

SoftBank Corp.

 SoftBank

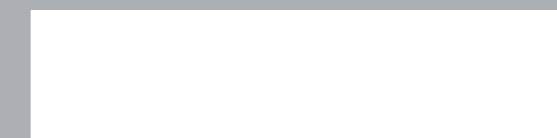
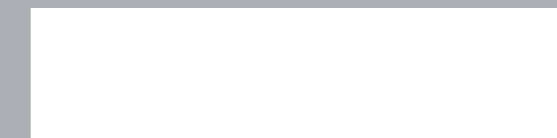
Integrated Report 2020



SoftBank Group  
Corporate Philosophy

# Information Revolution — Happiness for Everyone

Since our founding, the SoftBank Group has sought to use the Information Revolution to contribute to the wellbeing of people and society. The unlimited potential of the Information Revolution should be deployed in the right way, so that it brings happiness to humanity. This vision is a driving force for the SoftBank Group as we continue to pursue growth.



SoftBank

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## SoftBank Corp. Integrated Report 2020

## Editorial Policy

This integrated report has been prepared with reference to the International Integrated Reporting Framework and Guidance for Collaborative Value Creation advocated by the International Integrated Reporting Council (IIRC). Accordingly, we have sought to optimize the report's effectiveness as a communication tool by organizing financial and non-financial information to illustrate how our diverse initiatives are part of a cohesive, strategic vision. SoftBank will continue enhancing the contents of its integrated reports going forward with the aim of furthering understanding of the Company among its shareholders and investors and a wide range of other stakeholders.

## Report Period

From April 1, 2019 to March 31, 2020

Note: Certain information concerning matters before and after this period has also been included

## Report Scope

SoftBank Corp. and its subsidiaries and affiliates

## Monetary and Percentage Amounts in This Report

In this integrated report, monetary amounts less than the stated units have been rounded, and percentage amounts less than a unit of the stated digits have been rounded.

## Cautionary Statement with Respect to Forward-Looking Statements

Statements concerning such matters as current plans, forecasts, and strategies in this integrated report include forward-looking statements that reflect the assessments made by the Company in light of the information available to it when preparing the report. Please be aware that various factors could cause the Company's actual business results to differ significantly from forecasted business results. Risks and uncertainties that could affect actual business results include the Company's business environment, competition in markets, foreign exchange rates, taxes, and various systems.

## Company Name or Abbreviation in this Report

Company Name or Abbreviation	Meaning
The Company, SoftBank	SoftBank Corp. (standalone basis)
The Group	SoftBank Corp. and its subsidiaries
SoftBank Group Corp.	SoftBank Group Corp. (standalone basis)
SoftBank Group	SoftBank Group Corp. and its subsidiaries
Z Holdings	Z Holdings Corporation (standalone basis)
Z Holdings Group	Z Holdings Corporation and its subsidiaries

## SECTION 1

## Who We Are

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The SoftBank Story
- 6  
Group Structure
- 8  
Value Creation Process
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Priority Issues (Materiality)
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Performance Highlights

# The SoftBank Story

## Business growth driven by accurately anticipating the future brought about by the information revolution

SoftBank has led the information revolution in Japan by spreading the internet and high-speed broadband services across the country and by launching new innovations in the mobile communications industry one after another. Today, as we enter the 5G era, in which everything is connected to the network, and as digital transformation (DX) accelerates further, SoftBank aims to become more than a telecommunications carrier as we strive to enrich people's lives and solve a variety of social and industrial issues.

**2001**

**Launching the *Yahoo! BB*, High-speed Broadband Service**

To make the internet in Japan cheaper and faster, we began offering broadband service featuring almost twice the speed for almost half the price, thereby contributing greatly to the penetration of the internet in Japan.

**2007**

**Entering the Mobile Communications Business and Launching *White Plan***

We entered the mobile communications business through the acquisition of Vodafone K.K. In 2007, the Company revolutionized Japan's telecommunications industry by marketing *White Plan*, a flat-rate voice call plan.

**2008**

**Starting Sales of *iPhone* as Sole Domestic iPhone Distributor**

Direct negotiations with U.S. company Apple Inc. conducted by then president of the Company Masayoshi Son succeeded, and the Company was able to begin selling the iPhone 3G ahead of other carriers in Japan. This played a major role in triggering Japan's iPhone boom.

**SoftBank's DNA**



**Ability to change continuously**

By anticipating the paradigm shift caused by the information revolution and continuing to change in an agile manner, we have generated new business models and new value-added products and services one after another.



**Ability to grow businesses**

We have achieved growth in previously unexplored areas such as the internet and have expanded our business through corporate revitalization.



**Ability to overcome adversity**

Even as a latecomer to the mobile market and the smartphone payment service market, we demonstrated our "venture spirit" and established a leading position in the industry.

**2014**

**Rolling Out *Y!mobile***

Ahead of competitors, we began catering to diversifying customer needs by offering *Y!mobile* as an inexpensive new brand with undiminished communication quality.

**2016**

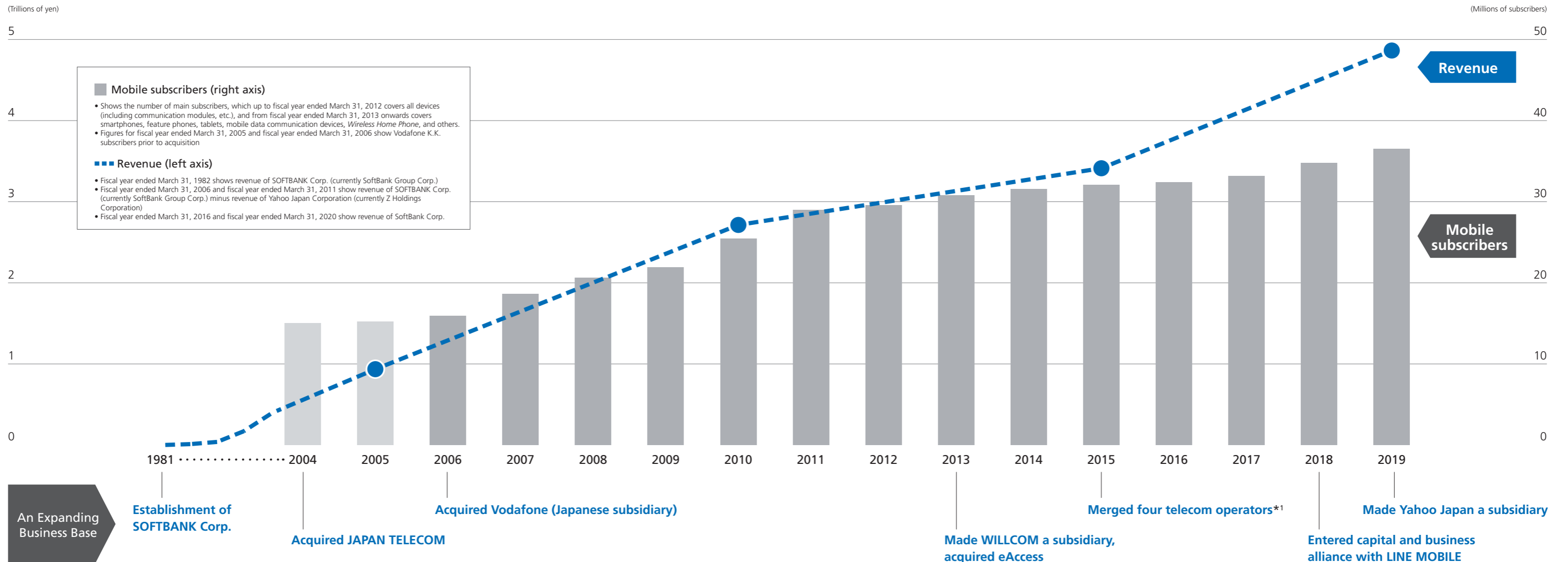
**Marketing High-volume, Flat-rate Data Plans**

We rolled out the 20 GB *Giga Monster* data plan in 2016, followed by the 50 GB *Ultra Giga Monster Plus*, which allows subscribers unlimited use of certain video services and social media, in 2018.

**2018**

**Introducing *LINE MOBILE* Services**

SoftBank added *LINE MOBILE* as a third brand by entering into a capital and business alliance with *LINE MOBILE* Corporation. This brand has gained strong support, mainly among young customers who use social media frequently.



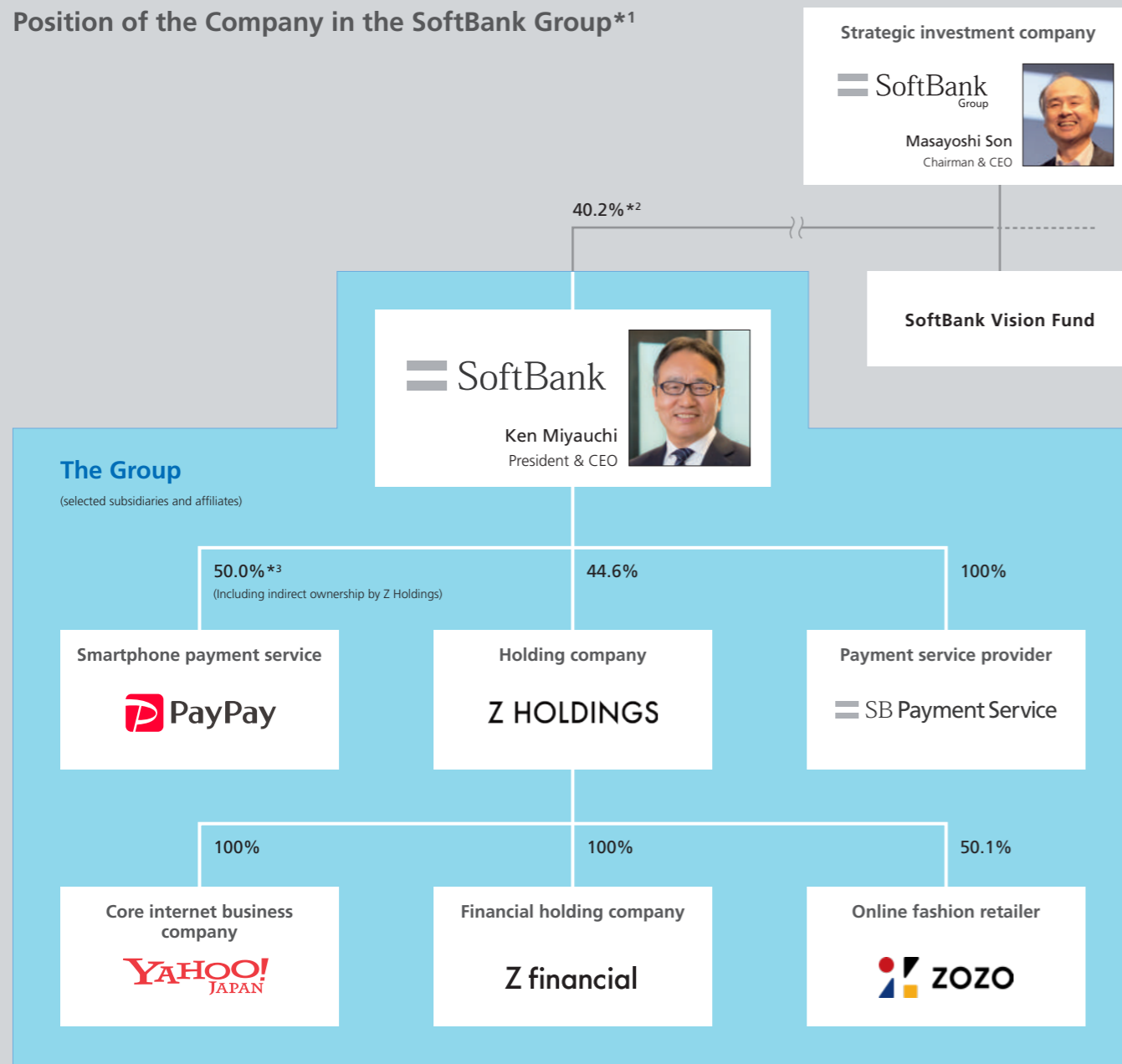
\*1 The four companies are SoftBank Mobile Corp., SoftBank BB Corp., SoftBank Telecom Corp., and Ymobile Corporation.

# Group Structure

SoftBank is an operating company, expanding beyond the confines of a conventional telecom carrier to make the information revolution happen

SoftBank Group Corp., which is a strategic investment company, manages group companies as an investment portfolio. As a core operating company in the information revolution, SoftBank is pursuing an independent and agile growth strategy while taking advantage of being a member of the SoftBank Group. Against this backdrop, SoftBank made Z Holdings, one of Japan's largest internet companies, a subsidiary in 2019, and with a Group-wide effort, successfully launched *PayPay*, a smartphone payment service. In addition, by leveraging cutting-edge technologies such as AI, IoT, and robotics, we are continuing to expand the scope of our business beyond the confines of a conventional telecommunications carrier.

## Position of the Company in the SoftBank Group\*1



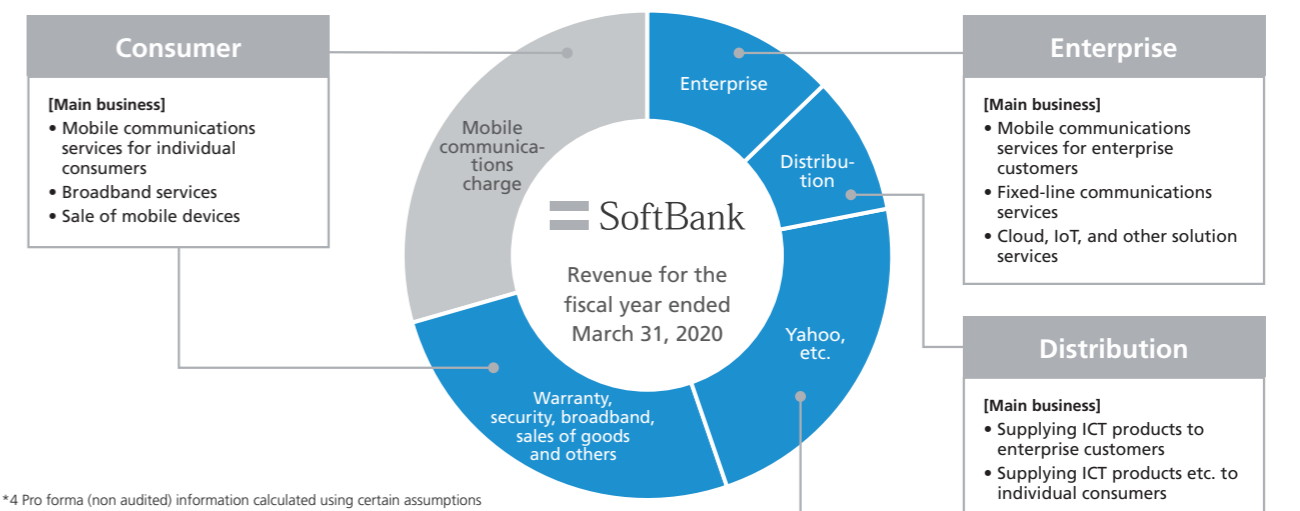
\*1. This is a simplified representation of the Group's structure, with percentages based on shareholder voting rights. Figures as of September 30, 2020.  
 \*2. The Company is directly owned by SoftBank Group Japan Corporation, a wholly owned subsidiary of SoftBank Group Corp. The stated 40.2% is the percentage of the total number of shares issued by the Company (excluding treasury stock).  
 \*3. PayPay Corporation is an equity method associate of the Company. The stock holding distribution is SoftBank Group Corp. : the Company : Z Holdings Corporation = 50:25:25. The stated 50.0% includes the 25% held by Z Holdings Corporation.

Mobile communications charge **29%**<sup>\*4</sup>

To cater to customers' diverse needs, we offer mobile communications services for consumers under three brands, *SoftBank*, *Y!mobile*, and *LINE MOBILE*, each with different features.

**71%**<sup>\*4</sup> Revenue other than mobile communications charge

SoftBank's businesses include broadband services for home use; the Enterprise business that provides solutions in addition to telecommunications services; the Yahoo business, which provides e-commerce, financial and payment-related services, and advertising services; and the Distribution business.



\*4 Pro forma (non audited) information calculated using certain assumptions by the Company, based on sales to external customers. Mobile communications charge for Enterprise is included in "Enterprise."

### Z HOLDINGS

Kentaro Kawabe  
President and Representative Director, President Corporate Officer, CEO

**YAHOO! JAPAN**

[Main business]  
 • Commerce-related services  
 • Membership services  
 • Financial and payment-related services  
 • Advertising-related services

### PayPay

Ichiro Nakayama  
President & Representative Director, CEO, Corporate Officer

[Main business]  
 • Smartphone payment service  
 • FinTech services

# Value Creation Process

## Input

(source of competitive advantage)

1

For more than 30 years, SoftBank has grown significantly through a series of challenges and innovations. Having integrated various companies during this period, we have a wealth of tangible and intangible management resources, including a diverse workforce. By investing these management resources in a variety of businesses, we are creating new value.

## Business model


2

Our *Beyond Carrier* strategy aims to further grow our core telecommunications business while leveraging 5G, AI, IoT, and big data to create new businesses. Concurrently with implementing our growth strategy, we are also working to improve cost efficiency through structural reforms such as the digitization of business processes using AI and RPA.



### Social and relationship capital

- Smartphone subscribers: **24.13** million (as of March 31, 2020)
- SoftBank Hikari* subscribers\*1: **6.39** million (as of March 31, 2020)
- Percentage of major corporations in Japan which SoftBank has business relationships with: **93%**\*2



### Human capital

- Number of employees on consolidated basis: **37,821** (as of March 31, 2020)



### Manufacturing capital

- Capital expenditures approx. **¥400** billion/year\*3
- Approx. **230,000** base station sites
- Growth investment of **¥50-70** billion/year
- Approx. **6,000** stores\*4

\*1 Including *SoftBank Air*  
\*2 This is an approximate percentage of 900 companies which the Company has transactional relationships with, out of the 969 listed companies that have annual revenue of at least ¥100 billion.

\*3 Acceptance basis. Excludes Z Holdings Group, rental mobile phones for enterprise customers, and impact from adopting IFRS 16.  
\*4 This figure includes directly owned stores, dealers, mass electronics retailers, and stores offering multiple carriers.



### Social and relationship capital and intellectual capital

- The cutting-edge technologies and business models of the SoftBank Group's portfolio companies
- Co-creation with corporate partners, represented by 5G x IoT Studio


### Intellectual capital

- Best Japan Brands 2020: **USD5,363** million\*5



### Financial capital

- Rating and Investment Information, Inc. (R&I) Long-term debt rating: **A+**
- Japan Credit Rating Agency, Ltd. (JCR) Long-term debt rating: **AA-** (as of September 17, 2019)



### Natural capital

- Electricity usage: **1,644,203** thousand kWh (actual usage for the fiscal year ended March 31, 2020)

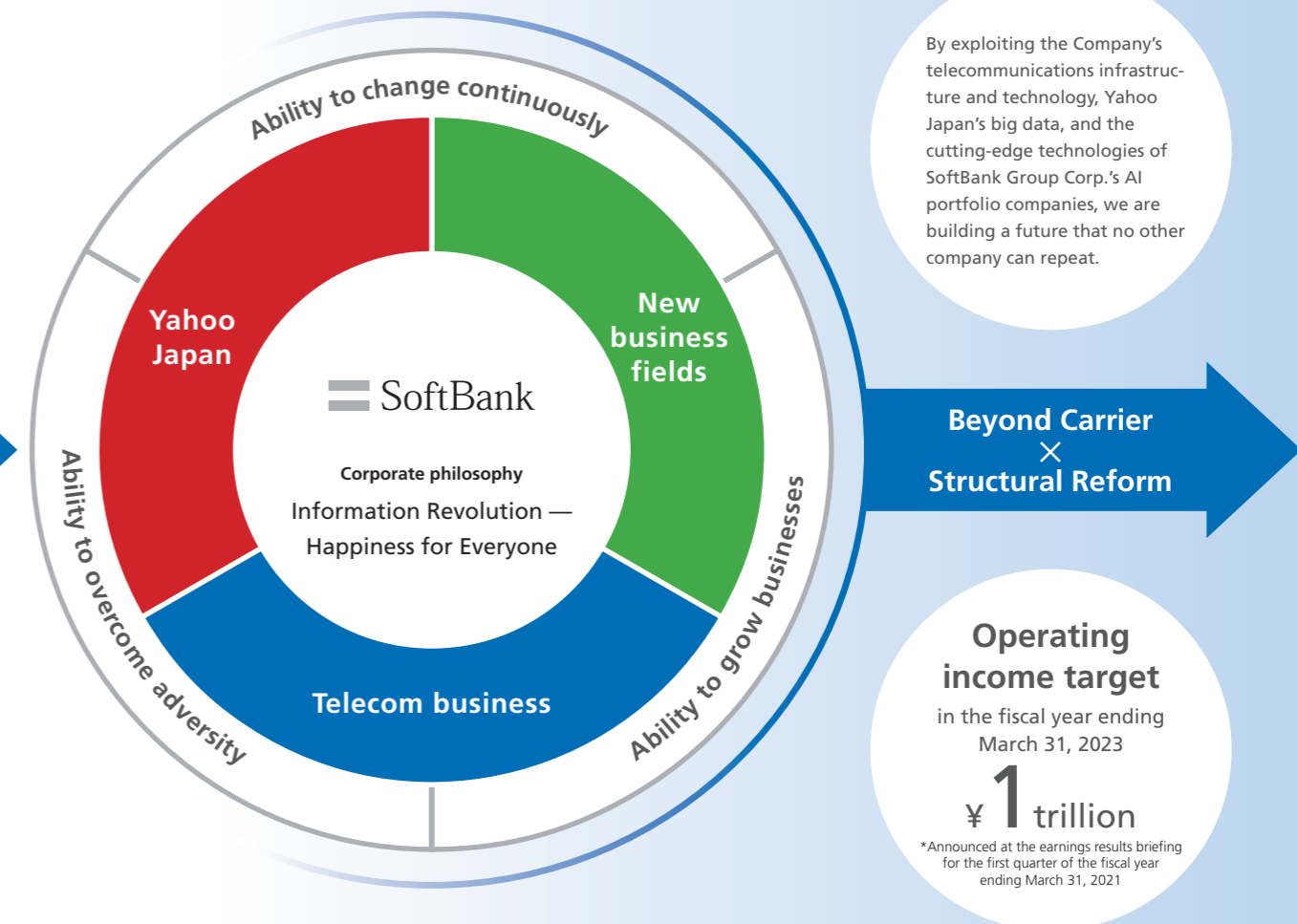
\*5 Value of the brand as measured by Interbrand Japan, Inc.

