

※ It is translated by AI

Second Quarter of Fiscal Year Ending March 31,
2024 (FY2023)

Results of Operations

October 30, 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

1 . Financial Results	P. 2
2 . Progress of Medium-Term Management Plan	P. 9
3 . Appendix	P. 18
4 . Corporate Information	P. 34

Financial Results

— SB Technology

FY23H1
Financial
Results

Higher revenues in Public Sector& Enterprise, sales achieved record highs as H1 Operating income was flat due to restrained investment in Telecommunication and strengthened recruitment.

Orders
Received

Q2 orders received fell by ▲ ¥1.6 billion year on year, mainly due to the impact of the Telecommunications, but the order backlog at the end of September was a record high of ¥30.3 billion.

FY23
Forecast

Full-year forecast: Steady progress toward net sales of ¥68 billion and operating income of ¥5.9 billion

No changes were made from forecasts based on the effects of transfer of Fontworks, Inc.' stocks, etc.

Consolidated P/L (Apr–Sep Cumulative)

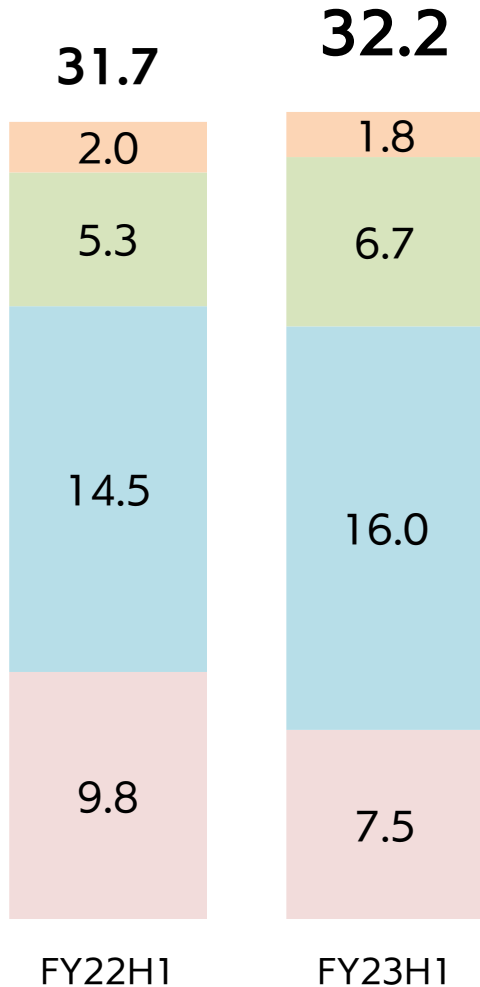
| FY2023 Q2

- Despite growth in Public Sector and Enterprise, operating income was flat due to restrained investment in Telecommunication and higher SG&A expenses.
- Increase of ¥4.9 billion in net profit due to increase of costs and sale of stock of Fontworks, Inc.

[Millions of yen] (Profit margin)	FY23H1	FY22H1	Change	Change %
Net sales	Record High 32,206	31,706	+499	+1.6%
Operating income	Record High 2,282 (7.1%)	2,270 (7.2%)	+12	+0.6%
Ordinary income	2,182 (6.8%)	2,222 (7.0%)	▲40	▲1.8%
Profit attributable to owners of parent Net profit	Record High 6,272 (19.5%)	1,346 (4.2%)	+4,926	+365.9%
EBITDA ※	Record High 3,156	3,093	+63	+2.1%

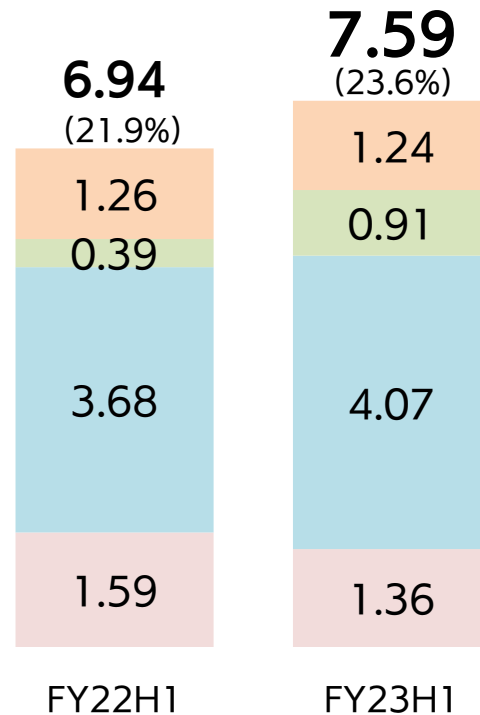
*EBITDA=Operating income+Amortization of goodwill+Depreciation

Net sales



Gross profit

(Billions of yen)
(Profit margin)



Consumer : Decrease in sales, and flat in profits

- Contract changes with NortonLifeLock Co., Ltd. were affected, but progress was largely as originally anticipated.

Public Sector : Increase in both sales and profits

- Projects for the Ministry of Agriculture, Forestry and Fisheries and the operation of Local Government Information SC proceeded smoothly, and the margin also improved.

Enterprise : Increase in both sales and profits

- Cloud projects for focus customer groups remained solid.
- MSS*2 sales continue to grow with YoY1.5 times

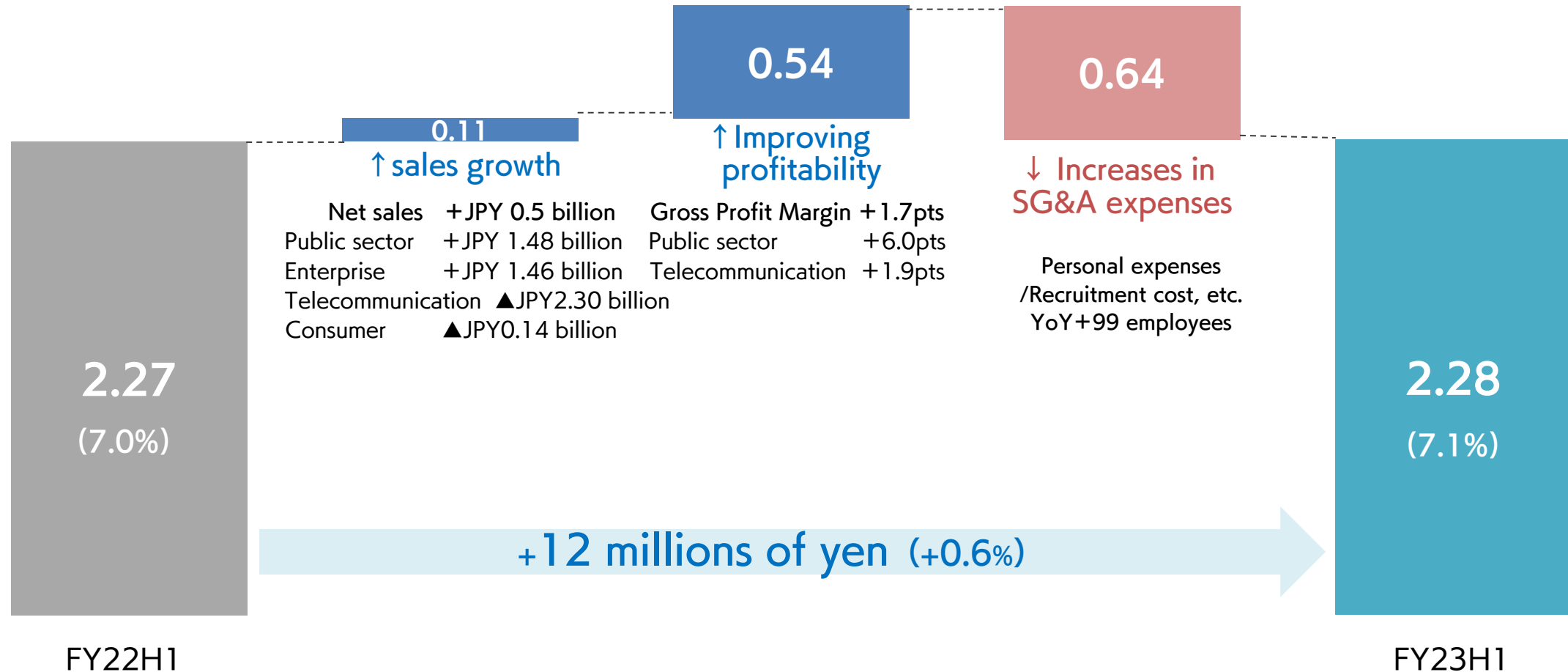
Telecommunication : Decrease in both sales and profits

- Despite lower sales due to a decrease in vendor management projects and the impact of restrained investment, profitability improved due to progress in efficiency improvement.

*1 : Abbreviation for Security Cloud

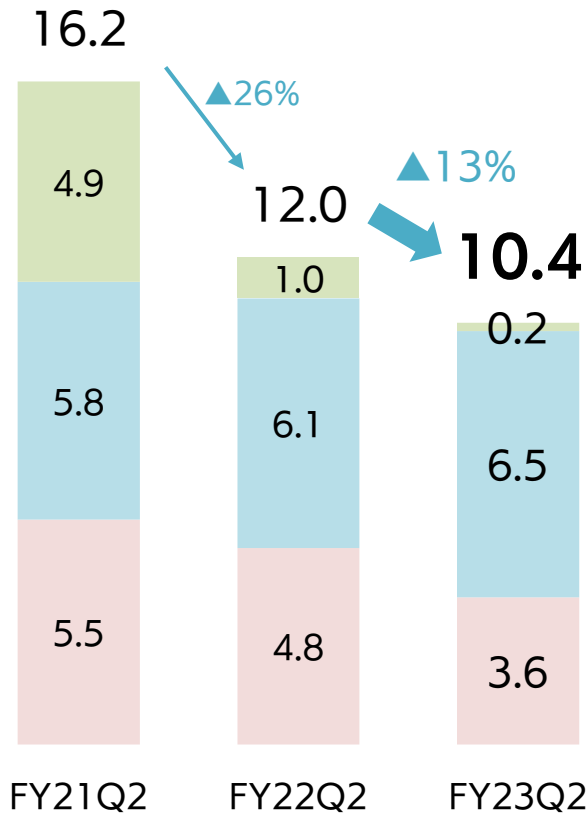
*2 : Abbreviation for Managed Security Service

- Gross profit margin improved by 1.7 percentage points due to improved profitability in the Public Sector and Telecommunication.
- SG&A expenses increased in line with hiring and strengthened resources, and operating income remained flat year on year.



Orders received

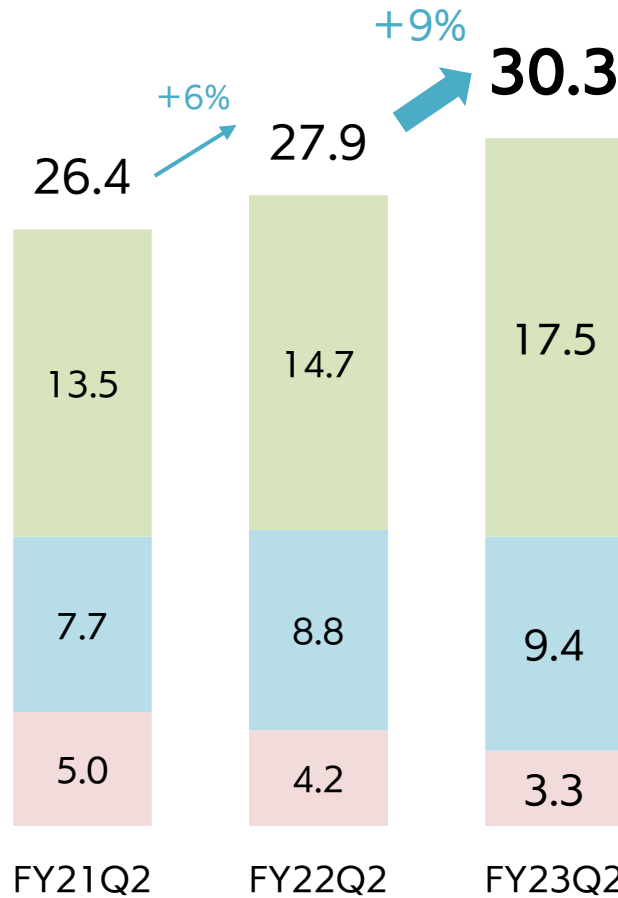
Public Sector
Enterprise
Telecommunication



Order Backlog

Single order balance
(YoY basis)

JPY **2.4** billions UP



FY23Q2 Main orders

- Enterprise : Increase in development projects for solutions to improve operational efficiency
- Telecommunication : Reduction in both "Steady development of internal systems" and "Vendor management projects"
- Approximately 60% of the order backlog is expected to generate sales in FY23

FY23 Full-year Earnings Forecasts

| FY2023 Q2

- Not changed from forecasts of results taking into account the impact of the transfer of stock, etc. of Fontworks, Inc.
- Aiming to improve profitability by expanding in-house services and improving quality and productivity

