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This financial report is solely a translation of the "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.

April 25, 2024

## SB Technology Corp. Consolidated Financial Report for the Fiscal Year Ended March 31, 2024

[Japanese GAAP]

**Company name: SB Technology Corp.** (Tokyo Stock Exchange/Code No. 4726)

(URL <https://www.softbanktech.co.jp/>)

Representative: Shinichi Ata, President & CEO

Contact: Masaaki Okazaki, Member of the Board, Executive Vice President & CFO

Phone: +81-3-6892-3063

Scheduled date of General Shareholders' Meeting: June 17, 2024

Scheduled date of filing of Securities Report: June 17, 2024

Scheduled date of payment of dividend: June 18, 2024

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: None (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)

#### (1) Consolidated Results of Operations

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2024	65,704	△2.3	5,699	2.6	5,473	△0.5	8,363	139.2
Fiscal year ended Mar. 31, 2023	67,227	1.6	5,557	7.8	5,499	7.1	3,497	△3.7

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2024: 8,692 (up 128.6%)  
Fiscal year ended Mar. 31, 2023: 3,802 (down 1.8%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2024	420.55	419.59	32.0	11.3	8.7
Fiscal year ended Mar. 31, 2023	175.03	173.52	16.1	12.2	8.3

Reference: Equity in earnings of affiliates (million yen)

Fiscal year ended Mar. 31, 2024: 10      Fiscal year ended Mar. 31, 2023: 5

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	51,694	32,619	57.5	1,493.86
As of Mar. 31, 2023	45,466	25,167	49.4	1,131.42

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2024: 29,730

As of Mar. 31, 2023: 22,475

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2024	2,256	1,161	△819	10,772
Fiscal year ended Mar. 31, 2023	3,450	△1,500	△2,496	8,160

### 2. Dividends

	Dividends per share					Total dividends	Payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Mar. 31, 2023	Yen —	Yen 25.00	Yen —	Yen 35.00	Yen 60.00	Million yen 1,191	% 34.3	% 5.5
Fiscal year ended Mar. 31, 2024	Yen —	Yen 30.00	Yen —	Yen 40.00	Yen 70.00	Million yen 1,393	% 16.6	% 5.3
Fiscal year ending Mar. 31, 2025 (forecast)	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00			

**3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025**  
(April 1, 2024 – March 31, 2025)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	69,500	5.8	5,720	0.4	5,670	3.6	3,550	△57.6	178.50

**\* Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Changes in accounting policies and accounting estimates, and restatements

- i. Changes in accounting policies due to revisions in accounting standards, others: None
- ii. Changes in accounting policies other than i. above: None
- iii. Changes in accounting estimates: None
- iv. Restatements: None

(3) Number of outstanding shares (common stock)

- i. Number of shares outstanding at the end of the period (including treasury shares)
  - As of Mar. 31, 2024: 22,757,800 shares
  - As of Mar. 31, 2023: 22,757,800 shares
- ii. Number of treasury shares at the end of the period
  - As of Mar. 31, 2024: 2,856,067 shares
  - As of Mar. 31, 2023: 2,892,930 shares
- iii. Average number of shares outstanding during the period
  - Fiscal year ended Mar. 31, 2024: 19,887,886 shares
  - Fiscal year ended Mar. 31, 2023: 19,981,416 shares

**Reference: Summary of Non-consolidated Financial Results**

**Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 – March 31, 2024)**

(1) Non-consolidated Results of Operations (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2024	56,585	△2.7	4,013	4.7	7,126	91.2	9,821	268.2
Fiscal year ended Mar. 31, 2023	58,129	2.1	3,835	2.6	3,728	0.8	2,667	△14.9

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended Mar. 31, 2024	493.86	—
Fiscal year ended Mar. 31, 2023	133.50	133.42

(2) Non-consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	43,935	27,783	62.5	1,380.31
As of Mar. 31, 2023	38,850	19,066	48.3	943.83

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2024: 27,470

As of Mar. 31, 2023: 18,748

\* This consolidated financial report is not subject to fiscal year ended review procedures by a certified public accountant or audit company.

\* Explanation for appropriate use of operating forecasts, and other special items

Cautionary statement with respect to forward-looking statements

Forecasts regarding future performance in this report are based on assumptions considered appropriate and other reasonable information available to the Company at the time this report was created. This report is not promised by the Company regarding future performance. The actual performance may differ significantly from these forecasts for a variety of reasons.

How to view supplementary information at the financial results meeting

Supplementary materials for financial results will be disclosed, using the Timely Disclosure network (TDnet), and will be available on the Company's website (<https://www.softbanktech.co.jp/corp/ir/>).