## Yahoo Japan

Making Yahoo Japan a subsidiary in June 2019, we aim to allocate and leverage the management resources of both companies—including personnel, physical assets, financial assets, and information—more strategically and drive both companies' growth. In the meantime, we aim to accelerate the growth of the new businesses created through taking full advantage of synergies between the two companies.

## New business fields

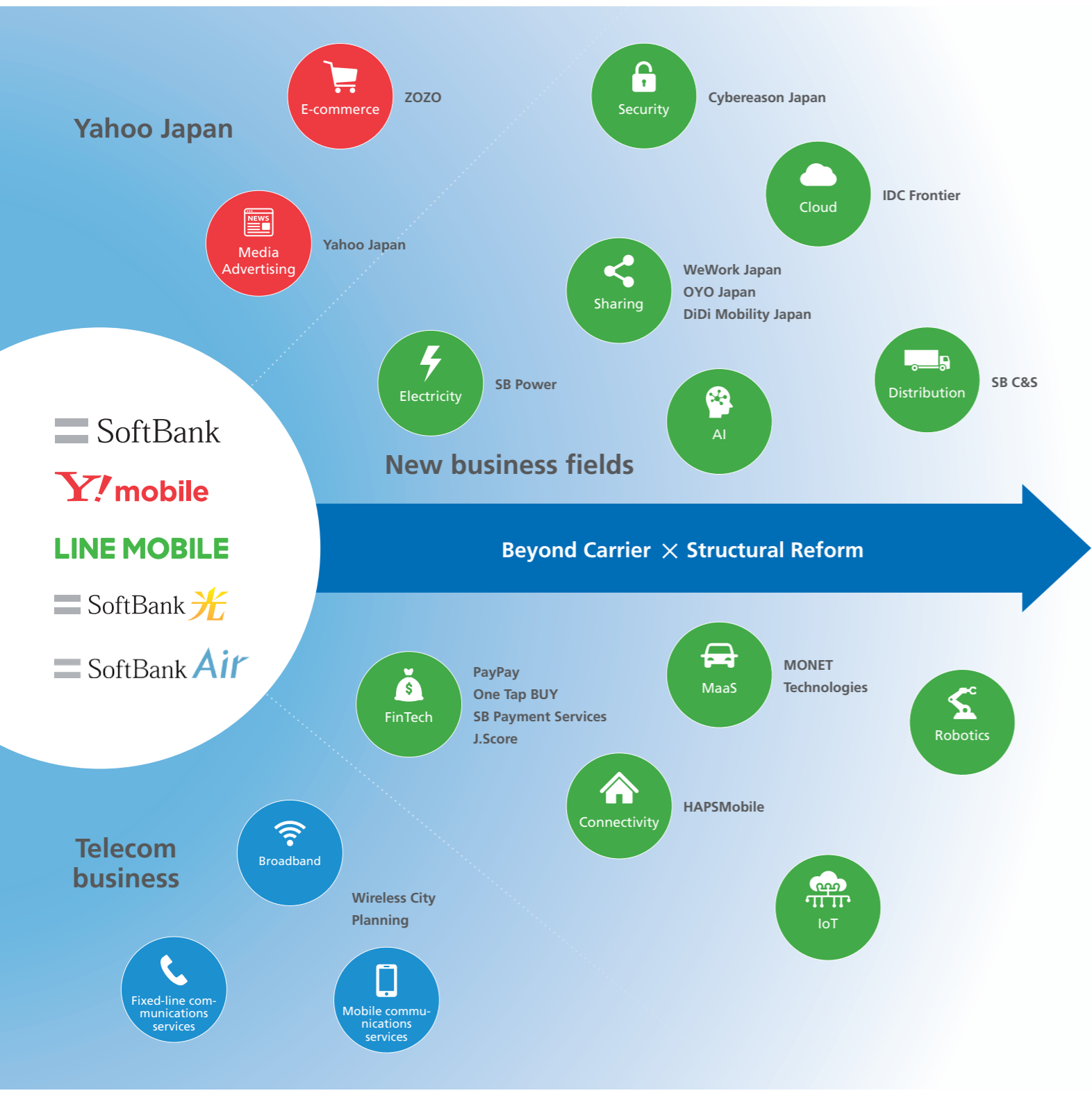
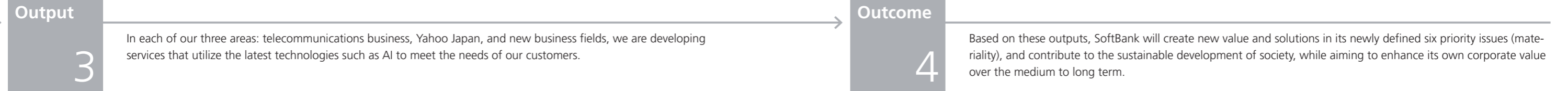
Through collaboration and establishment of joint ventures with companies in the SoftBank Group, the leading companies that SoftBank Group Corp. invests in, and a variety of business partners inside and outside of Japan, we are introducing and rolling out the world's leading business models and technologies in Japan.



## Telecom business

In the mobile communications services, we offer plans tailored to meet the needs of customers through our multi-brand strategy, and in the broadband services, we offer *SoftBank Hikari* and *SoftBank Air*, our high-speed and large-capacity internet connection services for households. Going forward, we will continue to promote the spread of the 5G next-generation communication standard to provide even more appealing experiences for individual customers, as well as to contribute to the resolution of social issues through the use of 5G in smart cities, smart infrastructure, factories, and civil engineering work sites.

Value Creation Process



### Building society and industry through DX

Create new industries and provide solutions for transforming various businesses in society by utilizing cutting-edge technologies such as 5G and AI.

### Connecting people and information to create new excitement

Provide new experiences and enrich the lifestyles of our customers by promoting the adoption of smart devices. Concurrently, create value for both consumers and enterprises by providing partners with attractive platforms that connect people to information.

### Creating new business through open innovation

Develop cutting-edge technologies and innovative business models in Japan by leveraging our relationships with global leading innovative companies. Concurrently, promote the development of a highly-skilled workforce and the establishment of an organization that supports the expansion and penetration of new businesses.

### Contributing to the global environment with the power of technology

Contribute to mitigating climate change, promoting a circular economy, and the adoption of renewable energy by utilizing cutting-edge technologies to pass on a sustainable global environment to the next generation.

### Building high-quality social communication networks

Commit to maintaining a constantly-connected and stable network and to protecting our customers' important data, based on the idea that communication networks serve as a lifeline.

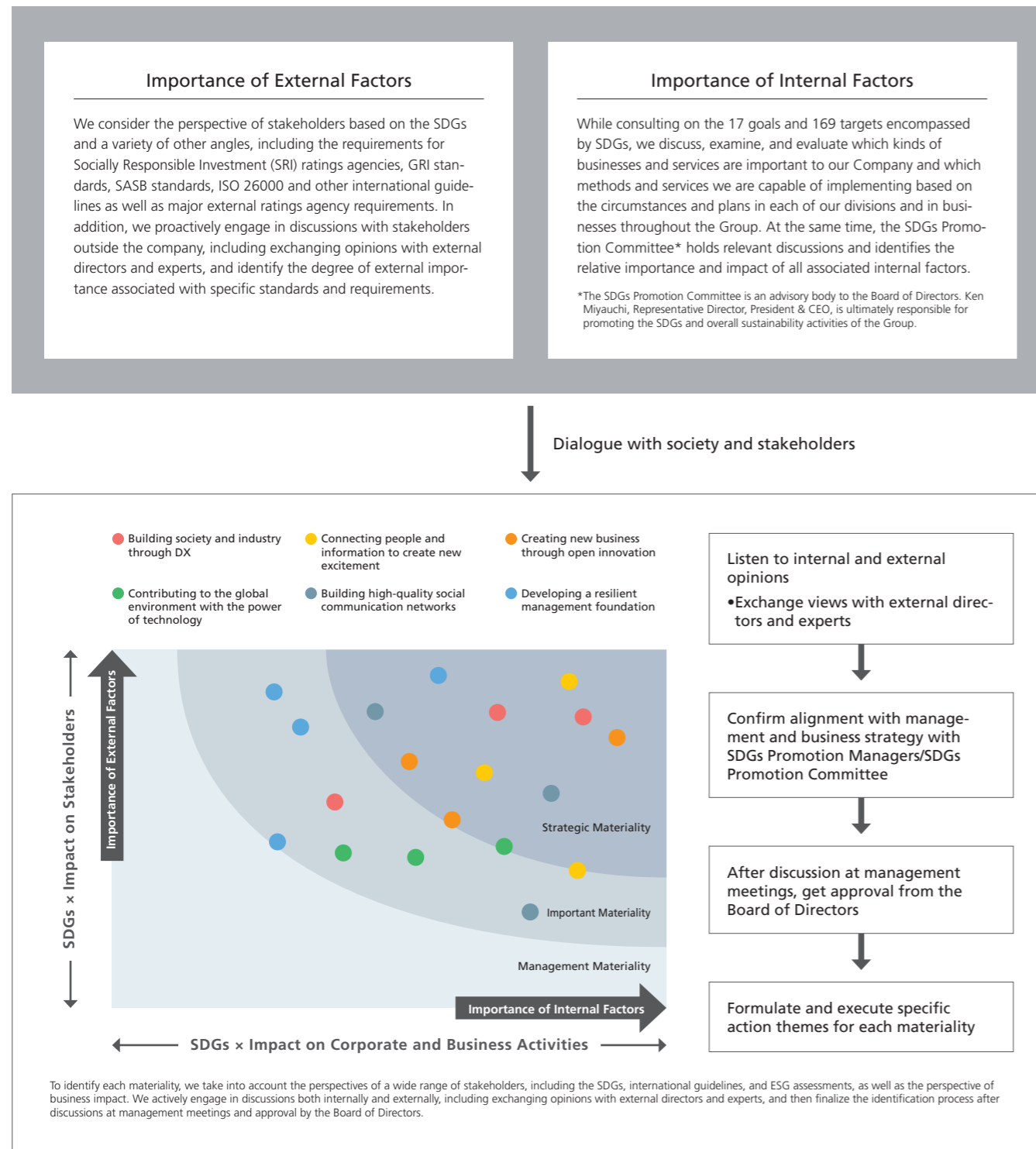
### Developing a resilient management foundation

Conduct corporate governance with integrity to earn the trust of society through ongoing dialogue with stakeholders. In addition, foster innovation and improve the well-being of our employees by developing a progressive workplace environment where diverse human resources can thrive utilizing cutting-edge technologies.

# Priority Issues (Materiality)

SoftBank has identified six priority issues (materiality) that must be addressed to develop a sustainable society based on the concept “a world where all things, information and minds are connected.” In identifying materiality, we have selected items of greatest importance from the perspective of issues valued by stakeholders as well as priorities for our business based on the Sustainable Development Goals (SDGs), which are global in scope.

## Materiality Identification Process



# A World where All Things, Information and Minds are Connected

## SoftBank's Materiality

— Solving social issues through business —

**ACTION 01**  
Building society and industry through DX

**ACTION 02**  
Connecting people and information to create new excitement

**ACTION 03**  
Creating new business through open innovation

— Solving social issues through corporate activities —

**ACTION 04**  
Contributing to the global environment with the power of technology

**ACTION 05**  
Building high-quality social communication networks

**ACTION 06**  
Developing a resilient management foundation

## SDGs Initiatives as a Key Driver of Growth

SoftBank considers its contribution to the achievement of SDGs targets to be an important management priority and is working to enhance corporate value and realize a sustainable society by contributing to the resolution of social issues pursued by the global community through our business and corporate activities.

### Relationship between Materiality and SDGs

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
Building society and industry through DX	•	•	•					•	•		•							•
Connecting people and information to create new excitement	•		•	•				•	•	•	•							
Creating new business through open innovation			•	•				•	•		•							•
Contributing to the global environment with the power of technology			•			•	•					•	•	•	•			•
Building high-quality social communication networks									•		•		•				•	
Developing a resilient management foundation	•		•	•	•			•		•		•					•	•



## Priority Issues (Materiality)

\*Please also refer to our Sustainability Report for details on our initiatives related to priority issues (materiality).

Materiality	<b>Building society and industry through DX</b>														
Social Issues	<ul style="list-style-type: none"> <li>• Labor shortage due to shrinking population</li> <li>• Advancements in the foundation of industry</li> <li>• Aging infrastructure in industrialized countries</li> <li>• Widening disparity between regions</li> </ul>														
Key Risks and Opportunities	<div style="border: 1px solid black; padding: 2px; width: fit-content;">Risks</div> <ul style="list-style-type: none"> <li>• Risk of declines in profitability due to new entrants and intensifying competition</li> </ul>	<div style="border: 1px solid black; padding: 2px; width: fit-content;">Opportunities</div> <ul style="list-style-type: none"> <li>• Growing market for solutions using AI, robots, and IoT</li> <li>• Growing market for all kinds of solutions for smart cities</li> <li>• Growing opportunities to provide solutions for regional revitalization</li> </ul>													
SoftBank Initiatives	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #00A0C0; color: white;">SDGs Value Creation</th> <th style="background-color: #00A0C0; color: white;">Main Business and Initiatives</th> <th style="background-color: #00A0C0; color: white;">Representative KPIs</th> </tr> </thead> <tbody> <tr> <td> <p><b>Expand and enhance the efficiency of the industrial base through cutting-edge technologies</b></p> <p>Contribute to the development and efficiency of the business by utilizing cutting-edge technologies such as 5G and AI.</p> </td> <td> <ul style="list-style-type: none"> <li>• Utilize 5G, big data, AI, and other technologies</li> <li>• Enhance industry efficiency through AI, RPA*, IoT, and other technologies</li> </ul> <p><small>*Robotic Process Automation</small> DX of Enterprise  P41</p> </td> <td> <p>Development of DX solutions for social and industrial progress</p> <ul style="list-style-type: none"> <li>• Revenue of business solution and others: CAGR* 10%</li> </ul> <p><small>*CAGR (Compound Annual Growth Rate): Annual average growth rate</small></p> </td> </tr> <tr> <td> <p><b>Create new industries through DX</b></p> <p>Contribute to economic growth by creating new businesses and industries through collaboration with companies in various industries.</p> </td> <td> <ul style="list-style-type: none"> <li>• Create new businesses in various industries using DX solutions through co-creation with our customers</li> </ul> <p>DX of Industry  P41</p> </td> <td> <p>Projects undertaken through co-creation with customers</p> <ul style="list-style-type: none"> <li>• 17 projects in progress</li> </ul> </td> </tr> <tr> <td> <p><b>Revitalize local communities (regional revitalization)</b></p> <p>Work to revitalize communities facing social issues and contribute to the creation of vital communities that residents want to keep living in.</p> </td> <td> <ul style="list-style-type: none"> <li>• Solve social issues by providing DX solutions to local communities and governments</li> <li>• Engage in co-creation to realize smart cities</li> <li>• Implement initiatives using technologies to promote collaboration with local governments and stimulate local communities</li> </ul> </td> <td> <p>Expanding partnership agreements and personnel exchanges with local governments</p> <ul style="list-style-type: none"> <li>• 70 local governments (fiscal year ending March 31, 2024)</li> </ul> </td> </tr> </tbody> </table>	SDGs Value Creation	Main Business and Initiatives	Representative KPIs	<p><b>Expand and enhance the efficiency of the industrial base through cutting-edge technologies</b></p> <p>Contribute to the development and efficiency of the business by utilizing cutting-edge technologies such as 5G and AI.</p>	<ul style="list-style-type: none"> <li>• Utilize 5G, big data, AI, and other technologies</li> <li>• Enhance industry efficiency through AI, RPA*, IoT, and other technologies</li> </ul> <p><small>*Robotic Process Automation</small> DX of Enterprise  P41</p>	<p>Development of DX solutions for social and industrial progress</p> <ul style="list-style-type: none"> <li>• Revenue of business solution and others: CAGR* 10%</li> </ul> <p><small>*CAGR (Compound Annual Growth Rate): Annual average growth rate</small></p>	<p><b>Create new industries through DX</b></p> <p>Contribute to economic growth by creating new businesses and industries through collaboration with companies in various industries.</p>	<ul style="list-style-type: none"> <li>• Create new businesses in various industries using DX solutions through co-creation with our customers</li> </ul> <p>DX of Industry  P41</p>	<p>Projects undertaken through co-creation with customers</p> <ul style="list-style-type: none"> <li>• 17 projects in progress</li> </ul>	<p><b>Revitalize local communities (regional revitalization)</b></p> <p>Work to revitalize communities facing social issues and contribute to the creation of vital communities that residents want to keep living in.</p>	<ul style="list-style-type: none"> <li>• Solve social issues by providing DX solutions to local communities and governments</li> <li>• Engage in co-creation to realize smart cities</li> <li>• Implement initiatives using technologies to promote collaboration with local governments and stimulate local communities</li> </ul>	<p>Expanding partnership agreements and personnel exchanges with local governments</p> <ul style="list-style-type: none"> <li>• 70 local governments (fiscal year ending March 31, 2024)</li> </ul>		
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Materiality	<b>Connecting people and information to create new excitement</b>														
Social Issues	<ul style="list-style-type: none"> <li>• Improve quality of life (QOL) through use of smart devices</li> <li>• Information disparities, matching information demand and supply</li> </ul>														
Key Risks and Opportunities	<div style="border: 1px solid black; padding: 2px; width: fit-content;">Risks</div> <ul style="list-style-type: none"> <li>• Risk of declines in profitability due to new entrants and intensifying competition</li> </ul>	<div style="border: 1px solid black; padding: 2px; width: fit-content;">Opportunities</div> <ul style="list-style-type: none"> <li>• Growth in smartphone subscribers</li> <li>• Expansion of business to non-telecommunication areas through provision of super apps</li> <li>• Increased profit opportunities via deeper data-driven marketing</li> </ul>													
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## Priority Issues (Materiality)

Materiality	<b>Creating new business through open innovation</b>														
Social Issues	<ul style="list-style-type: none"> <li>Promote innovation in Japan</li> <li>Rising cost of maintaining cash-oriented society</li> <li>Lack of access to transportation in society with low birthrates and aging population</li> <li>Access to telecommunications in developing countries and regions</li> <li>Shortage of advanced human resources</li> </ul>														
Key Risks and Opportunities	<div style="border: 1px solid black; padding: 2px; width: fit-content;">Risks</div> <ul style="list-style-type: none"> <li>Delays in developing business due to a lack of knowl- edge and know-how related to new business</li> <li>Delays in developing business due to shortages of advanced human resources</li> </ul>	<div style="border: 1px solid black; padding: 2px; width: fit-content;">Opportunities</div> <ul style="list-style-type: none"> <li>Through collaboration with partners, increase oppor- tunities to provide greater value and solutions at a faster pace</li> </ul>													
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Note: More information on our environmental initiatives can be found under "ESG Activities" at the following URL:  
<https://www.softbank.jp/en/corp/sustainability/>