[Millions of yen]	(Profit margin)	FY23 earnings forecast (‘23/7/19 revision)	FY23H1	Progress rate	FY22	YoY
Net sales		68,000	32,206	47.4%	67,227	47.9%
	Telecommunication	16,300	7,515	46.1%	19,575	38.4%
	Enterprise	35,400	16,020	45.3%	30,356	52.8%
	Public Sector	14,000	6,779	48.4%	13,224	51.3%
	Consumer	2,300	1,890	82.2%	4,070	46.4%
Operating income		5,900 (8.7%)	2,282 (7.1%)	38.7%	5,557 (8.3%)	41.1%
Ordinary income		5,750 (8.5%)	2,182 (6.8%)	38.0%	5,499 (8.2%)	39.7%
Profit attributable to owners of parent Net profit		8,200 (12.1%)	6,272 (19.5%)	76.5%	3,497 (5.2%)	179.4%

* Fontworks Inc. is not subject to consolidation after Q3

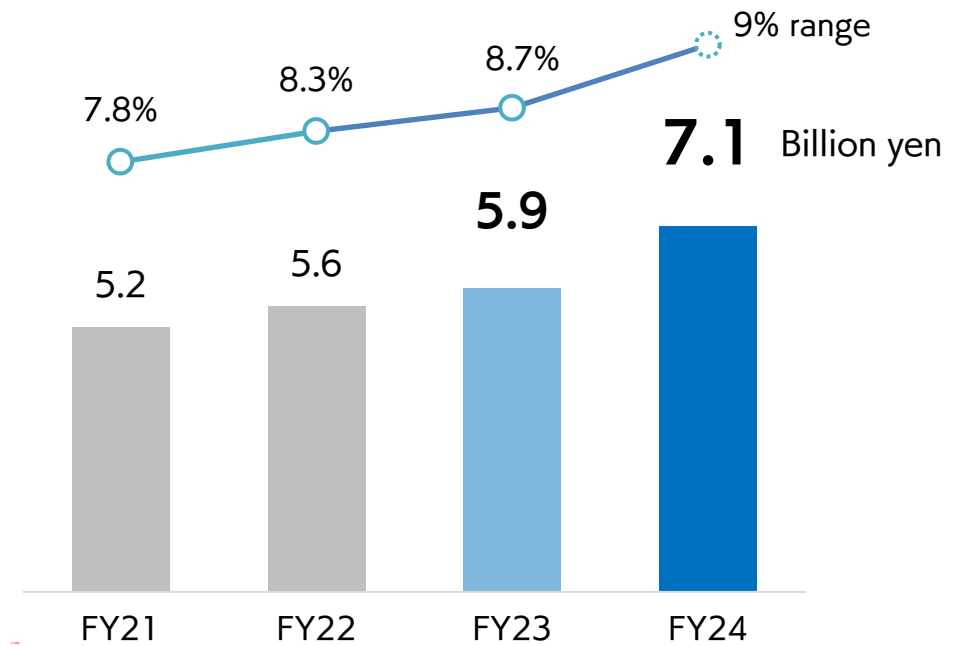
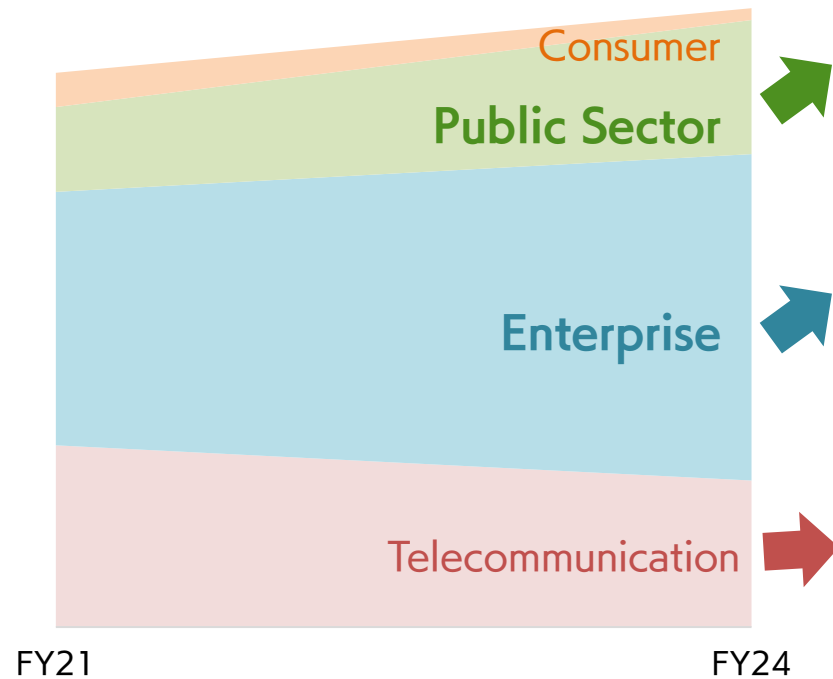
Progress of Medium-Term Management Plan

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

— SB Technology

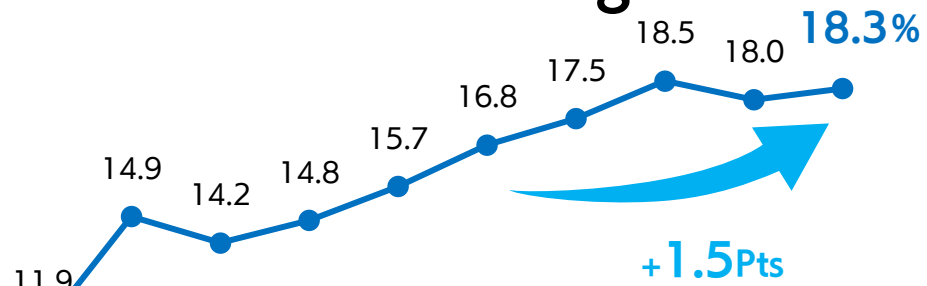
FY24 Management Indicators

1. Operating income JPY 7.1 billion*
2. Operating Income 9% range
3. Cloud Security & Services Net sales over JPY 50 billion



Aiming for operating income of 7.1 billion yen/operating income margin in the 9% range through growth in Enterprise and Public Sector

Transition of Gross Profit Margin



Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
FY21				FY22				FY23	

Initiatives to Improve Profitability

Shift from vendor management projects

Shift to high-value-added projects

Vendor management projects Sales mix

FY22H1

40%

➔

FY23H1

30%

Profit margin improved due to the impact of the composition ratio

Offshore utilization status

Offshore use

As the end of 1Q

➔

As the end of 2Q

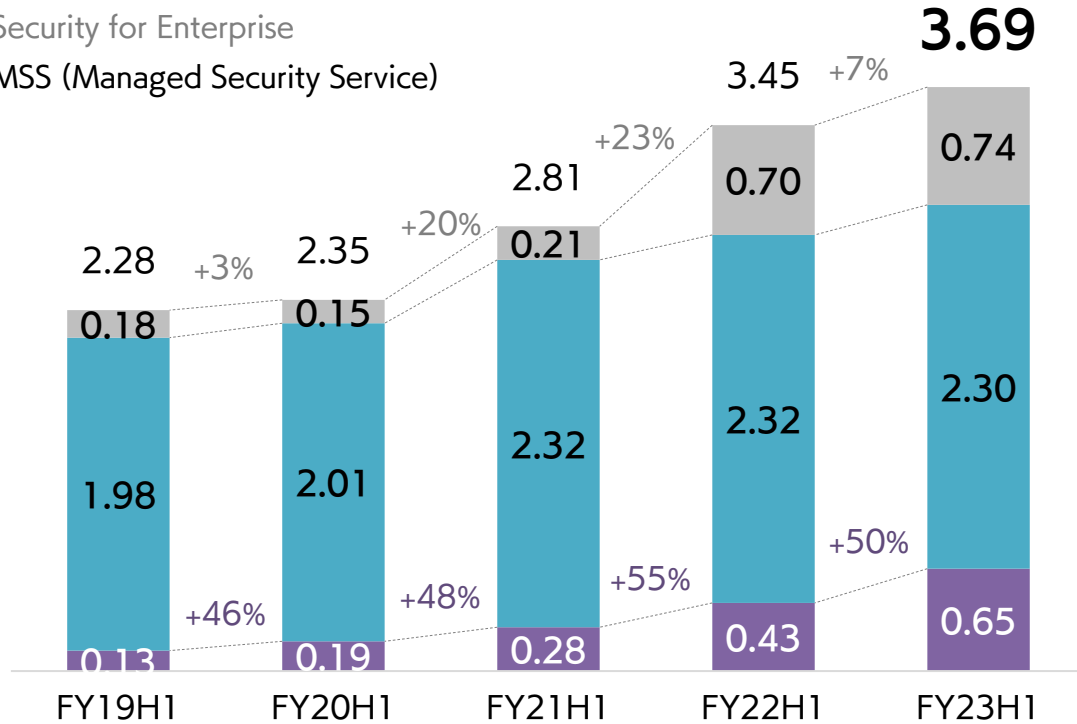
Steady expansion of areas of offshore utilization

Steady improvement in gross profit margin due to expansion of high value-added projects and offshore utilization areas to improve profit margin

SBT Non-Consolidated Security-Related Business Sales

[Billions of yen]

- Local Government Information Security Cloud
- Security for Enterprise
- MSS (Managed Security Service)



Investment in the security business

Fostering security analysts



As of FY22H1: **80** person
 +20 person →
 As of FY23H1: **100** person

Steady progress in recruitment and training led to an increase in analysts

Investment to expand services



Security measures in normal times

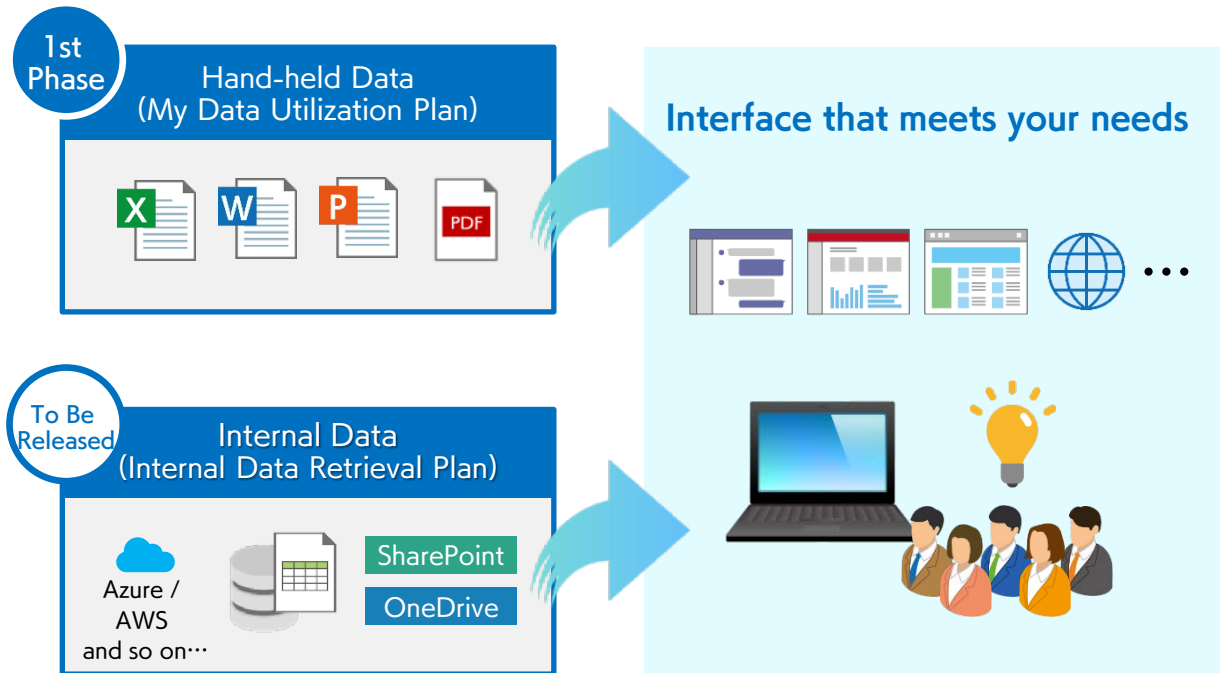
- MSS for Vulnerability Management (VRM)
- Cloud Patrol

Security monitoring

- MSS for Microsoft Sentinel Advanced

MSS, the company's mainstay in-house service, grew by about 150% every year, maintaining its growth rate
Aggressive investment in development of human resources and services for future growth expansion

DailyAI



Main features of the service

Instruct handy data in the Generated AI

- Upload and use files to be analyzed from Web browsers
- Allow analysis **across multiple files**, including regular questionnaire results

Rich security functions

- Provided as a customer-specific platform
- Documents entered **are not learned** Generated AI
- Provision of **log management functions** for use