**Consolidated Financial Statements**  
**(1) Consolidated Balance Sheet**

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	8,221	10,833
Notes and accounts receivable - trade, and contract assets	24,133	25,289
Merchandise	131	250
Accounts receivable - other	1,674	3,819
Other	1,462	1,464
Allowance for doubtful accounts	△0	△2
<b>Total current assets</b>	<b>35,622</b>	<b>41,654</b>
Non-current assets		
Property, plant and equipment		
Buildings	1,685	1,508
Accumulated depreciation	△1,001	△995
Buildings, net	684	512
Tools, furniture and fixtures	2,561	2,404
Accumulated depreciation	△1,570	△1,614
Tools, furniture and fixtures, net	991	789
Other	14	155
Accumulated depreciation	△9	△6
Other, net	5	149
<b>Total property, plant and equipment</b>	<b>1,681</b>	<b>1,451</b>
Intangible assets		
Goodwill	836	595
Software	2,531	1,850
Software in progress	476	636
Customer relationships	189	37
Other	86	56
<b>Total intangible assets</b>	<b>4,120</b>	<b>3,176</b>
Investments and other assets		
Investment securities	667	909
Deferred tax assets	1,297	1,267
Other	2,075	3,235
<b>Total investments and other assets</b>	<b>4,040</b>	<b>5,412</b>
<b>Total non-current assets</b>	<b>9,842</b>	<b>10,039</b>
Deferred assets		
Share issuance costs	1	0
<b>Total deferred assets</b>	<b>1</b>	<b>0</b>
<b>Total assets</b>	<b>45,466</b>	<b>51,694</b>

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	7,020	6,074
Current portion of long-term borrowings	309	290
Lease liabilities	14	16
Accounts payable - other	4,493	4,690
Income taxes payable	1,372	1,659
Contract liabilities	2,186	2,346
Provision for bonuses	1,784	1,681
Provision for loss on orders received	626	438
Provision for defect repair	39	3
Other	742	761
<b>Total current liabilities</b>	<b>18,590</b>	<b>17,962</b>
Non-current liabilities		
Long-term borrowings	489	109
Lease liabilities	81	65
Contract liabilities	670	560
Retirement benefit liability	60	4
Asset retirement obligations	336	318
Other	69	55
<b>Total non-current liabilities</b>	<b>1,708</b>	<b>1,113</b>
<b>Total liabilities</b>	<b>20,298</b>	<b>19,075</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,270	1,270
Capital surplus	1,613	1,656
Retained earnings	22,182	29,253
Treasury shares	△2,600	△2,567
<b>Total shareholders' equity</b>	<b>22,466</b>	<b>29,613</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3	109
Foreign currency translation adjustment	5	7
<b>Total accumulated other comprehensive income</b>	<b>9</b>	<b>116</b>
Share acquisition rights	320	316
Non-controlling interests	2,371	2,572
<b>Total net assets</b>	<b>25,167</b>	<b>32,619</b>
<b>Total liabilities and net assets</b>	<b>45,466</b>	<b>51,694</b>

**(2) Consolidated Statements of Income and Comprehensive Income**

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	67,227	65,704
Cost of sales	52,032	49,944
Gross profit	15,194	15,760
Selling, general and administrative expenses	9,637	10,061
Operating profit	5,557	5,699
Non-operating income		
Interest income	0	0
Dividend income	2	1
Share of profit of entities accounted for using equity method	5	10
Dividend income of insurance	7	11
Subsidy income	8	2
Miscellaneous income	17	14
Total non-operating income	42	41
Non-operating expenses		
Interest expenses	9	5
Commission expenses	40	175
Loss on investments in investment partnerships	5	5
Donations	10	20
Foreign exchange losses	23	3
Provision of allowance for doubtful accounts	—	50
Miscellaneous losses	12	5
Total non-operating expenses	100	266
Ordinary profit	5,499	5,473
Extraordinary income		
Gain on sale of investment securities	—	3
Compensation income	16	—
Gain on reversal of share acquisition rights	21	32
Gain on transfer from business divestitures	—	6,623
Total extraordinary income	38	6,658
Extraordinary losses		
Impairment losses	—	345
Loss on retirement of non-current assets	81	12
Industrial accident settlement	—	70
Amortization of goodwill	—	63
Loss on forgiveness of debt	—	20
Total extraordinary losses	81	511
Profit before income taxes	5,456	11,620
Income taxes - current	1,670	3,050
Income taxes - deferred	△14	△14
Total income taxes	1,655	3,035
Profit	3,800	8,584

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit attributable to		
Profit attributable to owners of parent	3,497	8,363
Profit attributable to non-controlling interests	302	220
Other comprehensive income		
Valuation difference on available-for-sale securities	0	105
Foreign currency translation adjustment	1	2
Total other comprehensive income	2	108
Comprehensive income	3,802	8,692
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,499	8,471
Comprehensive income attributable to non-controlling interests	302	221

**(3) Consolidated Statement of Changes in Equity**

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,254	1,567	19,789	△1,555	21,055
Changes during period					
Issuance of new shares	16	16	—	—	32
Dividends of surplus	—	—	△1,104	—	△1,104
Profit attributable to owners of parent	—	—	3,497	—	3,497
Purchase of treasury shares	—	—	—	△1,094	△1,094
Disposal of treasury shares	—	36	—	49	86
Change in ownership interest of parent due to transactions with non-controlling interests	—	△6	—	—	△6
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	16	46	2,392	△1,044	1,410
Balance at end of period	1,270	1,613	22,182	△2,600	22,466