## Priority Issues (Materiality)

<b>Materiality</b>	<b>Building high-quality social communication networks</b>		
<b>Social Issues</b>	<ul style="list-style-type: none"> <li>• Infrastructure disruption due to more frequent natural disasters</li> <li>• Sophisticated cyber attacks</li> </ul>		
<b>Key Risks and Opportunities</b>	<b>Risks</b> <ul style="list-style-type: none"> <li>• Improper use of personal information, loss of reputation due to personal information leaks</li> <li>• Disaster recovery costs and increased investment costs for 5G area expansion</li> <li>• Subscriber defection due to communication failures</li> </ul>	<b>Opportunities</b> <ul style="list-style-type: none"> <li>• Increased telecommunications revenue through 5G area nationwide expansion</li> </ul>	
<b>SoftBank Initiatives</b>	<b>SDGs Value Creation</b>	<b>Main Business and Initiatives</b>	<b>Representative KPIs</b>
	<b>Prepare sustainable life infrastructure</b> Provide communications services with stable connectivity by maintaining a highly reliable network.	<ul style="list-style-type: none"> <li>• Construct 5G mobile communications systems that enable high speed, large capacity, low latency, and massive machine connections <small>SoftBank's Technology Advantage in the 5G Era</small> <b>P53</b></li> <li>• Provide communications services with stable connectivity  <b>P55</b></li> </ul>	Provide up-to-date, high-quality networks <ul style="list-style-type: none"> <li>• 5G deployment plan Number of base stations: Over 10,000 (end of fiscal year ending March 31, 2021) Over 50,000 (end of fiscal year ending March 31, 2022)</li> <li>Population coverage: Over 90% (end of fiscal year ending March 31, 2022)</li> <li>• Number of major network accidents: Zero (fiscal year ending March 31, 2021)</li> <li>• Submarine cable "ADC (Asia Direct Cable)": Start operation (fiscal year ending March 31, 2023)</li> </ul>
	<b>Construct robust communications infrastructure to contribute to disaster prevention and mitigation</b> Take daily actions to maintain our communications infrastructure in the event of a disaster and recover rapidly when one occurs.	<ul style="list-style-type: none"> <li>• Redundancy in backbone networks</li> <li>• Secure communications in the event of a disaster through tethered balloon radio relay systems</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of three main routes (for Okinawa/Tohoku): Completion (fiscal year ending March 31, 2022)</li> <li>• Equipment and materials for disaster response and recovery: Support and enhancement (annually)</li> </ul>
	<b>Promotion of data security and privacy protection initiatives</b> As a safe and secure telecommunications carrier, we monitor and operate networks using the latest technologies and conduct thorough security education for employees.	<ul style="list-style-type: none"> <li>• Network monitoring and operation utilizing AI</li> <li>• Develop and operate high-level security environments</li> <li>• Thoroughly educate employees on security</li> </ul>	<ul style="list-style-type: none"> <li>• Number of major accidents involving information security: Zero (annually)</li> <li>• Number of major accidents involving privacy issues: Zero (annually)</li> <li>• Implementing initiatives that help customers to understand how to handle their personal information</li> </ul>

Note: More information on our information security initiatives can be found under "ESG Activities" at the following URL:

<https://www.softbank.jp/en/corp/sustainability/>

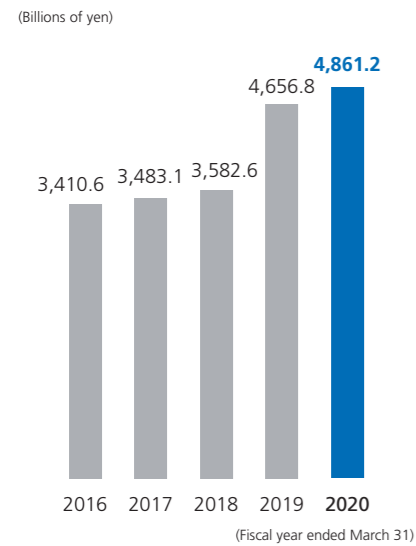
<b>Materiality</b>	<b>Developing a resilient management foundation</b>		
<b>Social Issues</b>	<ul style="list-style-type: none"> <li>• Workstyle reforms, promotion of diversity and inclusion</li> <li>• Corporate governance enhancements</li> <li>• Consideration for social and environmental aspects throughout supply chains</li> </ul>		
<b>Key Risks and Opportunities</b>	<b>Risks</b> <ul style="list-style-type: none"> <li>• Loss of trust due to violation of laws or regulations</li> <li>• Loss of trust as a corporation due to absence of corporate governance</li> </ul>	<b>Opportunities</b> <ul style="list-style-type: none"> <li>• Emergence of innovation through workstyle reforms and diversity promotion</li> <li>• Cost reductions from increased efficiency associated with creation of progressive workplace environment</li> <li>• Transition to energy-efficient equipment</li> </ul>	
<b>SoftBank Initiatives</b>	<b>SDGs Value Creation</b>	<b>Main Business and Initiatives</b>	<b>Representative KPIs</b>
	<b>Enhance corporate governance and ensure its effectiveness</b> Build a sophisticated governance system, increase management transparency, and ensure to conduct corporate governance with integrity and fairness.	<ul style="list-style-type: none"> <li>• Enhance corporate governance systems and thoroughly prevent compliance violations <small>Corporate Governance</small> <b>P62</b></li> <li>• Implement sophisticated internal controls, eliminate antisocial forces, and prevent corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Number of compliance violations: Performance monitoring (annually)</li> <li>• Number of compliance training sessions: Performance monitoring (annually)</li> </ul>
	<b>Sustainable growth through cooperation with stakeholders</b> Pursue the creation of strong relationships of trust and mutually sustainable development through timely and appropriate information disclosure and ongoing dialogues with stakeholders.	<ul style="list-style-type: none"> <li>• Ethical procurement and transactions</li> <li>• Sound and transparent information disclosure</li> <li>• Cooperation with local communities through initiatives such as disaster management agreements and the Social Emergency Management Alliance (SEMA)</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainability procurement survey collection: 90% or greater (annually)</li> <li>• Number of partnerships with NPOs: 1,000 organizations (fiscal year ending March 31, 2024)</li> </ul>
	<b>Enhance employee happiness with diversity and inclusion</b> Work to build an environment in which all employees can fully demonstrate their unique abilities and enjoy personal satisfaction.	<ul style="list-style-type: none"> <li>• Support for employee growth and career realization*  <b>P74</b></li> <li>• Fair evaluation and recruitment system</li> <li>• Promote participation by women, including recruitment and employment of persons with disabilities, and initiatives related to LGBT persons  <b>P78</b></li> <li>• Harassment prevention <small>*Free-agent system and job posting system, SoftBank University, SoftBank career dock</small></li> </ul>	Create a working environment that is easy for anyone to work in <ul style="list-style-type: none"> <li>• Number of women in management positions: 300 (fiscal year ending March 31, 2023)</li> <li>• Employment of persons with disabilities: At or above the legally mandated level (annually)</li> <li>• Paid leave acquisition rate: Keep at 70% or above (annually)</li> <li>• Accidents at work sites involving injury or death: Zero (annually)</li> </ul>
	<b>Enhance productivity with advanced workplace environments</b> Use technology to promote workstyle reform and health and productivity management.	<ul style="list-style-type: none"> <li>• Work-style reforms*1</li> <li>• Promote health and productivity management</li> <li>• Relocate the corporate headquarters to a smart building</li> <li>• Promote diverse working styles unconstrained by time or place*2 <small>*1 Super Flextime System, teleworking, operational improvements using technologies like AI and RPA, permitting employees to take side jobs *2 Teleworking, use of co-working offices</small></li> </ul> <p>Create an Environment where Diverse Employees Can Do Their Best Work  <b>P77</b></p>	Promote work-style reform and health and productivity management <ul style="list-style-type: none"> <li>• Provide office environments that encourage diverse working styles: Performance monitoring (annually)</li> <li>• Teleworking ratio: 70% or greater (annually)</li> <li>• Ratio of smokers: Less than 20% (annually)</li> <li>• High ranking in Japan surveys: Highly ranked among the major surveys (annually)</li> </ul>

# Performance Highlights

## [Financial]

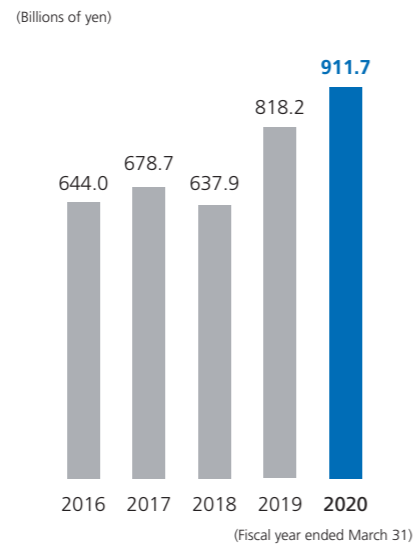
### Revenue

¥ 4,861.2 billion



### Operating Income

¥ 911.7 billion

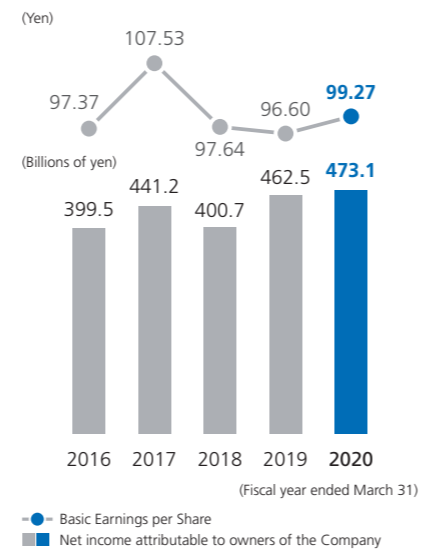


### Net Income Attributable to Owners of the Company

¥ 473.1 billion

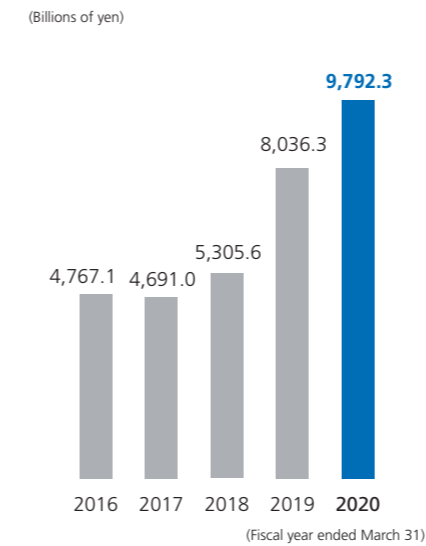
#### Basic Earnings per Share\*1

¥ 99.27



### Total Assets

¥ 9,792.3 billion

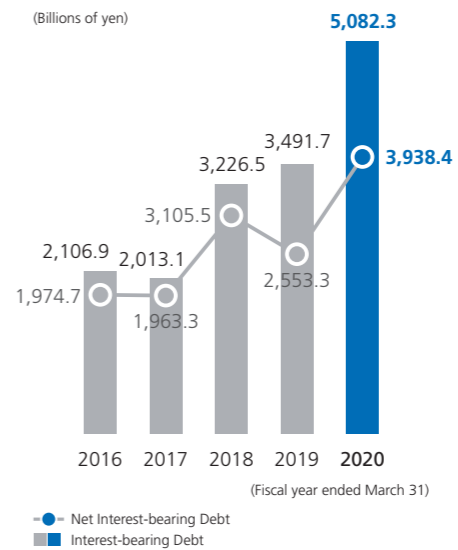


### Interest-bearing Debt

¥ 5,082.3 billion

#### Net Interest-bearing Debt

¥ 3,938.4 billion



### Credit Ratings\*5

Rating and Investment Information, Inc. (R&I)

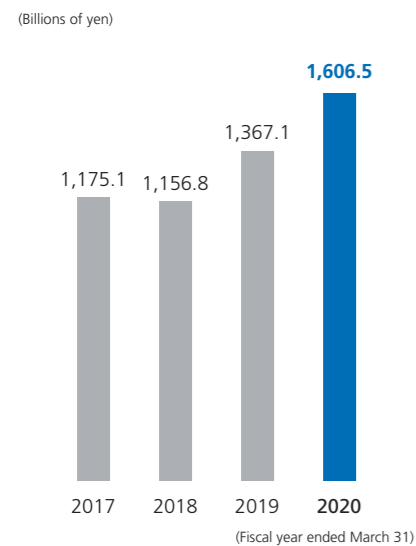
**A+**  
(stable)

Japan Credit Rating Agency, Ltd. (JCR)

**AA-**  
(stable)

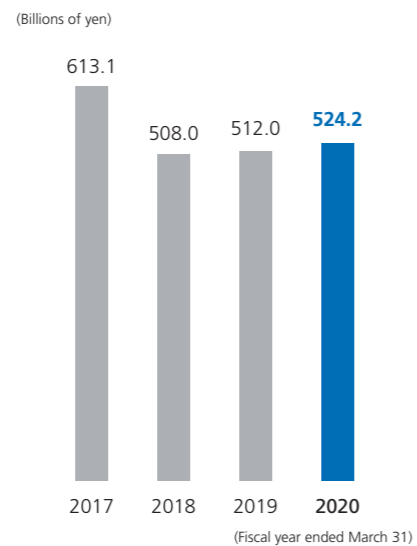
### Adjusted EBITDA\*2

¥ 1,606.5 billion



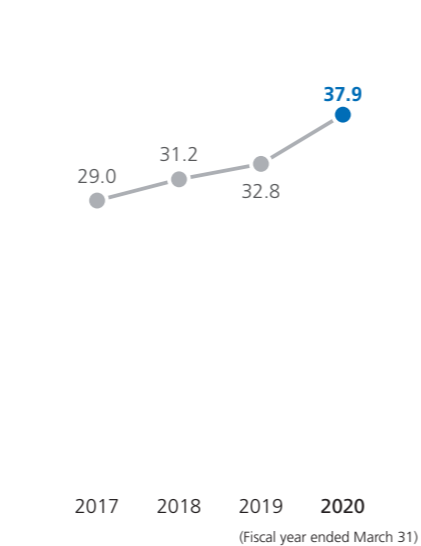
### Adjusted Free Cash Flow\*3

¥ 524.2 billion



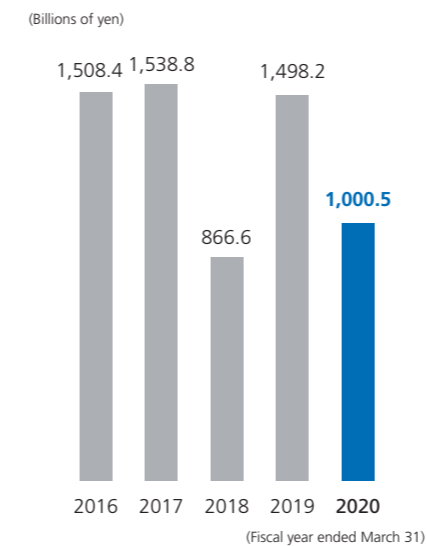
### ROE (Ratio of net income to equity attributable to owners of the Company)\*4

37.9%



### Total Equity Attributable to Owners of the Company

¥ 1,000.5 billion

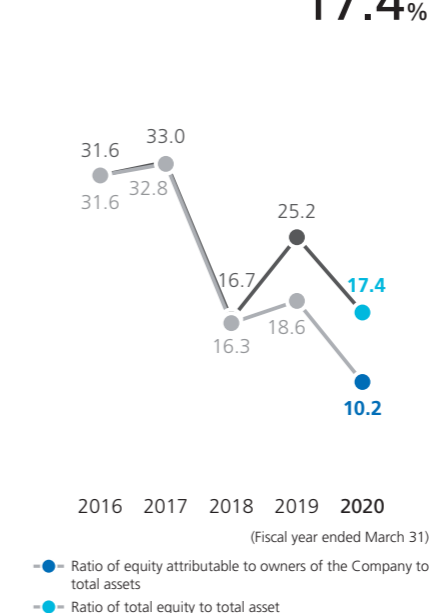


### Ratio of Equity Attributable to Owners of the Company to Total Assets\*6

10.2%

#### Ratio of Total Equity to Total Asset

17.4%



\*The Company has adopted IFRS 15 from the fiscal year ended March 31, 2019. IFRS 15 has been retrospectively applied to the figures for the fiscal year ended March 31, 2018. In addition, we have adopted IFRS 16 "Leases" starting from the fiscal year ended March 31, 2020. Transactions under common control are accounted for as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period. As a result, the figures for Z Holdings Corporation, which became a subsidiary in June 2019, have been revised retroactively to be consolidated for the fiscal year ended March 31, 2019.

\*1 Earnings per share attributable to owners of the Company.  
 \*2 Adjusted EBITDA = operating income + depreciation and amortization (including loss on disposal of non-current assets) ± other adjustments  
 \*3 Adjusted free cash flow = free cash flow ± total cash flows relating to non-recurring transactions with SoftBank Group Corp. + (proceeds from the securitization of installment sales receivables - repayments thereof). Excludes Z Holdings Group for fiscal year ended March 31, 2019. Excludes Z Holdings Group and impact from adopting IFRS 16 for fiscal year ended March 31, 2020.  
 \*4 ROE (Ratio of net income to equity attributable to owners of the Company) = net income attributable to owners of the Company / average equity attributable to owners of the Company over the fiscal year  
 \*5 In regard to issuer credit ratings, as of July 9, 2020 the Company has maintained the same ratings obtained last year from Rating and Investment Information, Inc. (R&I) and Japan Credit Rating Agency, Ltd. (JCR).  
 \*6 Ratio of equity attributable to owners of the Company to total assets = total equity attributable to owners of the Company / total assets

## Performance Highlights

### [SoftBank's Sustainability]

#### Environment-related (E)

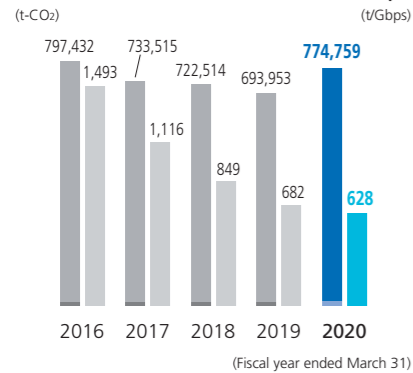
In April 2020, we endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and set environmental issues and targets, including for climate change.

#### Greenhouse gas emissions (total)

**774,759** t-CO<sub>2</sub>

#### Emissions per communication fee

**628** t/Gbps

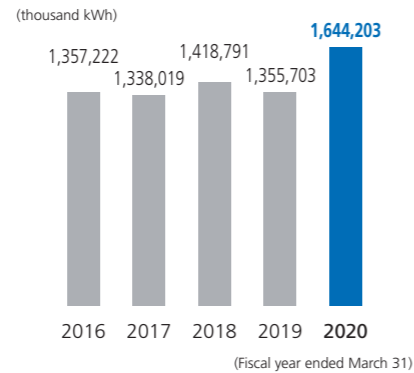


■ Scope 1 ■ Scope 2 (left)  
■ Emissions per communication fee (right)

Note: Values are determined based on the following boundaries:  
 • Through fiscal year ended March 31, 2019: All SoftBank Corp. (standalone basis) business sites  
 • Fiscal year ended March 31, 2020: All SoftBank Corp. (standalone basis) business sites and major affiliates (Yahoo Japan Corporation, ASKUL Corporation)  
 Note: This covers approximately 90% of the Group's total electricity consumption.  
 • Values increased in fiscal year ended March 31, 2020 due to a change in boundaries

#### Energy consumption (electricity)

**1,644,203** thousand kWh



Note: The target for the fiscal year ending March 31, 2031 is expected to be 2,500,000 thousand kWh, 1.5 times the target for the fiscal year ended March 31, 2020, to cope with increased traffic due to provision of 5G services, etc.

#### Society-related (S)

We are working to promote diversity, including the active participation of women. The percentage of men taking childcare leave has also increased year by year.

#### Number of women in management positions (SoftBank only)

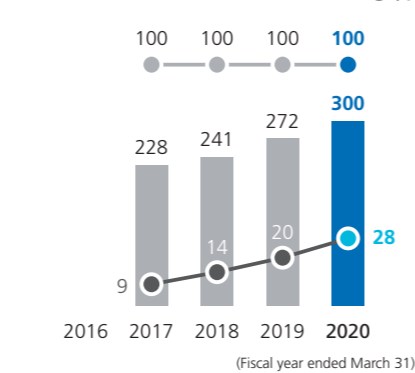
**300**

#### Percentage of employees taking childcare leaves (women)

**100%**

#### Percentage of employees taking childcare leaves (men)

**28%**



■ Number of women in management positions (SoftBank only)  
 Note: The number of women in management positions is counted on April 1 of each year  
 ● Percentage of employees taking childcare leaves (women) (SoftBank + major subsidiaries)  
 ● Percentage of employees taking childcare leaves (men) (SoftBank + major subsidiaries)

# SECTION 2

## Strategy for Value Creation

24	A Message from the CEO
34	Road to Achieving Operating Income of ¥1 Trillion in the Fiscal Year Ending March 31, 2023 —Growth Strategy × Structural Reform
36	Growth Strategy
	Consumer Segment
40	Enterprise Segment
42	Yahoo Segment
46	New Business Fields Strategy
52	Technology Strategies
56	Structural Reform

#### Society-related (S)

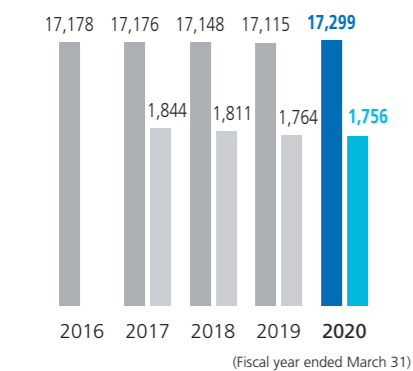
Work hours are on a downward trend due to the initiatives such as "Smart & Fun!" workstyle reform which aims to reduce work hours through the use of AI and RPA.

