

※ It is translated by AI

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

# Results of Operations

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July 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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## FY23 Q1 Financial Results

Higher revenues in Public Sector& Enterprise, sales achieved record highs as Q1 Operating income decreased due to restrained investment in Telecommunication and strengthened recruitment.

## Orders Received

Orders received for the demonstration phase of horizontal development projects in the map-related field, although orders received decreased due to the effects of Local Government Information SC\* in the previous fiscal year.

## FY23 Forecast

Net income has been revised upward by ¥4.25 billion to ¥8.2 billion compared to the initial forecast due to the recording of extraordinary income associated with the transfer of shares of subsidiary Fontworks, Inc.  
(Revised full-year forecast for net sales of ¥68 billion and operating income of ¥5.9 billion)

# Consolidated P/L (Full year cumulative)

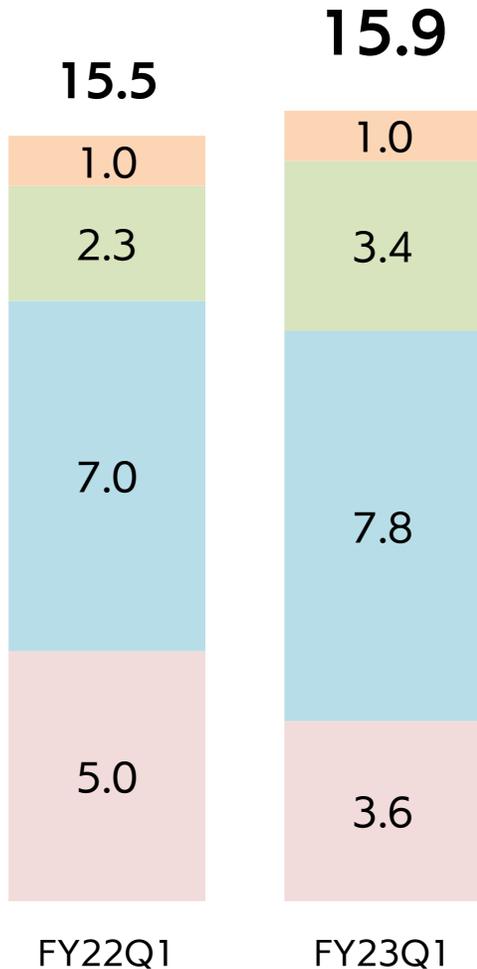
| FY2023 Q1

- Despite growth in Public Sector and Enterprise, operating income decreased due to restrained investment in Telecommunication and higher SG&A expenses.
- Net income decreased by -¥140 million due to the recording of an extraordinary loss associated with the devaluation of shares of a subsidiary. etc.

[Millions of yen]	(Profit margin)	FY23Q1	FY22Q1	Change	Change %
Net sales		<small>Record High</small> 15,958	15,560	+397	+2.6%
Operating income		1,057 (6.6%)	1,085 (7.0%)	▲28	▲2.6%
Ordinary income		1,054 (6.6%)	1,070 (6.9%)	▲15	▲1.4%
Profit attributable to owners of parent		505	646	▲141	▲21.9%
Net profit		(3.2%)	(4.2%)		
EBITDA ※		<small>Record High</small> 1,505	1,494	+11	+0.7%

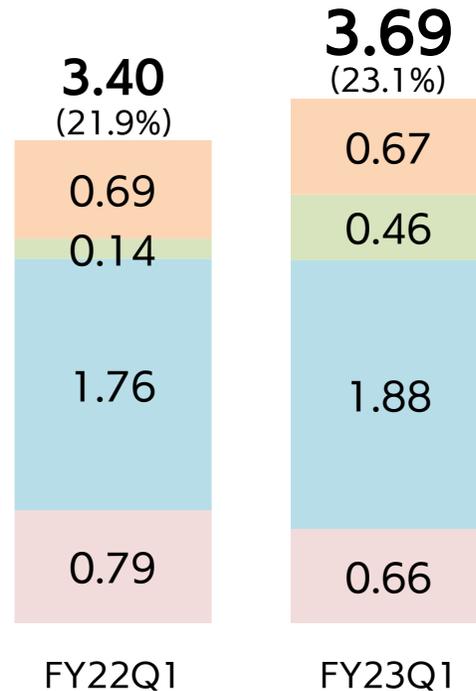
\*EBITDA=Operating income+Amortization of goodwill+Depreciation

## Net sales



## Gross profit

(Billions of yen)  
(Profit margin)



**Consumer :** Flat in sales, and Decrease 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

- Growth in sales through projects for the Ministry of Agriculture, Forestry and Fisheries and the operation of Local Government Information SC, Profit margins also improved

**Enterprise :** Increase in both sales and profits

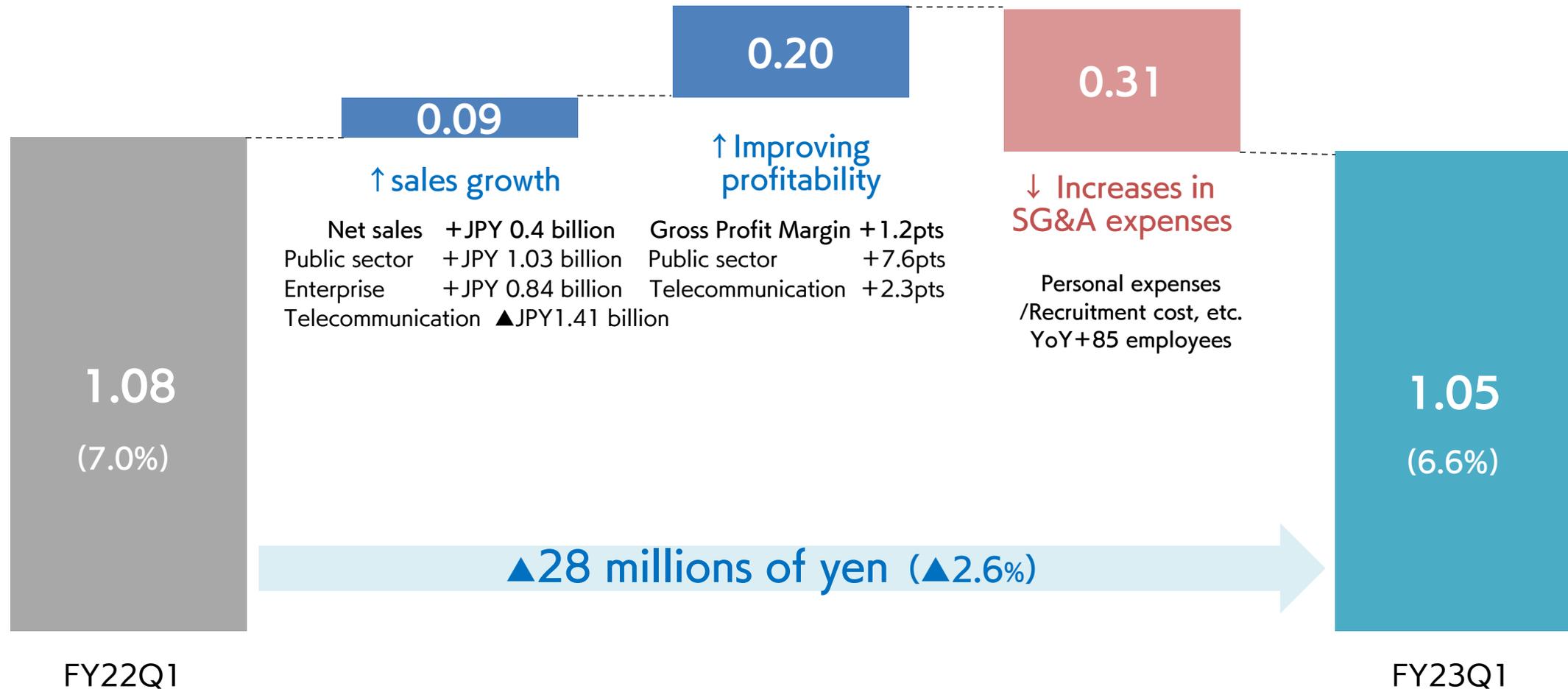
- Profit margin declined temporarily due to licensing sales to cultivate focus customer groups
- Cloud construction and MSS\* for the manufacturing industry performed well.

**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.

\* : Abbreviation for Managed Security Service

- Gross profit margin improved by 1.2 percentage points due to improved profitability in the Public sector and Telecommunication.
- Increased hiring to more than 1,500 employees on a consolidated basis. Operating income decreased by ¥28 million due to an increase in SG&A expenses.



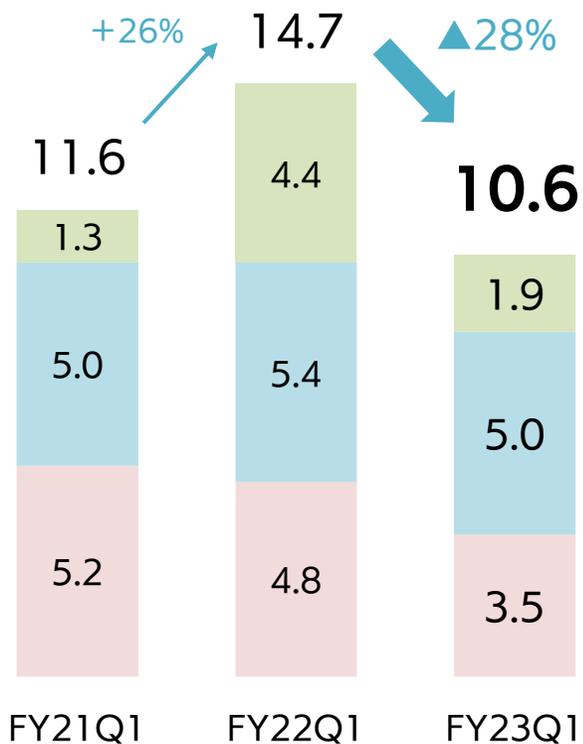
FY22Q1

FY23Q1

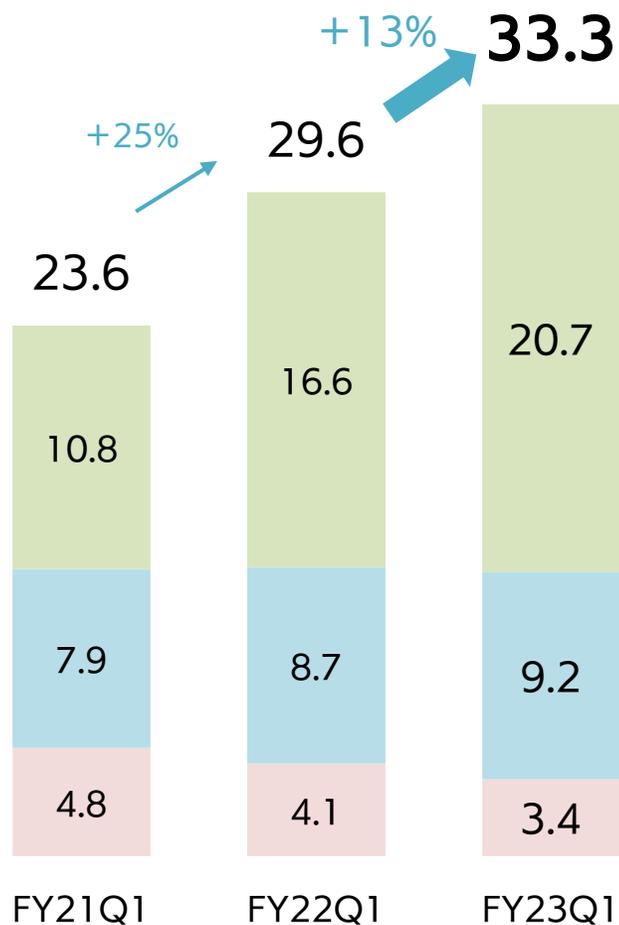
[ Billions of yen ] (Profit margin)

Orders received

- Public Sector
- Enterprise
- Telecommunication



Order Backlog



Single order balance (YoY basis)

JPY **3.7** billions UP

FY23Q1 Main orders

- Public Sector : Received an order for the demonstration phase of the Digital Agency's Real property of base registries, and received an order for Local Government Information SC and a project from the Ministry of Agriculture and Fisheries in FY22Q1, and this resulted in a reactionary decline
- Enterprise : Sales of licenses and equipment decreased.
- Telecommunication : Steady development of internal systems and reduction in vendor management projects
- Approximately 60% of the order backlog is expected to generate sales in FY23

# Revisions to FY23 full-year earnings forecasts

| FY2023 Q1

- Revised full-year earnings forecasts in connection with the transfer of shares of consolidated subsidiary Fontworks Inc. on September 1, 2023
- From the initial plan, Net sales to Consumer were -¥1 billion, Operating income was -¥500 million, and Net profit was +¥4.25 billion due to the impact of the gain on sale
- The policy of growing with security and cloud utilization centered on the Enterprise and Public Sector have not changed.