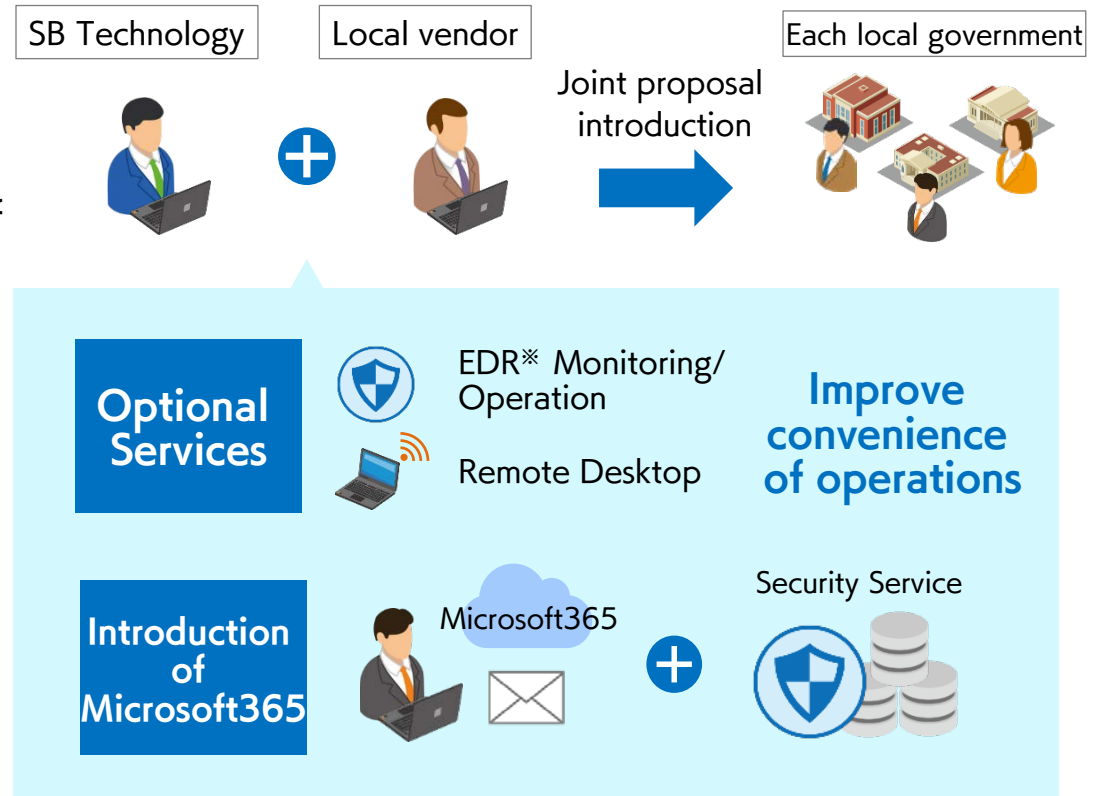
Cost control

- Low-cost introduction to companies or organizations with large numbers of employees due to **token-based charging** rather than user counts (From 100 million token 0.1 million yen)
- Provision of a function to prevent unexpected high-cost claims by the function to set an upper limit to the amount of token

DailyAI (My Data Utilization Plan), a Generated AI service that utilizes hand-held data through PoC with customers, is released as the first phase.



To expand sales of optional services



Joint efforts to propose and introduce optional services using relationships with local vendors established at the time of the introduction of the Information Security Cloud

	2022	2023
Sustainalytics (ESG Risk Rating)	28.0 Medium Risk	19.9 Low Risk
FTSE (ESG Scores)	3.0	3.6

- Selected for the first time as a constituent of FTSE Blossom Japan Index stock index, which is composed of shares of Japanese companies highly evaluated from the perspective of ESG (environmental, social, and governance).
- For FTSE Blossom Japan Sector Relative Index as well, selected for the second consecutive year from last year



**FTSE Blossom
Japan Sector
Relative Index**
(From April 2022)



**FTSE Blossom
Japan Index**
(From July 2023)

Continue to engage in sustainability initiatives and, as a result, external evaluations are also improving

1. Operating income JPY 7.1 billion※

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

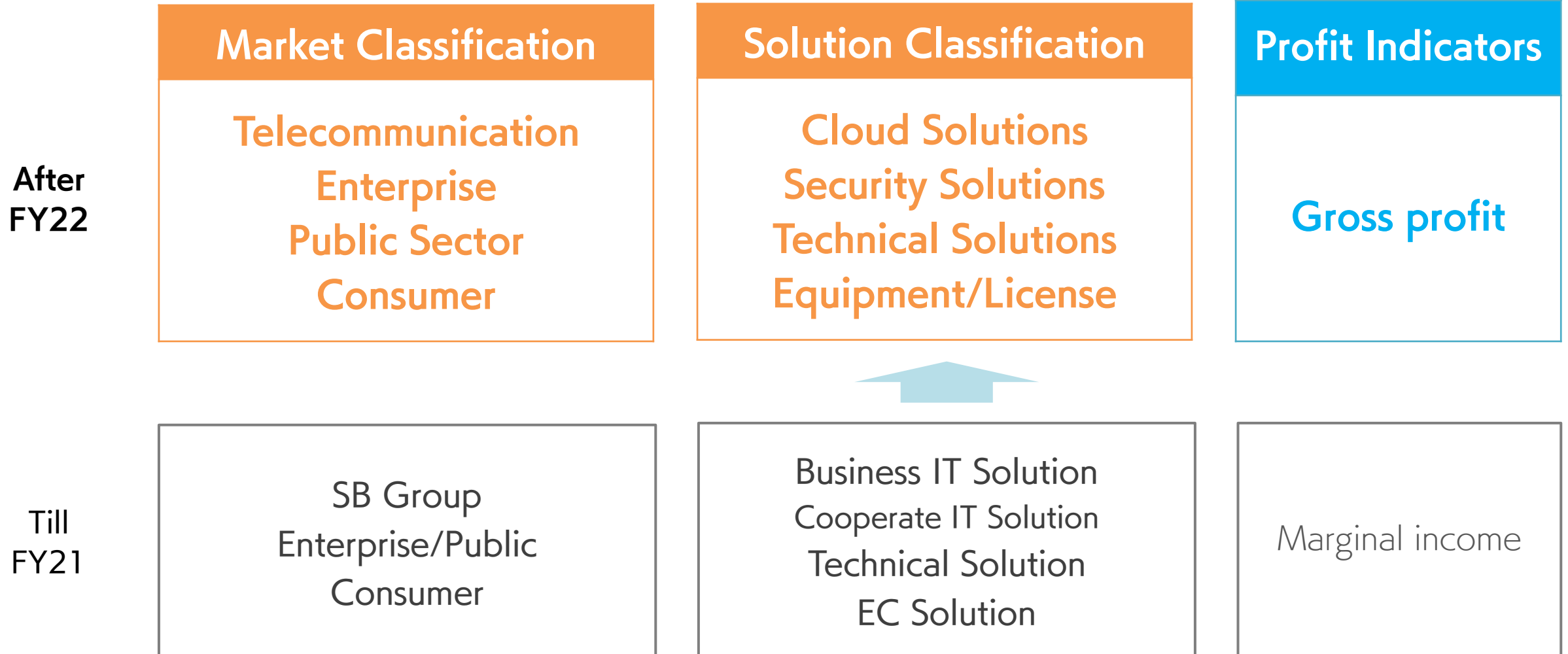
SB Technology

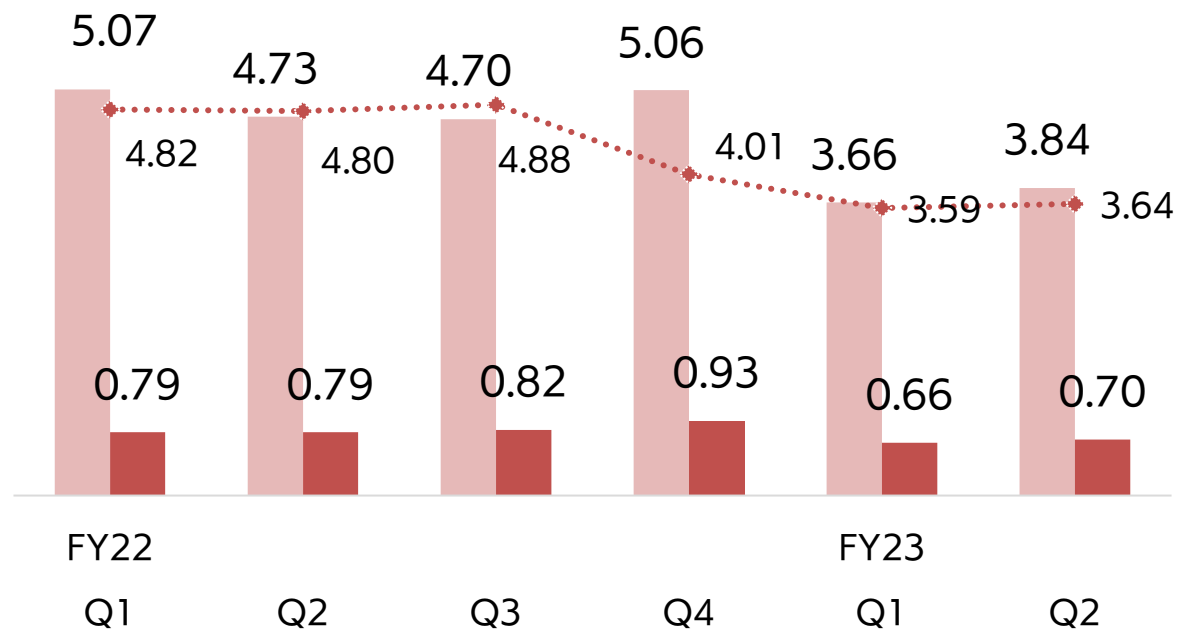
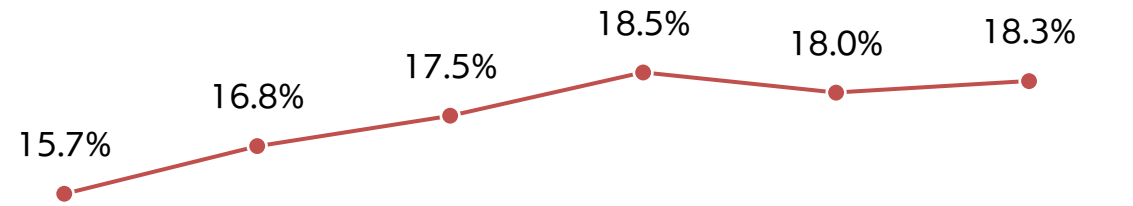
- Public Sector & Enterprise grew, and expenses increased due to the strengthening of recruitment, but operating income increased by ¥40 million
- Increase of ¥5 billion in net profit due to increase of costs and sale of stock of Fontworks, Inc.

[Millions of yen]	(Profit margin)	FY23Q2	FY22Q2	Change	Change %
Net sales		Record High 16,247	16,145	+101	+0.6%
Operating income		Record High 1,225 (7.5%)	1,184 (7.3%)	+40	+3.4%
Ordinary income		1,127 (6.9%)	1,152 (7.1%)	▲25	▲2.2%
Profit attributable to owners of parent		Record High 5,767 (35.5%)	699 (4.3%)	+5,067	+724.4%
Net profit					
EBITDA ※		Record High 1,651	1,599	+52	+3.3%

*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.





(Billions of yen)

Net Sales

Gross profit

Orders received (Non-Consolidate)

Gross profit margin

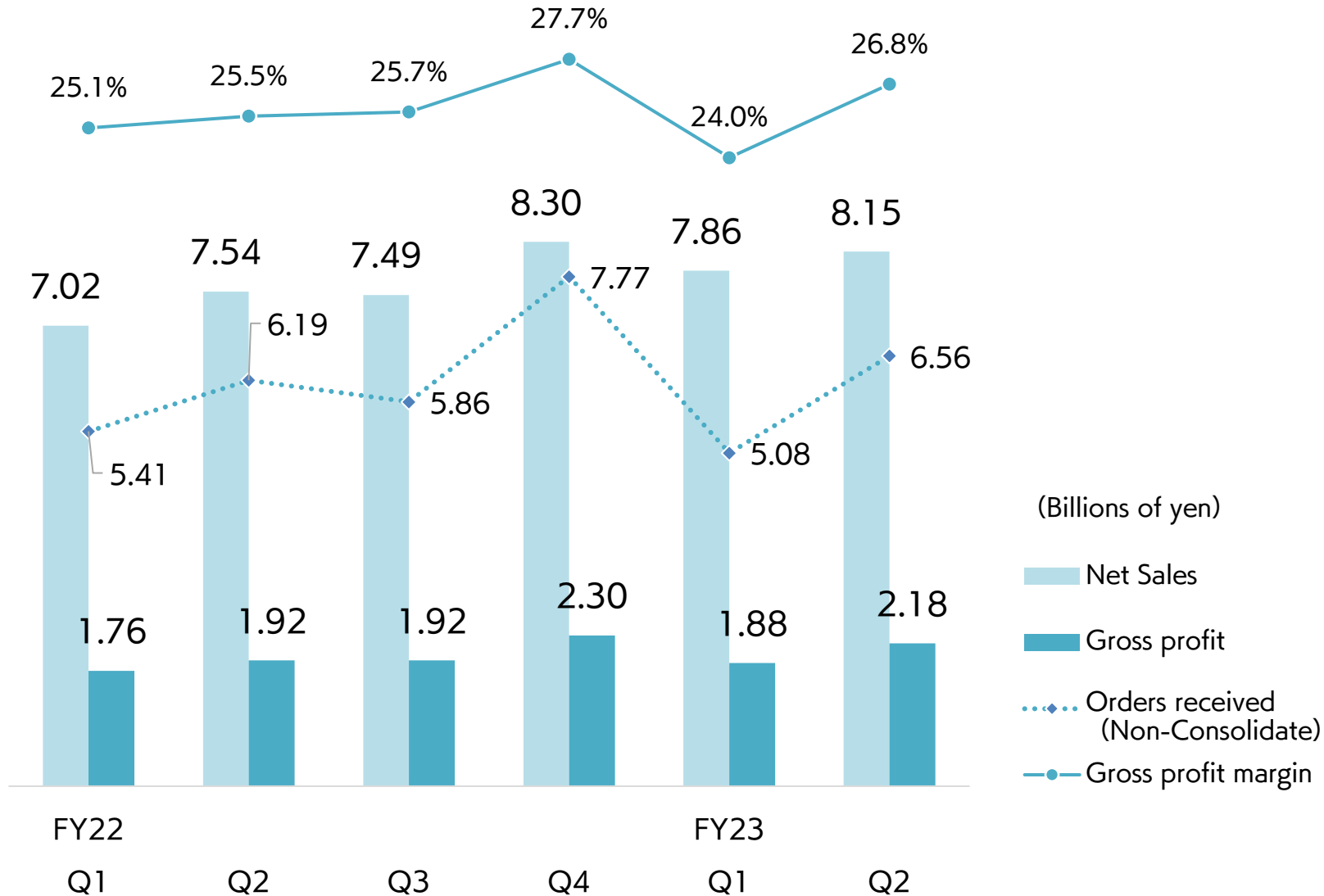
Telecommunication (QoQ)