#### Number of employees (SoftBank only)

**17,299**

#### Total working hours per year (SoftBank only)

**1,756**



■ Number of employees (SoftBank only)  
 ■ Total working hours per year (SoftBank only)

#### Governance-related (G)

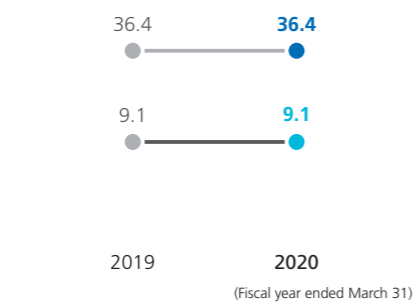
Four of the eleven members of the Board of Directors are independent external directors, which strengthens the mutual monitoring ability of the directors. We are also striving to strengthen information security and aim to achieve zero serious information security and privacy accidents every year.

#### Ratio of independent external directors

**36.4%**

#### Ratio of female directors

**9.1%**



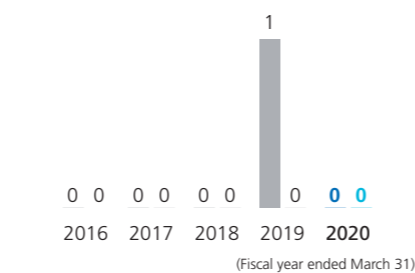
● Ratio of independent external directors  
 ● Ratio of female directors

#### Number of information security accidents

**0**

#### Number of cases of personal information leakage or data theft/loss

**0**



■ Number of information security accidents  
 \* Disclosed in accordance with the Company's information security policy  
 ■ Number of cases of personal information leakage or data theft/loss  
 \* Disclosed based on guidance from regulatory authorities and in violation of laws and regulations

# A Message from the CEO



**Ken Miyauchi**

President & CEO  
SoftBank Corp.

First of all, I would like to express my sincere condolences to the victims of the novel coronavirus (COVID-19) pandemic and my heartfelt sympathy to those affected by it. I would also like to express my deep gratitude and respect to all those who are working on the front lines of treatment and prevention of COVID-19, including in the medical field. In addition to our Company-wide efforts to prevent the spread of infection, we have been proactively helping students by waiving additional data communication fees and helping companies by providing telework products free of charge. Going forward, SoftBank will continue to soundly fulfill its responsibilities in its role as a telecommunications operator responsible for providing part of society's infrastructure.

## What SoftBank is Aiming to Become

When asked what kind of company SoftBank is, I answer without hesitation, "It's an information revolution company." The ICT (information and communication technology) industry in which SoftBank operates has been changing at a dizzying rate. Over the last 20 years, the technological mainstays of business have rapidly evolved from personal computers, fixed-line communications, feature phones, and currently to smartphones. If we stick to our existing businesses, we'll quickly get left behind in a paradigm shift and we won't be able to survive in this industry. That is why the SoftBank Group is not focused on specific technologies or business models, but rather on utilizing the most advanced

technologies of the day to become "the corporate group needed most by people around the world."

This may remind you of the "Cluster of No. 1 Strategy" of our parent company, SoftBank Group Corp. However, SoftBank Group Corp is a strategic investment company, whereas SoftBank Corp., as an operating company, is committed to pursuing business growth. By constantly anticipating the future ahead of the curve and gradually transforming our core business operations, we aim to become a company that will capture new business opportunities and grow with each new paradigm shift.

## Thinking Ten Years Ahead and Expanding Beyond Telecommunications

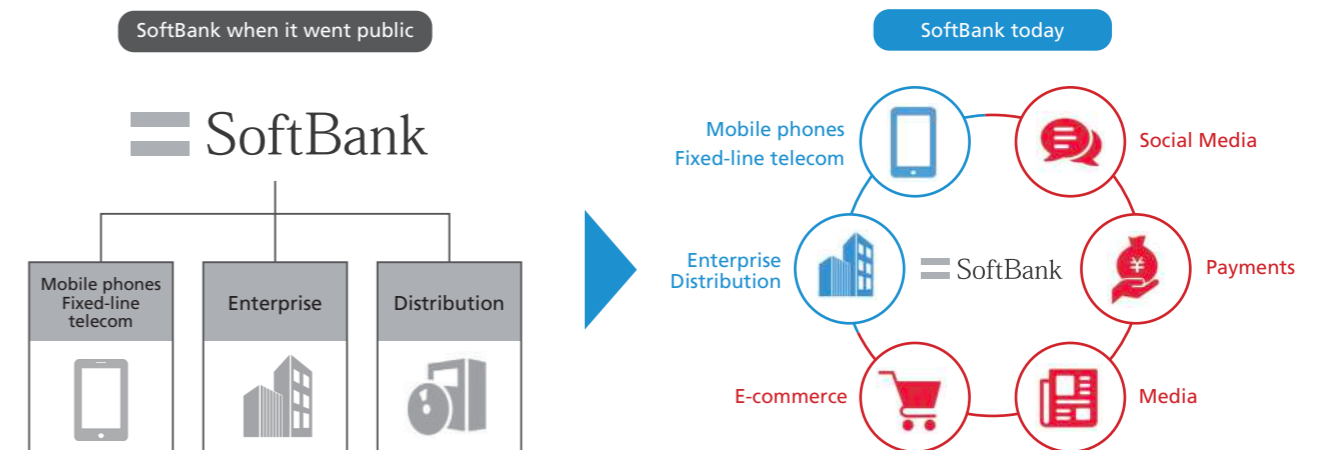
To make this vision a reality, I place great importance on the ability to predict the future and the ability to think backwards from the future and consider what should be done now. I'm not young by any means, but every day I think seriously about what the world will look like ten years from now. It's easy for people to get distracted by what's right in front of them, but I always tell our employees to look backwards from the future to the present.

In the next decade, the world will be fully digitized. We can expect that AI, IoT, and big data will be commonplace, and 6G will be the norm, not 5G. Much of people's lives will take place online, and DX will change the structure of business itself. By that time, the term DX itself may be out of date.

So, what should we do now to prepare for such a future? When SoftBank went public in December 2018, I stated that we would expand non-telecommunications areas in order to deliver further growth in the next paradigm shift. At the time, the mobile business still accounted for most of our earnings, so the public

might have been skeptical of my claim. However, we made Z Holdings a subsidiary in June 2019, six months after our listing, grew PayPay into Japan's No.1 QR code payment service, and announced the integration of LINE Corporation. Looking ten years into the future, it was clear what needed to be done. As a result of these efforts, revenues from what are called "mobile communications charge" decreased to just under 30% of revenue and just under 40% of operating income in the fiscal year ended March 31, 2020. On the flip side, non-telecommunications revenues have reached 60-70% of the total, so we've seen a diversification of revenue sources.

Today, SoftBank is no longer just a telecommunications company, but a comprehensive internet company that offers everything from telecommunications to e-commerce, payments, and social media. I am confident that this positions us to take an even greater leap forward ten years from now.



Note: With respect to social media business, the business integration of Z Holdings and LINE Corporation is scheduled to be completed around March 2021.

## Contributing to the SDGs

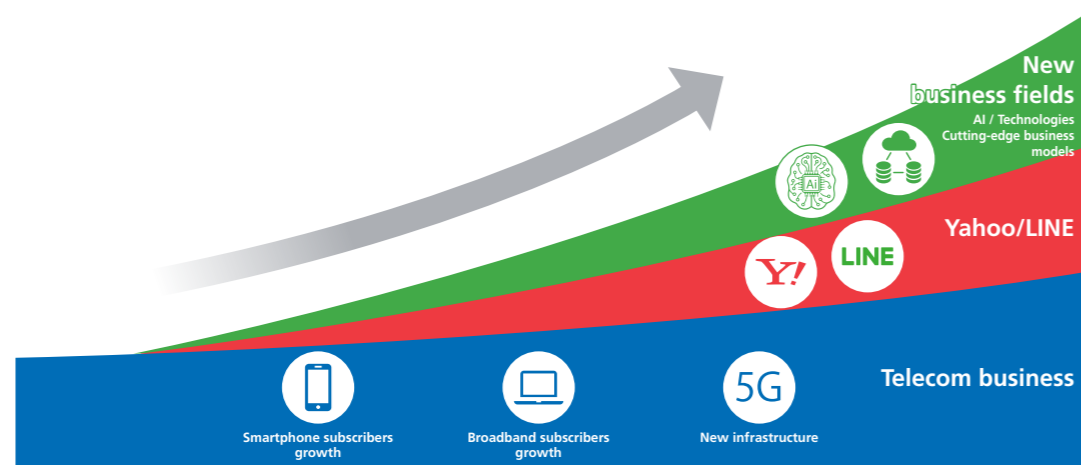
As you can see, SoftBank is changing with the times, but remains rooted in its corporate philosophy "Information Revolution — Happiness for Everyone." This corporate philosophy is directly linked to the SDGs (Sustainable Development Goals) set by the international community. Since its inception, the Company has contributed to tackling a range of social issues—including work-style reform, the environment, disaster prevention, and education—by providing wide-ranging solutions based on cutting-edge technology, mainly in the telecommunications field, which has become a lifeline for people.

We have once again evaluated the materiality (priority issues) from two perspectives, the importance to SDGs and society and the importance to SoftBank, and identified six priority issues to be addressed (shown on P13) in line with the concept of "a world where all things, information and minds are connected." These are the same issues that the Group has taken the lead on addressing up to now, and we will only increase our efforts going forward. Beginning this year, I will personally assume the position of the Chief SDGs Promotion Officer, and I will make every effort to tackle these six issues as we strive to become a company that will continue to be needed in the world.

## A Message from the CEO

In the following Q&A, President Miyauchi will answer questions most frequently asked by investors.

### Medium- to Long-Term Strategy



#### Question

*What are your medium-term management goals?*

P34-35

In August 2020, we announced targets of ¥5.5 trillion in revenue, ¥1 trillion in operating income, and ¥530 billion in net income for the fiscal year ending March 31, 2023. The entire Group is working together to achieve these targets by setting the following business-specific goals. In the Consumer segment, we target profit increases every year thanks to an increase in the number of smartphone subscribers. The target for the Enterprise segment is to achieve more than 10% profit growth every year from growth in the solutions business. The target for the Yahoo segment is to continue to increase profits towards the goal set by Z Holdings of achieving operating income of ¥225 billion in the fiscal year

ending March 31, 2024. We have also set the target to reduce losses on equity method investments at affiliates such as PayPay. We plan to generate more than ¥670 billion in adjusted free cash flow\*1 each year by increasing revenue and limiting increases in fixed costs through rigorous cost efficiencies, as well as by appropriately controlling capital expenditures and investments in growth. However, as I mentioned earlier, we manage by looking ten years into the future, so ¥1 trillion in operating income represents just another milestone on the journey. We hope to achieve this as soon as possible and then aim for further growth.

\*1 Adjusted free cash flow = free cash flow ± total cash flows relating to non-recurring transactions with SoftBank Group Corp. + (proceeds from the securitization of installment sales receivables – repayments thereof). Excludes Z Holdings Group and includes impact from adopting IFRS 16.

#### Question

*What is the business impact of the COVID-19 pandemic?*

In the short term, of course, the temporary stay-at-home requests and economic downturn have taken a significant toll, for example on Yahoo Japan's advertising business. On the other hand, from a medium- to long-term perspective, I believe the new lifestyle created by the COVID-19 pandemic will be beneficial to our business. As more and more of people's lives takes place online, the need for smartphones and other telecommunications services has

increased. The number of people teleworking is growing rapidly. As a result, in the Enterprise segment, not only has telework-related revenue surged, but the DX business is also attracting a lot of attention. As more and more people shop online on a daily basis, Yahoo Japan's e-commerce services have seen a surge in transaction volume. From a hygiene perspective, contactless cashless payments are gaining traction, providing a boost to PayPay.

### Mobile

#### Question

*Are you affected by the 2019 amendments to the Telecommunications Business Act?*

P36-39

Amendments to the Telecommunications Business Act in October 2019 introduced new rules that completely separate service fees from handset payments, as well as a maximum handset discount of ¥20,000 and a maximum cancellation fee of ¥1,000. However, the Company has been largely unaffected by these amendments.

First, with regard to the separation of service fees and handset payments, the Company had already introduced this kind of unbundled price plan under the *SoftBank* brand since September 2018. *LINE MOBILE* has always sold handsets and lines separately, and the *Y!mobile* brand introduced an unbundled plan in conformance with

the amendments and implemented a price reduction at the same time. Some were also concerned that the restrictions on handset discounts and cancellation fees might make it more difficult to acquire new subscribers and, conversely, increase the number of cancellations. However, even after October 2019, when the amended law came into effect, the Company continued to see net adds in the number of subscribers across all brands, and the churn rate has declined to a record low of 0.53%. I believe this is the result of our long-standing multi-brand strategy, which covers the diverse needs of our customers with three brands with different characteristics.

#### Question

*With competition intensifying, is the Company's goal of 30 million smartphone subscribers achievable?*

P36-39

For the fiscal year ended March 31, 2020, competition intensified due to the price reductions by NTT DOCOMO, INC. and the amendments to the Telecommunications Business Act. Nevertheless, our cumulative number of smartphone subscribers increased by 2.05 million year on year. We have set a target of 30 million smartphone subscribers by the fiscal year ending March 31, 2024, and I believe it is highly probable that we will achieve this goal. This is because, as I noted earlier, our multi-brand strategy allows the three brands to complement each other, increasing the total number of subscribers. In addition, our synergies with Yahoo Japan and PayPay give us an advantage over our competitors in terms of overall service capabilities.

Rakuten Mobile, Inc. entered the market in April 2020 as a fourth telecommunications carrier, but our smartphone subscribers have continued to increase in the fiscal year ending March

31, 2021, so you can see that we are not affected much by this new entrant. Japanese consumers do not choose telecommunication services just because they are cheap. When we first offered mobile services more than a decade ago, our network was criticized for its spotty connectivity. Network development requires steady, dedicated effort, and there are no shortcuts. Before anyone can connect to the network, we have to find land for base stations one parcel at a time, negotiate for it, and then design and build the best possible network. I am now very confident in the quality of our network, which I think is what sets us apart from new carriers. Furthermore, as 5G becomes more widespread, network quality will become even more important. We hope to achieve 30 million smartphone subscribers as soon as possible by strengthening our multi-brand strategy and expanding 5G.

#### Question

*When will 5G services achieve critical mass, and will capital expenditures increase?*

P38  
P52-53

In March 2020 we launched 5G commercial services in select areas, primarily urban. We aim to achieve service in all 47 prefectures of Japan by the end of the fiscal year ending March 31, 2021 and achieve a population coverage rate of more than 90%

by the end of the fiscal year ending March 31, 2022. With respect to capital expenditures, we have a history of working to improve connectivity by increasing the number of base stations when we did not have a wide-coverage frequency band (which is

## A Message from the CEO

called the “platinum band”). Today, we have 230,000 sites (base station installation locations) across Japan. This makes us No. 1 in Japan, far exceeding NTT DOCOMO, INC.’s 80,000 locations and KDDI CORPORATION’s 110,000 locations. Although the frequency spectrum used for 5G does not work well over long distances and thus base stations need to be relatively closely placed, we can reduce the need for new capital expenditures by making the most of our existing network sites. In addition, we

### Question

*What is the outlook for the future given that ARPU is not growing? What do you make of the Japanese government’s comments that telecommunications charges should be reduced?*

Indeed, ARPU (average revenue per user) has been on a slow downward trend. The biggest reason is that the *Y!mobile* brand, which offers low prices and high communication quality, is showing the most significant growth among our three brands, leading to a rise in its share. The high-end *SoftBank* brand also regularly reviews its price plans, and the price per GB is actually more than 80 percent lower than it was five years ago in 2015.

While ARPU has been on a downward trend, the measure we call “mobile service revenue,” calculated by multiplying ARPU by the number of subscribers, has continued to grow over the past few years. In fact, the main focus of our mobile growth strategy is not to increase ARPU, but to increase revenue by increasing the number of subscribers. Mobile service revenue actually decreased when we introduced *Y!mobile* in the fiscal year ended March 31, 2015, but subsequently increased in the fiscal year ended March 31, 2018 due to the success of our customer-first price plans and the subsequent growth in the number of subscribers, which more than offset the decline in ARPU.

The number of subscribers continues to grow, and in the fiscal year ended March 31, 2020 we hit a pace of annual net

are ahead of the curve with Massive MIMO, a powerful elemental technology for coping with rapidly increasing data traffic. In terms of regional expansion, we are promoting joint construction and infrastructure sharing of 5G base stations with KDDI. We are leveraging these advantages to rapidly develop our 5G network, and we expect 60% of our smartphone users to shift to 5G in the fiscal year ending March 31, 2024.

adds of 2 million smartphone subscribers. In addition to the *Y!mobile* brand, smartphone subscribers are growing in the *SoftBank* brand, especially among high-volume data users. The fact that all three brands contribute to net growth is one of our major strengths. Of course, we take the government’s remarks about telecommunications charges seriously and will continue to review our customer-first price plans. Meanwhile, we will continue to grow our business by increasing the number of subscribers.

On the other hand, when considering future trends in ARPU, if 5G population coverage increases and 5G-compatible devices and content become more available, the amount of data traffic will explode, rapidly increasing the demand for unlimited plans. At the moment, we are running a campaign under the *SoftBank* brand that allows users to use 5G at 4G rates, but I think that once 5G becomes more widespread, we will be able to get a better price for the service we offer. In addition, I expect more customers to switch from the *Y!mobile* and *LINE MOBILE* brands to the *SoftBank* brand, which is intended for large capacity users. If this happens, it will change the brand composition ratio and the ARPU may start to rise.

cloud, IoT, and digital marketing as solutions. In 2017 we went one step further and launched a 120-person Digital Transformation Division, an elite unit that works with partner companies to create new businesses using the power of cutting-edge technologies such as AI, IoT, and 5G. Various DX projects such as logistics, smart cities, and smart infrastructure are in the process of being commercialized and will yield more and more results in the future. These kinds of

enterprise businesses will expand further once 5G is in full swing. We are already seeing an increasing number of inquiries about “Private 5G,” our private, company-specific 5G network offering. We hope to take advantage of these opportunities to achieve a doubling of profits in the Enterprise segment compared to the fiscal year ended March 31, 2019, which corresponds to an operating income of ¥150 billion, within a few years.

### Question

*What are SoftBank’s competitive advantages in the solutions business for enterprise customers?*

P40-41

The core of our business is the telecommunications business. Having a large number of engineers who are specialists in telecommunications is a great strength when it comes to adding a number of different services over the network and, I am proud to say, this gives us an edge over other leading IT companies. However, I do not view them as competitors, but rather as partners with whom we can co-create businesses by combining our strengths. Meanwhile, we are able to offer a one-stop shop with more than 100 combined services, from devices to solutions. We can also quickly deploy cutting-edge solutions through collaboration with the world’s leading IT companies whom our parent company SoftBank Group Corp. has invested in. And in the digital marketing business,

having *Yahoo! Japan*, which possesses one of the largest internet user bases in Japan, is a major advantage for us.

Another thing to mention as our strength is that we make it a rule to thoroughly use our products and services in-house before offering them to our customers. By incorporating know-how acquired through our in-house use and making improvements, we offer even better services to our customers. This fall, we started relocating our corporate headquarters to a smart building that makes extensive use of AI and IoT. In fact, our corporate headquarters building itself houses model rooms for our solutions business and has become a huge testing ground. I think this is another advantage that other companies do not have.



## Enterprise

### Question

*You’re aiming to double profits in the Enterprise segment. What’s the outlook there?*

P40-41

I believe that doubling the profits of the Enterprise segment is achievable within a few years. COVID-19 has unexpectedly caused telework to spread quickly. The telework rate in Japan is currently very low compared to other countries, but the pandemic has forced not only the private sector but also local governments, which had a

strong paper culture, to undergo a digital shift, and demand for telework-related services is expected to grow further in the future. In addition, the driving force behind the doubling of profits will be the solutions business, which has set a goal of more than 10% revenue growth every year. This business provides enterprise services such as

## Z Holdings, PayPay

### Question

*How was Z Holdings, which had been struggling, able to return to profitability after becoming a subsidiary?*

P42-45

First of all, Z Holdings is a publicly traded company, and we respect its independence. Second, even before Z Holdings

became a subsidiary, we worked closely to coordinate services as fellow subsidiaries. Specifically, we had been working on



## A Message from the CEO

reciprocal customer referrals through measures such as allowing our mobile users to use Yahoo Japan's services at a discount. In fact, Yahoo Japan's e-commerce transaction volume has increased significantly thanks to visits from SoftBank users, and in the other direction, the number of new mobile subscribers acquired through Yahoo Japan's services exceeds 150,000 annually.

Since Z Holdings became a subsidiary, we have further deepened our cooperation, with management from both companies, including myself, holding frequent synergy meetings. After becoming a subsidiary, Z Holdings immediately switched part of its commercial distribution in the advertising business from sales agencies to our Enterprise segment, and SoftBank set up a specialized department to strengthen enterprise sales of Yahoo Japan products. From a management perspective, we

also support Z Holdings by sending human resources with excellent sales and cost management skills. These initiatives have already produced billions of yen worth of benefits in the form of increased new ad placements and reduced costs through joint purchasing by the two companies.