		FY23 (Initial forecast)	FY23 (Current revision)	Change	FY23Q1 (Actual)	Progress rate
[Millions of yen]	(Profit margin)					
<b>Net sales</b>		<b>69,000</b>	<b>68,000</b>	<b>▲1,000</b>	<b>15,958</b>	<b>23.5%</b>
	Telecommunication	16,300	16,300	0	3,669	22.5%
	Enterprise	35,400	35,400	0	7,862	22.2%
	Public Sector	14,000	14,000	0	3,403	24.3%
	Consumer	3,300	2,300	▲1,000	1,023	44.5%
<b>Operating income</b>		<b>6,400</b> (9.3%)	<b>5,900</b> (8.7%)	<b>▲500</b> (▲0.6%)	<b>1,057</b> (6.6%)	<b>17.9%</b>
<b>Ordinary income</b>		<b>6,350</b> (9.2%)	<b>5,750</b> (8.5%)	<b>▲600</b> (▲0.6%)	<b>1,054</b> (6.6%)	<b>18.3%</b>
<b>Profit attributable to owners of parent Net profit</b>		<b>3,950</b> (5.7%)	<b>8,200</b> (12.1%)	<b>+4,250</b> (+6.4%)	<b>505</b> (3.2%)	<b>6.2%</b>

\* Fontworks Inc. is not subject to consolidation after Q3

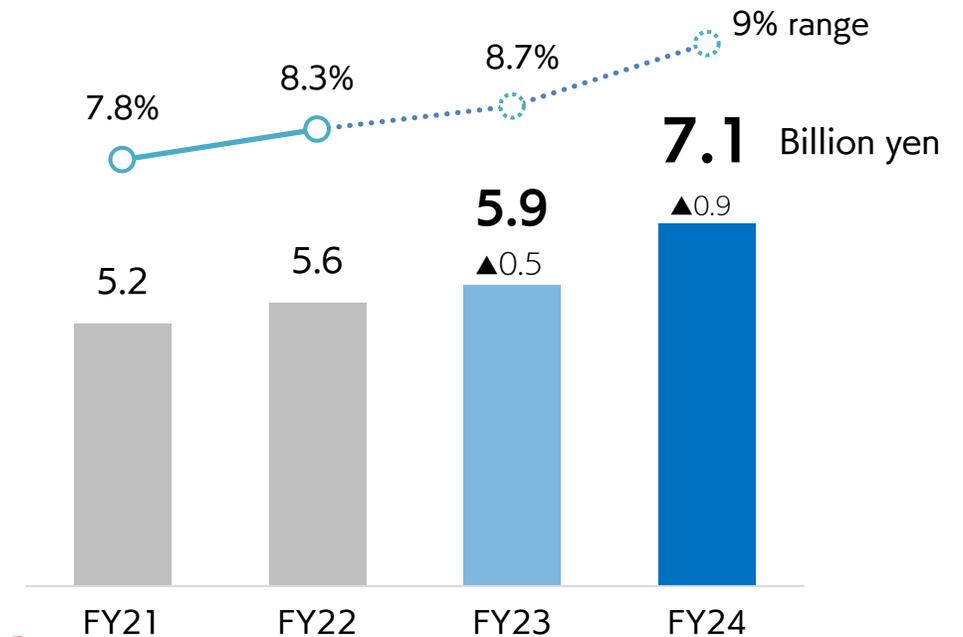
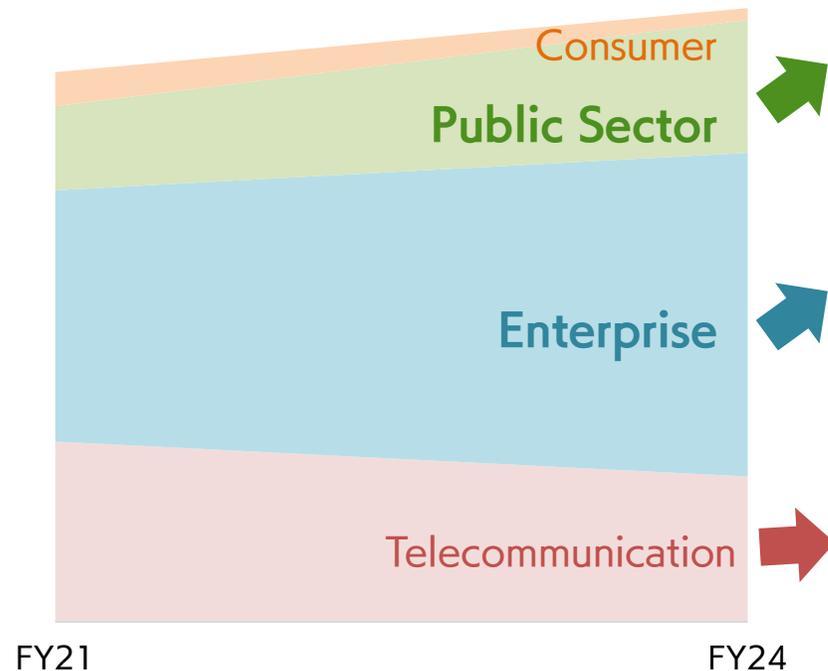
# Progress of Medium-Term Management Plan

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

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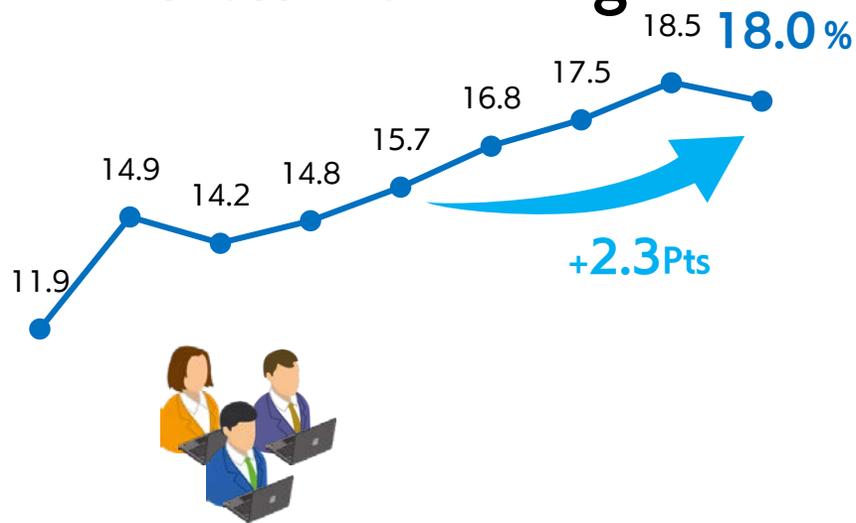
## FY24 Management Indicators

1. Operating income JPY 8 billion → JPY 7.1 billion
2. Operating Income 9% range
3. Cloud Security & Services Net sales over JPY 50 billion



FY24's Operating income target was revised to ¥7.1 billion in connection with the transfer of shares of subsidiaries. Continue to aim for Operating income in the 9% range

## Transition of Gross Profit Margin



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

## Offshore initiatives

Cost reduction

Win-Win Relation to SOFTBANK CORP. by enhancing added value through cost-reduction

+

Expanding capabilities

Received orders by expanding the technical field of supply and challenging projects in new fields.

+

Expansion and efficiency of engineer resources



- Full-scale launch from Q2 and expansion from Q3
- Leading application in AI and other cutting-edge areas, for use in Enterprise and Public Sector

**Q1 plans to invest in offshore operations, and make full-scale use from Q2 to expand significantly from 2H onward**



## Microsoft Japan Microsoft Cloud Partner Program

Approved as the solution partner in all six fields

In all 6 fields, SBT is the only company in Japan ※1

## Microsoft Japan Partner of the Year 2023



Awarded for 10 consecutive years

To promote customer's digital transformation through Microsoft 365 E5 Security and Microsoft Sentinel implementation support were evaluated.

## Microsoft Top Partner Engineer Award is newly established



Received awards to 2 employees from us

Achievements in projects in the areas of "Business Application" and "Security" are evaluated.



## "Microsoft 365 Operation Monitoring Service" "SIEM Operation Analysis Service/Managed XDR Service" market

Ranked No. 1 share of sales by vendor ※2

Achieved 2 in the 6 areas of domestic endpoint security measures/ Information leakage countermeasure SOC services for which ITR is investigating

## "SIEM Operation Service" market

Ranked No. 1 share of sales ※3



In SIEM management services market, we hold 33.6% of the domestic market in terms of sales value in fiscal 2022 and have the largest market share.

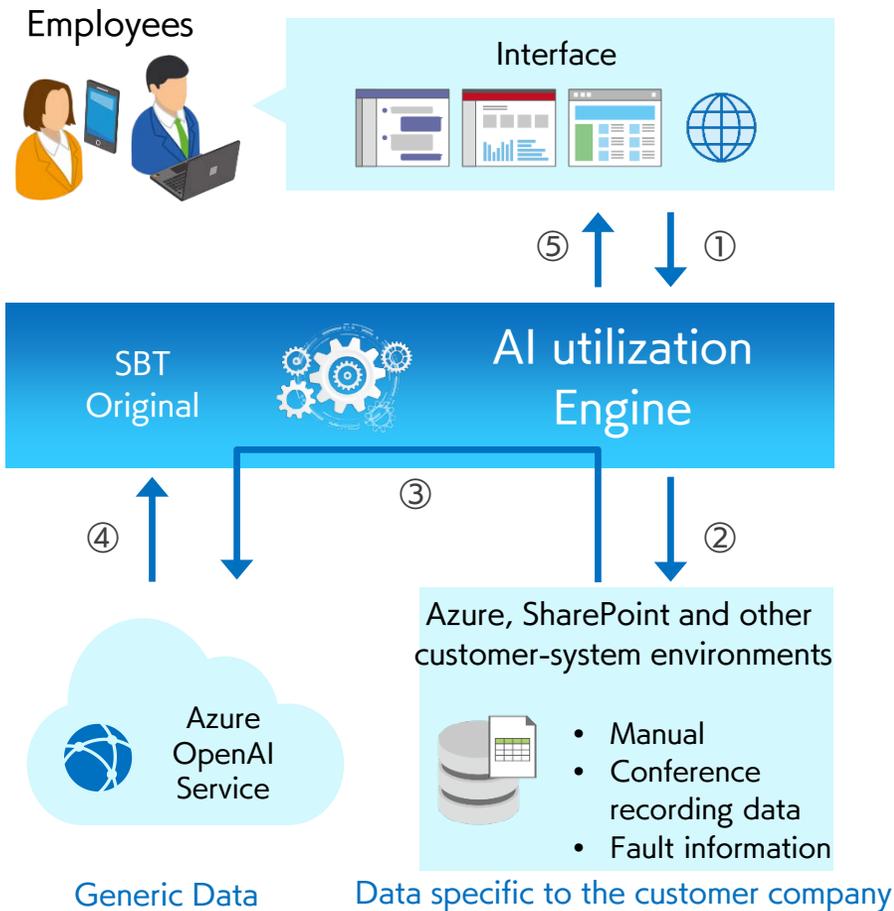
In fiscal 2023, SBT is expected to grow by double digits, at 110.3% compared to the previous year, and is expected to be ranked No. 1 in the market

# In addition to evaluating Microsoft techniques and initiatives, the security-market presence has increased in recent years.

