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July 31, 2024

SB Technology Corp.
Consolidated Financial Report for the First Quarter of Fiscal Year Ending March 31, 2025 (Three Months Ended June 30, 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 payment of dividend: -
Preparation of supplementary materials for quarterly financial results: None
Holding of quarterly 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 Three Months Ended June 30, 2024 (April 1, 2024 – June 30, 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	%
Three months ended Jun. 30, 2024	15,617	△2.1	869	△17.7	611	△42.0	348	△31.1
Three months ended Jun. 30, 2023	15,958	2.6	1,057	△2.6	1,054	△1.4	505	△21.9

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2024: 398 (down 28.5%)
Three months ended Jun. 30, 2023: 557 (down 20.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2024	17.48	17.31
Three months ended Jun. 30, 2023	25.44	25.18

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2024	51,060	32,192	57.4	1,472.11
As of Mar. 31, 2024	51,694	32,619	57.5	1,493.86

Reference: Shareholders' equity (million yen) As of Jun. 30, 2024: 29,307 As of Mar. 31, 2024: 29,730

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2024	—	30.00	—	40.00	70.00
Fiscal year ending Mar. 31, 2025	—				
Fiscal year ending Mar. 31, 2025 (forecast)		0.00	—	0.00	0.00

Note: Revisions to the most recently announced dividend forecast: None

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	178.35

Note: Revisions to the most recently announced consolidated forecast: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of special accounting for presenting quarterly consolidated financial statements: None

(3) 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: Yes
iv. Restatements: None

(4) Number of outstanding shares (common stock)

i. Number of shares outstanding at the end of the period (including treasury shares)

As of Jun. 30, 2024:	22,757,800 shares	As of Mar. 31, 2024:	22,757,800 shares

ii. Number of treasury shares at the end of the period

As of Jun. 30, 2024:	2,849,306 shares	As of Mar. 31, 2024:	2,856,067 shares

iii. Average number of shares outstanding during the period

Three months ended Jun. 30, 2024:	19,905,125 shares	Three months ended Jun. 30, 2023:	19,864,851 shares

* Review of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 based upon valid 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.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	10,833	16,809
Notes and accounts receivable - trade, and contract assets	25,289	16,758
Merchandise	250	164
Accounts receivable - other	3,819	3,568
Other	1,464	3,466
Allowance for doubtful accounts	△2	△3
Total current assets	41,654	40,762
Non-current assets		
Property, plant and equipment		
Buildings, net	512	778
Tools, furniture and fixtures, net	789	1,040
Other, net	149	71
Total property, plant and equipment	1,451	1,890
Intangible assets		
Goodwill	595	565
Software	1,850	1,933
Software in progress	636	621
Customer relationships	37	35
Other	56	50
Total intangible assets	3,176	3,205
Investments and other assets		
Investment securities	909	912
Deferred tax assets	1,267	1,054
Other	3,235	3,234
Total investments and other assets	5,412	5,201
Total non-current assets	10,039	10,297
Deferred assets		
Share issuance costs	0	―
Total deferred assets	0	―
Total assets	51,694	51,060

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	6,074	4,360
Current portion of long-term borrowings	290	290
Lease liabilities	16	78
Accounts payable - other	4,690	4,150
Income taxes payable	1,659	51
Contract liabilities	2,346	6,663
Provision for bonuses	1,681	642
Provision for bonuses for directors (and other officers)	－	24
Provision for loss on orders received	438	396
Provision for defect repair	3	－
Asset retirement obligations	－	48
Other	761	1,199
Total current liabilities	17,962	17,907
Non-current liabilities		
Long-term borrowings	109	37
Lease liabilities	65	－
Contract liabilities	560	521
Retirement benefit liability	4	4
Asset retirement obligations	318	343
Other	55	55
Total non-current liabilities	1,113	960
Total liabilities	19,075	18,868
Net assets		
Shareholders' equity		
Share capital	1,270	1,270
Capital surplus	1,656	1,674
Retained earnings	29,253	28,805
Treasury shares	△2,567	△2,562
Total shareholders' equity	29,613	29,188
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	109	111
Foreign currency translation adjustment	7	7
Total accumulated other comprehensive income	116	118
Share acquisition rights	316	309
Non-controlling interests	2,572	2,575
Total net assets	32,619	32,192
Total liabilities and net assets	51,694	51,060

(2) Quarterly Consolidated Statements of Income and Comprehensive Income (For the Three-month Period)

(Millions of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Net sales	15,958	15,617
Cost of sales	12,265	12,263
Gross profit	3,693	3,354
Selling, general and administrative expenses	2,636	2,484
Operating profit	1,057	869
Non-operating income		
Interest income	0	0
Dividend income	1	2
Share of profit of entities accounted for using equity method	3	3
Refund of defined contribution pension plan	1	1
Foreign exchange gains	1	－
Subsidy income	0	4
Miscellaneous income	2	0
Total non-operating income	11	12
Non-operating expenses		
Interest expenses	1	1
Commission expenses	－	250
Donations	10	10
Foreign exchange losses	－	7
Miscellaneous losses	2	0
Total non-operating expenses	13	269
Ordinary profit	1,054	611
Extraordinary income		
Gain on reversal of share acquisition rights	－	4
Total extraordinary income	－	4
Extraordinary losses		
Industrial accident settlement	70	－
Amortization of goodwill	63	－
Total extraordinary losses	133	－
Profit before income taxes	921	616
Income taxes - current	86	9
Income taxes - deferred	279	211
Total income taxes	366	221
Profit	555	395
Profit attributable to		
Profit attributable to owners of parent	505	348
Profit attributable to non-controlling interests	50	47
Other comprehensive income		
Valuation difference on available-for-sale securities	0	1
Foreign currency translation adjustment	1	0
Total other comprehensive income	1	2
Comprehensive income	557	398
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	506	350
Comprehensive income attributable to non-controlling interests	50	48

(3) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

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