Orders received (Non-Consolidated)

- Strategic narrowing of vendor management projects and in-house system development and operation at on-premises decreased

Net sales/Gross profit

- Sales decreased as initially expected due to vendor management projects and investment restraints.
- Profit margin improved due to progress in efficiency improvement



Enterprise (QoQ)

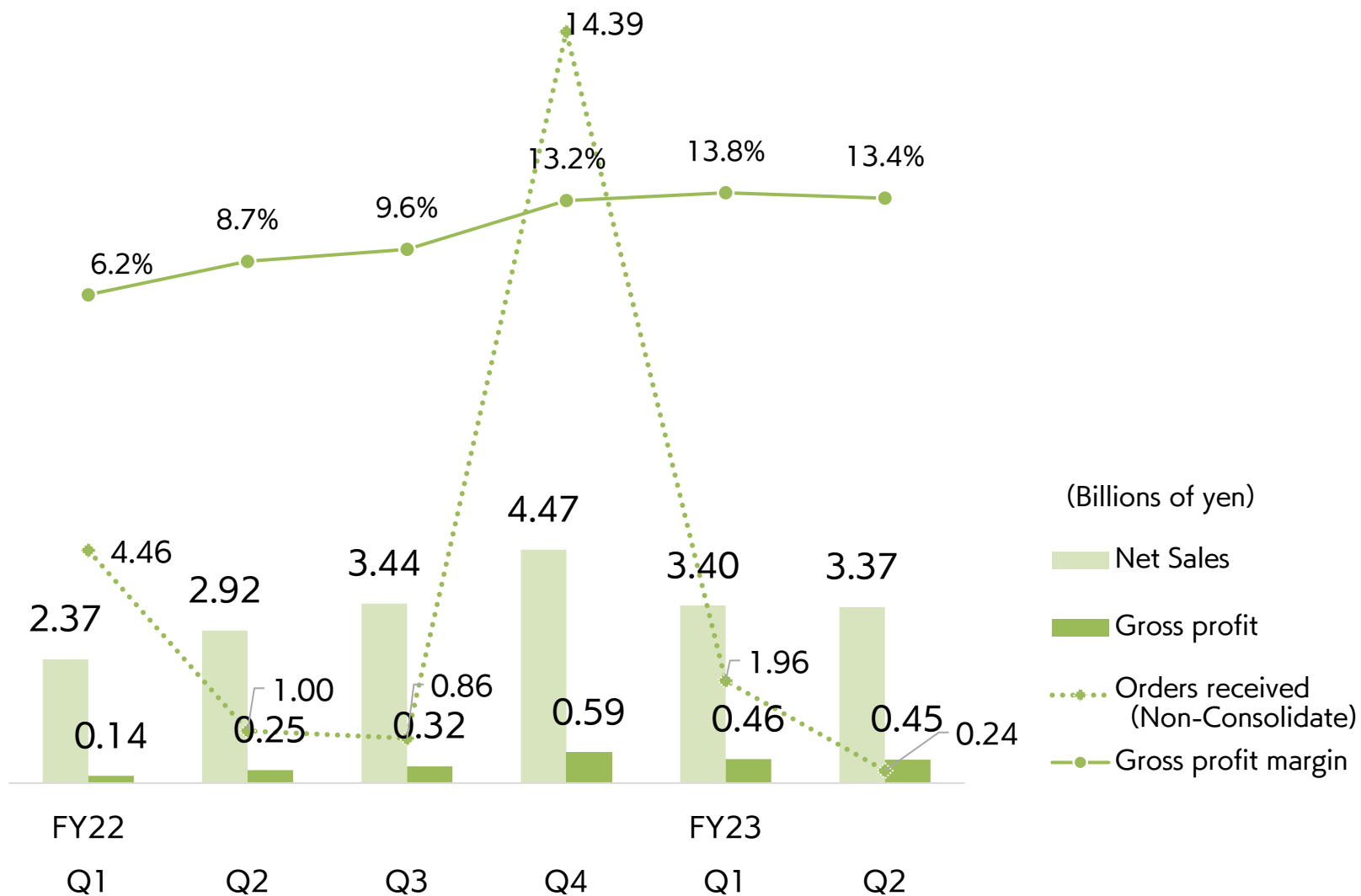
Orders received (Non-Consolidated)

- Increased development of **business efficiency solutions** and license sales

Net sales/Gross profit

- Improved profitability of cloud development projects mainly for focus customers due to improved quality control
- MSS※ sales are steadily growing at about 1.5 times YoY.

※ Acronym for Managed Security Service



Public Sector (QoQ)

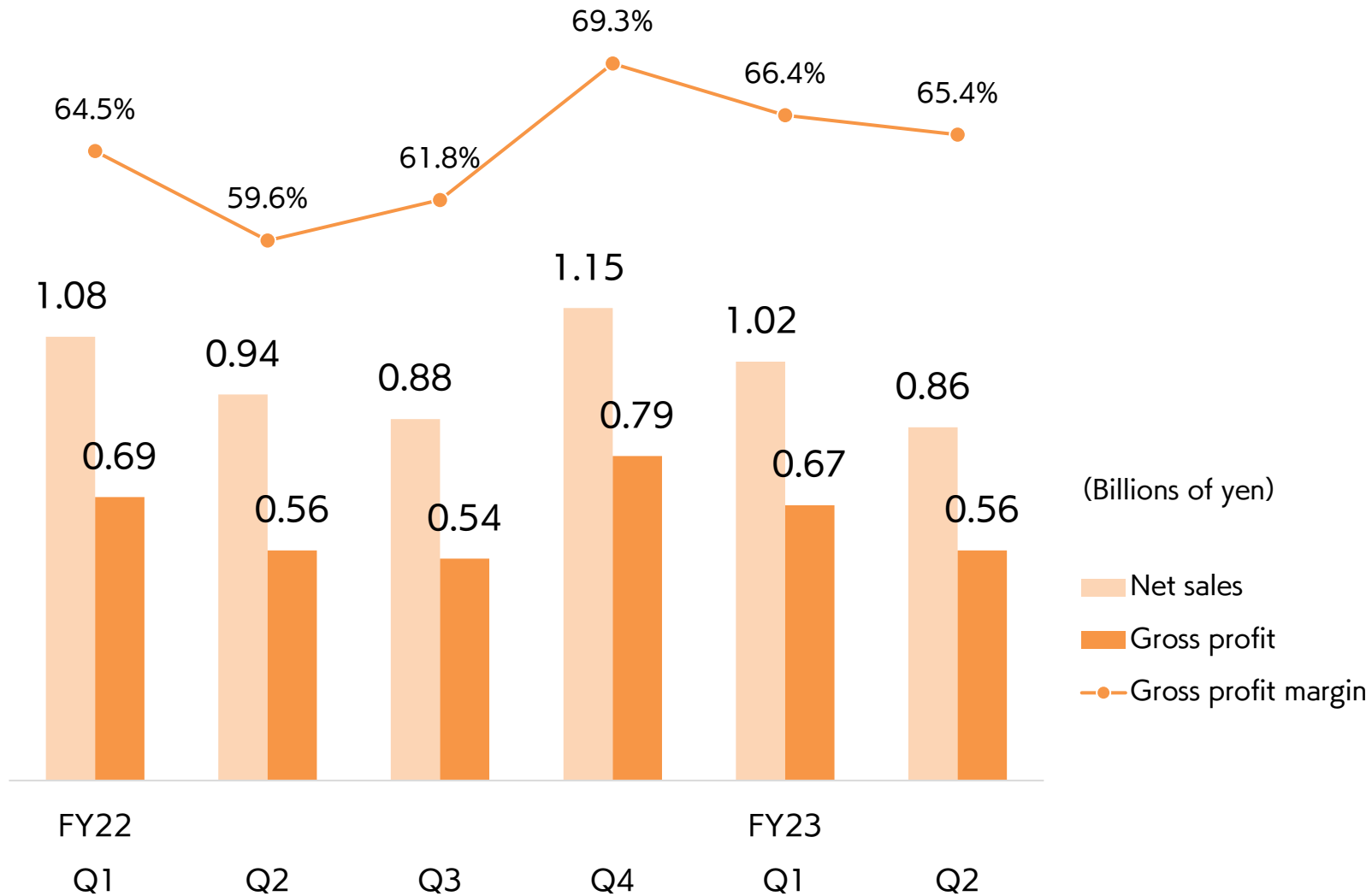
Orders received (Non-Consolidated)

- Focus on activities to win orders in the second half of the fiscal year in anticipation of obtaining the next fiscal year budget

Net sales/Gross profit

- Electronic application projects for the Ministry of Agriculture, Forestry and Fisheries and Local Government Information SC moved to the operation phase, and the margin also improved.

※ Acronym for Security Cloud



Consumer (QoQ)

Net sales/Gross profit

- NortonStore is lower sales and lower profits due to changes in contracts as planned, but gross profit remained unchanged on YoY as a result of increased earnings at Fontworks, Inc.

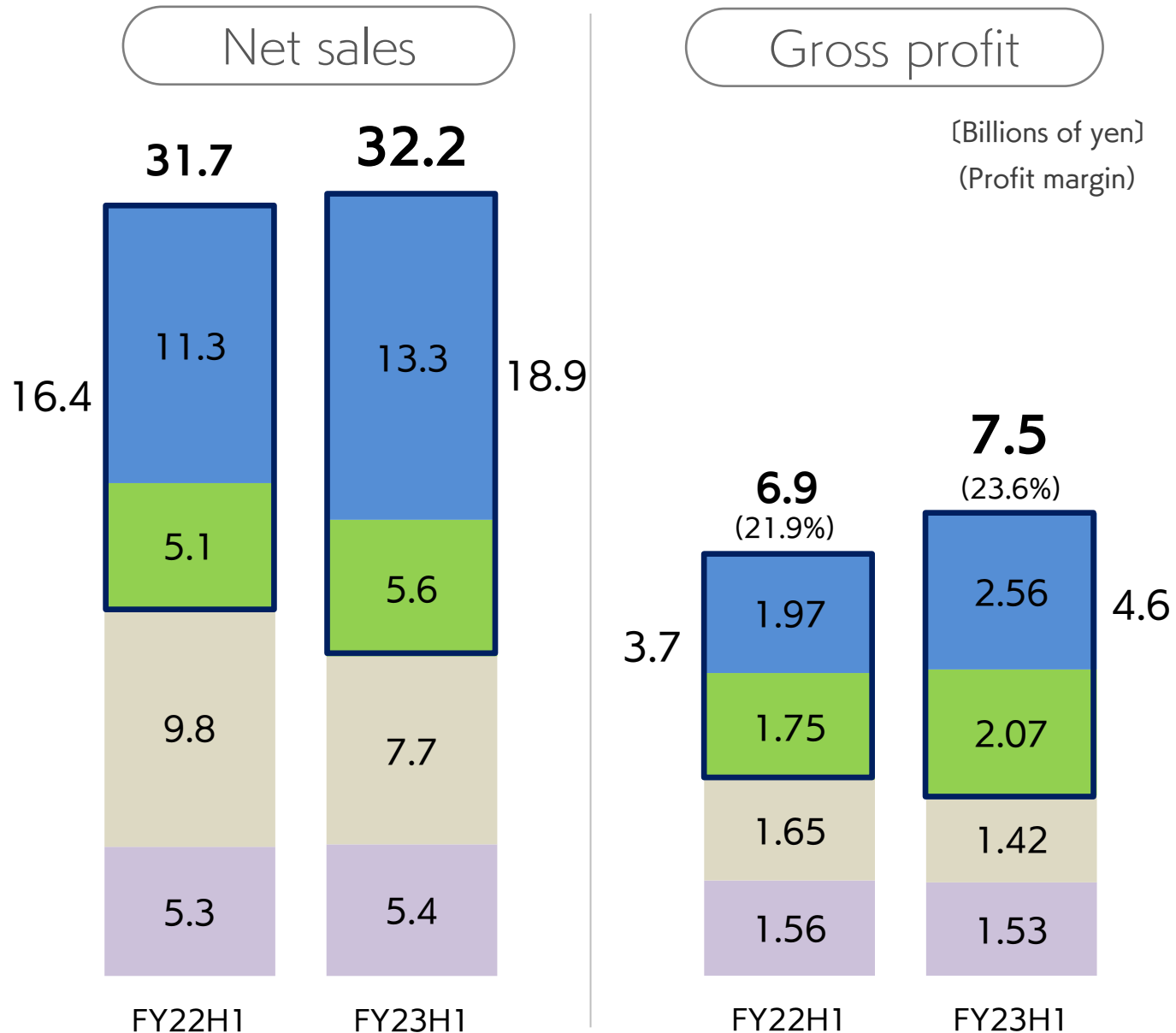
※Fontworks, Inc. is not subject to consolidation after Q3