\* 1 : As of July, 2023

\* 2 : Source: ITR "ITR Market View: Endpoint-security/information-leakage SOC Services Marketing 2022" Vendor-based sales share 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/>



## Customer business type



## Customer Usage Scenes and Needs

- Refer to the installation manual and other manuals/company regulations.
- Response to confirmation of conformity with the construction rules
- Ideas by utilizing new technology data
- Checking and referencing the chemical manual
- Responses based on academic society data
- English input/output is also possible for global companies
- Summary report of fault information and search for similar faults
- Audio translation and summary with conference video as data source

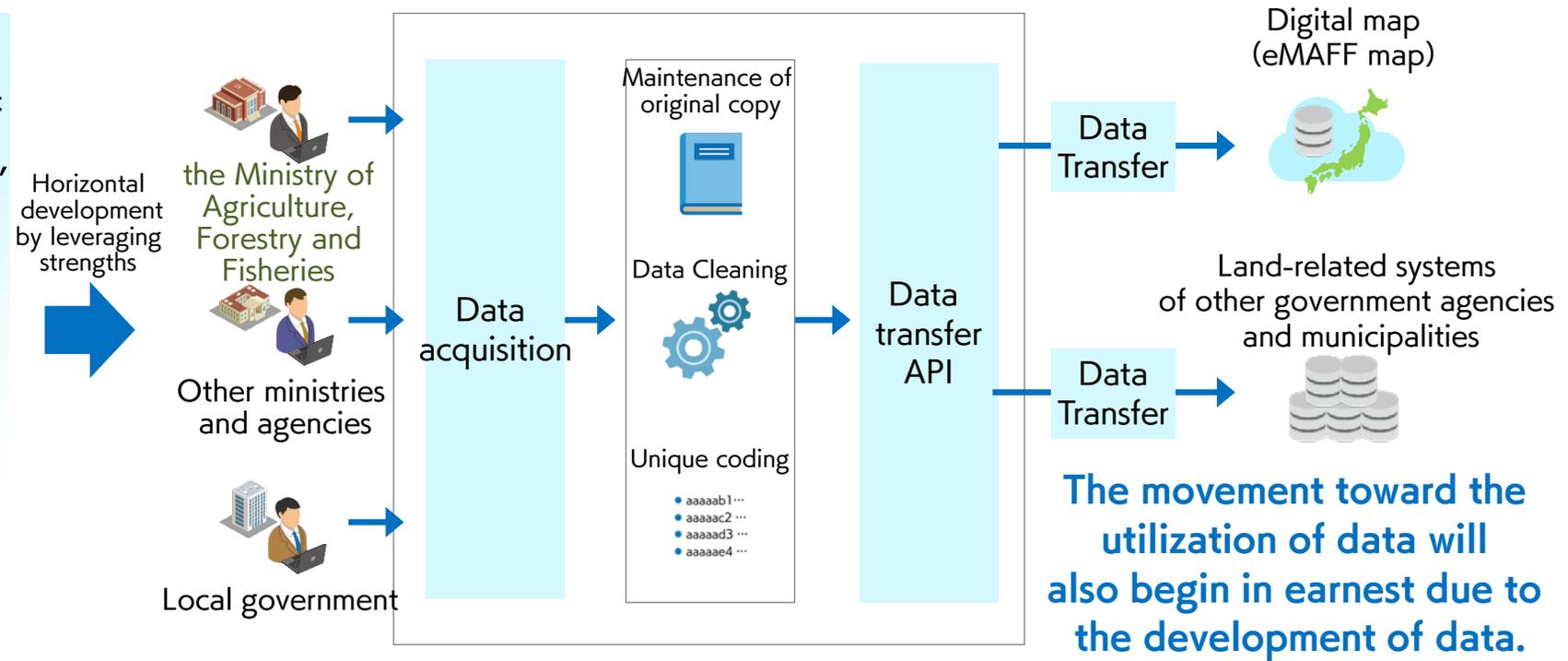
Supporting diverse customer groups in ways to utilize various Azure OpenAI Service  
To propose ways to utilize the knowledge of our in-house use

## Strength of SB technology

 Responsible for Digital Mapping (eMAFF map) of the Ministry of Agriculture, Forestry and Fisheries

Required for subsequent projects,  
**Implemented data cleaning and linking of address strings**

## Overview of a demonstration phase of Real property of base registries\* of the Digital Agency



Received orders for demonstration projects for the Real property of base registries, which will be used for horizontal development of map-related projects. The scope of subsequent projects will also expand, for example, by utilizing the data.

※:A database that is registered and disclosed by public organizations and is used as the foundation of a society in which accuracy and up-to-date are assured. It is the basic data of a society in which people, corporations, land, buildings, qualifications, etc. are referred to in various situations.

## 4th Medium-Term Management Plan / FY24 Management Indicators

1. Operating income JPY 8 billion → 7.1 billion
2. Operating Income 9% range
3. Cloud Security & Services  
Net sales over JPY 50 billion

# Information Revolution - Happiness for everyone

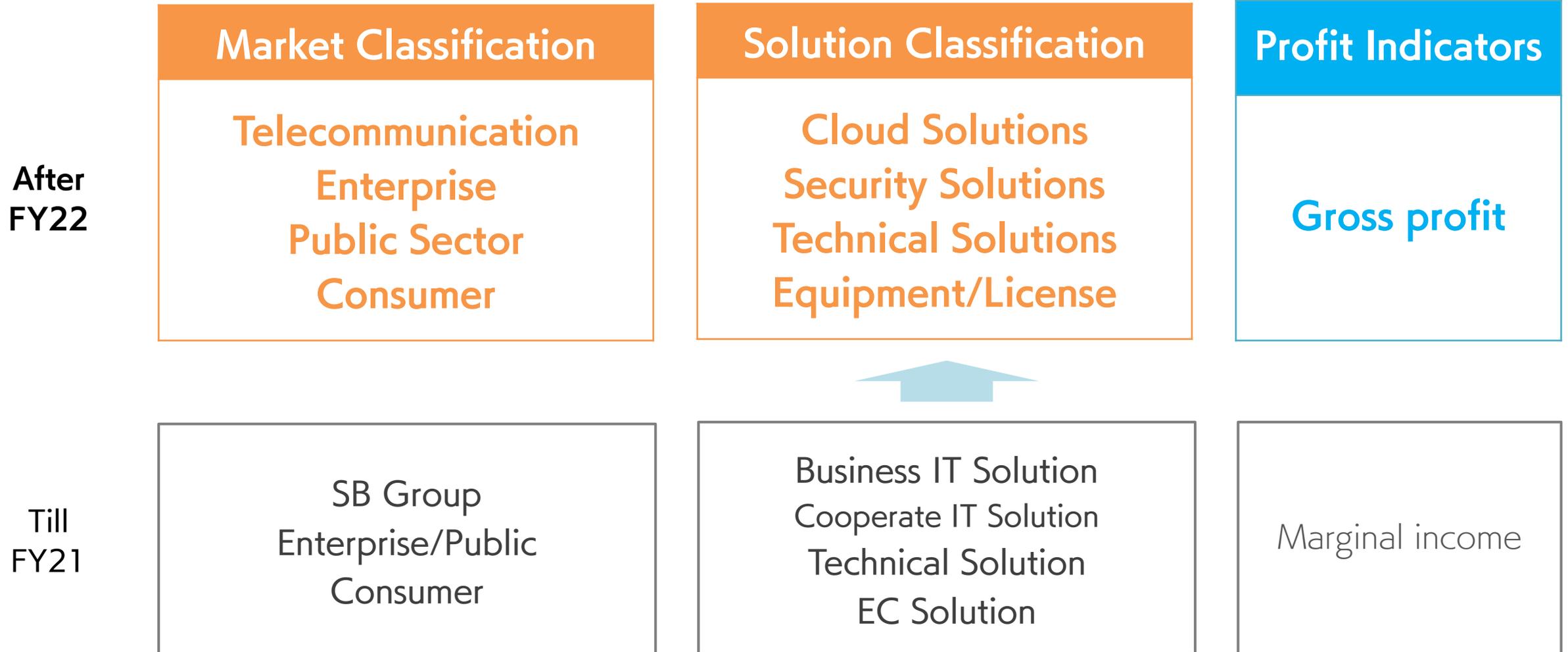
- Technologies Design the Future -

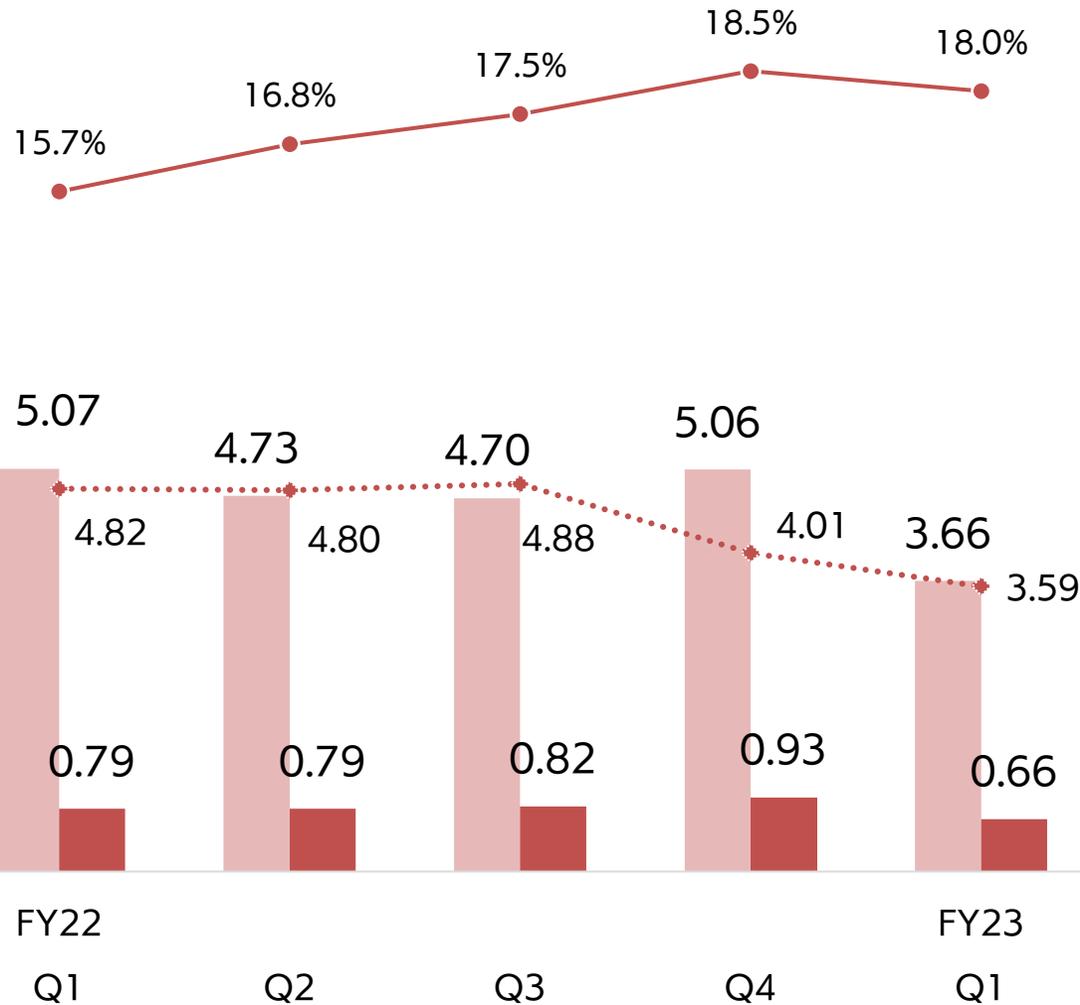
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# Appendix

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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.





