackling climate change and reducing our environmental impact by harnessing our technologies</b> We will drive and contribute to growing the use of cloud services for improving customers' energy and resource efficiency and reducing our CO2 emissions and environmental impact.</p>	Sales from Cloud/Security & service business	Target Net Sales of JPY 50 billion yen set under the Fourth Medium-Term Management Plan (FY2022 to FY2024)	2024
<p><b>Apply leading-edge technologies to advance accessibility and promote effective data utilization</b> We will drive DX with leading-edge technologies, thus contributing to customers' main business through their effective data utilization.</p>		<p><b>Building society and industries through DX</b> We will strive for advanced data utilization in the evolving digital society and promote co-creation-based DX, in which we create new value with customers.</p>	Sales from Cloud/Security & service business	Target Net Sales of JPY 50 billion yen set under the Fourth Medium-Term Management Plan (FY2022 to FY2024)	2024
			Investment in innovations	120% compared to the previous fiscal year	2024
<p><b>Continue to strengthen advanced security technologies</b> We will continue to provide companies and local governments with comprehensive security services. These services range from support for introducing security measures against the threat of cyber-attacks, which are growing increasingly complex, to the monitoring of operations.</p>		<p><b>Providing services related to cyber security, to support a safe social infrastructure</b> We will help improve the convenience of digital infrastructure, which is essential for society, and achieve information safety, thereby contributing to building a safe, secure information-intensive society.</p>	Sales from Cloud/Security & service business	Target Net Sales of JPY 50 billion yen set under the Fourth Medium-Term Management Plan (FY2022 to FY2024)	2024
			Cumulative total number of security monitoring IDs/sensors	130% compared to the previous fiscal year	2024
<p><b>Make technological contributions to the safety of food, which is the foundation of the nation</b> By supporting the digitalization of the Ministry of Agriculture, Forestry and Fisheries and providing unique services for producers, we will contribute to the Japanese agricultural industry directly and indirectly from the viewpoints of the national government and producers.</p>		<p><b>Driving DX of administrative procedures related to agriculture</b> We will advance private-public initiatives based on the Agricultural DX Concept set by the national government and drive the digitalization of administrative procedures related to agriculture, thus reducing the burden on farmers and other people involved in agriculture.</p> <p><b>Supporting farmers and other people involved in agriculture to contribute to sustainable agriculture</b> We will establish a digital platform that links producers with consumers, thus supporting agriculture both in productivity and profitability improvement and in achieving sustainability and contributing to a stable food supply into the future.</p>	Number of applications to digitalize administrative procedures for the Ministry of Agriculture, Forestry and Fisheries	3,000	2025
			Number of users of "agmiru", an agricultural platform	150% (compared with 2021)	2024
<p><b>Help diversify lifestyles in society</b> Using the power of technologies, we will help practice flexible workstyles that can cater to diversified lifestyles.</p>		<p><b>Advancing co-creation with society and helping enrich people's lives through business</b> By applying technologies, we will practice a workstyle model for diverse lifestyles and propose it throughout society, aspiring to an affluent life that permits more people to work comfortably.</p>	Promoting a healthy work-life balance	Average hours of overtime of the overall company: 25 hours/month	2024
			Driving efficient working arrangements that apply both flexible working hours and a teleworking program	Driving and operating programs	2024
			Creating a comfortable workplace environment	Ratio of childcare leave taken by male employees 50%	2024
<p><b>Enhance human capital as a growth driver and build a framework for business creation</b> We believe that human resources constitute the source of our businesses' added value. We will be proactive in recruiting human resources and investing in their training, with the aim of developing an organizational climate as an environment where they can take on challenges.</p>		<p><b>Developing diverse human resources and driving their active participation</b> We will continue to support the personal development of each employee by introducing a system under which people are promoted fairly based on their roles instead of their attributes, and by providing employees with training that will help them develop their careers voluntarily as well as reskilling opportunities appropriate for changes in business.</p>	Promotion of female participation and career advancement in the workplace	Percentage of female employees in managerial positions (*) 2030... 12% 2035... 15%	2035
			Enhancing programs for supporting skills development	Driving and operating programs	2024
			Collaborating with business partners & building a training scheme	Introducing and launching programs	2024

\* Managerial positions include management-level employees and employees whose duties/responsibilities are equivalent to those listed on the left.

## 2023/03/09 Certified as "Health Management Excellence Corporation 2023 (Large-Scale Corporate Division)"

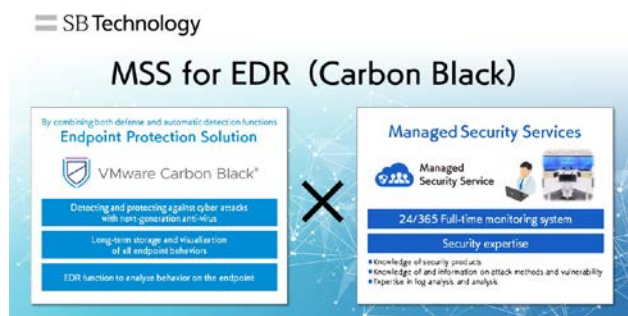


We were recognized as a "2023 Certified Health and Productivity Management Organization (Large-Scale Corporate Division)" under the Health and Productivity Management Excellence Corporation Certification System, which certifies companies practicing excellent health management.