		FY22Q1	FY22Q2	FY22Q3	FY22Q4	FY22	FY23Q1	FY23Q2	QoQ	
									Change	Change %
Consolidated performance (Millions of yen)	Net sales	15,560	16,145	16,524	18,996	67,227	15,958	16,247	+101	+0.6%
	Gross profit	3,405	3,538	3,625	4,625	15,194	3,693	3,904	+366	+10.4%
	Profit margin	21.9%	21.9%	21.9%	24.3%	22.6%	23.1%	24.0%	+2.1pt	-
Telecommunication	Net sales	5,079	4,731	4,701	5,062	19,575	3,669	3,846	▲885	▲18.7%
	Gross profit	797	794	821	935	3,348	660	702	▲91	▲11.5%
	Profit margin	15.7%	16.8%	17.5%	18.5%	17.1%	18.0%	18.3%	+1.5pt	-
Enterprise	Net sales	7,021	7,540	7,493	8,300	30,356	7,862	8,158	+617	+8.2%
	Gross profit	1,764	1,925	1,933	2,302	7,926	1,887	2,183	+257	+13.4%
	Profit margin	25.1%	25.5%	25.8%	27.7%	26.1%	24.0%	26.8%	+1.3pt	-
Public Sector	Net sales	2,374	2,927	3,442	4,478	13,224	3,403	3,376	+448	+15.3%
	Gross profit	145	254	321	587	1,309	465	451	+197	+77.5%
	Profit margin	6.1%	8.7%	9.3%	13.1%	9.9%	13.7%	13.4%	+4.7pt	-
Consumer	Net sales	1,084	946	886	1,153	4,070	1,023	867	▲79	▲8.4%
	Gross profit	699	563	547	799	2,610	679	566	+3	+0.6%
	Profit margin	64.5%	59.6%	61.8%	69.3%	64.1%	66.4%	65.4%	+5.8pt	-

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

Consolidated performance (Millions of yen)	FY22Q1	FY22Q2	FY22Q3	FY22Q4	FY22	FY23Q1	FY23Q2	QoQ	
								Change	Change %
Net sales	15,560	16,145	16,524	18,996	67,227	15,958	16,247	+101	+0.6%
Telecommunication	5,079	4,731	4,701	5,062	19,575	3,669	3,846	▲885	▲18.7%
Enterprise	7,021	7,540	7,493	8,300	30,356	7,862	8,158	+617	+8.2%
Public Sector	2,374	2,927	3,442	4,478	13,224	3,403	3,376	+448	+15.3%
Consumer /License	1,084	946	886	1,153	4,070	1,023	867	▲79	▲8.4%
Cost of sales	12,154	12,607	12,899	14,370	52,032	12,265	12,343	▲264	▲2.1%
Gross profit	3,405	3,538	3,625	4,625	15,194	3,693	3,904	+366	+10.4%
SG&A expenses	2,320	2,353	2,354	2,609	9,637	2,636	2,678	+325	+13.8%
Operating income	1,085	1,184	1,271	2,015	5,557	1,057	1,225	+40	+3.4%
Other Income and Expenses	▲15	▲32	▲4	▲5	▲58	▲2	▲98	▲65	-
Ordinary income	1,070	1,152	1,266	2,009	5,499	1,054	1,127	▲25	▲2.2%
Extraordinary gain/loss	7	23	3	▲77	▲42	▲133	6,594	+6,570	-
Net profit attributable to owners of parent	646	699	762	1,388	3,497	505	5,767	+5,067	+724.4%
EBITDA	1,494	1,599	1,685	2,438	7,217	1,505	1,651	+52	+3.3%
Non-Consolidated Order Backlog	29,602	27,921	25,641	35,939	35,939	33,388	30,375	+2,454	+8.8%

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



Cloud Solutions : Increase in both sales and profits

- Steady operation of digital maps and common applications for the Ministry of Agriculture, Fisheries and Fisheries
- Enterprise focus customer group cloud development expanded

Security Solutions : Increase in both sales and profits

- Steady progress in MSS* for Enterprise

Technical Solutions : Decrease in both sales and profits

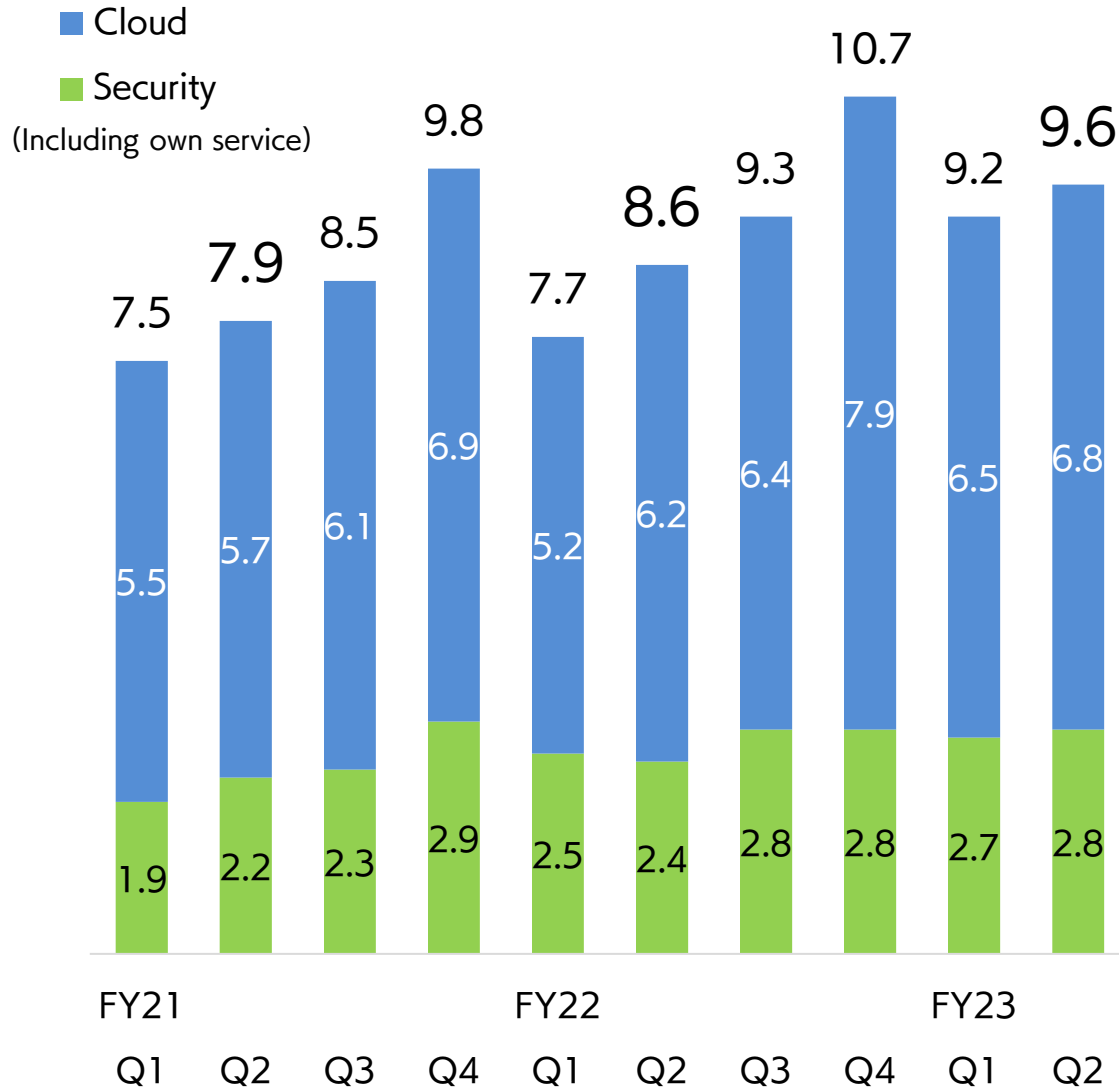
- Despite lower sales due to fewer vendor management projects and restrained investment, profitability improved steadily due to progress in streamlining

Equipment/License : Increase in sales and decrease in profits

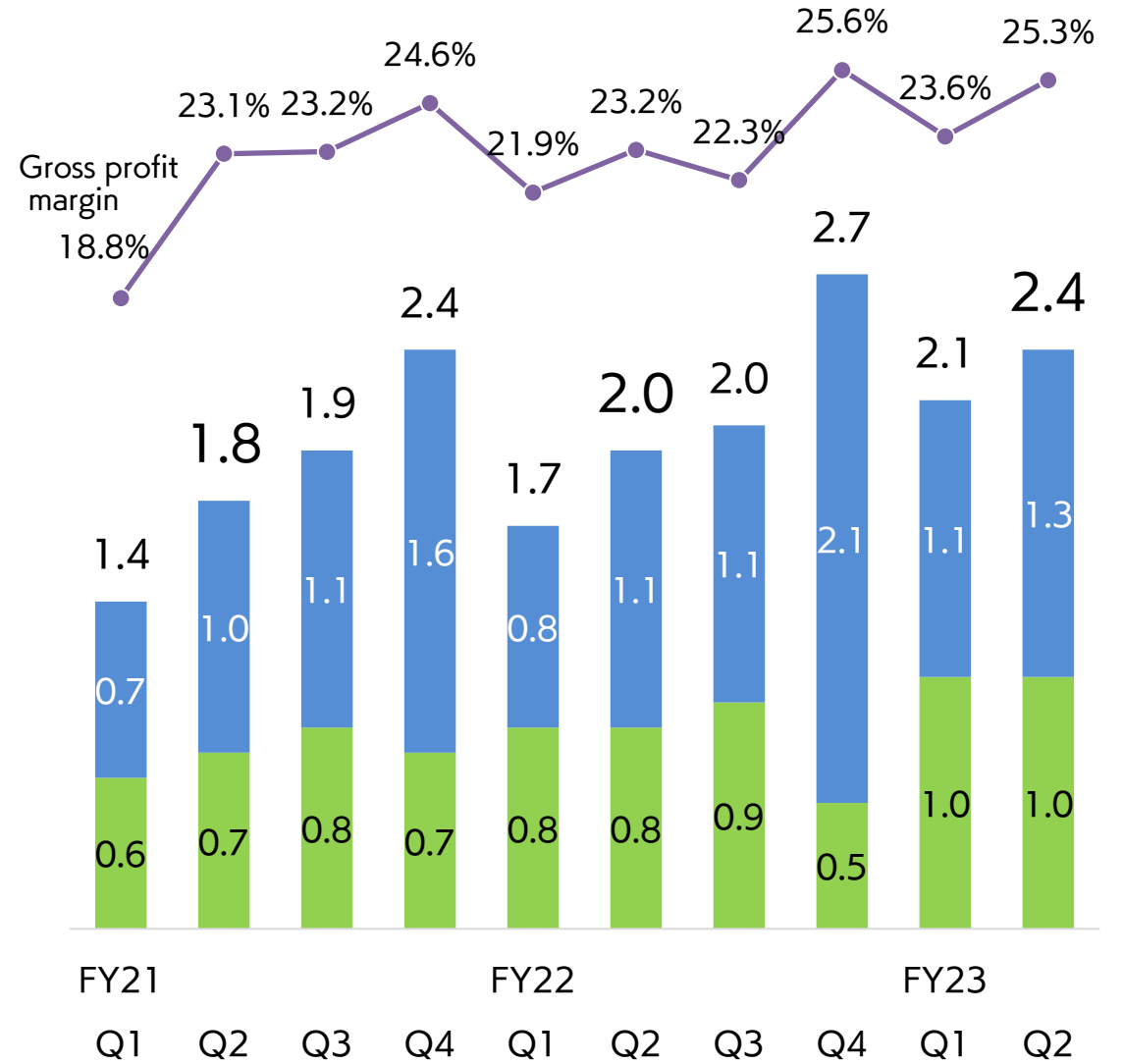
- Licensing sales have been roughly unchanged from the previous year, as they have been selected by project