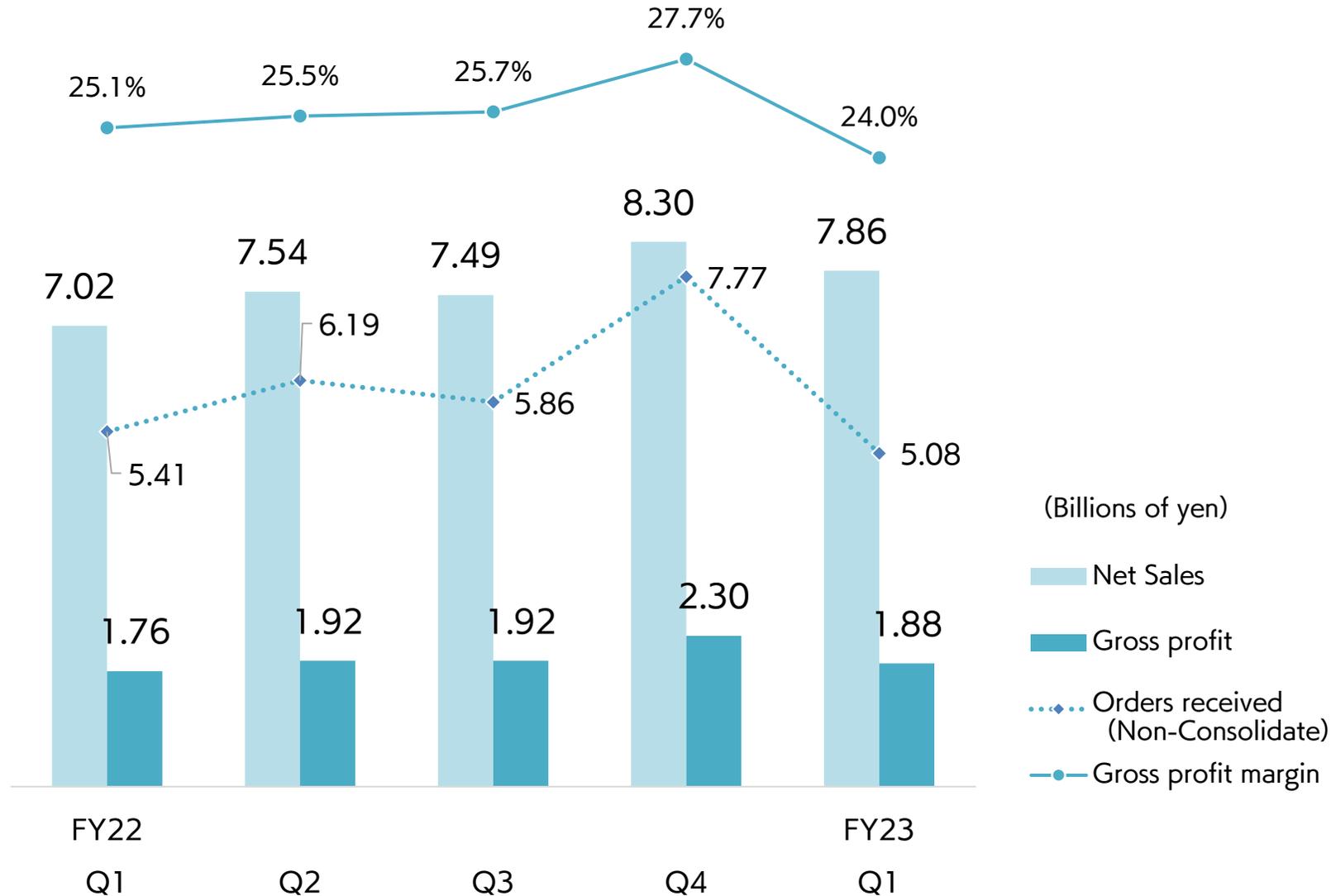
### Telecommunication (QoQ)

#### Orders received (Non-Consolidated)

- 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)

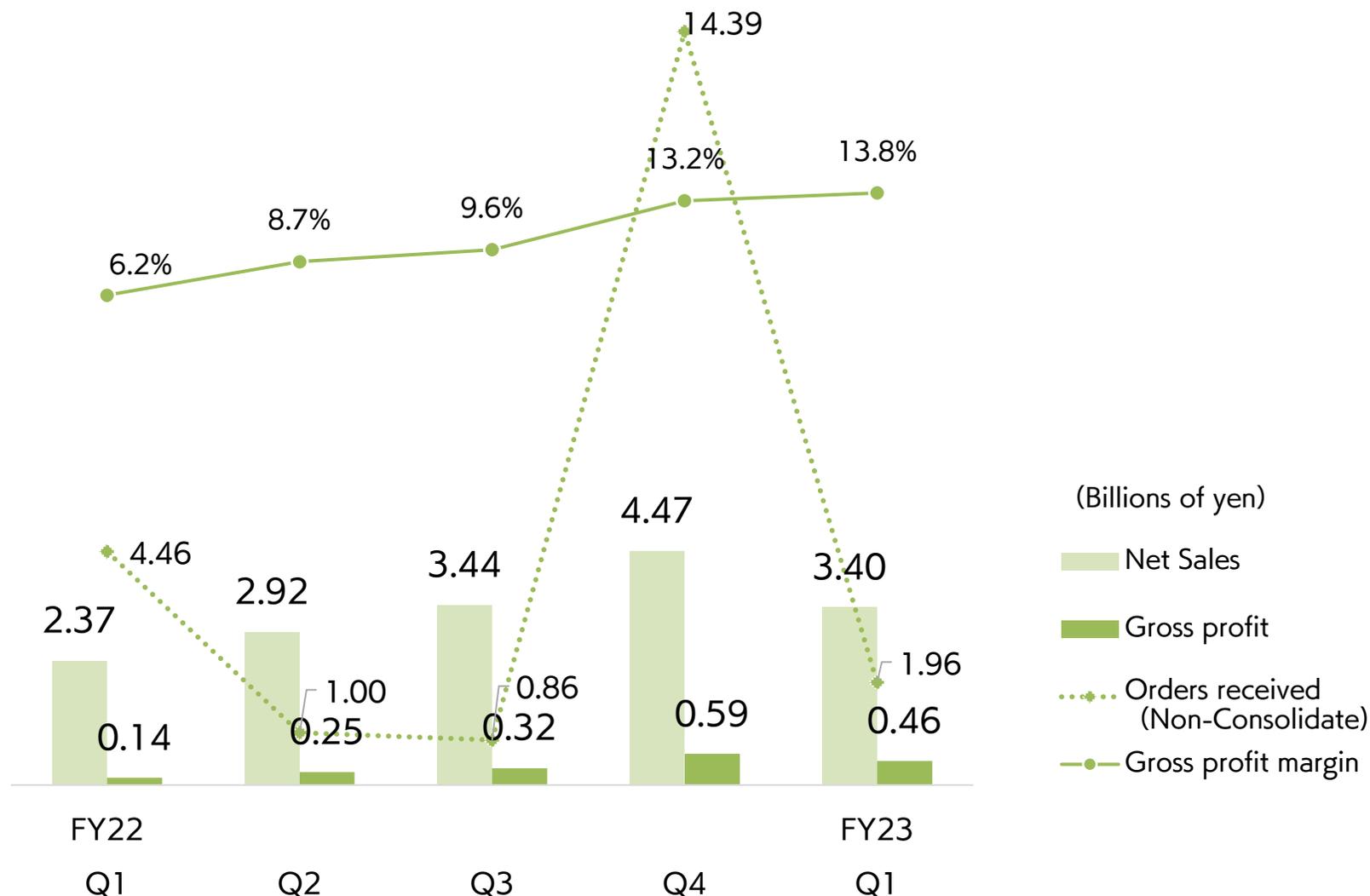
### Orders received (Non-Consolidated)

- Large-scale equipment and licenses sales declined, even though in-house servicing MSS\* and cloud operation and maintenance projects increased.

### Net sales/Gross profit

- Temporary decline in profit margin due to licensing sales to cultivate focus customer groups
- Cloud construction and MSS for manufacturing industries remained strong.

※ Acronym for Managed Security Service



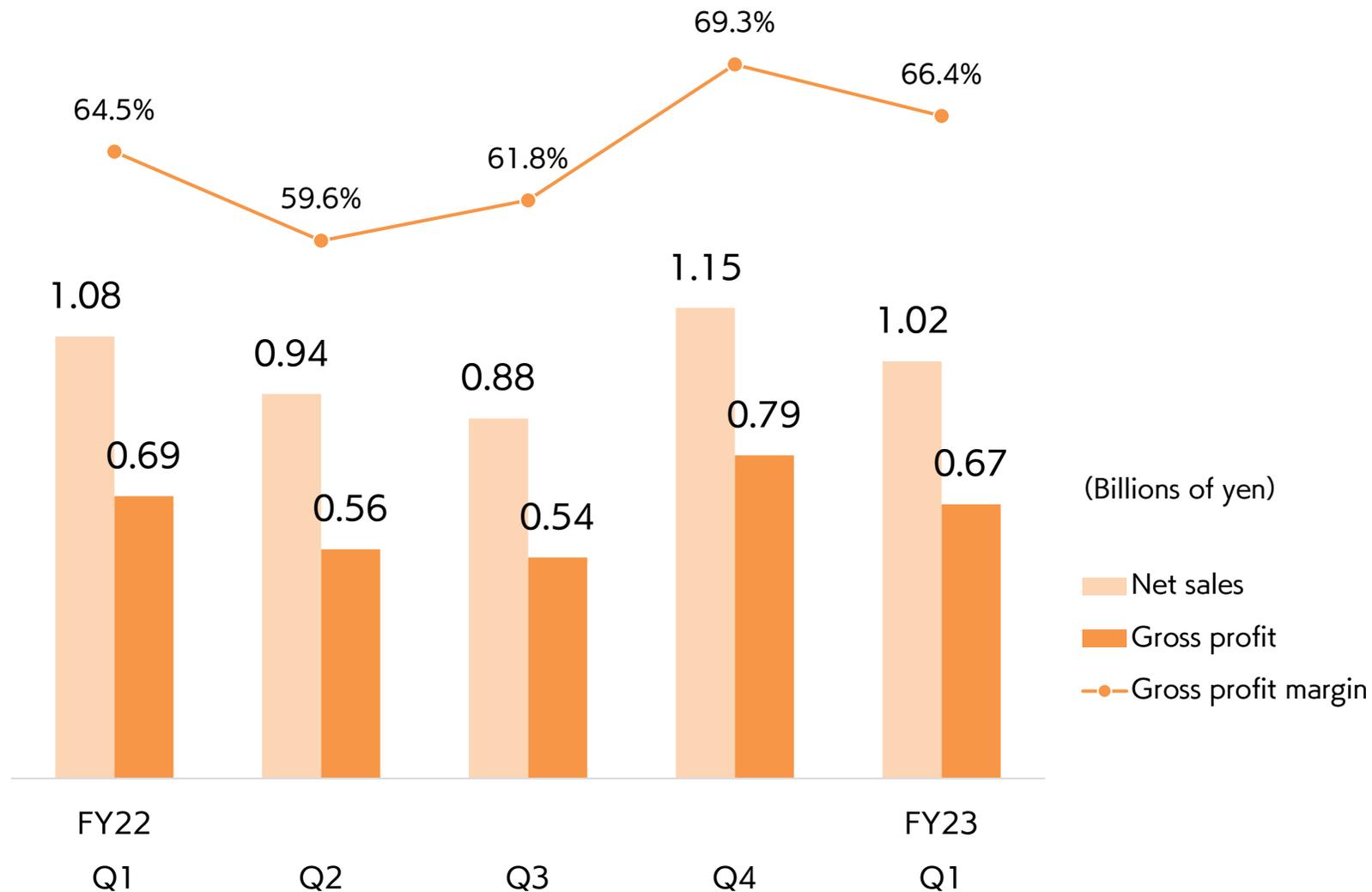
## Public Sector (QoQ)

### Orders received (Non-Consolidated)

- Received orders for the demonstration phase of the Digital Agency's Real property of base registries real estate registration base and registry projects.
- Decrease in FY22Q1 due to orders received for Local Government Information SC and development projects for the Ministry of Agriculture, Fisheries and Fisheries

### 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.



### Consumer (QoQ)

#### Net sales/Gross profit

- Sales and earnings decreased in YoY due to the effect of a contract change with NortonLifeLock Co., Ltd. as expected at the beginning.