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	2	4	7	279	2,037	23,379
Changes during period						
Issuance of new shares	—	—	—	—	—	32
Dividends of surplus	—	—	—	—	—	△1,104
Profit attributable to owners of parent	—	—	—	—	—	3,497
Purchase of treasury shares	—	—	—	—	—	△1,094
Disposal of treasury shares	—	—	—	—	—	86
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	—	—	—	△6
Net changes in items other than shareholders' equity	0	1	2	40	334	377
Total changes during period	0	1	2	40	334	1,787
Balance at end of period	3	5	9	320	2,371	25,167



Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,270	1,613	22,182	△2,600	22,466
Changes during period					
Issuance of new shares	—	—	—	—	—
Dividends of surplus	—	—	△1,292	—	△1,292
Profit attributable to owners of parent	—	—	8,363	—	8,363
Purchase of treasury shares	—	—	—	△0	△0
Disposal of treasury shares	—	53	—	33	87
Change in ownership interest of parent due to transactions with non-controlling interests	—	△11	—	—	△11
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	—	42	7,071	32	7,147
Balance at end of period	1,270	1,656	29,253	△2,567	29,613

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	3	5	9	320	2,371	25,167
Changes during period						
Issuance of new shares	—	—	—	—	—	—
Dividends of surplus	—	—	—	—	—	△1,292
Profit attributable to owners of parent	—	—	—	—	—	8,363
Purchase of treasury shares	—	—	—	—	—	△0
Disposal of treasury shares	—	—	—	—	—	87
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	—	—	—	△11
Net changes in items other than shareholders' equity	105	1	107	△4	200	304
Total changes during period	105	1	107	△4	200	7,451
Balance at end of period	109	7	116	316	2,572	32,619

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Profit before income taxes	5,456	11,620
Depreciation	1,403	1,439
Impairment losses	—	345
Amortization of goodwill	257	240
Share-based payment expenses	105	66
Increase (decrease) in allowance for doubtful accounts	3	50
Increase (decrease) in provision for bonuses	△92	△44
Increase (decrease) in retirement benefit liability	7	4
Increase (decrease) in provision for loss on orders received	222	△187
Increase (decrease) in provision for defect repair	23	△35
Loss on retirement of non-current assets	81	12
Interest and dividend income	△3	△2
Compensation income	16	—
Interest expenses	9	5
Commission expenses	40	175
Share of loss (profit) of entities accounted for using equity method	△5	△10
Loss (gain) on sale of investment securities	—	△3
Loss (gain) on investments in investment partnerships	5	5
Gain on transfer from business divestitures	—	△6,623
Decrease (increase) in accounts receivable - trade, and contract assets	△1,843	△1,498
Decrease (increase) in inventories	△6	△102
Decrease (increase) in trade receivables	△210	268
Increase (decrease) in trade payables	△507	△897
Increase (decrease) in contract liabilities	310	58
Increase (decrease) in accrued consumption taxes	74	14
Increase (decrease) in trade payables	△172	183
Other, net	△71	△140
<b>Subtotal</b>	<b>5,103</b>	<b>4,948</b>
Interest and dividends received	3	8
Interest paid	△9	△5
Income taxes refund (paid)	△1,646	△2,694
<b>Net cash provided by (used in) operating activities</b>	<b>3,450</b>	<b>2,256</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△454	△206
Purchase of intangible assets	△1,047	△1,275
Purchase of investment securities	△45	△112
Proceeds from sale of investment securities	0	3
Proceeds from business divestitures	—	2,771
Proceeds from collection of loans receivable	6	0
Payments of guarantee deposits	△7	△3
Proceeds from refund of guarantee deposits	60	4
Other, net	△12	△21
<b>Net cash provided by (used in) investing activities</b>	<b>△1,500</b>	<b>1,161</b>

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	1,500	951
Repayments of short-term borrowings	△1,500	△100
Repayments of long-term borrowings	△401	△399
Proceeds from issuance of shares	32	—
Purchase of treasury shares	△1,098	△0
Proceeds from disposal of treasury shares	69	66
Dividends paid	△1,103	△1,291
Dividends paid to non-controlling interests	—	△59
Repayments of lease liabilities	△19	△14
Proceeds from share issuance to non-controlling shareholders	24	27
Net cash provided by (used in) financing activities	△2,496	△819
Effect of exchange rate change on cash and cash equivalents	5	14
Net increase (decrease) in cash and cash equivalents	△540	2,612
Cash and cash equivalents at beginning of period	8,701	8,160
Cash and cash equivalents at end of period	8,160	10,772

**(5) Notes to Consolidated Financial Statements**

**Going Concern Assumption**

Not applicable.

*Disclaimer:*

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