※ Acronym for Managed Security Service

Net sales



Gross profit



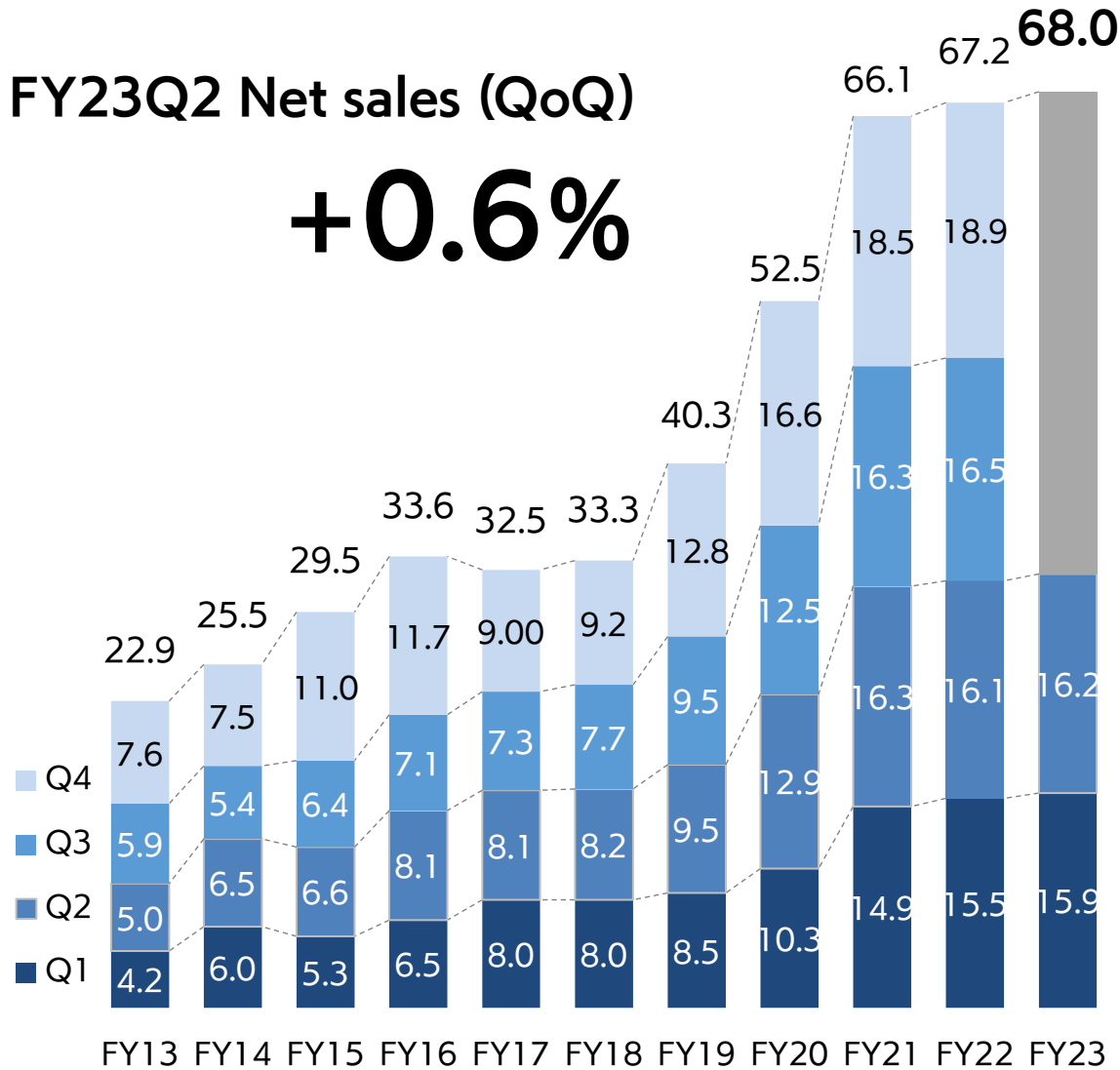
(Billions of yen)

		FY22Q1	FY22Q2	FY22Q3	FY22Q4	FY22	FY23Q1	FY23Q2	QoQ	
									Change	Change %
Consolidated performance (Millions of yen)	Net sales	15,560	16,145	16,524	18,996	67,227	15,958	16,247	+101	+0.6%
	Gross profit	3,405	3,538	3,625	4,625	15,194	3,693	3,904	+366	+10.4%
	Profit margin	21.9%	21.9%	21.9%	24.3%	22.6%	23.1%	24.0%	+2.1pt	-
Cloud Solutions	Net sales	5,225	6,140	6,427	7,928	25,722	6,536	6,824	+683	+11.1%
	Gross profit	825	1,147	1,099	2,195	5,268	1,187	1,381	+234	+20.4%
	Profit margin	15.8%	18.7%	17.1%	27.7%	20.5%	18.2%	20.3%	+1.6pt	-
Security Solutions	Net sales	2,566	2,551	2,903	2,818	10,840	2,758	2,853	+301	+11.8%
	Gross profit	883	870	981	555	3,290	1,007	1,065	+194	+22.3%
	Profit margin	34.4%	34.1%	33.8%	19.7%	30.4%	36.5%	37.3%	+3.2pt	-
Technical Solutions	Net sales	5,093	4,773	4,675	5,134	19,677	3,816	3,966	▲806	▲16.9%
	Gross profit	822	830	854	968	3,475	694	729	▲100	▲12.2%
	Profit margin	16.1%	17.4%	18.3%	18.9%	17.7%	18.2%	18.4%	+1.0pt	-
Equipment/License	Net sales	2,674	2,679	2,518	3,114	10,987	2,847	2,603	▲76	▲2.9%
	Gross profit	874	689	690	907	3,160	804	727	+38	+5.6%
	Profit margin	32.7%	25.7%	27.4%	29.1%	28.8%	28.3%	28.0%	+2.3pt	-
Management Indicators ^{※1} Total	Net sales	7,792	8,692	9,330	10,747	36,562	9,294	9,677	+984	+11.3%
	Gross profit	1,709	2,018	2,081	2,750	8,558	2,194	2,447	+428	+21.2%
	Profit margin	21.9%	23.2%	22.3%	25.6%	23.4%	23.6%	25.3%	+2.1pt	-

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

FY23Q2 Net sales (QoQ)

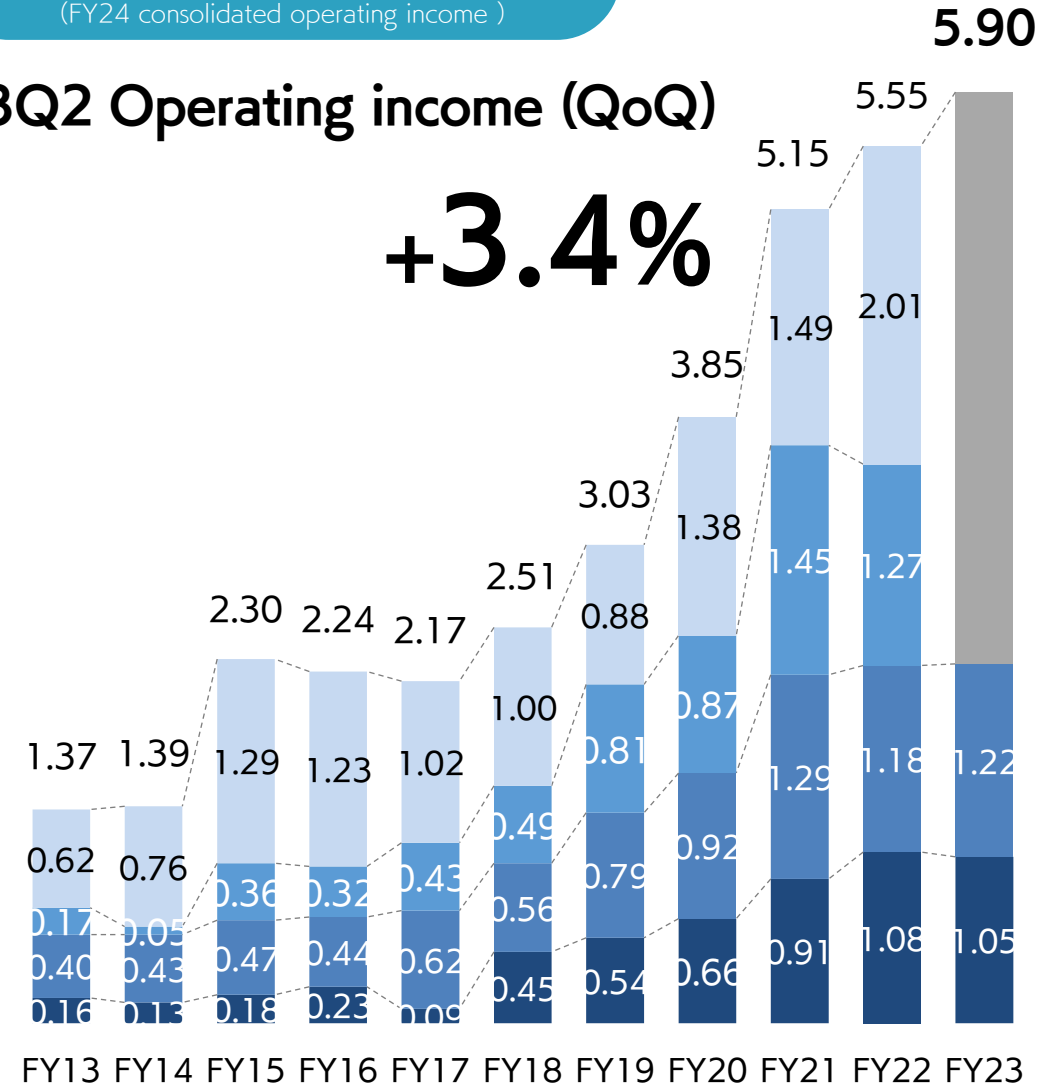
+0.6%



Med-term plan target operating income JPY 7.1 billion
(FY24 consolidated operating income)

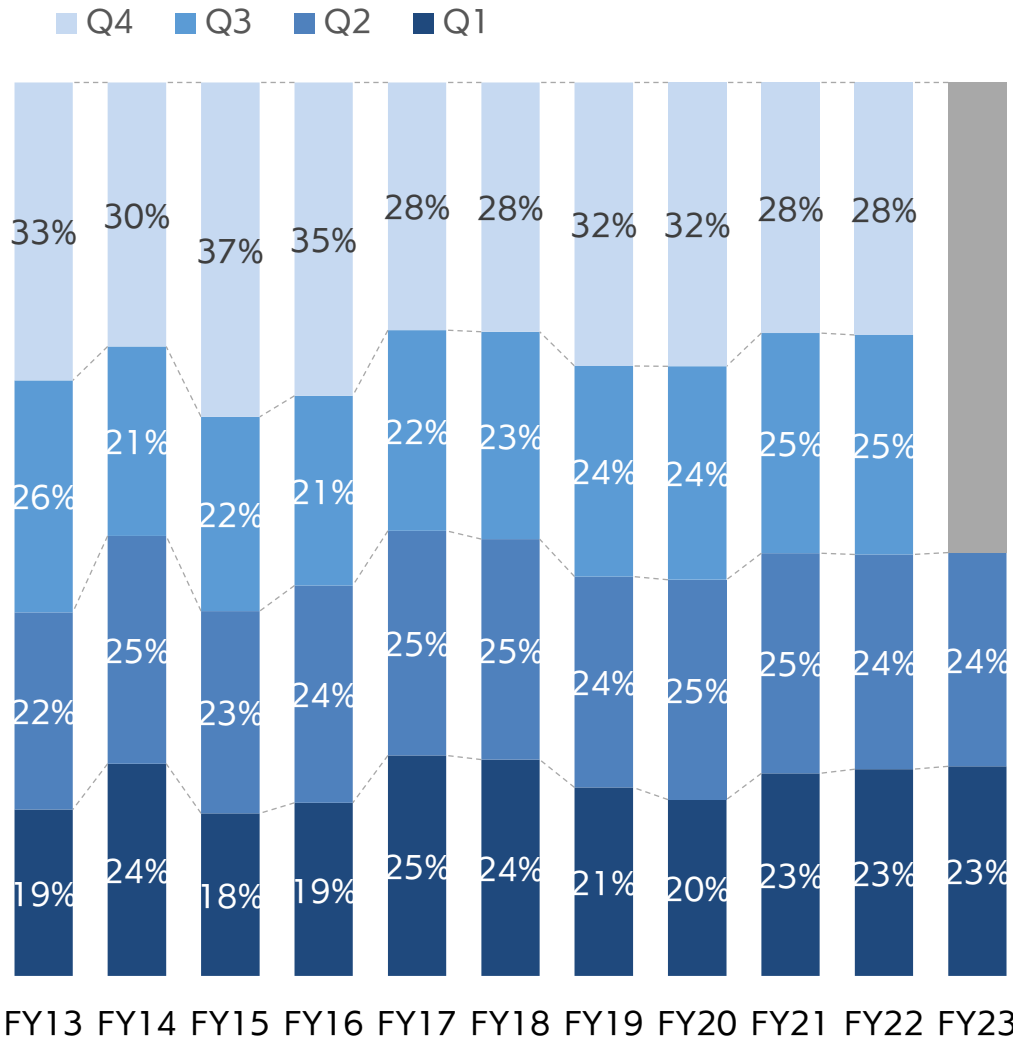
FY23Q2 Operating income (QoQ)