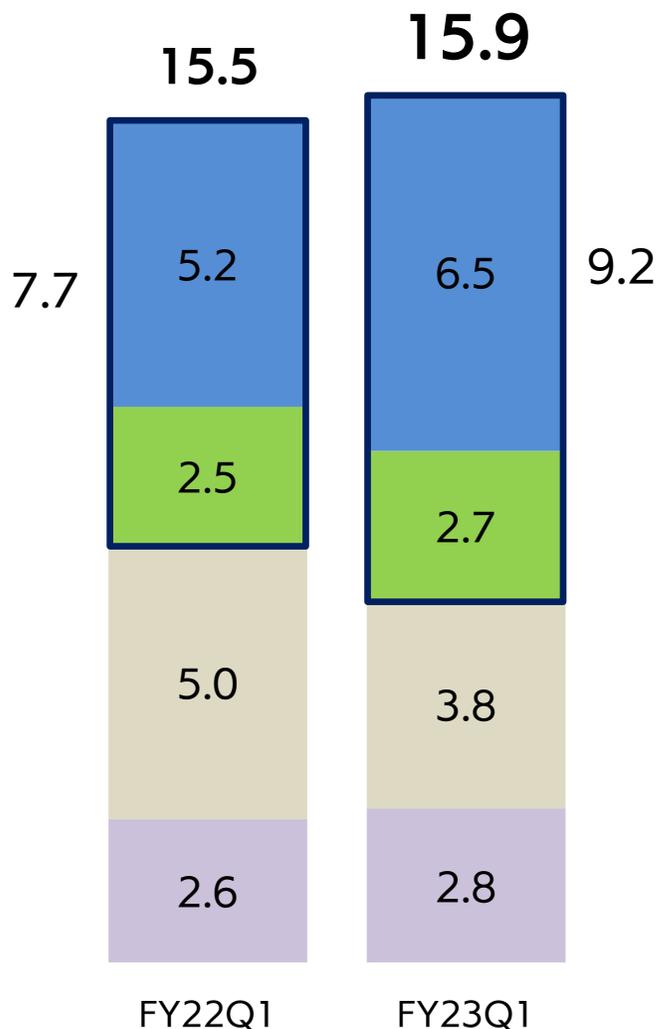
		FY22Q1	FY22Q2	FY22Q3	FY22Q4	FY22	FY23Q1	QoQ	
								Change	Change %
Consolidated performance (Millions of yen)	Net sales	15,560	16,145	16,524	18,996	67,227	15,958	+397	+2.6%
	Gross profit	3,405	3,538	3,625	4,625	15,194	3,693	+287	+8.4%
	Profit margin	21.9%	21.9%	21.9%	24.3%	22.6%	23.1%	+1.2pt	-
Telecommunication	Net sales	5,079	4,731	4,701	5,062	19,575	3,669	▲1,409	▲27.8%
	Gross profit	797	794	821	935	3,348	660	▲136	▲17.1%
	Profit margin	15.7%	16.8%	17.5%	18.5%	17.1%	18.0%	+2.3pt	-
Enterprise	Net sales	7,021	7,540	7,493	8,301	30,358	7,862	+840	+12.0%
	Gross profit	1,762	1,926	1,926	2,300	7,914	1,883	+121	+6.9%
	Profit margin	25.1%	25.5%	25.7%	27.7%	26.1%	24.0%	▲1.1pt	-
Public Sector	Net sales	2,374	2,927	3,442	4,477	13,223	3,403	+1,028	+43.3%
	Gross profit	147	254	329	590	1,322	468	+321	+217.8%
	Profit margin	6.2%	8.7%	9.6%	13.2%	10.0%	13.8%	+7.6pt	-
Consumer	Net sales	1,084	946	886	1,153	4,070	1,023	▲61	▲5.7%
	Gross profit	699	563	547	799	2,610	679	▲19	▲2.8%
	Profit margin	64.5%	59.6%	61.8%	69.3%	64.1%	66.4%	+1.9pt	-

※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	QoQ	
							Change	Change %
Net sales	15,560	16,145	16,524	18,996	67,227	15,958	+397	+2.6%
Telecommunication	5,079	4,731	4,701	5,062	19,575	3,669	▲1,409	▲27.8%
Enterprise	7,021	7,540	7,493	8,301	30,358	7,862	+840	+12.0%
Public Sector	2,374	2,927	3,442	4,477	13,223	3,403	+1,028	+43.3%
Consumer /License	1,084	946	886	1,153	4,070	1,023	▲61	▲5.7%
Cost of sales	12,154	12,607	12,899	14,370	52,032	12,265	+110	+0.9%
Gross profit	3,405	3,538	3,625	4,625	15,194	3,693	+287	+8.4%
SG&A expenses	2,320	2,353	2,354	2,609	9,637	2,636	+315	+13.6%
Operating income	1,085	1,184	1,271	2,015	5,557	1,057	▲28	▲2.6%
Other Income and Expenses	▲15	▲32	▲4	▲5	▲58	▲2	+13	-
Ordinary income	1,070	1,152	1,266	2,009	5,499	1,054	▲15	▲1.4%
Extraordinary gain/loss	7	23	3	▲77	▲42	▲133	▲140	-
Net profit attributable to owners of parent	646	699	762	1,388	3,497	505	▲141	▲21.9%
EBITA	1,494	1,599	1,685	2,438	7,217	1,505	+11	+0.7%
Non-Consolidated Order Backlog	29,602	27,921	25,641	35,939	35,939	33,388	+3,786	+12.8%

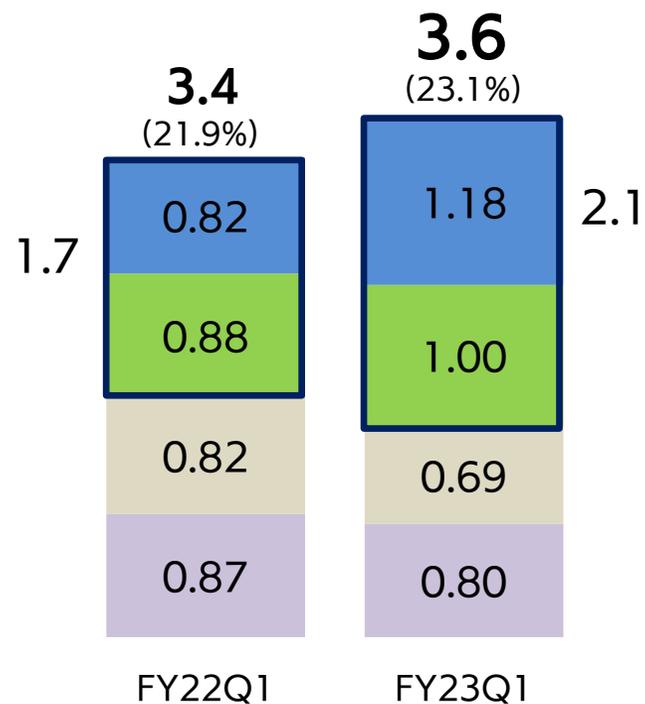
※Segment classifications were reviewed for certain projects and are calculated in accordance with the current accounting method

## 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

- Steady progress in MSS\* for Enterprise

### Technical Solutions : Decrease in both sales and profits

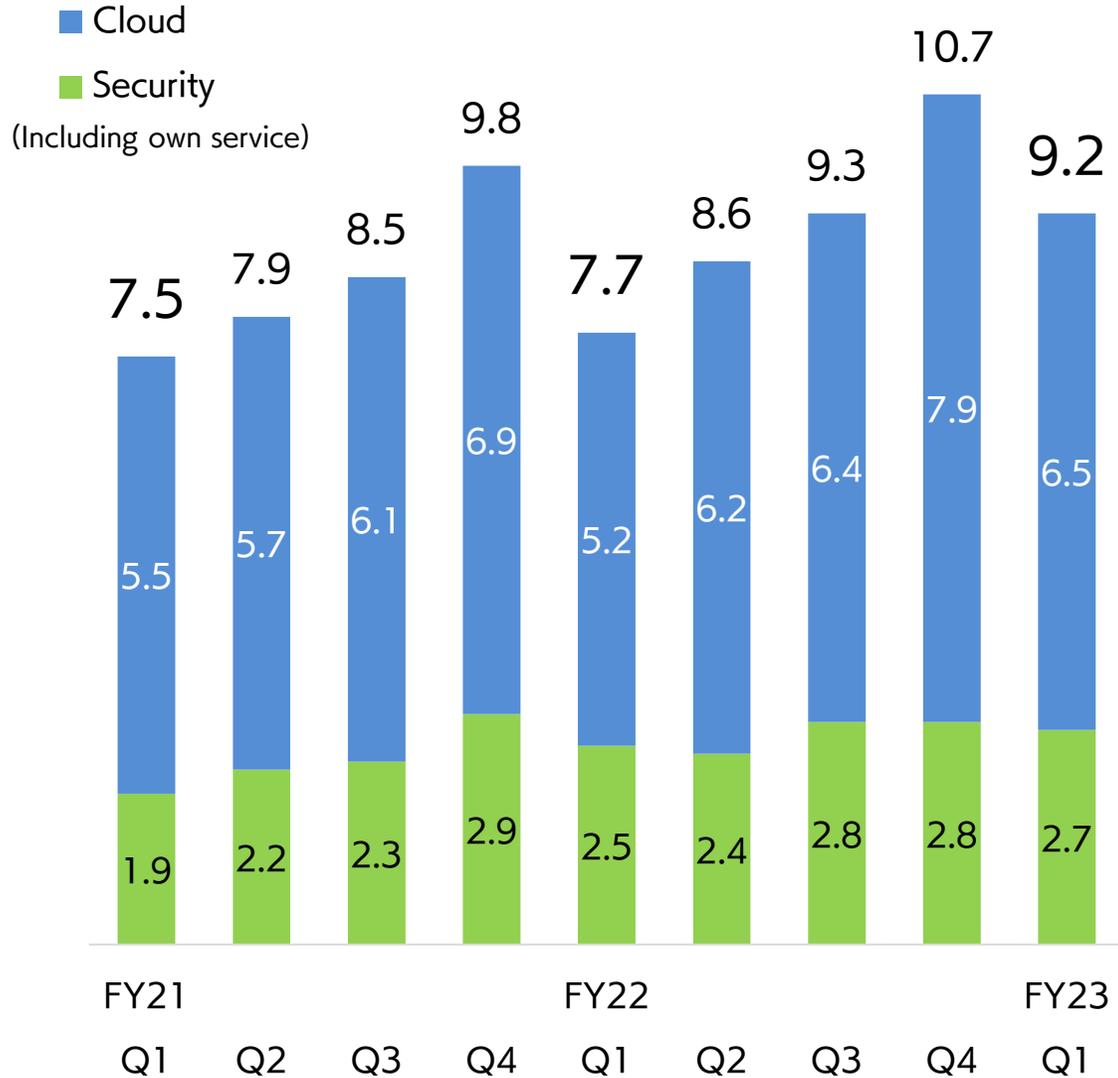
- Despite lower sales due to fewer vendor management projects and restrained investment, profitability improved due to progress in streamlining

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

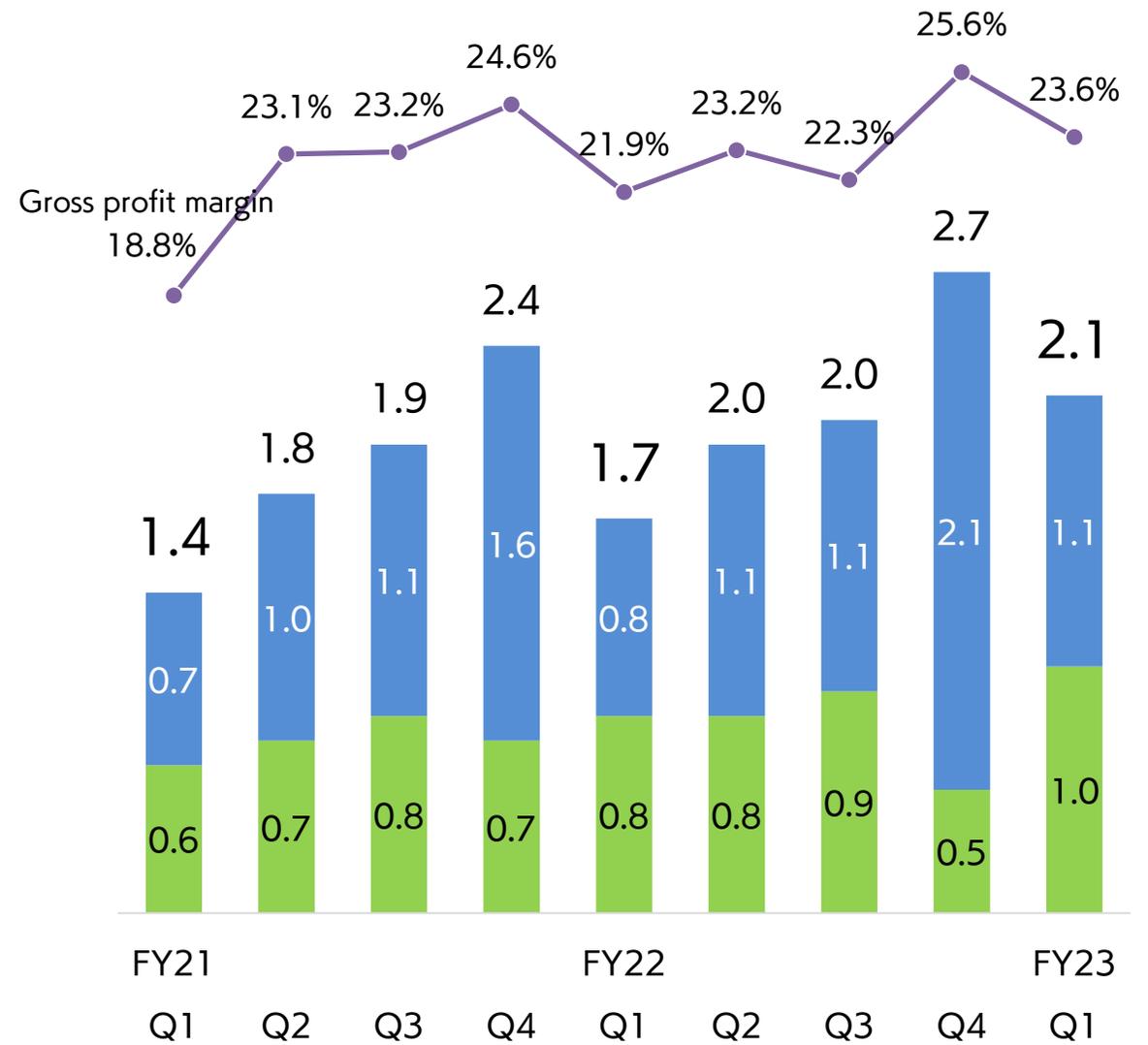
- Sales increase due to licensing to deepen the focus of the customer group