This system was established by the Ministry of Economy, Trade and Industry in fiscal 2016, and is intended to create an environment in which employees, job seekers, related companies, financial institutions, and other parties can receive evaluations.

We are working to reduce working hours and overtime hours that enable efficient and flexible working styles in an effort to curb long-time work, and we will continue to work toward further health promotion.

## 2023/3/27 Launched Managed Security Service compatible with "VMware Carbon Black"



Added the endpoint protection solution "VMware Carbon Black" to the Managed Security Service (MSS) target and started offering it.

The Security Monitoring Centre in SBT monitors the "VMware Carbon Black Cloud™" of the customer's environment. The Security Analyst monitors, analyzes logs, and reports it 24 hours a day, 365 days a year.

If suspicious behavior is detected, the system quickly takes the action (immediate isolation of suspected damage terminals from the network, etc.) on behalf of the customer.

## 2023/04/04 Developed a data analytical infrastructure for centralized management of agricultural data at Ryukoku University in the Microsoft Azure Comprehensive support for collection, visualization, and analysis



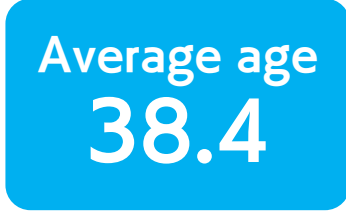
SB Technology and Ryukoku University gave a lecture on the development of next-generation "Agri DX human resources" as part of their education and development of data analysis infrastructure that enables students to freely access data and analyze and utilize data in their efforts to realize high-level specialized human resources that lead to digitalization and high added value in the field of agriculture and academia. SBT achieved DX with Ryukoku University, through comprehensive support that includes data-gathering, visualization, and analysis. It also contributed greatly to the realization of research that crossed the fields of agricultural science and science and engineering, and the creation of new educational opportunities.

# SB Technology by Numbers

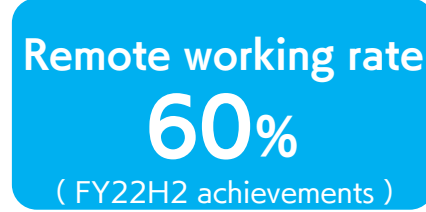
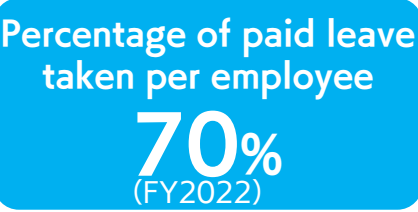
\*Items not marked as "consolidated" are statistics for SBT alone  
 \*Items that are not included in this report are as of the end of March 2023.



## Employees



## Working Style



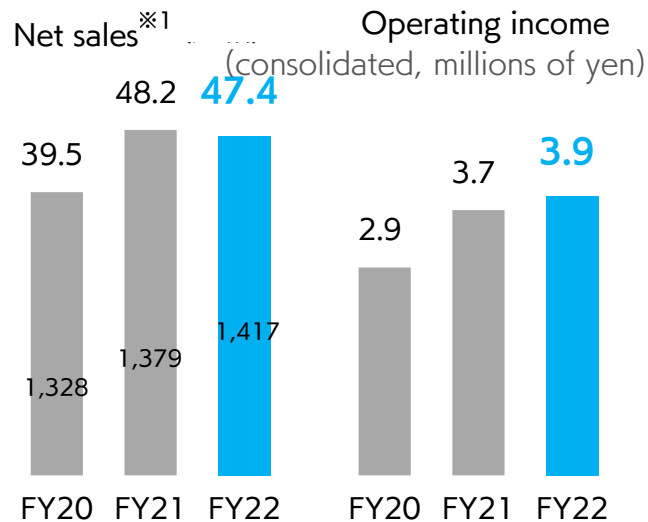
## Growth Support



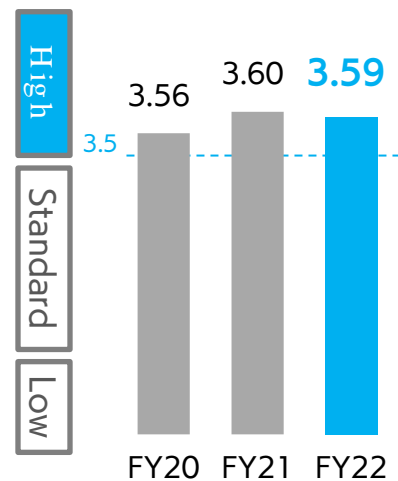
## Technical Personnel



## 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 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/>