+3.4%

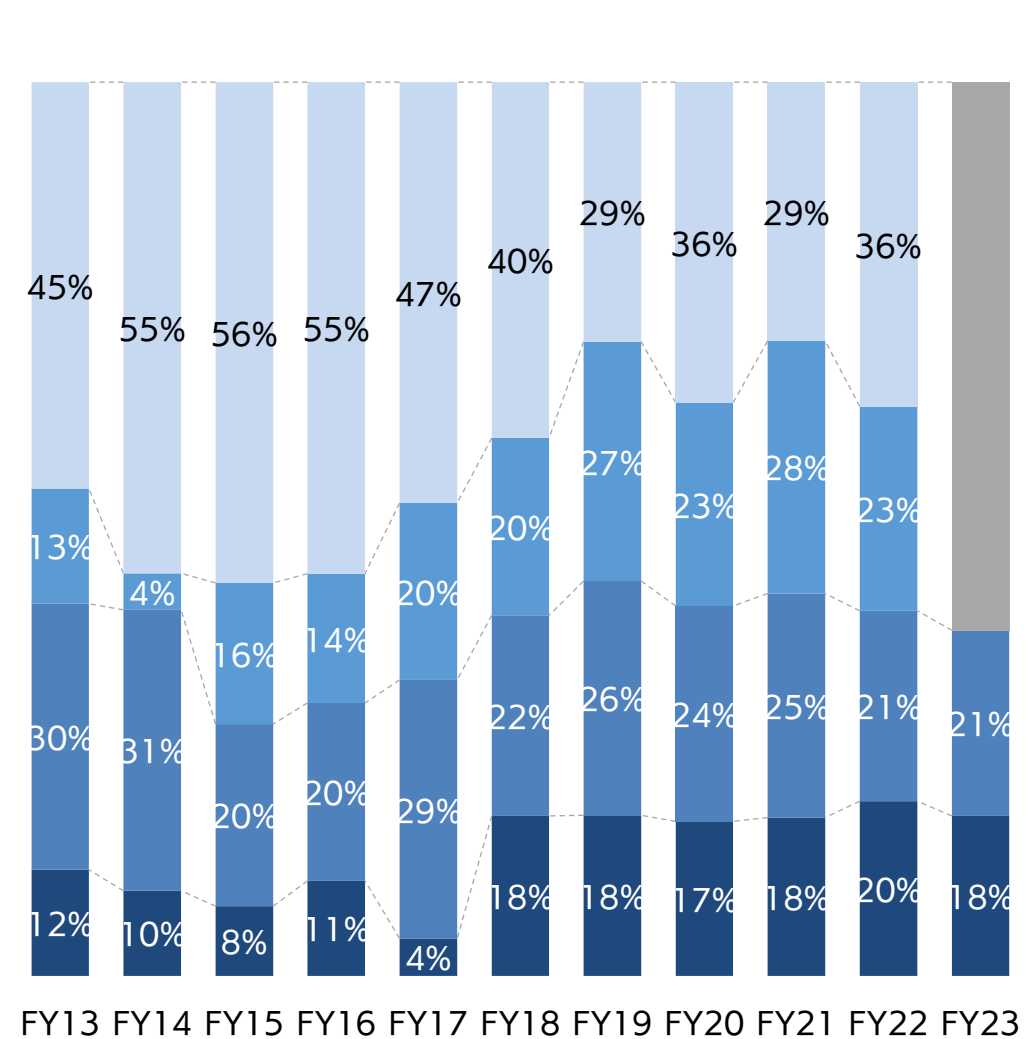


※The Company has adopted the "Accounting Standard for Revenue Recognition" (the new revenue recognition standard) from FY21 Q1. Net sales before FY20 are based on historical net sales figures for the Norton business, which is the main impact.

Net sales



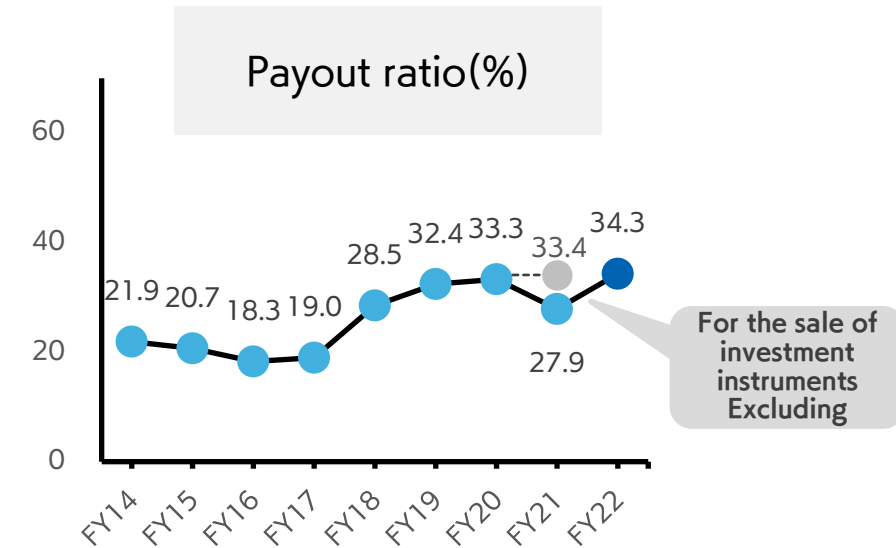
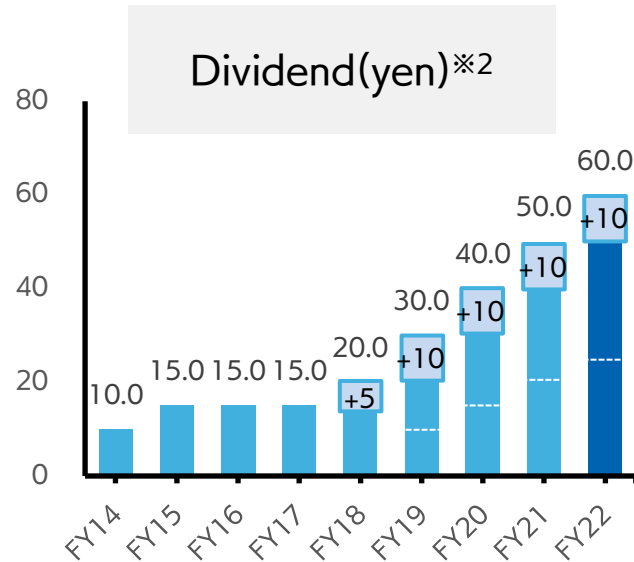
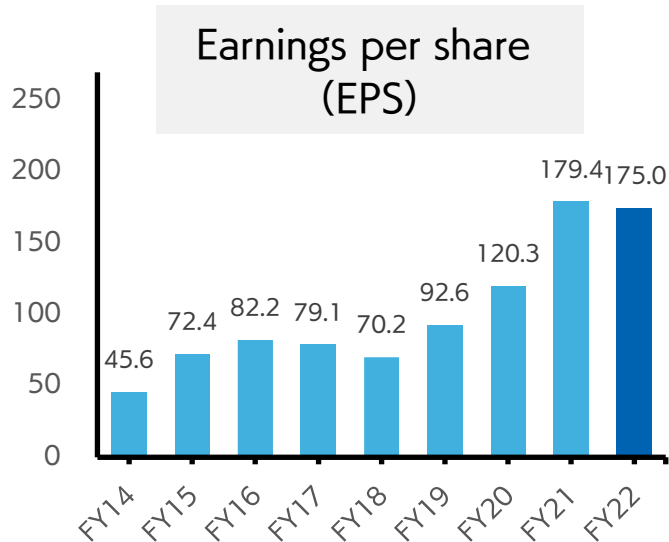
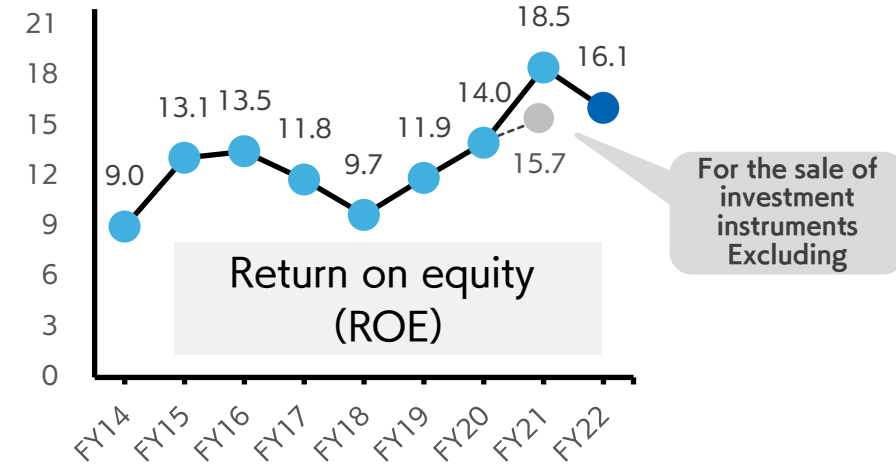
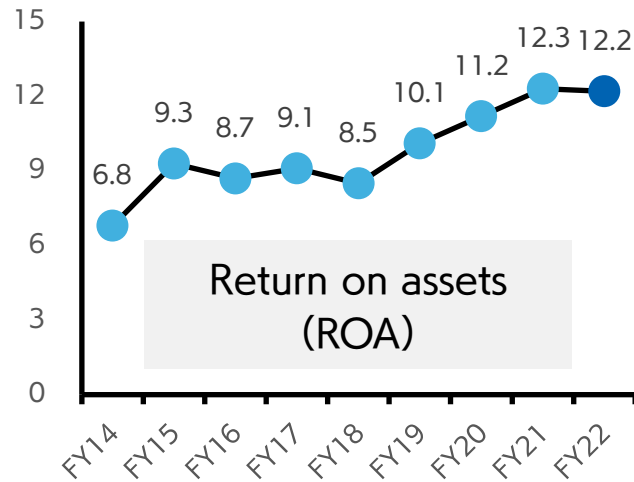
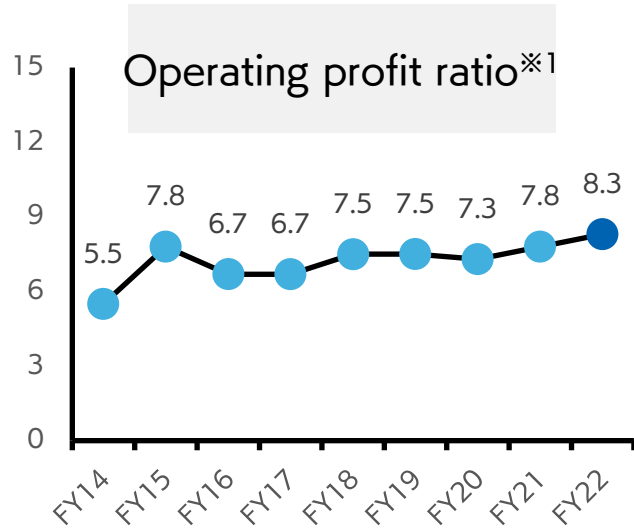
Operating income



[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 September, 2022	End of March, 2023	End of September, 2023	Since end of previous term	QoQ
Current assets	30,286	35,622	38,092	2,469	7,805
Cash and deposits	10,820	8,221	14,568	6,347	3,748
Accounts receivable and other receivables	15,348	24,133	16,882	△ 7,250	1,534
Fixed assets	9,494	9,842	10,047	205	553
Tangible fixed assets	1,759	1,681	1,389	△ 291	△ 370
Intangible fixed assets	4,298	4,120	3,509	△ 610	△ 788
Investments and other assets	3,436	4,040	5,148	1,107	1,712
Total assets	39,782	45,466	48,140	2,673	8,357
Current liabilities	14,658	18,590	15,885	△ 2,704	1,227
Long-term liabilities	1,835	1,708	1,290	△ 417	△ 544
Net assets	23,289	25,167	30,963	5,796	7,674



※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 June 19, 2023)

Board of Directors

Representative Director CEO	Shinichi Ata
Director CSO	Mitsuhiro Sato
Director CFO	Masaaki Okazaki
Director	Kunihiro Fujinaga
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	Makoto Aoki
Vice President	Takuya Miyazawa
Vice President CDO	Kengo Kanazawa
Vice President CMO	Ikuma Uehara

Auditors

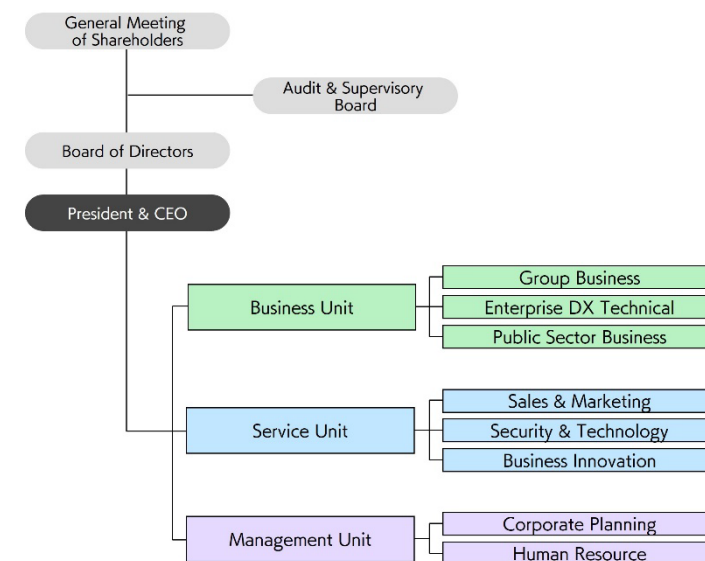
Chairman of Audit & Supervisory Board	Mitsumasa Ueno
Audit & Supervisory Board	Haruhiko Hirose
Audit & Supervisory Board	Michiaki Nakano
Audit & Supervisory Board	Takashi Naito

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 August 31, 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 Index

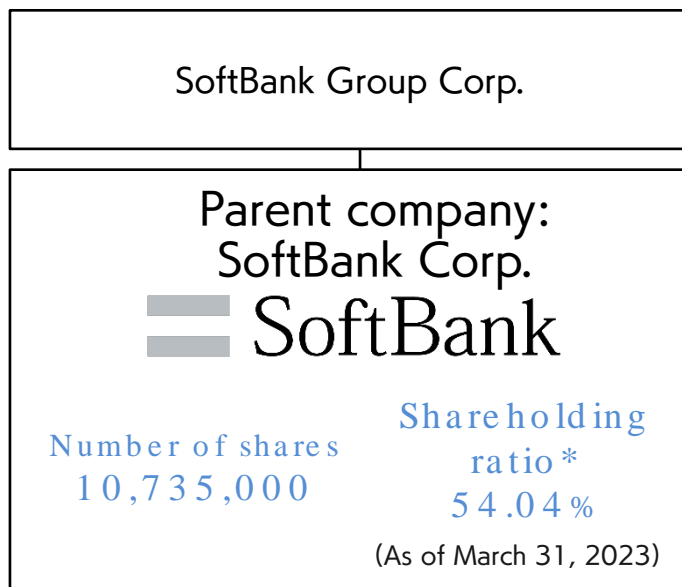


FTSE Blossom
Japan Sector
Relative Index

FTSE Blossom Japan
Index Series



2022 - 2023年度選定



Group Companies (従業員数は2023年3月31日時点、 Representative as of June 30, 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
	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 Japan Co., Ltd.	Providing of IoT services, OSS/Linux services, and certification/security services	Representatives : Yuji Kitamura 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 : Kiminori Konaka 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/DX Solution
- Security consulting/Introduction support/Monitoring operation service, Electronic authentication solution, etc

Public Sector

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

Consumer

- EC site operation Substitute such as Norton Store, 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 ten consecutive years. In 2023, we won "Defend against threats with SIEM plus XDR" in the security-related field.