※ Acronym for Managed Security Service

Net sales



Gross profit

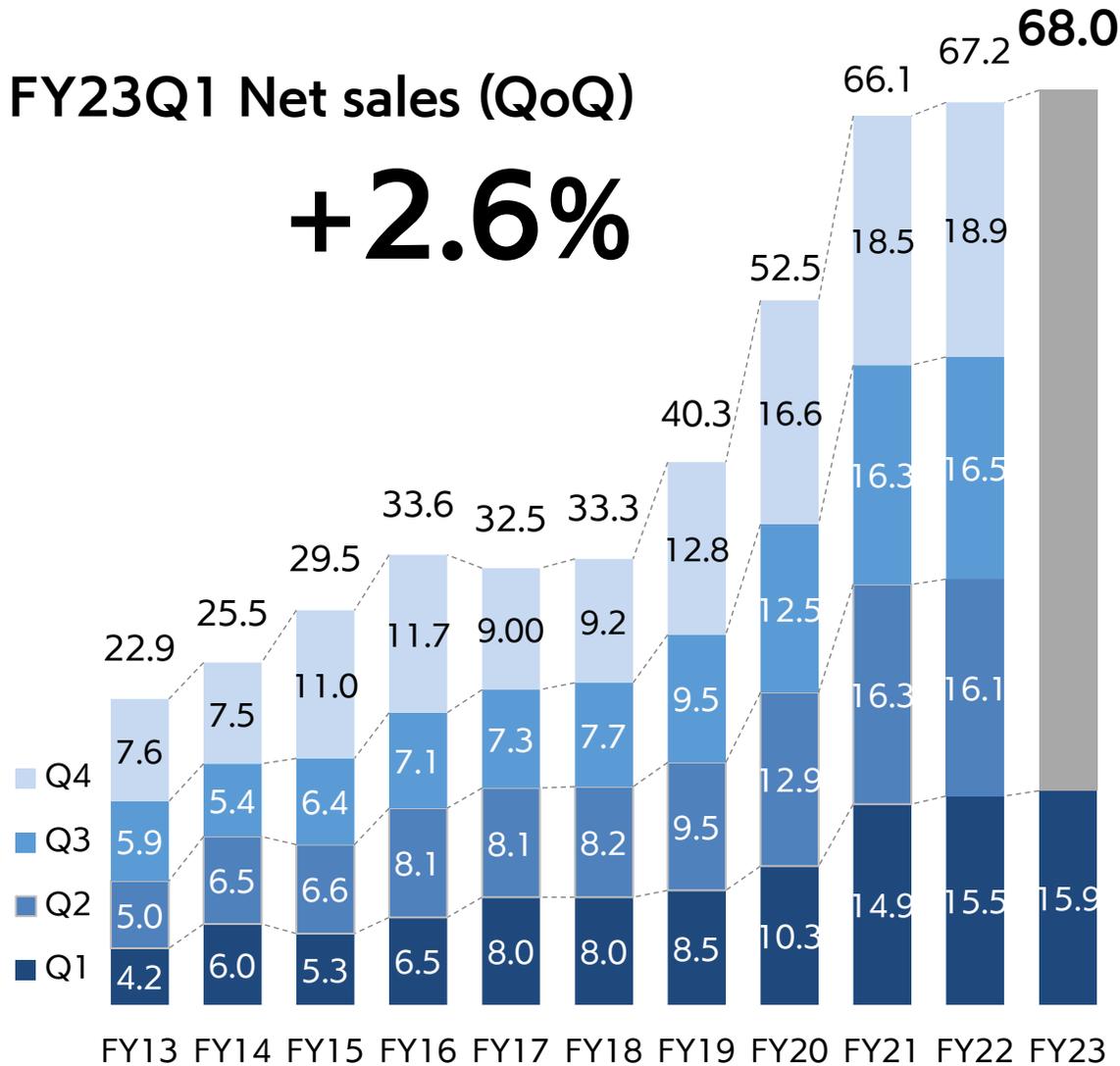


		FY22Q1	FY22Q2	FY22Q3	FY22Q4	FY22	FY23Q1	QoQ	
								Change	Change %
Consolidated performance (Millions of yen )	Net sales	15,560	16,145	16,524	18,996	67,227	15,958	+397	+2.6%
	Gross profit	3,405	3,538	3,625	4,625	15,194	3,693	+287	+8.4%
	Profit margin	21.9%	21.9%	21.9%	24.3%	22.6%	23.1%	+1.2pt	-
Cloud Solutions	Net sales	5,225	6,140	6,427	7,928	25,722	6,536	+1,311	+25.1%
	Gross profit	825	1,148	1,099	2,195	5,268	1,187	+361	+43.8%
	Profit margin	15.8%	18.7%	17.1%	27.7%	20.5%	18.2%	+2.4pt	-
Security Solutions	Net sales	2,566	2,551	2,903	2,818	10,840	2,758	+191	+7.5%
	Gross profit	883	870	981	555	3,290	1,006	+123	+14.0%
	Profit margin	34.4%	34.1%	33.8%	19.7%	30.4%	36.5%	+2.1pt	-
Technical Solutions	Net sales	5,093	4,773	4,675	5,134	19,677	3,816	▲1,277	▲25.1%
	Gross profit	822	830	854	968	3,475	694	▲127	▲15.6%
	Profit margin	16.1%	17.4%	18.3%	18.9%	17.7%	18.2%	+2.1pt	-
Equipment/License	Net sales	2,674	2,679	2,518	3,114	10,987	2,847	+172	+6.5%
	Gross profit	874	689	690	907	3,160	804	▲69	▲8.0%
	Profit margin	32.7%	25.7%	27.4%	29.1%	28.8%	28.3%	▲4.4pt	-
Management Indicators <sup>*1</sup> Total	Net sales	7,792	8,692	9,330	10,747	36,562	9,294	+1,502	+19.3%
	Gross profit	1,709	2,018	2,081	2,750	8,559	2,194	+485	+28.4%
	Profit margin	21.9%	23.2%	22.3%	25.6%	23.4%	23.6%	+1.7pt	-