In terms of SoftBank's management mindset penetration, for example, in response to the declaration of a state of emergency in April this year, we immediately formulated a contingency plan (emergency response plan). We made a pre-emptive move to squeeze costs based on worst-case assumptions, and as our subsidiary, Z Holdings was no exception. As a result, Yahoo Japan's advertising business has been able to minimize the damage despite the harsh environment caused by the COVID-19 downturn.



### Question

*Z Holdings aims to become No. 1 in e-commerce merchandise transaction value in Japan. As the parent company, what kinds of challenges have you identified with respect to achieving this goal?*

P43

Z Holdings currently ranks third in the Japanese e-commerce market following Amazon and Rakuten, Inc. Becoming No. 1 in transaction volume is no easy feat, but Z Holdings launched a series of major initiatives in 2019. First, it released new e-commerce services called *PayPay Mall* and *PayPay Flea Market*. The aim here is to improve name recognition and reciprocal customer transfer with *PayPay*. Furthermore, Z Holdings acquired ZOZO, Inc. which operates one of Japan's largest fashion e-commerce website, *ZOZOTOWN*, as a subsidiary. The aim here was to shore up the fashion category, which needed a boost.

And as a next step, Z Holdings is trying to strengthen logistics, which is the key to online shopping. Yahoo Japan's e-commerce operation manages inventory on the seller side, which results in uneven delivery dates for items in different stores. In order to solve this problem, it has begun working with YAMATO HOLDINGS CO., LTD. to launch a new logistics service that YAMATO HOLDINGS CO., LTD. handles all or part of the process from receiving orders to shipping. Z Holdings will continue to improve its services to achieve the ambitious goal of becoming No.1 in e-commerce merchandise transaction value in the early 2020s by resolving issues one by one as mentioned above.

### Question

*What is the future of PayPay in SoftBank?*

P47-50

*PayPay* launched services in October 2018, but in just two years it has surpassed 33 million registered users to stake out a dominant No. 1 position in the QR code payment market with a 62% share of payments by amount. *PayPay* has a high profile with a large customer base and is closely connected with each user through its payment function, making it an invaluable asset for any business. Looking to the future, we are now in the phase of pursuing synergies with other businesses in the Group, such as mobile and commerce. While *PayPay* is a universal service for everyone, regardless of telecommunications carrier, we wish to build a frictionless ecosystem centered on *PayPay*. For example, providing our mobile

users some advantages to use *PayPay*, or providing some advantages if customers use *PayPay* for Yahoo Japan's e-commerce services. We are also expanding our financial services with *PayPay* as the interface (entry point). Our recent announcement that we are unifying the names of our existing financial services to "PayPay," including changing the name of "Japan Net Bank" to "PayPay Bank," is part of this strategy. In the future, I envision it looking like the Ant Group in China. Ant is the highly successful company that runs *Alipay*, a "super app" that can be used not only for payments but also for shopping, travel booking, taxi dispatch, and financial services, all in one app.

### Question

*What are the synergistic effects of the integrations of Z Holdings and LINE?*

The integrations are scheduled to be completed in March 2021, so I can't provide any specifics yet. However, I can say that last year's acquisition of Z Holdings as a subsidiary gave us one of Japan's largest internet media and e-commerce services, and with the rapid expansion of *PayPay*, we gained the advantage of Japan's No. 1 QR payment service. Adding Japan's dominant No. 1 messaging app, *LINE*, to the mix will give us an opportunity to build a

huge ecosystem that covers all four bases and become a company like no other in the world. The Company would no longer be recognizable as a telecommunications company it used to be in the past. I'm excited to see what new value we can provide to society as a comprehensive internet company with top-class services in each field, from mobile to commerce and social media.

## Governance

### Question

*Some people have expressed concerns about the listing of a parent company and its subsidiary. What is your take?*

P58-71

First of all, when the Company was listed in 2018, we appointed four external directors, terminated the secondment and concurrent assignment of employees, and canceled the debt guarantee to SoftBank Group Corp. Masayoshi Son remains on the Board as Chairman, but only attends Board meetings and has not attended any internal management meetings for many years now. There is a clear segregation between the parent company, SoftBank Group Corp., which is an investment company, and SoftBank Corp., which is an operating company. I believe that being a part of the SoftBank Group is a great advantage for the Company as an

operating company. For example, the parent company has been investing in unicorn companies around the world that have already achieved great success globally. By partnering with them, we're able to commercialize excellent business models in Japan while minimizing the risk. Of course, we make all decisions on which companies to partner with based on their compatibility with the Japanese market, and we are not forced by our parent company to collaborate with companies they invest in. Management decisions are made carefully to ensure that the interests of minority shareholders are not compromised.

## A Message from the CEO

### Question

*How will the additional sale of the Company's shares by SoftBank Group Corp. implemented in August 2020 affect the relationship with the parent company going forward?*

As a result of the secondary offering, SoftBank Group Corp. sold nearly one-third of its shares in the Company, and its shareholding ratio fell from 62.0% to 40.3%. On the other hand, SoftBank Group Corp. has maintained its consolidated position, and has announced that it does not intend to sell additional shares of the Company after this offering, and that it intends to continue to hold its shares in the Company for the medium to long term. I have personally spoken directly with Masayoshi Son, the

Chairman & CEO of the parent company, to confirm this. This puts to rest concerns about additional sales by the parent company after this offering, which I see as very positive for us and our shareholders. Of course, we will continue to be a SoftBank Group company, and we will continue to work with the SoftBank Group Corp. and its investees on the business aspects of the *Beyond Carrier* strategy as before.

### Question

*What role do you expect external directors to play?*

The Company's Board of Directors consists of 11 directors, four of whom are external directors. When we went public, we invited the current four external directors to provide advice based on their expertise from the perspectives of effectiveness, transparency, and management, from a standpoint independent of business execution. The Nominating Committee and the Remuneration Committee, which are composed of myself and the independent external directors, have lively discussions, including on the topic of my successor. To ensure the independence of these Committees, they are chaired by external directors.

Let me briefly share some of the contributions of our external directors. Mr. Kamigama has a wealth of overseas business experience and is particularly familiar with business in China. He has advised us on the decision-making processes as well as how to coordinate with governments in different countries. Ms. Uemura, who is a lawyer and a former judge, has given us very

objective advice about strengthening governance. Mr. Horiba has served as CEO of HORIBA, Ltd. for many years after becoming the second president of the company at a young age. Today, his company continues to grow and spread the core technologies created by its founder around the world. He has given us invaluable advice not only based on his experience as a manager, but also from an engineer's perspective. Mr. Horiba has been asked to chair the Nominating Committee and the Remuneration Committee. Finally, Mr. Oki, who is an accounting expert, has advised us on topics such as appropriate accounting methods and joint venture management. They all have different insights and experiences to offer, and have given us insightful advice not only about immediate concerns but also about having the humility to listen to voices from within and outside the Company and the ethics required for management.

 P58-71

## Shareholder Returns

### Question

*What are your thoughts on financial strategy and shareholder returns?*

As I have said from the time of our listing on the stock exchange, the Company is emphasizing continuous high returns to our shareholders as we pursue our growth strategy. In fact, the annual dividend per share for the fiscal year ended March

31, 2020 is ¥85 per share, up ¥10 year on year.\*<sup>1</sup> We have also promised to increase our annual dividend to ¥86 in the fiscal year ending March 31, 2021. To further demonstrate our commitment to shareholder returns, in August 2020 we announced

 P86-89

that there will be no dividend reduction and that our shareholder return policy for the period between fiscal year ending March 31, 2021 and fiscal year ending March 31, 2023 would be to maintain a total shareholder return ratio of approximately 85% (3-year average).\*<sup>2</sup> In addition to dividends, we intend to flexibly implement share buybacks in the future. Although we will continue to emphasize shareholder returns, this does not mean we intend to reduce our investments in growth and reallocate those funds to shareholder returns. Our management approach is to achieve a high level of return to shareholders by continuing to generate ample cash flows while pursuing business growth and maintaining revenue and profit growth. We

have set a financial target of generating more than ¥670 billion in adjusted free cash flow\*<sup>3</sup> each year, which leaves nearly ¥150 billion as cash on hand after dividends are paid. The Company intends to use these funds to improve our financial leverage and to make flexible management decisions such as further shareholder returns and investments in growth.

\*<sup>1</sup> In the fiscal year ended March 31, 2019, SoftBank paid a half-year dividend of ¥37.50 per share (which converts to a dividend of ¥75.00 per share if calculated on a full-year basis) as the Company listed on December 19, 2018.

\*<sup>2</sup> Specifically, the policy is to ensure that total dividends and share buybacks for fiscal year ending March 31, 2021 to fiscal year ending March 31, 2023 / total net income attributable to owners of SoftBank Corp. for these three years equals approximately 85%.

\*<sup>3</sup> Adjusted free cash flow = free cash flow ± total cash flows relating to non-recurring transactions with SoftBank Group Corp. + (proceeds from the securitization of installment sales receivables – repayments thereof). Excludes Z Holdings Group and includes impact from adopting IFRS 16.

## Pioneering the Future with “Speed Management”

Earlier I described the transformation of SoftBank from a telecommunications company to a comprehensive internet company in the two years since its listing on the stock exchange. I believe that SoftBank's greatest strength as a company is its ability to drastically transform in a short period of time. This sense of speed is what I value most as management. As I stated before, in the rapidly changing ICT industry, if you don't have the ability to think quickly, decide quickly, and execute quickly, you will be left behind in no time.

In fact, I've learned firsthand on the front lines of the ICT industry that it's far more painful to hesitate and miss an opportunity than to make a move and fail. That's why I am thoroughly committed to “speed management.” In order to put this into practice, we have to think outside the box, including organization structure. No matter what anyone says, I will stick to the principle

of having no president's office and establishing no departments directly controlled by the president acting as a link between myself and employees in the field. I am also working to improve the openness of the Company as a whole so that I can immediately and directly communicate with the managers leading in the field.

Looking ahead to the world ten years from now, we have already transformed significantly and nurtured a lot of growth sprouts, and I have very positive feelings about all of our businesses. Furthermore, I believe that by practicing “speed management” and quickly responding to opportunities and risks, the Company can stay on a straightforward growth path, unfazed by the changes ahead. I would like to thank our shareholders, investors, and all other stakeholders for appreciating the medium- to long-term value of the Company and for their continued support and understanding.



**Ken Miyauchi**  
President & CEO  
SoftBank Corp.

# Road to Achieving Operating Income of ¥1 Trillion in the Fiscal Year Ending March 31, 2023

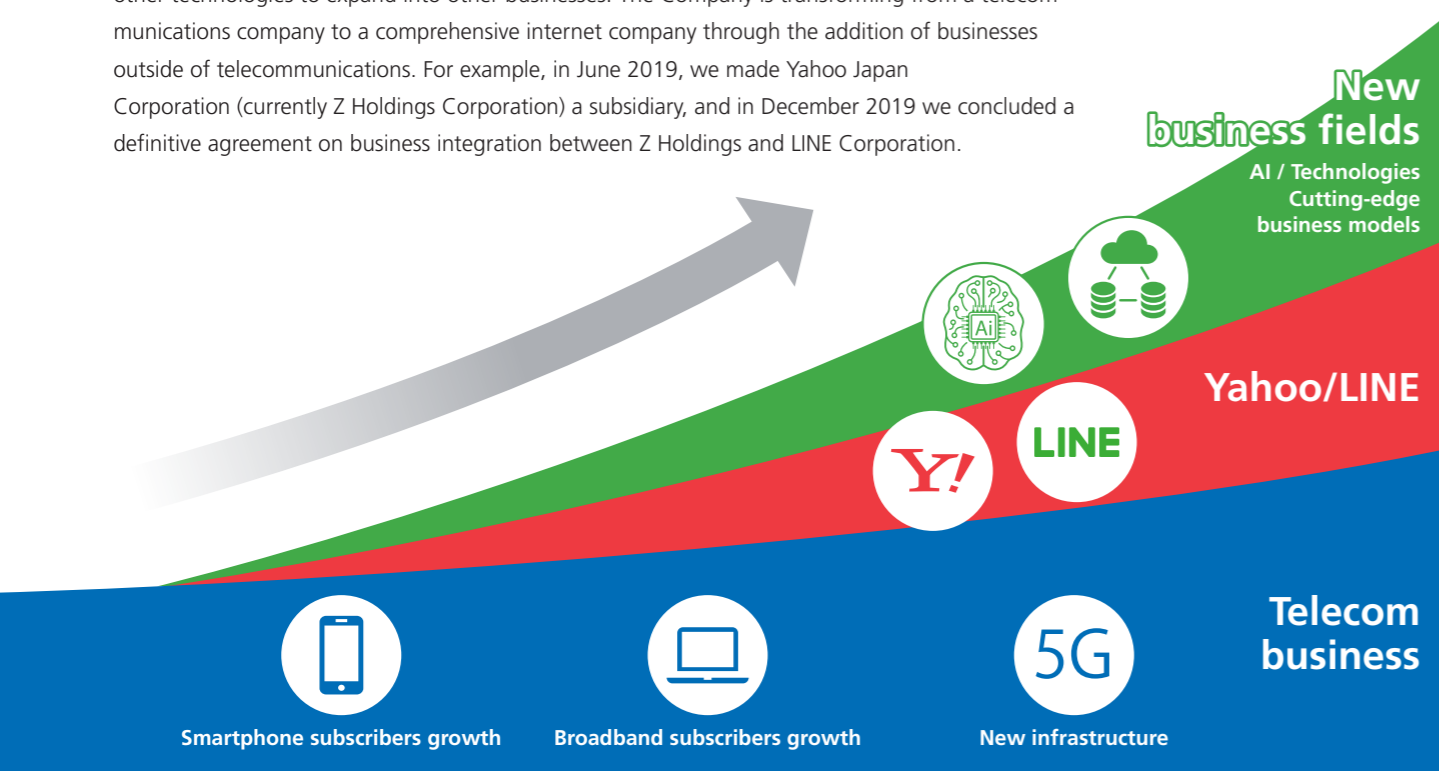
## —Growth Strategy × Structural Reform

In May 2019, SoftBank announced its target of “operating income of ¥1 trillion.” In August 2020, we announced the period for achieving this target to be the fiscal year ending March 31, 2023, as well as specific strategies to be implemented for this goal. We aim to achieve this target by maximizing corporate value under the two-pronged approach of executing our *Beyond Carrier* growth strategy while at the same time working on structural reforms by thoroughly implementing cost efficiencies.

## Growth Strategy P36-51

### Beyond Carrier strategy

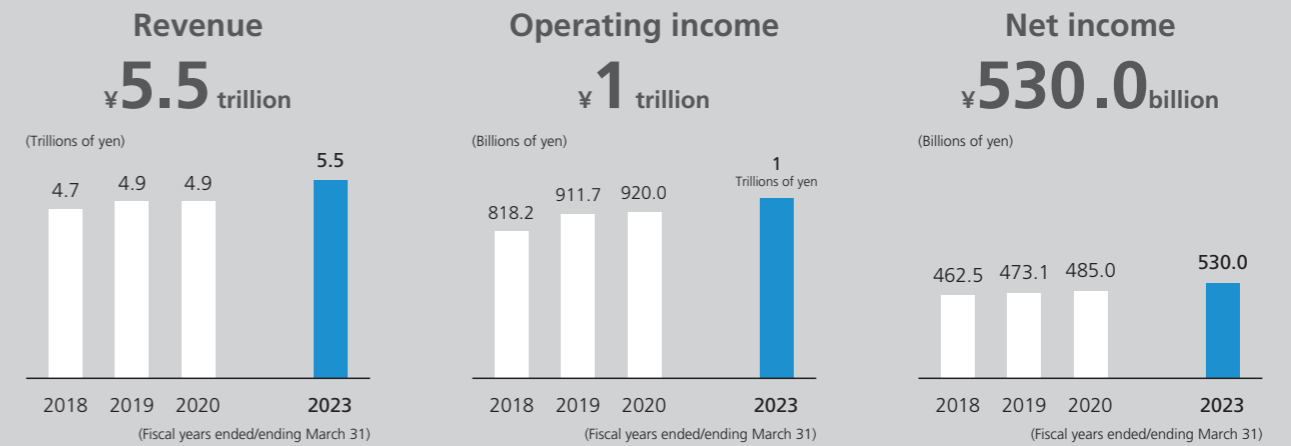
SoftBank is pursuing its *Beyond Carrier* strategy for becoming more than a telecommunications carrier. While seeking further growth in the telecommunications business, we will leverage AI and other technologies to expand into other businesses. The Company is transforming from a telecommunications company to a comprehensive internet company through the addition of businesses outside of telecommunications. For example, in June 2019, we made Yahoo Japan Corporation (currently Z Holdings Corporation) a subsidiary, and in December 2019 we concluded a definitive agreement on business integration between Z Holdings and LINE Corporation.



## Technology Strategies P52-55

SoftBank will leverage the telecommunications technologies it has already cultivated to achieve an early rollout of 5G. We are also working on developing a variety of technologies that use the data generated from connections between people, goods, and services with the goal of transforming SoftBank into a platform for solving social issues and enriching people's lives.

## Consolidated Financial Targets



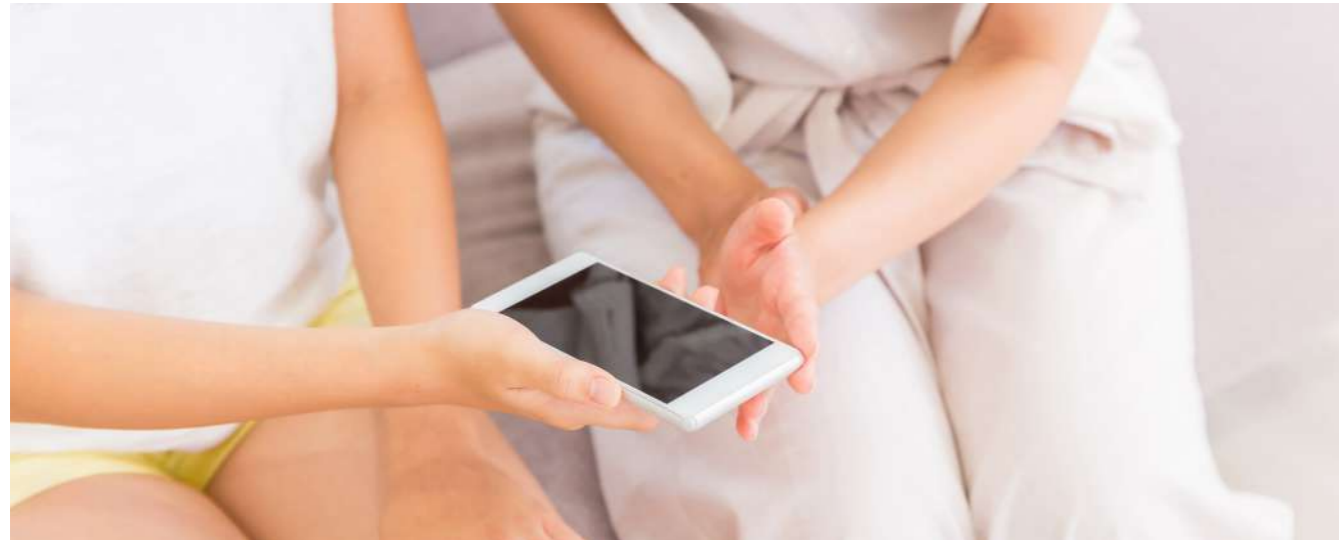
Financial Targets	Business Targets
<p><b>Reduce losses on equity method investments</b></p>	<p><b>Peak out loss on PayPay</b> PayPay to transition from expansion period to stable growth + Profit growth in other leading businesses</p>
<p><b>Increase profits</b> towards the goal of achieving operating income of ¥225 billion in the fiscal year ending March 31, 2024</p>	<p><b>Achieve No.1 in e-commerce merchandise transaction value in Japan</b> in first half of 2020s</p>
<p>Consumer <b>Profit growth every year</b> Enterprise <b>More than 10% profit growth every year</b></p>	<p><b>30 million smartphones</b> in the fiscal year ending March 31, 2024 Business solution and others revenue <b>More than 10% revenue growth every year</b></p>

## Structural Reform P56

SoftBank is aggressively investing in growth to implement its *Beyond Carrier* strategy, while at the same time working to improve profitability by thoroughly implementing cost efficiencies, including Group synergies, and keeping fixed costs at current levels as sales grow.

# Growth Strategy

## Consumer Segment



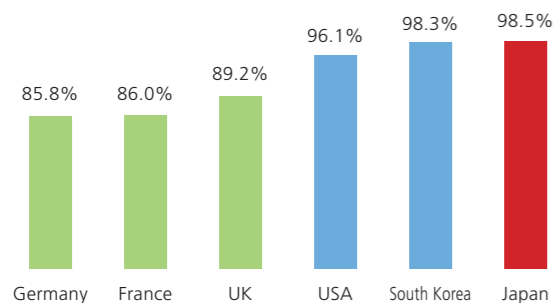
In the Consumer segment, the Company provides telecommunications services, such as mobile communications services, including sales of mobile devices, and broadband services, to individual customers in Japan. For mobile device sales, the Company procures mobile devices from mobile device manufacturers and sells the mobile devices to distributors operating SoftBank shops etc. and to individual customers.