Microsoft Japan Partner of the Year



Awarded for ten 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
914 companies

As of August, 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

SBT's security services are used by many companies and organizations. We are ranked No. 1 in terms of sales in various domestic market surveys.



Source: ITR "ITR Market View: Endpoint-security-type/information-leak-proof SOC Service2022"

出典: デロイト トーマツ ミック経済研究所 「2022年版 国内市場調査レポート 2023年版」

Ranked No.1 share of sales by vendor in "Microsoft 365 Operation Monitoring Service" and "SIEM Operation Analysis Service/Managed XDR Service" markets※2

Ranked No.1 share of sales in "SIEM Operation Service" market※3

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" FY2021)

* 3 : Source: Deloitte Tohmatsu MIC Research Institute Co., Ltd. "Managed Security Services Market Status and Forecast 2023 Edition" (Published in June ,2023) <https://mic-r.co.jp/mr/02800>

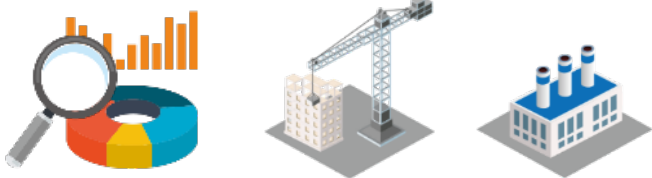


One-Stop Support for Utilization of Data and AI through Cloud Infrastructure

Starting businesses in the data domain in 2014, we will provide solutions in the cloud infrastructure, from the construction of data platforms to analysis/visualization using BI tools and AI utilization. We can provide a wide range of support, from installation support to in-house production and operation support after introduction, in a one-stop manner. We contribute to DX of our customers through consulting by data scientists.

Strengths

We are strong in providing support in cloud infrastructure using Azure, such as Azure Machine Learning, Microsoft Power BI. Especially in the manufacturing industry, we support our customers' businesses based on data, such as the construction of systems and predictive models using machine learning.



External evaluation

Power Apps & BI was awarded to Microsoft Japan Partner of the Year 2021 for assessment in the data-domain. In 2023, the company was awarded the Top Engineer Award for its achievements in solving problems in Dynamics 365 and Power Platform.



Service

Develop core-technology to improve the accuracy of answers to generated AI through internal use and demonstration with customers. We have released DailyAI, a generation AI service that incorporates this technique into our services and can be used in daily operations. As a generator AI servicing that combines the functions required for all business-scenes, it contributes to the improvement of customer productivity.

DailyAI



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.



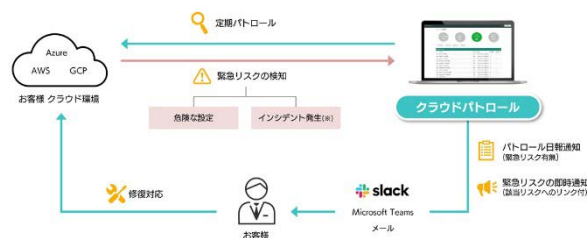
2023/08/01 Announced “NOZ”, a comprehensive brand for in-house services



We announced “NOZ”, a comprehensive brand that offers services developed in-house, and released a brand website. The first step, “NOZ SECURITY,” will develop 11 services centered on managed security services that help companies continue in business by quickly discovering and addressing cyber risks. In the future, we plan to offer a lineup of cloud services and other services for NOZ. Through NOZ, SB Technology will strongly support our customers' businesses and create new value by embodying "change."

Brand website: : <https://www.softbanktech.co.jp/noz/>

2023/08/21 Started offering “Cloud Patrol”, a cloud-protection service that includes Microsoft Azure



※インシデント発生が疑われるクラウド環境には、本サービスを通じてMicrosoft Defender for Cloudの利権機能の適用が必要になります。
※対応クラウドサービス：Microsoft Azure (Azure) / Amazon Web Services (AWS) / Google Cloud Platform (GCP)
GCHQは、2023年9月以降を予定しています。

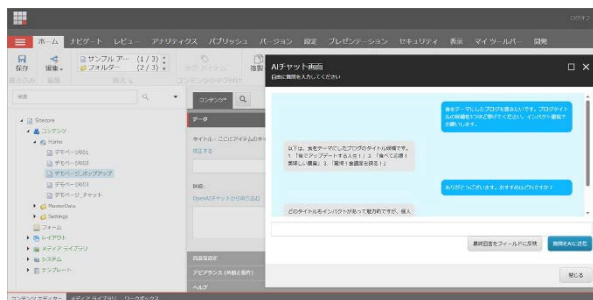
On August 21, 2023, we began providing “Cloud Patrol”, a cloud protection service that detects and notifies inadequate settings and incidents that lead to unauthorized access and information leakage in cloud environments. This service monitors and notifies of inadequate settings leading to the occurrence of an incident or an alert suspected of an incident. Monitoring automatically conducts regular patrols every 60 minutes to notify you every time a new risk is detected. Extract and notify only those alerts that require quick response, making it possible to detect risks early without burying low priority alerts. In addition, when a high-risk setting such as unintentional port opening is detected, the setting can be changed automatically.

2023/08/22 Continued selection as a component of JPX Nikkei Mid and Small Cap Index



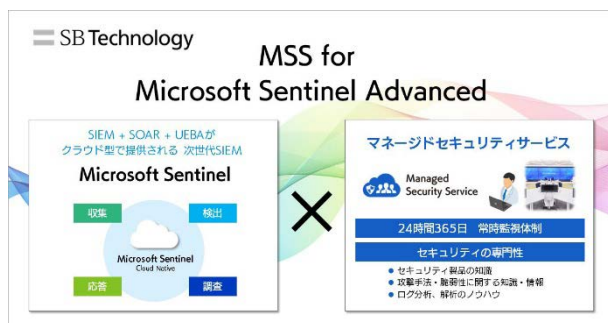
JPX Nikkei Mid and Small Cap Index, which is jointly calculated by JPX Market Innovation & Research, Inc. and Nikkei Inc., was selected as a constituent in fiscal 2023 (August 31, 2023 to August 29, 2024), following on from fiscal 2022. SBT aims to realize a sustainable society through its business and corporate activities under the management philosophy of "Information Revolution - Happiness for everyone- Technologies Design the Future -". Since 2022, we have strengthened our sustainability activities, identifying six materialities, disclosing ESG data, declaring carbon neutrality in fiscal 2030, and endorsing and disclosing the recommendations of the Climate-Related Financial Disclosure Task Force (TCFD). Going forward, we will continue to strengthen the promotion of sustainability through our business and corporate activities, and aim to achieve sustainability and increase corporate value.

2023/09/07 Added generation AI function to Sitecore of enterprise CMS and started offering



In CMS Solution Service " Sitecore on Cloud ", we began offering a AI linkage function that enables the use of generated AI for a fee. This feature allows you to interact with the generated AI on Sitecore editing screen. It allows you to generate optimal contents by instructing you about what you want to create. Through the provision of this function, we will greatly reduce the burden on Web personnel in content creation work, and aim to provide consistent content creation support through AI in addition to partial operational efficiencies in the future.

2023/09/20 Launched “MSS for Microsoft Sentinel Advanced” to support early detection of incidents and initial response



On September 20, 2023, we began offering “MSS for Microsoft Sentinel Advanced” that supports early detection and initial response of incidents using Microsoft Sentinel, a cloud SIEM solution. This service collects and integrates logs and alerts of various security products used by customers into Microsoft Sentinel for automated monitoring and manned monitoring 24 hours a day, 365 days a year. SBT security analyst checks and analyzes the detected alerts and notifies you of early detection of incidents and suggested measures. The analytical rules for detecting incidents are continuously adjusted by SBT after service-introduction to maintain the optimal conditions for the customer's circumstances.

2023/09/27 Demonstrated with Kyowa Kirin Co., Ltd. and started to support the introduction of generation AI equipped with core-technology that improves response accuracy.



We began supporting the introduction of a generation AI for companies and local government customers. This introduction support utilizes Azure OpenAI Service to enable the use of secure generation AI separated from external networks. In addition, the core-technology that improves response accuracy developed by SB Technology enables business-efficiency improvements in a variety of business-use applications. Core technologies to improve response accuracy reflect know-how gained through in-house use and joint demonstration with multiple companies. Kyowa Kirin Co., Ltd. , which cooperated in this joint demonstration, confirmed the usefulness of its core technologies in the search use of research-related documents, rules, etc. conducted within the Research and Development Division.

2023/10/23 On 11/1, Began providing DailyAI, a generation AI service-that can be used in daily operations



“DailyAI” is a service that has been born to enable customers to use generated AI on a daily basis in their business to achieve productivity improvements. In addition to the use of generic generated AI to answer a variety of questions in a natural dialogue, you can also provide instructions to analyze and summarize certain files-such as your Excel, Word, PDF. In the future, we will provide a new plan that will lead to appropriate search results not only for your own data, but also for a large amount of documents stored in various cloud storage. Going forward, we will continue to expand our range of functions and contribute to enhancing our customers' productivity as a generation AI service that combines the functions required for every business scene.

2023/10/26 Acquired Specialization "Threat Protection", Microsoft's top certification



Among Microsoft’s solution partners, we are informed that we have obtained “Threat Protection (Protect against threats)” in the “Specialization” given to partners with high level of expertise. Threat Protection is a title given to companies that are deeply knowledgeable, experienced, and proven in the construction and introduction of Microsoft Threat Protection, Microsoft Defender for Cloud Apps, Microsoft Sentinel in response to a variety of security-related threats. We will continue to support the protection of our customers' information assets and business continuity through the provision of security solutions.

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

SBT consolidated Number of Employees **1,417**

2023rd New Graduate **76**
(consolidated basis)

Average age **38.4**

Working Style

Reduction of overtime by improving productivity
42 hours → **27 hours**
 FY2015 FY2022

Percentage of paid leave taken per employee **70%**
(FY2022)

Remote working rate **60%**
(FY22H2 achievements)

Growth Support

Use of Skill Development Leave (FY2022)
 Number of employees who have acquired **242** Total days acquired **536**

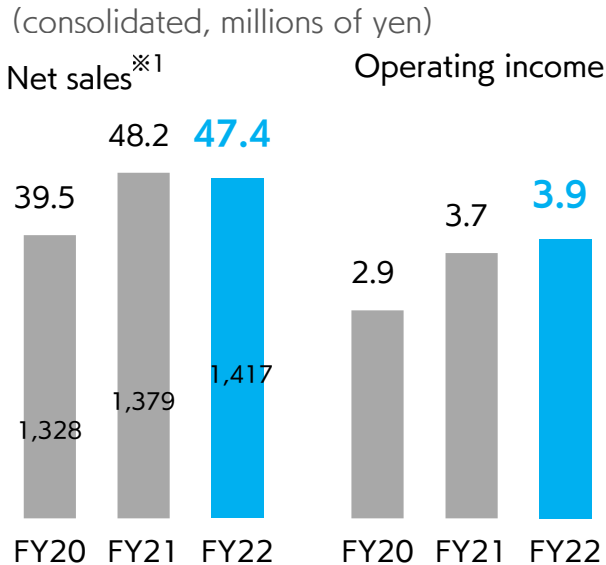
PMP Holder **155** CBAP Holder **52**

Technical Personnel

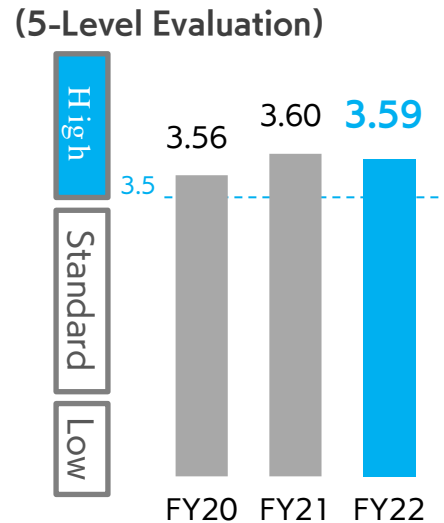
Ratio of job types **7 : 2 : 1**
(Technology) (Sales) (Management)

Development partners **2,800**

Index per Employee



Comprehensive Employee Satisfaction



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

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

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/>