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

## FY23Q1 Net sales (QoQ)

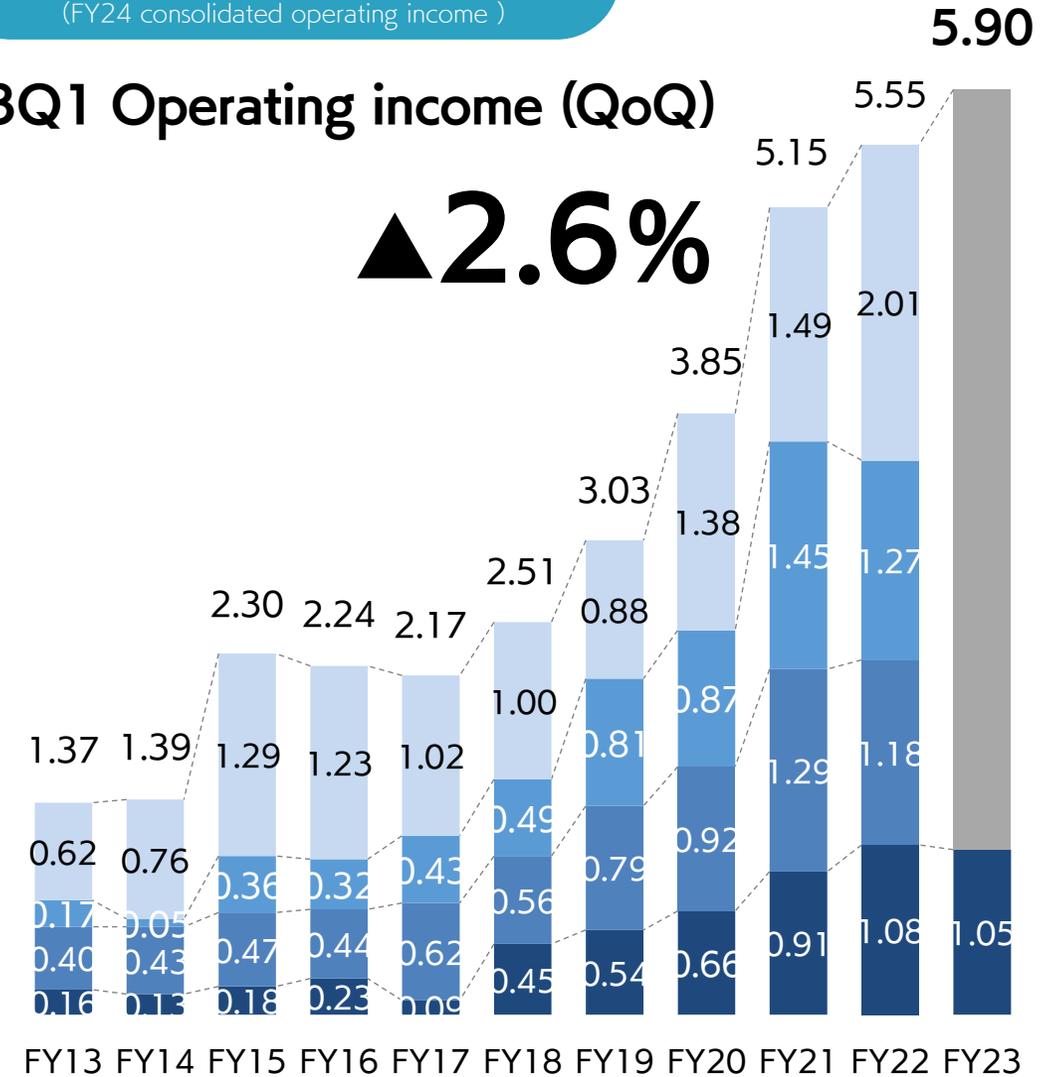
# +2.6%



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

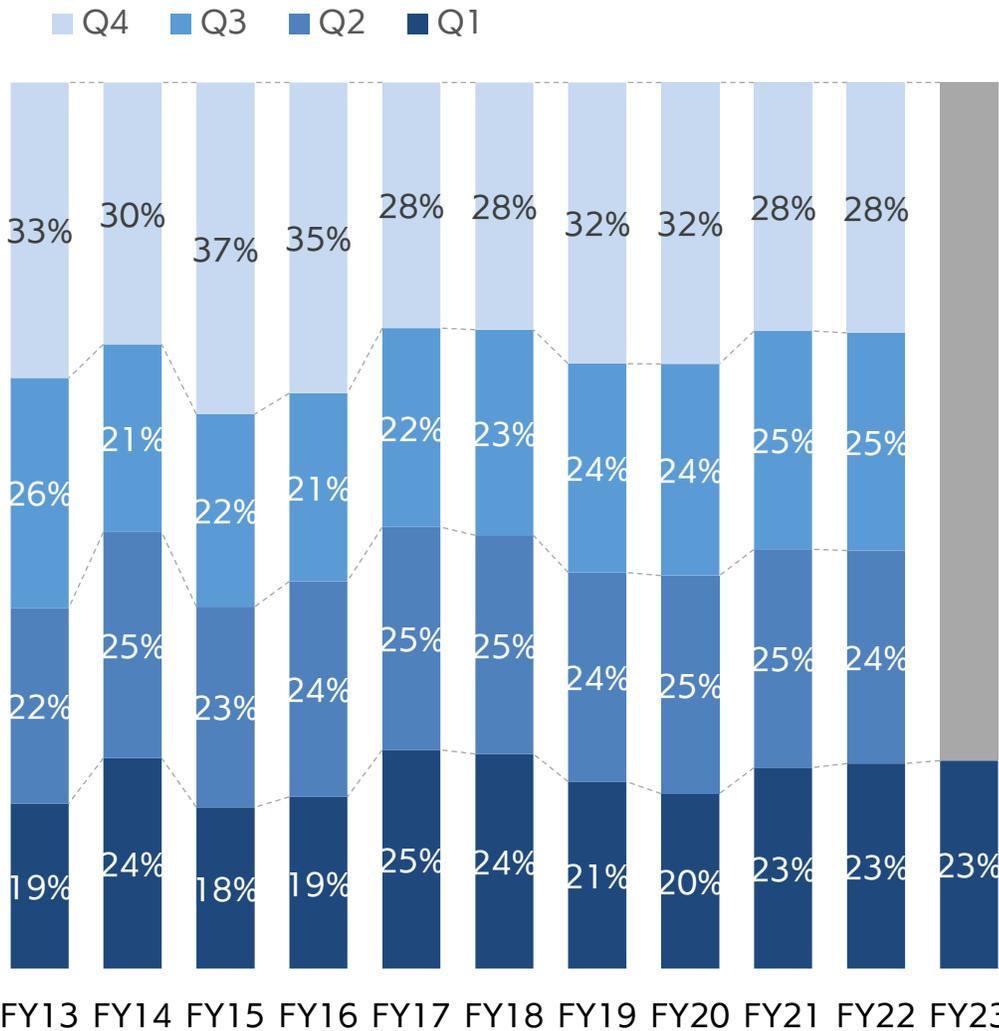
## FY23Q1 Operating income (QoQ)

# ▲2.6%

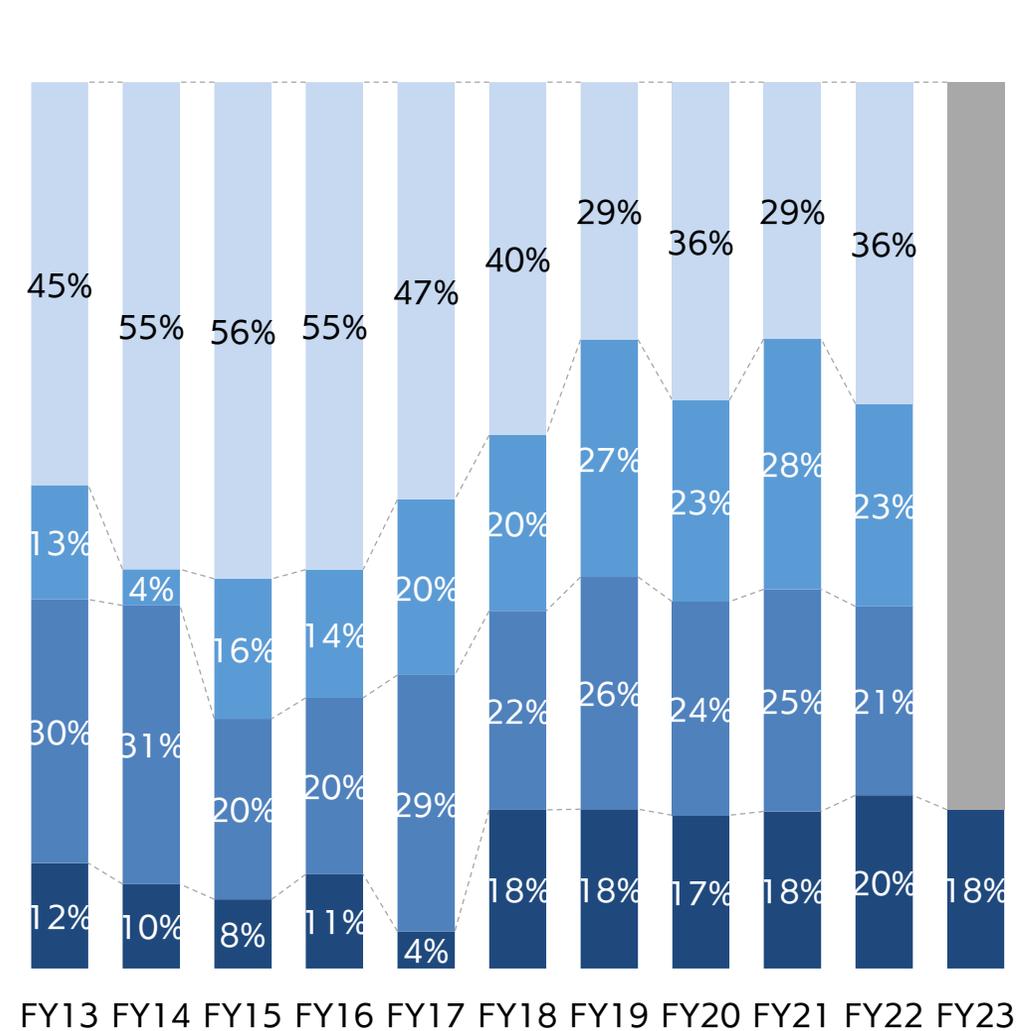


※The Company has adopted the "Accounting Standard for Revenue Recognition" (the new revenue recognition standard) from FY21 Q1. Net sales before FY20 are based on historical net sales figures for the Norton business, which is the main impact.

## Net sales



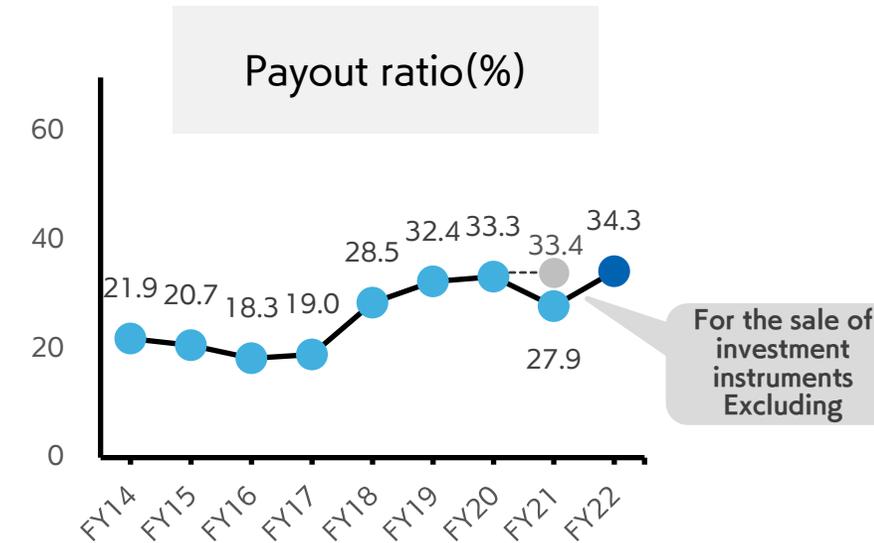
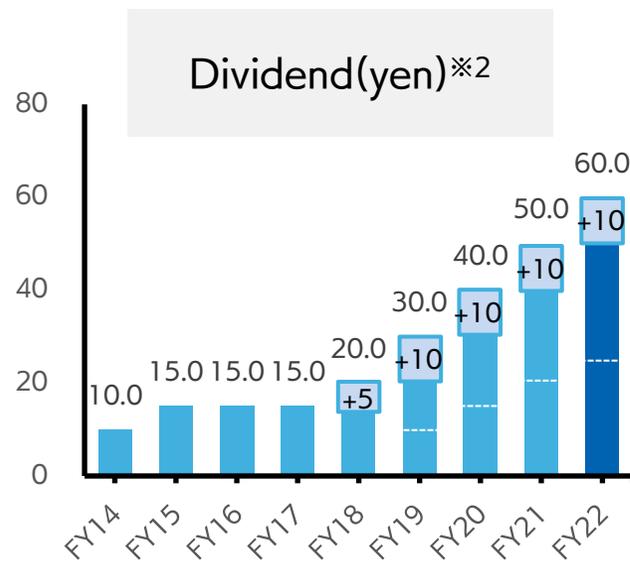
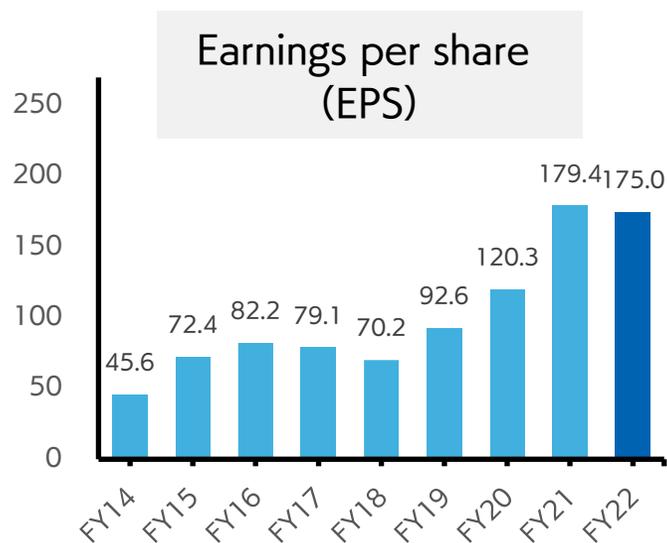
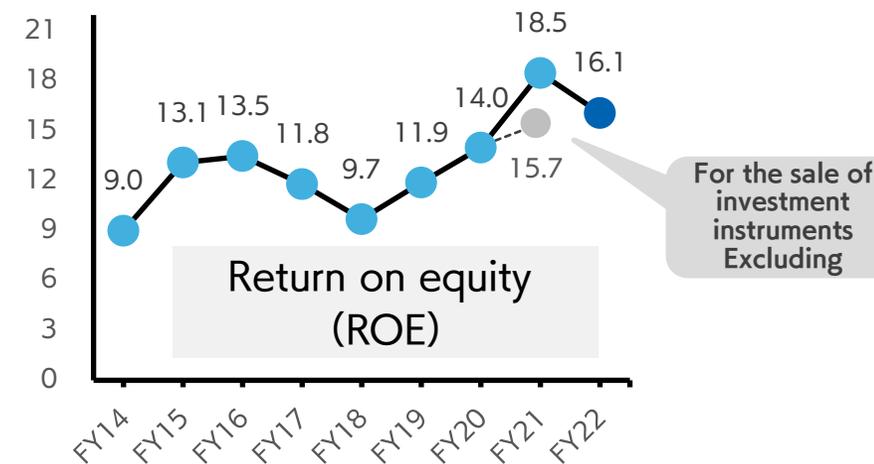
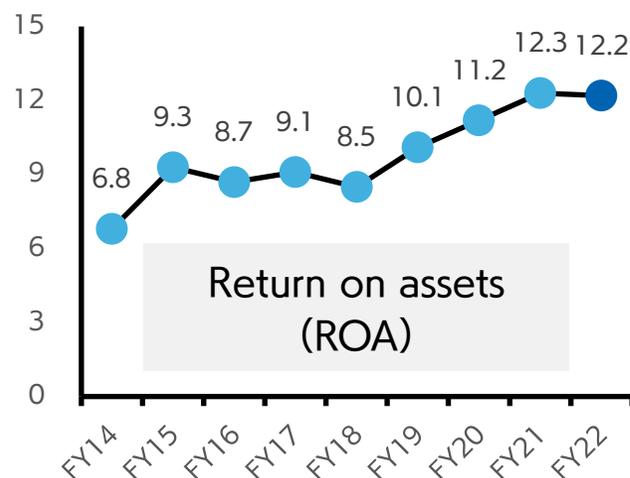
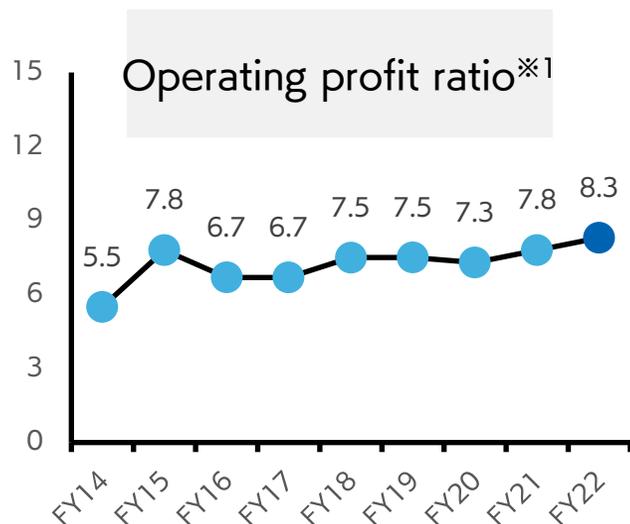
## Operating income