### Environment awareness

Japanese mobile phone users are extremely sensitive about weak mobile reception or slow data speeds. According to data collected by Opensignal Limited, Japan's 4G Availability\*1 ranks alongside both the US and South Korea as the highest in the world\*2, which indicates that users in Japan enjoy an extremely high level of mobile network availability on a daily basis. Meanwhile, when compared with other countries that enjoy a similarly high level of mobile network availability, the cost of mobile phone charges in Japan is relatively cheap.

According to the Ministry of Internal Affairs and Communications' 2019 White Paper on Information and Communications

**4G Availability\*\***  
(May 2020)



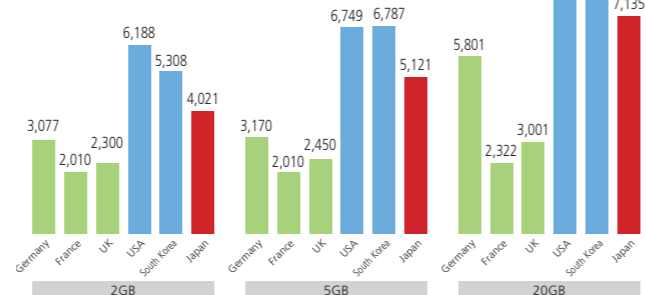
\*4. (Source): Opensignal's THE STATE OF MOBILE NETWORK EXPERIENCE 2020: ONE YEAR INTO THE 5G ERA (May 2020). 4G Availability shows the proportion of time Opensignal users with a 4G device have a 4G connection. Data collection period January 1 – March 30, 2020 © Opensignal Limited

\*5. (Source): ICT Research and Consulting's 2020 Global Comparison on Smartphone Pricing and Network Quality. In addition to research on average monthly charge of price plans (base plan + data plan) of major telecommunications carriers of each country (in terms of market share as of March 1, 2020. Japan's major carriers are SoftBank, NTT DOCOMO, and KDDI, overseas players are the country's major MNOs), a series of public information have been considered and analyzed. Only discounts automatically applied to the contract are considered and if the data usage plan for those indicated above does not exist for the carrier, the closest data plan which is larger than the indicated data limit is considered.

in Japan, the percentage of the population owning a smartphone is increasing year by year. In 2019 it stood at 68%, but considering that more than 30% of people still use a feature phone or PHS, we can say that there is ample room for growth in the smartphone market. In this environment, Japan's major carriers, including SoftBank, plan to end 3G services in the near future\*3, so based on this fact we can certainly expect the ratio of smartphone ownership to expand up ahead.

\*1. 4G Availability shows the proportion of time Opensignal users with a 4G device have a 4G connection.  
\*2. (Source): Opensignal's THE STATE OF MOBILE NETWORK EXPERIENCE 2020: ONE YEAR INTO THE 5G ERA (May 2020)  
\*3. SoftBank plans to end 3G services in late January, 2024.

**Average fee plan for major service providers\*5 (¥)**  
(March 2020)



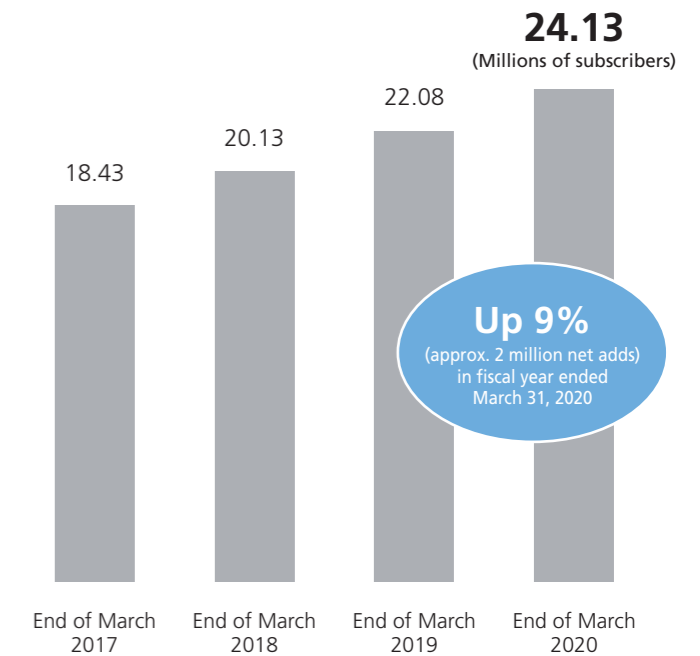
Target for fiscal year ending March 31, 2024

Cumulative Smartphone Subscribers  
**30million\***

\* Including the number of subscribers in the Enterprise segment

The growth of our telecommunications business is being driven by an increase in the number of smartphone subscribers. Thanks to our multi-brand strategy, which offers three different brands with different characteristics, the number of subscribers rose 9% year on year to 24.13 million in the fiscal year ended March 31, 2020. We are also focusing on strengthening our 5G services, tightening collaboration with Yahoo Japan and PayPay, and expanding our broadband services, with the goal of reaching 30 million subscribers in the fiscal year ending March 31, 2024.

Cumulative smartphone subscribers



### Multi-Brand Strategy

Based on a precise understanding of the needs of mobile users in Japan such as capacity and price, we have developed a "multi-brand strategy" that offers three different brands with different characteristics. We offer the *SoftBank* brand for those who use their smartphones actively, while *Y!mobile* is for light users and *LINE MOBILE* is for students and the younger generation. The strategy covers a wide range of users in Japan and is a major strength of our mobile service.

*SoftBank* brand offers a comfortable smartphone environment with a 50 GB data plan that is large enough to ease worries about overuse of data while allowing subscribers to use certain services such as YouTube and LINE without consuming data. Meanwhile, the *Y!mobile* brand, launched in 2014, offers

affordable plans for medium-volume data users, and *LINE MOBILE*, launched in 2018, offers low-volume data plans that allow subscribers to use certain social media without consuming data.

We rely on this multi-brand strategy to win new subscribers of all levels and to prevent user churn by meeting upgrade and downgrade needs within the three brands when a user's needs change. In response to the diversification of user needs, we have expanded the number of dual shops offering both the *SoftBank* and *Y!mobile* brands to approximately 1,800 shops, a 1.5-fold increase over the past two years, and have put in place a customer service system for users.

## Growth Strategy

### Consumer Segment

#### SoftBank's three brands



Target group  
**Large capacity users**  
**Business users**

Data capacity  
**Large**



Target group  
**Light users**

Data capacity  
**Medium**



Target group  
**Users in their teens or early 20s**

Data capacity  
**Small**

## Expansion of 5G

Commercial services based on the next-generation communications standard 5G (fifth-generation mobile communications system) got underway in Japan in the spring of 2020. 5G service, which offers ultra-high speed, large capacity, massive machine connections, and low latency, will significantly change the way people work and live and accelerate the growth of the number of smartphone subscribers. By the fiscal year ending March 31, 2022, we will deploy more than 50,000 5G base stations, aiming for a population coverage rate of over 90%. The Company plans to acquire a cumulative total of 30 million smartphone subscribers in the fiscal year ending March 31, 2024, of which 5G is expected to account for 60%.

Our strength in 5G deployment is that we already have 230,000 base station sites, far exceeding the number of sites of our competitors. The 5G high-frequency band requires base stations to be installed at narrow intervals, since buildings and other obstructions can block the radio waves. Establishing a base station requires time and investment. First, suitable land for base stations has to be found, then negotiations with landowners are made, base stations are built, and finally line contracts are concluded. With so many sites already in place, we are in a good position to quickly roll out 5G across Japan while keeping costs down. In rural areas, we plan to share infrastructure for base

station facilities through a joint venture company with KDDI CORPORATION.

Meanwhile, the Company is aggressively working to enhance its content, and has launched 5G LAB. 5G LAB consists of AR SQUARE, VR SQUARE, FR SQUARE, and GAME SQUARE, which provide immersive live viewing experiences that take advantage of the features of 5G. AR SQUARE allows users to use AR technology to freely view, enlarge, reduce and rotate images of celebrities and characters, have favorite celebrities or characters appear in the smartphone camera, and take photos and videos with real-life backgrounds and people for sharing with friends and family on social media. VR SQUARE enables users to feel as though they are viewing music or watching sports live in special seats, and even view the content in 3D when wearing VR goggles. FR SQUARE enables the enjoyment of images from various angles, such as from the front or side of a stage or venue, while GAME SQUARE, a cloud gaming service, allows users to enjoy PC games that require heavy data processing anytime, anywhere, regardless of device or location.

In this way, SoftBank is building an infrastructure that leverages our advantage of having more base stations than other companies to promote the spread of 5G, and at the same time expanding new services that exploit the benefits of 5G.

## Tightening collaboration with Yahoo Japan and PayPay

We are also accelerating collaboration with Yahoo Japan and PayPay by offering our customers unique services. For example, among other initiatives, we are working on awarding points when using Yahoo Japan for e-commerce, providing membership-only *Yahoo! Premium* benefits free of charge, granting *PayPay* bonus points to long-term users of our mobile service, and implementing a service that bundles *PayPay* usage fees with communication fees. These kinds of unique services not only help win new smartphone subscribers but also drive continued use (retention). Going forward, we intend to further strengthen the collaboration among mobile services, e-commerce, and payment and financial services, with *PayPay* at the center, in order to further enhance our competitive advantage through the comprehensive strength of our services.

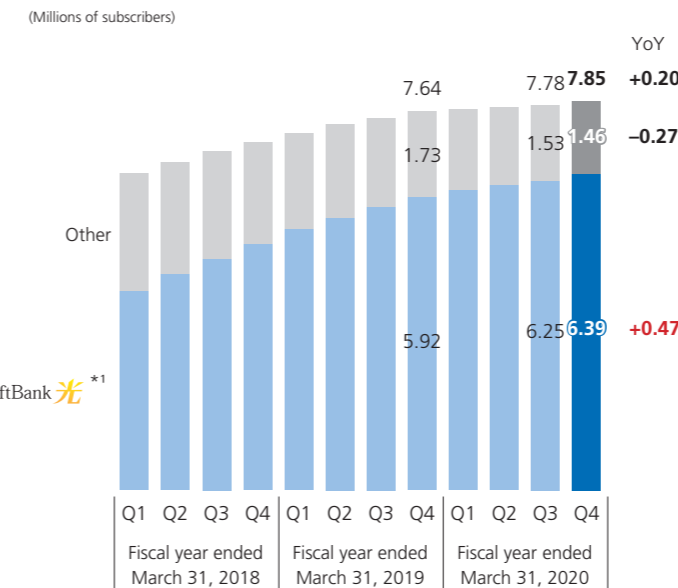


## Expansion of Broadband Services

Broadband services are also contributing to the growth of the telecommunications business. SoftBank Air, which allows customers to use broadband throughout their homes without any installation work by simply placing a dedicated terminal in their residence, is proving hugely popular, and subscribers are increasing very rapidly, especially as the COVID-19 pandemic drives the

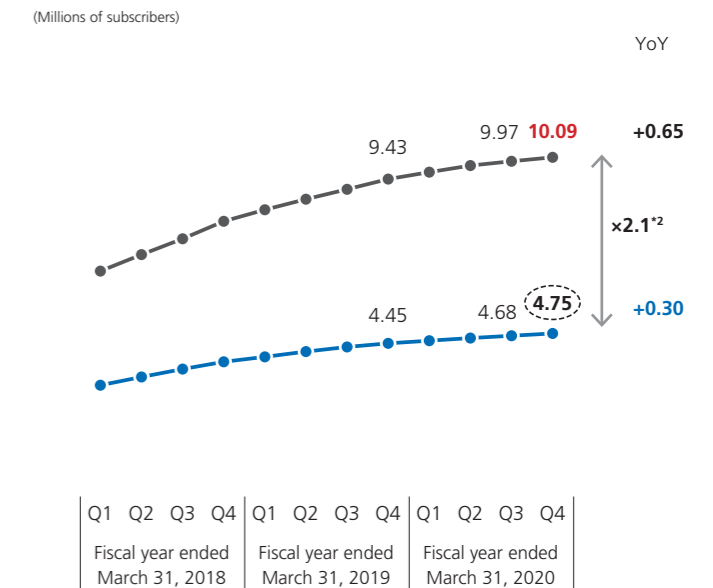
spread of teleworking. Roughly half of our smartphone subscribers also subscribe to *Home Bundle Discount Hikari Set*, which provides a bundle discount on mobile communications and broadband services and is contributing significantly to churn rate reduction.

Cumulative Subscribers (Number of Connected Lines)



\*1 SoftBank Hikari includes SoftBank Air

Cumulative Subscribers of Home Bundle Discount Hikari Set



● Mobile ● Broadband

\*2 Number of mobile lines under bundle discount per SoftBank Hikari line

Growth Strategy

# Enterprise Segment



In the Enterprise segment, SoftBank provides a wide range of solutions for enterprise customers. These include mobile communications services, the *OTOKU Line* fixed-line communications services, as well as solution services such as the Virtual Private Network service called *SmartVPN*, internet and other network services, data center services, cloud services, AI, and IoT.

## Understanding the Business Environment

At present, the Enterprise segment is being driven by demand for our cloud services, digital marketing services, and IoT business. However, once 5G is in full swing, the markets for AI and IoT-based smart cities, remote medical care, factory automation, and autonomous driving can be expected to grow at an accelerated rate.

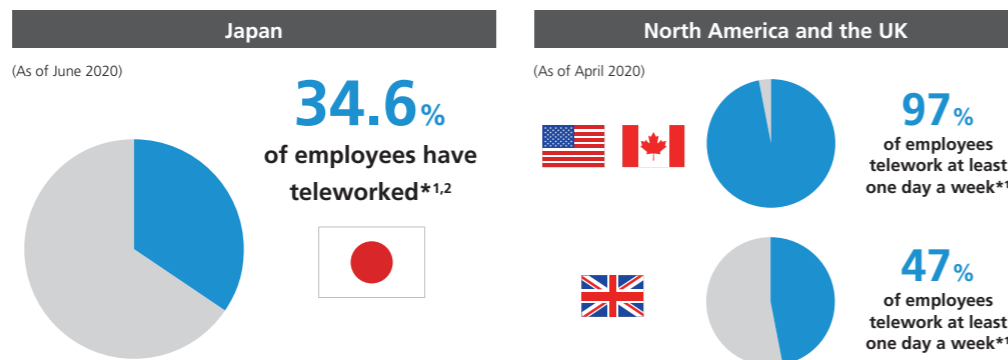
Meanwhile, COVID-19 has steadily increased the demand for telework. According to a June 2020 Cabinet Office survey, approximately 35%\*1,2 of Japanese employees have teleworked. However, with 97%\*1,2 of employees in North America and 47%\*1,2 of employees in the UK teleworking at least once a week\*1,2, Japan is only part-way in terms of the penetration of

telework. Telework can be expected to gain wider acceptance in Japan with the development of internet VPN access, which enables secure access to internal company systems from home PCs and smart devices, and the development of highly secure web conferencing systems.

1.(Source):Source for the telework penetration rates are as follows. Japan: Cabinet Office, Government of Japan "Survey on the Behavioral Change during the COVID-19 Pandemic" (survey conducted among 6,685 office workers across Japan who were registered to the Internet Panel; survey period: May 25 to June 5, 2020). North America: Global Workplace Analytics, survey conducted among 2,865 employees between March 30 to April 24, 2020. UK: Office for National Statistics, online survey (at the end of March 2020) on the employment market conducted among 18,000 randomly selected households in the UK.  
2.(Note): % of employees who answered that they have worked remotely (approx. 100%), mainly remotely (more than 50%), regularly remotely (mainly working in the office: more than 50%), or basically in the office (irregularly working remotely) during the COVID-19 pandemic.

### Telework Trends in Japan

#### Telework in Japan is only part-way



# More than 10% revenue growth every year

in Business Solution and Others Revenue

## DX of Enterprise

Our Enterprise segment has worked with 93%\*3 of Japan's largest companies, not only providing communication devices and networks but also supporting their DX with more than 100 different digitalization solutions that leverage cloud, AI, IoT, and RPA (Robotic Process Automation).

Specifically, we provide solutions that enable diverse work styles and active communication regardless of time and place; solutions that enable automation of routine operations and digitization of factory facilities/equipment (inspection/monitoring operations, etc.); and solutions that effectively enhance data collection/accumulation/integration and customer behavior data analysis and demand forecasting. We are also focusing on security measures in conjunction with these efforts. Now that demand for telework has skyrocketed due to COVID-19 pandemic, the deployment of web conferencing systems is 48 times\*4 higher than it was before the pandemic.

\*3 This is an approximate percentage based on the fact that the Company has transactional relationships with 900 of the 969 listed companies that have annual revenue of at least ¥100 billion.

## Enterprise Digitalization

Offering more than 100 digitalization solutions

Communication	Automation	Data utilization
Security		

\*4 Comparing the number of new connected IDs in January-March 2020 to April-June 2020.

## DX of Industry

About three years ago, the Company launched its DX Division, not only to promote digitalization and automation of operations, but also to promote the DX of industry and create new businesses. With the launch of 5G commercial services in 2020, information and communication technologies can now be fully brought to bear on issues important to society, and the Company already has 17 projects in progress in anticipation of this transformation.

We are currently working with partner companies in a variety of fields to leverage AI, IoT, and 5G to solve social issues, including online health care services that enable health and medical consultations at home, smart cities that utilize big data for sustainable and optimal urban development, and smart distribution that improves the efficiency and productivity of the entire supply chain.

In addition, for companies that want a dedicated 5G line, we plan to start providing "Private 5G" on a separate 5G network

is installed on their premises in the fiscal year ending March 31, 2023, thereby leveraging SoftBank's unique ability to comprehensively support the entire customer supply chain from a communications perspective.

## Industry Digitalization

Partnering to solve social issues with the power of AI, IoT, and 5G

Growth Strategy

# Yahoo Segment



Z Holdings, which we acquired as a subsidiary in June 2019, is one of Japan's largest internet companies, offering over 100 services that center on media, commerce, and financial and payment-related businesses covering online to offline services in a comprehensive manner. In the commerce field, the Group provides e-commerce services such as *PayPay Mall*, *PayPay Flea Market*, *Yahoo! Shopping* and *ZOZOTOWN*, as well as membership services such as *Yahoo! Premium* and financial and payment related services such as credit cards, while in the media field it provides internet advertising related services.

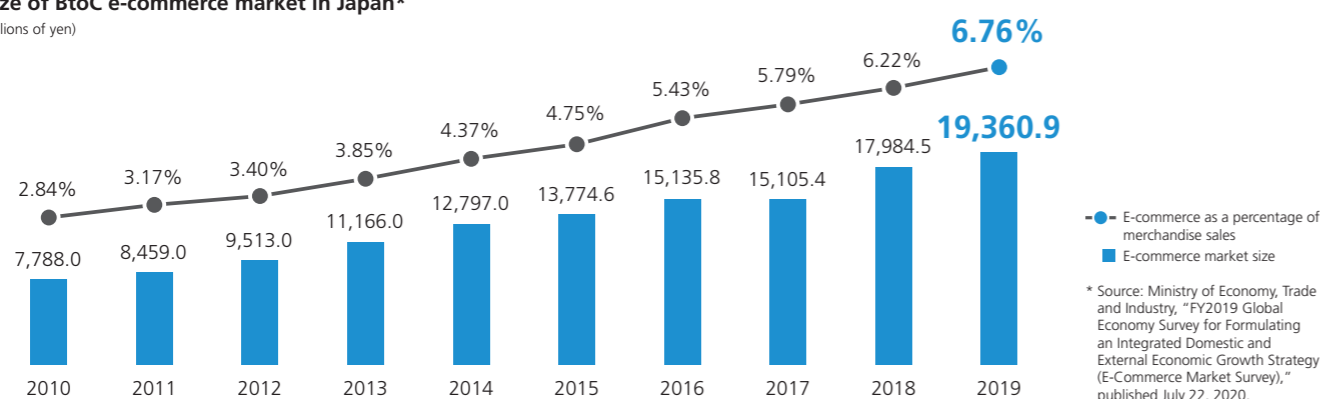
## Understanding the Business Environment

According to a survey\*1 by the Ministry of Economy, Trade and Industry, the size of the e-commerce market in 2019 was ¥19.4 trillion (up 7.65% year on year), and the e-commerce percentage\*2 of the merchandise sector was 6.76% (up 0.54 percentage points year on year). In addition, the size of Japan's online auction market is estimated at over ¥1 trillion. Although Japan's e-commerce percentage is increasing year by year, its level is low compared to overseas, and the e-commerce market is expected to continue to grow steadily in the future.

In addition, total advertising expenditures\*3 in Japan grew to ¥6.9 trillion in 2019 (up 1.9% year on year according to an adjusted year-on-year comparison), the eighth consecutive year of positive growth. Internet advertising spending in particular has surpassed TV advertising spending, reaching the ¥2 trillion mark for the first time.

\*1 Source: Ministry of Economy, Trade and Industry, "FY2019 Global Economy Survey for Formulating an Integrated Domestic and External Economic Growth Strategy (E-Commerce Market Survey)."  
 \*2 The size of the e-commerce market as a percentage of the value of all commercial transactions.  
 \*3 Source: Dentsu Inc., "2019 Advertising Expenditures in Japan" and "2019 Advertising Expenditures in Japan: Detailed Analysis of Expenditures on Internet Advertising Media."

Size of BtoC e-commerce market in Japan\* (Billions of yen)



\* Source: Ministry of Economy, Trade and Industry, "FY2019 Global Economy Survey for Formulating an Integrated Domestic and External Economic Growth Strategy (E-Commerce Market Survey)," published July 22, 2020.



Achieve **No. 1\*** in e-commerce transaction value in Japan in first half of 2020s

\* Transaction volume in the merchandise segment of the commerce business

## Commerce Strategy

The Yahoo segment has set as its business target to become No. 1 in e-commerce merchandise transaction value in Japan in first half of the 2020s. To achieve this goal, a variety of measures were implemented in the commerce field in the fiscal year ended March 31, 2020. First, in October 2019 we opened *PayPay Flea Market*, which allows individuals to buy and sell products among themselves like a flea market, and *PayPay Mall*, which only partners with carefully selected stores. Then, in November 2019, *ZOZO, Inc.*, which operates the fashion e-commerce website *ZOZOTOWN*, was acquired as a subsidiary, and *ZOZOTOWN* opened in *PayPay Mall*. These efforts are driving growth in new customers throughout the Group.

In addition, for businesses that want to run their own e-commerce stores, we have opened up the XS (Cross Shopping) Engine, the search and payment system used by *Yahoo! Japan*.

Businesses can use this system to open stores on *PayPay Mall* and *Yahoo! Shopping*. It allows them to run multiple sites at once, including their own e-commerce sites, and enjoy useful functions such as inventory linkage with physical stores and AI-based marketing support. We also launched a new logistics service in collaboration with Yamato Holdings Co., Ltd. and started offering the service to stores in *PayPay Mall* and *Yahoo! Shopping* in August 2020.

Finally, we are working to achieve synergies that will lead to mutual customer traffic, such as offering SoftBank users special benefits on *PayPay Mall* and *Yahoo! Shopping*. In this way, we aim to dramatically increase transaction value in the commerce field by providing a convenient and comfortable environment for both sellers and buyers.

Z Holdings merchandise transaction volume\*

(Billions of yen)



\* Includes transaction values of Reuse business (including YAHUOKU!, Yahoo! JAPAN Government Auctions, PayPay Flea Market, ZOZOUSED), Shopping business, Other (Merchandise) and ASKUL Corporation's BtoB-related revenue via internet (closing date: 20th of every month)

## Growth Strategy

Yahoo Segment

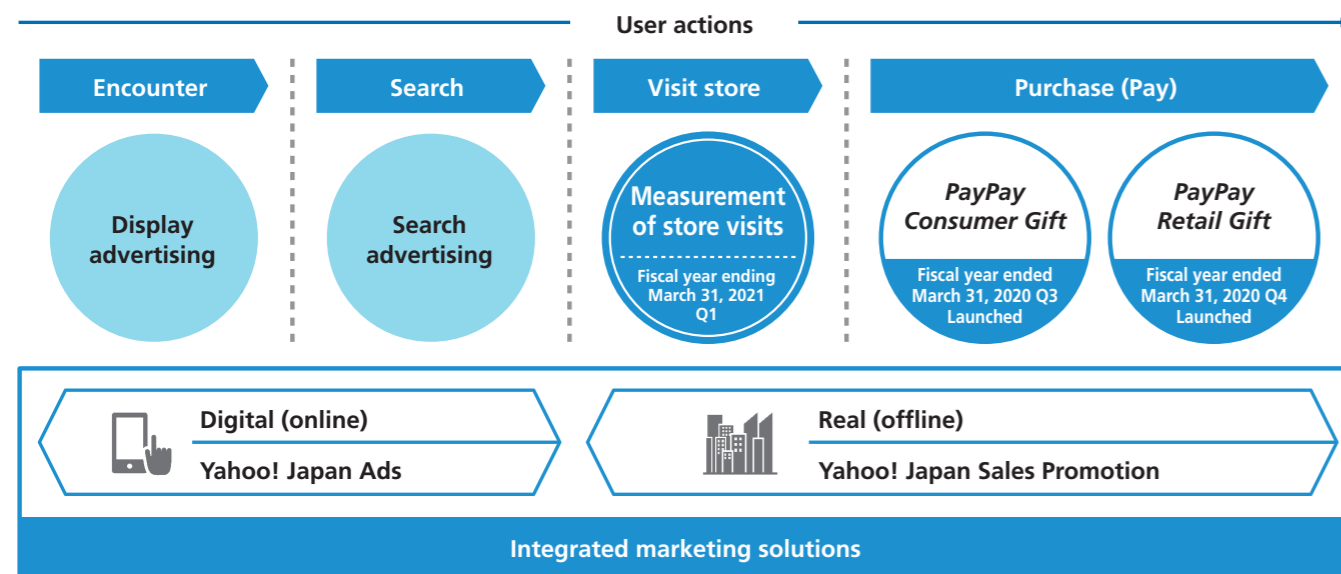
### Media Strategy

In the media field, we offer integrated marketing solutions that aim to visualize and maximize the effectiveness of user-targeted advertising by comprehensively understanding users' online and offline consumption behavior through *Yahoo! JAPAN* IDs. In the fiscal year ended March 31, 2020, we launched *PayPay Consumer Gift* and *PayPay Retail Gift*, services that leverage offline purchase data acquired by *PayPay* with the goal of driving purchases to physical stores. The services give merchandisers a comprehensive view of all their activities from advertisements to in-store promotions. We are already working with consumer goods manufacturers and retail chains to operate and deliver services that combine advertising and marketing. In the fiscal year ending March 31, 2021, we will focus on establishing a sales network and winning

over advertisers while further improving the convenience of these services.

In addition, as a measure to boost existing advertising revenue, we organized a mixed team of SoftBank and Z Holdings personnel in the first half of the fiscal year ended March 31, 2020, and starting in the second half, we began working in earnest to strengthen our sales cooperation in the advertising business. We are increasing ad placements through new proposals to existing advertisers at Z Holdings as well as winning ad placements from new customers through new advertising proposals to SoftBank customers. Going forward, we will continue to strengthen our efforts to further expand advertising revenue.

### How Yahoo! Japan Ad convert customer traffic into results



### FinTech Strategy

With the rapid growth of *PayPay*, which develops and provides smartphone payment services, the Group is integrating its existing financial services under the *PayPay* brand with the goal of expanding its business in the financial field. In addition, starting from the fiscal year ending March 31, 2021, we are promoting the scenario finance concept, which aims to provide financial

services matched to the nature of each service.

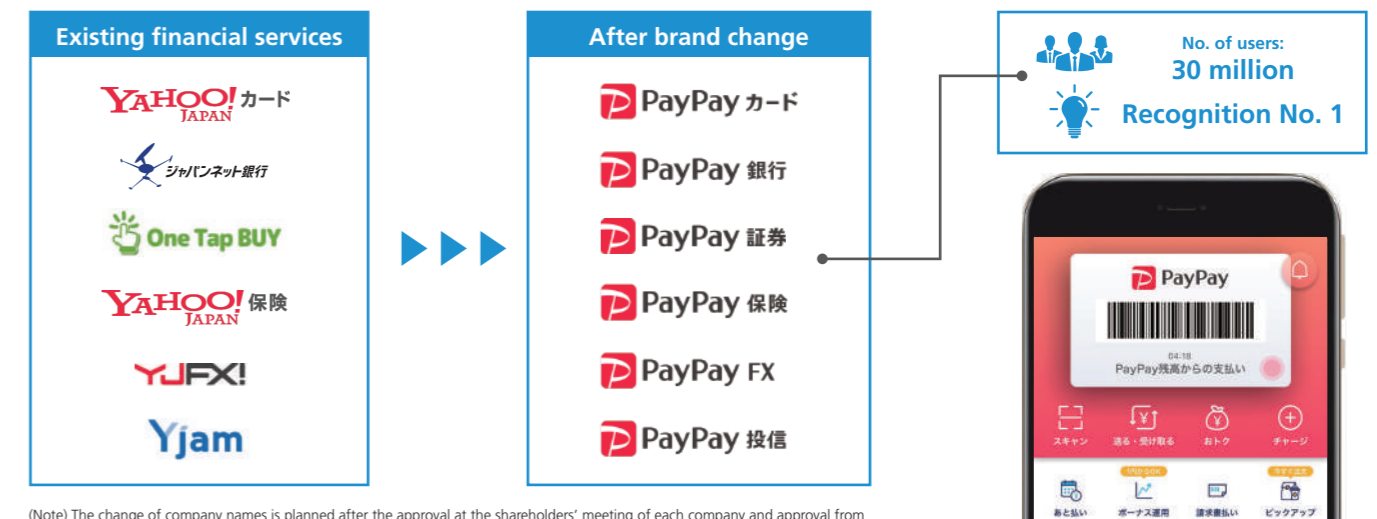
When offering financial services, the success rate depends greatly on the situation or scenario in which the service is offered. In the Yahoo segment, it is possible to provide a number of settings online and offline, including media, e-commerce, O2O, and payments, where user action conversions\* can be generated. We

aim to leverage this strength to expand revenues in the FinTech field by providing financial products that match user action scenarios through the UI and UX of each service. Examples include

offering repair insurance to users who win a bid for a used smartphone or home appliances on *YAHUOKU!* and offering cancellation insurance to users who book travel on *Yahoo! Travel*.

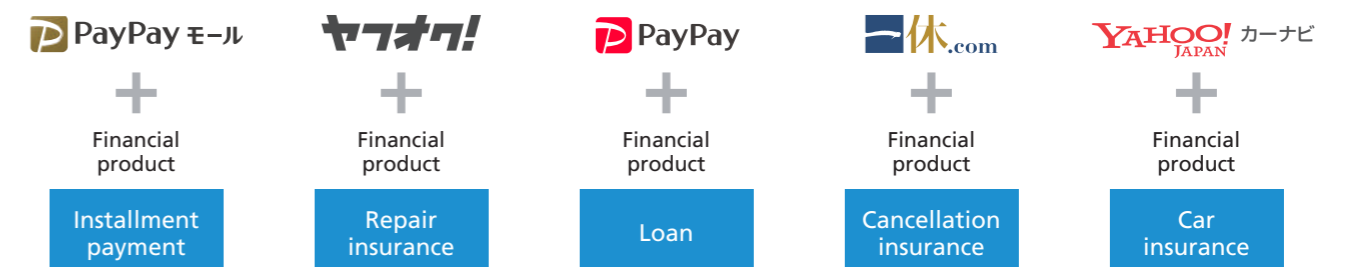
\* Internet users who visit the website and take the action set by the advertiser

### Unify existing financial services with *PayPay* brand



(Note) The change of company names is planned after the approval at the shareholders' meeting of each company and approval from the relevant government agencies.

### Providing financial products that match the scenario



### Data Solutions

We have also begun offering data solution services that use big data from various *Yahoo! JAPAN* services to support business creation for companies and municipalities. Currently, these services include DS.INSIGHT, a tool to investigate and analyze

*Yahoo! JAPAN*'s big data in a web browser, and DS.ANALYSIS, which provides customer-specific analysis results, including big data not provided by DS.INSIGHT, and user support consulting tailored to the requirements of the particular company or municipality.



Growth Strategy

# New Business Fields Strategy



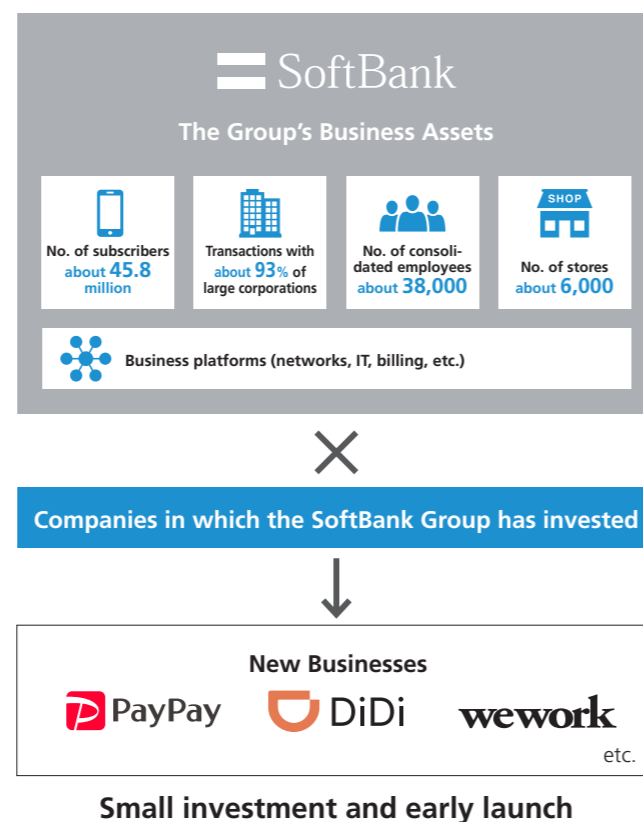
SoftBank is expanding into new business fields through collaboration with various business partners in Japan and abroad and through the establishment of joint ventures, taking full advantage of its outstanding sales and development capabilities, its extensive customer and business partner base, and its membership in the SoftBank Group.

## Leveraging the management resources cultivated in the telecommunications business for faster new business creation

SoftBank boasts more than 40 million mobile subscribers and a broad customer base that includes 93%\* of Japan's large corporations. In terms of human resources, in addition to the strong sales force that has driven our growth to date, we have accumulated a wealth of highly qualified engineers with top-notch network and software development capabilities. Another advantage is SoftBank's ability to leverage the successful models and cutting-edge technologies of the world-class companies that the parent company invests in, which allows us to swiftly launch businesses with less investment and risk than it would take to launch them from scratch.

In addition to our smartphone payment service *PayPay*, which enjoys a dominant position in Japan, we have already achieved rapid lift-off of the AI-enabled taxi-hailing platform *DiDi* as well as *WeWork*, which offers community centric workspaces.

\* This is an approximate percentage based on the fact that the Company has transactional relationships with 900 of the 969 listed companies that have annual revenue of at least ¥100 billion.



Smartphone payment service



## Market share of 62% in Japan in less than 2 years

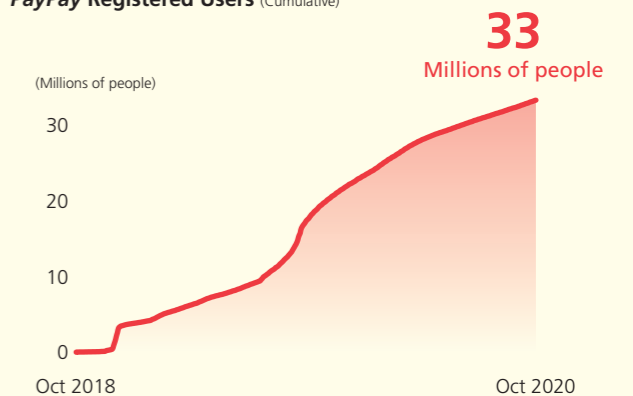
In just over two years since its launch in October 2018, PayPay has grown to more than 33 million registered users and 2.6 million merchants across Japan. According to outside research, as of June 2020, PayPay has a 62% share of the QR code payment service market in terms of payment value, and is the number one smartphone payment service in Japan by far.

Share of QR code payments in Japan by amount (June 2020)



Data source: INTAGE SCI Payment (hybrid version)  
Period: 2020/06/01-2020/06/30  
Target: Men and women aged 15-79 across Japan, including Okinawa

PayPay Registered Users (Cumulative)



(Source) Data by PayPay Corporation, collected from October 5, 2018 to October 19, 2020  
The number of registered users is defined as the number of accounts registered.

## Growth Strategy

### New Business Fields Strategy

#### PayPay's Three Strengths

PayPay was a latecomer to smartphone payment services, but from the beginning I was confident that PayPay could succeed. Here are the three strengths of PayPay, which has quickly risen from a latecomer to No. 1 in market share.



#### 1. Development capability

First and foremost comes our development capability. I'm sure there are many companies that can develop a QR code payment app, but releasing the app is not the end of the story. To survive as a long-lasting service, we need to be close to our users, listen to them every day, and evolve continuously. In fact, the *PayPay* app is updated more than 60 times a year, almost every week. We are able to develop at such a speed because PayPay does all of its app development in-house, and we use the time difference between Japan, India, and Canada to develop the app 24 hours a

day. If a service that is intended for day-to-day use outsources its development, it will not be able to respond to the evolving needs of users in a timely manner. That's why I am very committed to fully in-house app development and to developing and delivering new features faster than anyone else. And what makes this possible is our collaboration with Yahoo Japan's IT engineers. Another major advantage is our ability to leverage the technology of Paytm, a global mobile payment service in which SoftBank Group Corp. has invested.

#### 2. Sales capability

The second strength is our sales capability. The idea of a sales force for a payment app may sound strange. However, you sometimes see shops in local shopping centers that are basically cash-only, but where *PayPay* is accepted. Our thinking tends to be biased towards urban areas, but if you look at Japan as a whole, even the transportation smart cards that are so prevalent in urban areas are not yet common in many rural areas. Similarly, there are many areas where the major chains that support QR payments have not yet opened stores. If we are serious about making cashless payments take root in Japan, it needs to be usable in every

corner of the country, even in privately owned shops. This is where merchant development by a sales team is so important. When we launched *PayPay*, we accepted elite sales personnel from SoftBank and set up 20 *PayPay*-specific sales offices across Japan from Okinawa to Sapporo. By actually visiting and explaining *PayPay* not only to major chains but also individual shops that had never dreamed of accepting cashless payments, we were able to expand the number of merchants in a short period of time. This is an area where *PayPay* was able to leapfrog our competitors thanks to our ability to leverage SoftBank's sales capabilities.

#### 3. Marketing capability

Our third strength is our marketing capability. For example, we are able to unleash unique promotions and campaigns one after another, as exemplified by our *10 Billion Yen Giveaway Campaign*. The campaigns may appear flashy, but they are always crafted with a purpose based on Yahoo Japan's know-how and big data. For example, even in the *10 Billion Yen Giveaway Campaign*, the goals were different in the first and second campaigns. In the second *10 Billion Yen Giveaway Campaign*, after the number of users had

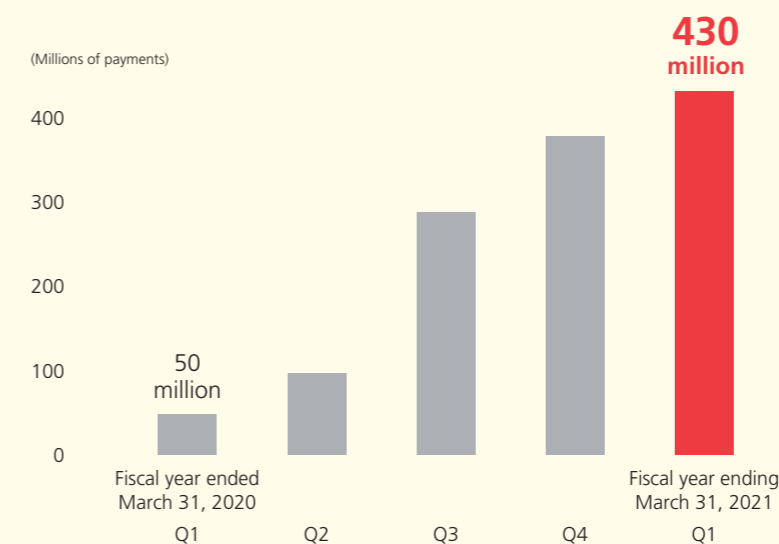
exploded in the first one, we deliberately lowered the maximum *PayPay* bonus amounts awarded per transaction to encourage such users to make small payments in the shops they visited every day and make *PayPay* part of their daily routine. Every week and every month, we develop unique campaigns with a variety of objectives for different businesses types and regions, and we see the effects of these campaigns reflected in the increase in the number of payments, which is our KPI.

#### The KPI that PayPay focuses on

There are several metrics that can be applied to payment apps, including MAU and DAU\*, which measure the number of active users, and the payment transaction value. At PayPay, we consider "number of payments" to be the most important metric. We focus on this metric because it is a straightforward indicator of the depth of our engagement with users. The number of payments is calculated by multiplying the number of users per day by the frequency of use. The number of users is also an important indicator, but it's pointless to have a lot of users who don't use it much in practice. It's important to be a service that a lot of people use frequently. If you multiply the number of payments by the average unit price per transaction, you get the transaction value, which is the sum total of the payment amounts. *PayPay's* unit price per payment transaction has never been high. Our goal is for *PayPay* to be used on a daily basis, so rather than having people buy expensive products, we want them to buy a quick snack at a convenience store, buy everyday items at a shopping center, and use it in their everyday lives. As the number of merchants and use cases rises, the number of payments inevitably rises too, and we still end up with a higher transaction value even with a lower unit price per transaction. That's why the most important thing is the number of payments. Going forward, we will continue to make a concerted effort to increase this number.