[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 June, 2022	End of March, 2023	End of June, 2023	Since end of previous term	QoQ
<b>Current assets</b>	29,872	35,622	31,585	△ 4,036	1,713
Cash and deposits	11,929	8,221	12,935	4,714	1,006
Accounts receivable and other receivables	13,204	24,133	13,402	△ 10,731	197
<b>Fixed assets</b>	9,554	9,842	9,446	△ 395	△ 108
Tangible fixed assets	1,663	1,681	1,659	△ 21	△ 4
Intangible fixed assets	4,373	4,120	4,048	△ 71	△ 324
Investments and other assets	3,517	4,040	3,738	△ 302	220
<b>Total assets</b>	39,429	45,466	41,032	△ 4,433	1,603
<b>Current liabilities</b>	14,469	18,590	14,477	△ 4,113	7
<b>Long-term liabilities</b>	1,951	1,708	1,555	△ 152	△ 396
<b>Net assets</b>	23,007	25,167	25,000	△ 167	1,992



※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

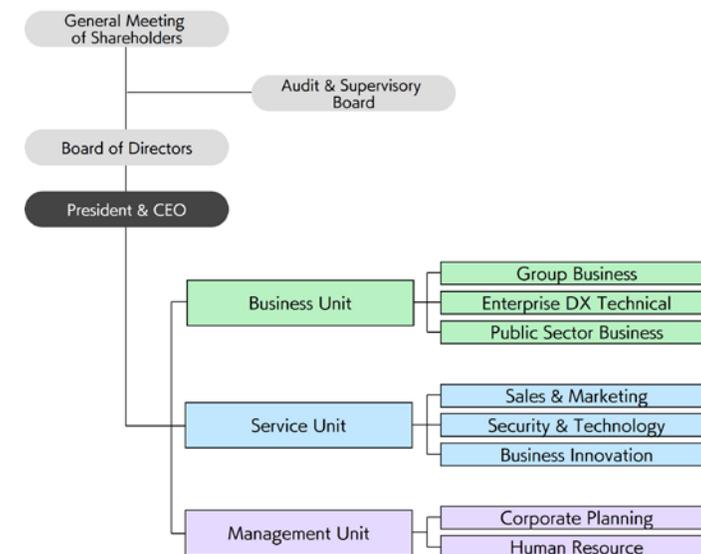
Chairman of Audit & Supervisory Board	Mitsumasa Ueno
Audit & Supervisory Board	Haruhiko Hirose
Audit & Supervisory Board	Michiaki Nakano
Audit & Supervisory Board	Takashi Naito

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 July 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 Index



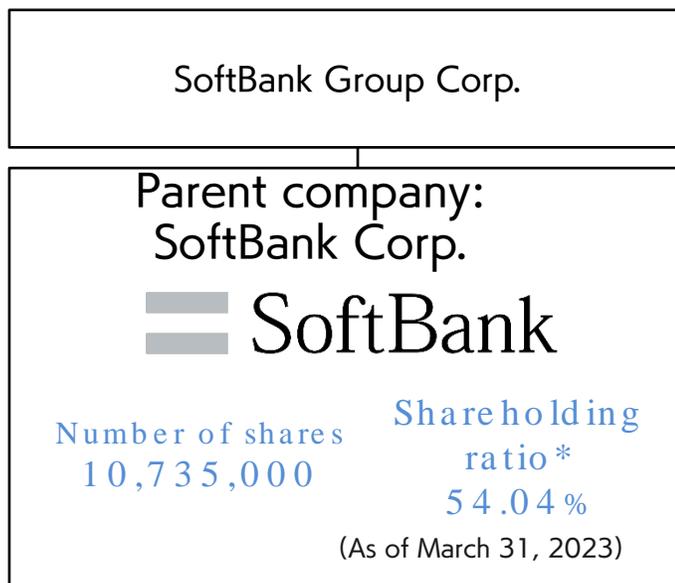
FTSE Blossom  
Japan Sector  
Relative Index



JPX日経中小型株指数

FTSE Blossom Japan Sector  
Relative Index

# Group structure



## Group Companies

As of March 31, 2023(\* 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



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 : 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
- 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 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  
**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

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"

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



出典: デロイト トーマツ ミック経済研究所 「マネージドセキュリティサービス市場の現状と展望 2023年版」

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>



## 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.



## 2023/5/10 AKKODiS supports for training of new graduates in SB Technology



AKKODiS will provide educational training to 62 new graduates in fiscal 2023, including those at SBT group companies.

On July 19, 2022, the two companies concluded a business alliance contract in the areas of engineer recruitment and human resource development. To date, the two companies have provided practical training to engineers in AKKODiS, who working at SBT in line with their SBT cloud and security businesses, and have developed human resources that will be immediately available for the future. In addition to basic programming training, we will provide comprehensive engineer training that enables the acquisition of practical skills such as cloud and cyber security.

## 2023/6/12 SB Technology is certified as the Microsoft's Solution Partner for all six areas



In all six solution areas of the Solution Partner Certification System established in the Cloud Partner Program "Microsoft Cloud Partner Program" of Microsoft Japan, we obtained the Solution Partner Certification given to partners that have proven their advanced technological capabilities and abundant track record.

This proves to be a company with a wide range of skills and expertise throughout Microsoft Cloud. SBT is the only company in Japan to be certified as a solution partner in all fields (\*as of June 2023).

## 2023/06/28 [10 consecutive years]Microsoft Japan Partner of the Year 2023 was awarded

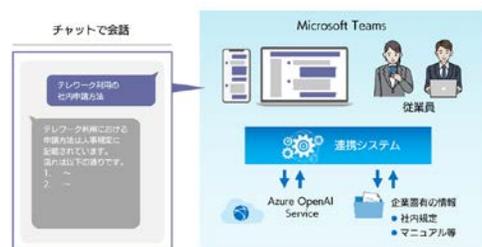


“The Microsoft Japan Partner of the Year 2023” program, which selects companies with excellent results once a year, was awarded “Defend against threats with SIEM plus XDR” in the security-related field.

The award is given to partners who have demonstrated outstanding results in automating and streamlining security operations and helping customers with challenges to security operations and increasingly complex threats with XDR and SIEM enabled by Microsoft 365 Defender and Microsoft Sentinel.

This award will be awarded 11 times this year for 10 consecutive years.

## 2023/6/29 Developed a proprietary system that works with Azure OpenAI Service and started using it internally.



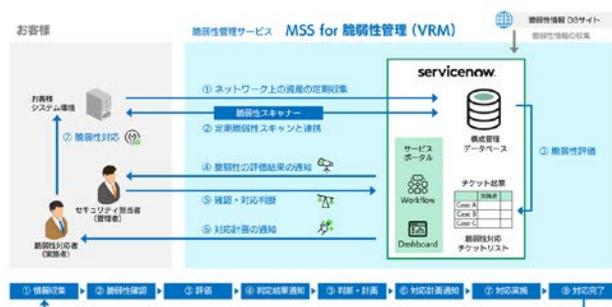
利用イメージ

We developed our own proprietary system in cooperation with Azure OpenAI Service and began using it for approximately 1000 employees in June 2023.

Our proprietary system incorporates business logic that applies our extensive development achievements in Microsoft solutions, and realizes a highly expandable system configuration that can easily expand and add a variety of business applications and databases.

We will work closely with Microsoft Teams and inquiry control systems to improve operating efficiency and productivity.

## 2023/7/3 Launched “MSS for Vulnerability Management (VRM)”, a vulnerability management service, as a subscription.



On July 3, 2023, we began providing “MSS for Vulnerability Management (VRM)”, which collects and visualizes networked assets and periodically performs vulnerability scanning on managed IT assets with vulnerability scanners to support customer security operations.

This service is a subscription service that automatically collects, visualizes, and prioritizes managed IT assets and vulnerability information, and provides centralized management of detected vulnerabilities. You can prioritize vulnerabilities with high risk levels and effectively manage vulnerabilities according to your situation.

## 2023/7/20 Received Microsoft Top Partner Engineer Award



Two of our employees were awarded “Microsoft Top Partner Engineer Award” in the areas of “Business Application” and “Security.” This award was established for the first time this year by a program in which Microsoft Japan chooses engineers who are committed to contributing to projects in Microsoft solutions, introducing advanced technological innovations, and disseminating them internally and externally. Of the four areas defined, SBT was awarded “Business Application” and “Security” prizes.

## 2023/7/25 Acquired No. 1 share in SIEM Management Services Market



In June 2023, Deroit Tohmatsumic Economic Research Institute Co., Ltd. published a market survey report entitled “Current Situation of the Managed Security Service Market and Outlook 2023.” \* 1, in FY2022, the company achieved the top share of sales in SIEM Management Service Market. According to this report, on a sales value basis in fiscal 2022, it grew significantly to 144.4% compared to the previous year, and it was ranked No. 1 with a 33.6% share of the domestic market. Furthermore, in fiscal 2023, SBT is expected to achieve double-digit growth of 110.3% compared to the previous year and rank first in the market.

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

## 2023/7/27 Selected for the first time as a constituent of the FTSE Blossom Japan Index, a major ESG investment index



**FTSE Blossom Japan Index**

We were selected for the first time as a constituent of FTSE Blossom Japan Index stock index, which consists of shares of Japanese companies that are highly evaluated from a ESG perspective. This index is built by FTSE Russell and designed to be an industry-neutral ※2, an index that reflects the performances of Japanese companies that are highly regarded as ESG. As of June 19, 2023, it consisted of 310 Japanese stocks. The Index has been adopted as a passively managed benchmark in ESG investing for the Government Pension Investment Fund (GPIF).

※2 :In order to avoid the occurrence of industry bias, selected constituent stocks considering the industry ratio of FTSE Japan All Cap Index, which is the parent index

# 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 **62**  
 (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**

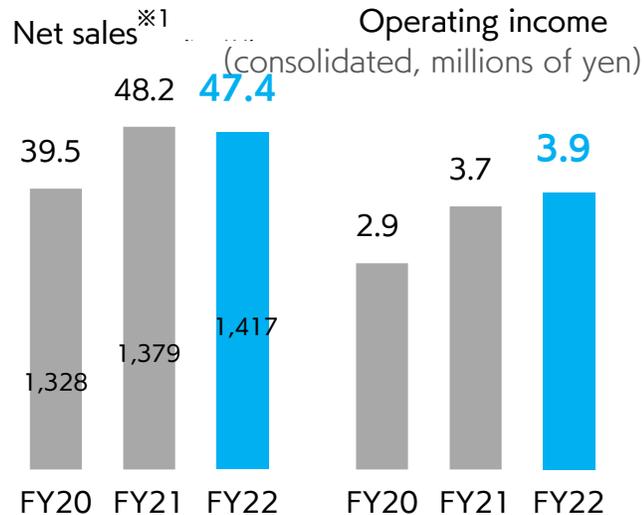
PMP Holder **155** CBAP Holder **52**

## Technical Personnel

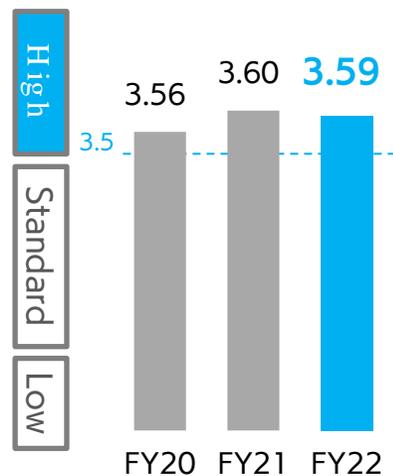
Ratio of job types **7 : 2 : 1**  
 (Technology) (Sales) (Management)

Development partners **2,800**

## Index per Employee



## Comprehensive Employee Satisfaction (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 consolidated fiscal year ended March 2022. 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.

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- Technologies Design the Future -

 SB Technology

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