\* MAU: Monthly Active Users, DAU: Daily Active Users

Number of payments on PayPay (cumulative by quarter)



## Growth Strategy

### New Business Fields Strategy

#### PayPay and the Growing Cashless Payment Market

At present, private sector spending in Japan totals about ¥300 trillion, of which about 26% is cashless payments. The Japanese government says it wants to increase cashless payments to 40% by 2025, but I believe this ratio will soon flip and cashless payments will become the norm. The reason is that the spread of COVID-19 has dramatically changed the public's hygiene awareness, causing a surge in the number of people using cashless payments, which don't require touching money. Once people have experienced the convenience of cashless payments, they will have a hard time returning to using cash, so I expect cashless payments will spread more rapidly than ever. *PayPay* already has a dominant share of the cashless payment market, but in order for *PayPay* to grow further as the market expands, it must continue to be the preferred payment platform for both users and merchants. To achieve this, we will continue to refine *PayPay*'s strengths, namely its development, sales, and marketing capabilities.

#### The "Super App" and Full-Scale Entry into Financial Services

*PayPay* does not intend to remain just in the payment handling business. We're adding more and more useful features on top of the payment function, aiming to create a "Super App" that lets you use your phone for every aspect of your daily life. That's our big differentiator from credit cards and transportation smart cards, which can only be used for payments. Starting in the fiscal year ending March 31, 2021, we will enter into financial services in earnest, expanding our range of financial services to everything from loans and investments to insurance. In addition to the features it has already released, such as *PayPay Deferred Payment (Lump Sum Only)* and *PayPay Bonus*, Z Holdings has announced that it will rebrand its *Japan Net Bank* as *PayPay Bank* and its Yahoo credit card as the *PayPay Card*. The entire Group will work together to focus its efforts on the financial business, with *PayPay*'s payment functionality as the core.



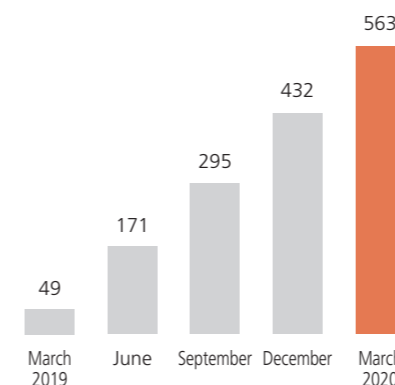
#### Future Movements toward Profitability

I am receiving more and more questions about when we will be able to turn a profit and move into the black. I can't give a specific timeline yet, but naturally we have set clear goals and plans for the business within the company. The fact is, we've been able to stick to our original plan and meet our milestones well ahead of time. The upfront investment for getting the company up and running has peaked, and the outlook for profitability seems quite positive. As part of the SoftBank Group, we at *PayPay* want to be a successful example at the forefront of the *Beyond Carrier* strategy.

#### AI-enabled Taxi-hailing Platform



Number of taxi partners



Source: DiDi Mobility Japan  
(Note) Number of taxi partners refers to the number of taxi companies that have signed on membership of DiDi platform at the beginning of each month.

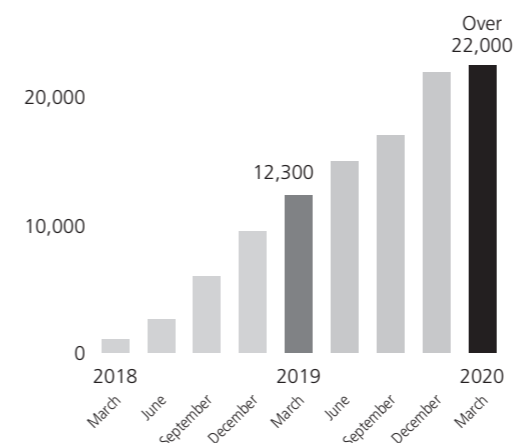
DiDi Mobility Japan Corp. was established in June 2018 as a joint venture between Didi Chuxing, one of the world's largest transportation platform operators, and SoftBank. DiDi Mobility Japan combines Didi Chuxing's vehicle dispatch platform, which incorporates advanced analysis and prediction technology utilizing the world's most advanced AI technology, with SoftBank's business infrastructure and marketing capabilities. The result is a taxi-hailing platform aimed at optimizing taxi dispatch and boosting the operation rate of taxis in Japan.

DiDi Mobility Japan has steadily expanded its service area, DiDi has demonstrated its effectiveness in improving the operation rate of taxis as well as revenues and other metrics at a number of locations. This is why the number of taxi partners has increased 11-fold year on year. To achieve Group synergy, in November 2019 we also launched a service linked to *PayPay* that enables users to complete all steps from hailing taxis to payments on the *PayPay* app. Aiming for steady growth, DiDi will continue to develop a variety of features to improve convenience for both passengers and taxi companies, while supporting safe and secure travel by taking a variety of preventive measures against the spread of COVID-19.

#### Community Centric Workspace



Number of members in Japan



Source: WeWork Japan  
(Note) Values under "Number of members in Japan" reflect member numbers at the beginning of each month.

WeWork Japan was established in July 2017 by SoftBank, SoftBank Group Corp., and WeWork. The company, whose mission is "to create a community where people come together to pursue their life's work," takes advantage of AI to offer cutting-edge workspaces.

Against the current backdrop of diversification and reform of work styles in Japan, WeWork Japan has been able to successfully launch and expand its offices and members at a very fast pace compared to other countries in the world. As of the end of March 2020, we have opened 8 coworking spaces in Yokohama, Osaka, Fukuoka, Nagoya, and Kobe, in addition to the 20 in Tokyo, bringing the number of members to over 22,000, a 1.8-fold increase over March 31, 2019. Our tenants are not only start-ups but also a host of other types of organizations, such as municipal authorities and major corporations, and there is a lot of interaction and collaboration among them.

With the spread of COVID-19, the traditional concept of working together in a single office is changing dramatically. Since WeWork reliably meets companies' needs for office decentralization, it is poised for further growth.

# Technology Strategies



**Junichi Miyakawa**

Representative Director & CTO  
SoftBank Corp.

## The Aims of SoftBank's Technology Strategies

An era is coming when you can download a two-hour movie in three seconds and interact with multiple remote devices in near real time. Up to now, telecommunications has mainly been about connecting people to each other, but 5G will bring about a world of industrial networks connecting things to each other. Some have even predicted that this remarkable transformation will bring about an information revolution even greater than the rise of the internet.

At the same time, telecommunications itself is becoming a commodity. We are starting to take telecommunications for granted as a utility that connects all the objects in our lives, in the same way that we came to take electricity for granted as a utility that powers all the objects in our lives after Edison introduced the incandescent light bulb to the world. Of course, with the explosion

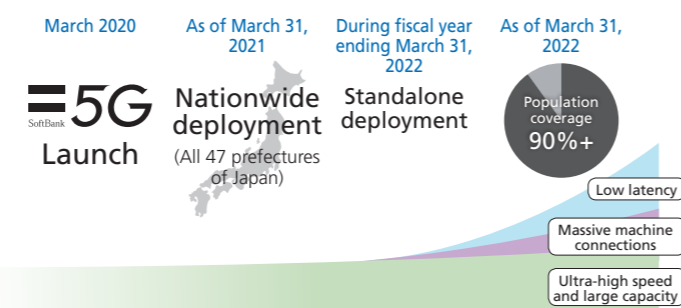
in the amount of data flowing through the network, our telecommunications business can be expected to grow steadily further.

However, SoftBank does not intend to be solely in the "pipe business"—that is, as a carrier of telecommunications data. I believe that 5G will unleash ¥100 trillion worth of innovation in the Japanese market alone. So when I think about the aims of our technology strategies over the medium to long term, in addition to being a trusted carrier, I want us to leverage our expertise in telecommunications technology to deeply engage with a variety of industries, and to maximize the usefulness of the big data obtained from this engagement. I want SoftBank to become a platformer that provides the world a platform for launching innovative services while matching supply and demand on top of the telecommunications that keeps everything connected.

## 5G Strategy

### The Beyond Carrier Strategy in the 5G Era

With this vision in mind, SoftBank has established a *Beyond Carrier* strategy, acquired Yahoo Japan Corporation as a subsidiary, and quickly expanded its business into adjacent areas including e-commerce, media, and FinTech. That's where 5G technology comes in. 5G is not just an extension of 4G that provides faster communication speeds; it also achieves two further advanced characteristics: massive machine connections and low latency. Its "network slicing" virtualization technology enables 10 times of



devices connected to one base station simultaneously. In addition, "edge computing" technology, which distributes the servers near the devices, reduces the communication time lag to less than 1/1000th of a second, enabling remote control that is close to real time.

The current 5G service standard is combined with 4G (non-standalone). We plan to release 5G-only standard (stand-alone) during the fiscal year ending March 31, 2022. At the end of the same fiscal year, the population coverage of our 5G services

is expected to exceed 90%. When that happens, we will be able to expect significant advances in autonomous driving, remote medical care, and other innovations that will take full advantage of the 5G features of ultra-high speed, large capacity, low latency, and massive machine connections.

Against this backdrop, we are working to develop a variety of technologies that use the data generated from the connections between people, things, and services with the aim to transform into a platformer to solve social issues and enrich people's lives.

## SoftBank's Technology Advantages in the 5G Era

How will SoftBank build technology advantages in the world of 5G? First, let's talk about the network that makes 5G possible. Previously, we had made extraordinary efforts to develop base stations because we did not have bandwidths for the so-called "platinum bands" which have wide coverage. As a result, we now have 230,000 base station sites throughout Japan, a far larger number than our competitors, giving us a significant advantage.

5G's wideband, high-frequency enables ultra-high speed and large capacity, but because of the increased linearity, the radio waves have difficulty traveling far when blocked by buildings or other obstructions. Therefore, to improve 5G communication quality, base stations need to be installed at short intervals and in high density. In this respect, our acquisition of WILLCOM, Inc. as a subsidiary is a major advantage, since WILLCOM was originally primarily engaged in the PHS (Personal Handy-phone System) business, which uses a narrow signal range. WILLCOM had therefore installed a large number of low-cost small base stations in densely populated areas.

On the other hand, adding too many base stations can cause radio interference and impair connectivity. Therefore, a

further solution is necessary to overcome the traffic issue. This is where we have the strength. We deployed Massive MIMO, a powerful elemental technology, especially for 5G. To explain this technology using an analogy, its similar to solving a traffic congestion on a single road used by many people, by providing each person with a dedicated road using empty space. We were the first in the world to introduce Massive MIMO on our 4G network four years ago. Our early implementation of this technology has given us a higher per-user capacity than our competitors. Because it requires considerable know-how, for example in fine tuning the parameters, I am proud to say that this technology will give us an advantage in the 5G era.

In addition, the more connected everything is, the greater the security risk is associated. SoftBank is therefore exploring ways to achieve high security without burdening the user. Specifically, we are developing advanced technologies to make the architecture itself physically unhackable, including NIDD (Non-IP Data Delivery), which enables communications in wireless sections without the use of Internet Protocol (IP) addresses.

### 5G early nationwide deployment

<p><b>Utilize existing base stations</b></p> <p>Approx. <b>230,000</b> base station sites nationwide</p>	<p><b>Massive MIMO know-how</b></p> <p>Massive MIMO advantages</p> <ul style="list-style-type: none"> <li>Up to <b>64x</b> of that of traditional base stations</li> <li>Dedicated signal is assigned to each user for smooth experience</li> </ul> <p>SoftBank is the first in the world to introduce the technology <b>operational technology</b> matured with 4G experience</p>	<p><b>Infrastructure sharing with KDDI</b></p> <p>Apr 2020</p> <p><b>Established 5G JAPAN Corporation, a joint venture with KDDI Corporation</b></p> <p><b>Accelerate 5G rural deployment</b> by sharing base station assets in rural areas</p>
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## Technology Strategies

### New Technologies and Businesses

## New Businesses Aimed at a Future where Everyone is Connected to the Community and the World through ICT

### HAPS Mobile Base Station in the Sky

In December 2017, we established HAPSMobile Inc., which provides connectivity anywhere in the world, as a way to help eliminate digital disparities and educational inequalities based on place of birth and enable telecommunications during natural disasters and other emergencies. Specifically, HAPSMobile is developing a business around HAPS (High Altitude Platform Station), an unmanned aircraft system that flies in the stratosphere at an altitude of about 20 km and delivers radio waves from there to the ground.

HAPS, which is deployed in the stratosphere where air currents are stable, offers lower latency than geostationary satellite communications and can deliver connectivity directly to mobile devices. Stable power is supplied by environmentally friendly solar panels, making HAPS less expensive than tower-type ground base stations. I'm confident that this telecommunication platform will be serving human society in 10 years' time. In September 2020, only three years after starting development, we successfully completed flight of the world-class sized unmanned aerial vehicle. The flight lasted more than 20 hours and stayed in the stratosphere for five and a half hours, only powered by pre-flight battery charge and solar energy during the flight. At the same time, for the first time in the world, we successfully performed an LTE communication from the stratosphere via autonomous airborne HAPS, and enabled low-latency, high-resolution video calls. This is a major step forward for HAPSMobile and shows that the commercialization of HAPS is just a few years away.



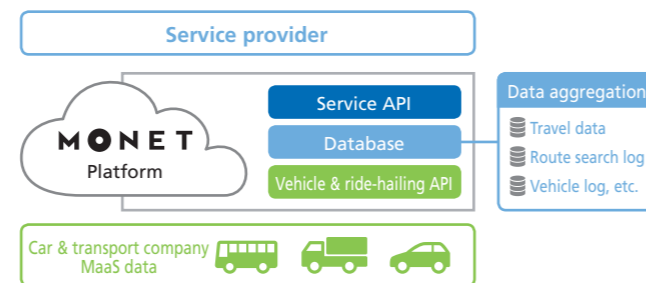
### MONET for an Autonomous Driving Society

Next, I would like to talk about our autonomous driving initiatives. SoftBank and Toyota Motor Corporation established MONET Technologies Inc. in anticipation of the era of autonomous driving society and MaaS (Mobility as a Service). MaaS is a concept that utilizes ICT to seamlessly connect means of transportation other than personal cars as a service. In addition to being an effective solution to the problem of increasing number of people with

mobility difficulties, MaaS can also contribute to revitalizing the local economy by incorporating local information. Today, the scope is expanding with the participation of other automakers.

In April 2020, the MONET Platform was fully launched to support the realization of MaaS for enterprises and municipalities, and we are currently finalizing details with about 500 local governments. I am very optimistic about this project. We have opened the MONET Marketplace to the MONET Consortium member companies, followed by non-member companies. The marketplace offers on-demand bus hailing system, as well as data and system APIs for information such as weather, tourism, map, etc. In addition, we plan to provide packages for companies to quickly start their MaaS business without any development.

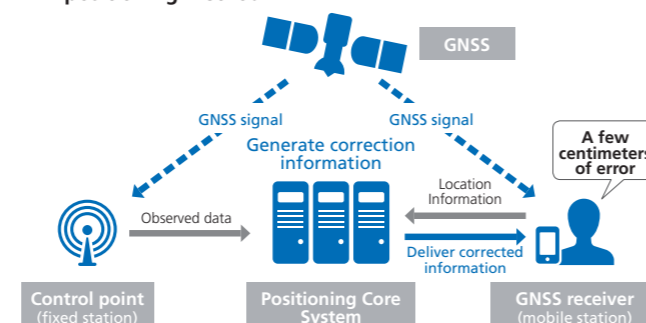
Through MONET, SoftBank aims to become a leading platformer in the MaaS era by partnering with various service providers such as convenience stores, home delivery, supermarkets, and medical care providers to make transportation more convenient, as well as by fostering the creation of new services and community development.



### ALES Centimeter-level Positioning Service

Autonomous driving is key to making MaaS a reality, which is why we established ALES Corp. to develop the high-precision

#### RTK positioning method



positioning technology necessary for autonomous driving. By utilizing SoftBank's proprietary control points (fixed stations) already set up in more than 3,300 locations across Japan to correct GPS signals and other location information, ALES is able to achieve accurate

positioning with only a few centimeters of error. This is exactly the level of accuracy required for autonomous driving. We are currently testing ALES with the automakers participating in MONET and with manufacturers of agricultural and construction equipment.

### Research for the Future Technologies

## Institute for AI and Beyond for Commercialization of University Research Results

SoftBank, SoftBank Group Corp., and Yahoo Japan Corporation joined forces with the University of Tokyo to establish the Institute for AI and Beyond, which commenced joint research activities in July 2020. At the moment, the US and China are vying for leadership in AI research and development, but it's really their universities that are behind their success. On the other hand, universities in Japan offer fewer opportunities for AI research with real business practice. Though excellent students are studying AI, they have difficulty in applying their research to real business. This is why we decided to partner with the University of Tokyo to establish the Institute for AI and Beyond. We intend to create an ecosystem in which commercialization is anticipated from the beginning of research and returns from business developed are re-invested in future research activities and talent development. Specifically, the three companies will contribute up to ¥20 billion over 10 years, with the aim of commercializing ten projects and creating three new academic fields.

When it comes to commercialization, everything depends on setting the research theme correctly. I personally joined the

committee that selects the Institute's research themes. I would like to play a role in advocating promising areas such as robotics, medicine and healthcare, smart cities, and MaaS, as well as the themes that are indispensable for world-leading research. I also hope that the people cultivated in this institute will join SoftBank and lead the AI revolution in Japan.



## Our Mission as a Telecommunications Carrier

We are not a company that chases short-term profits. Accordingly, we are carefully executing technology strategies that will not only increase our competitiveness as a telecommunications carrier by making decisions from a sustainable perspective, but also broaden our path as a platformer to solve new social issues.

On March 11, 2011, the Great East Japan Earthquake struck our base stations hard. It also had a significant impact on our earnings. However, as the Chief Technology Officer, my greatest regret is that we failed to deliver our radio waves when people needed them. Out of this frustration, we developed base stations that uses balloons, and that evolved into HAPS. The earthquake made me think deeply that it is our responsibility as a telecommunications carrier to maintain connectivity no matter what. In remote medical care and autonomous driving, connectivity failures pose an immediate threat to human life.

To that end, we established a joint venture 5G JAPAN

Corporation with KDDI CORPORATION, to rollout 5G network nationwide in Japan early to cover all industries. SoftBank's vision is "Information Revolution — Happiness for Everyone," while KDDI's vision is to "deliver a thrilling customer experience by always going further than expected with the ultimate goal of achieving a truly connected society." Inspired by these two visions, we have agreed to promote infrastructure sharing to efficiently use the base station assets owned by both companies and deliver network coverage all over Japan.

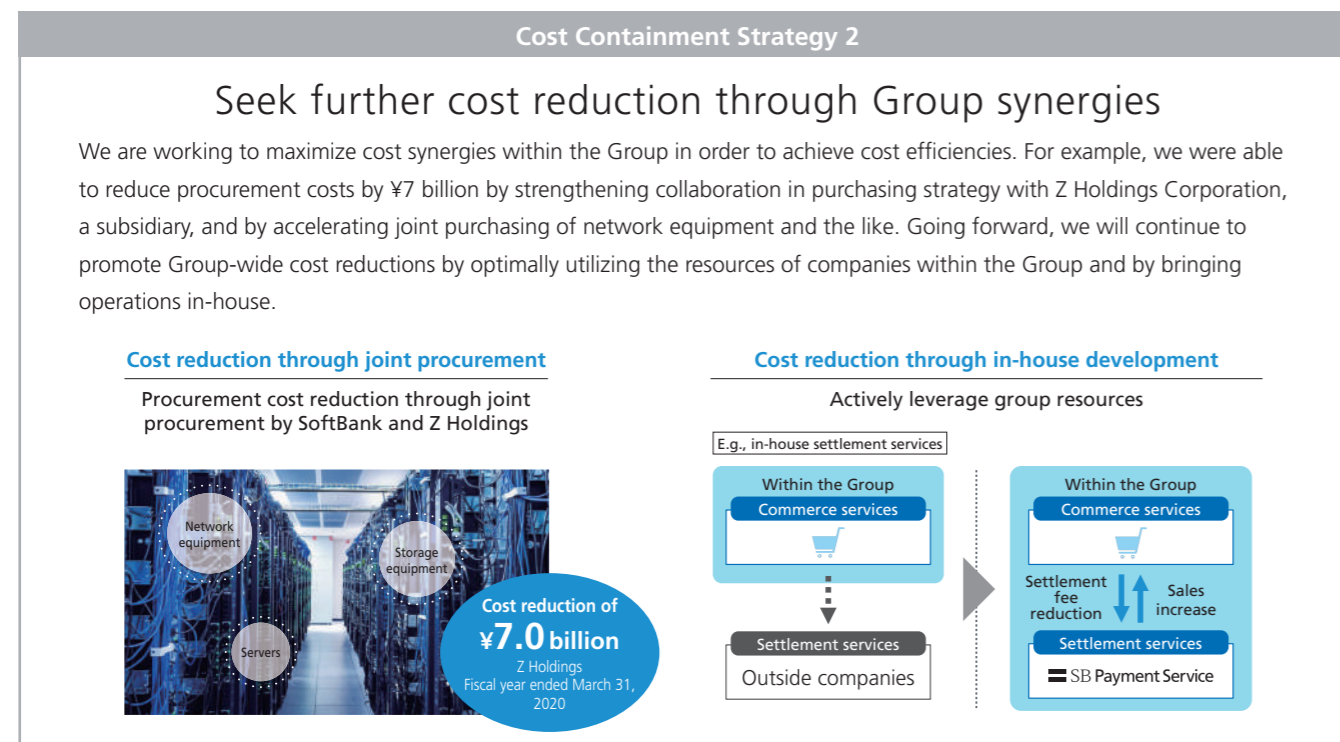
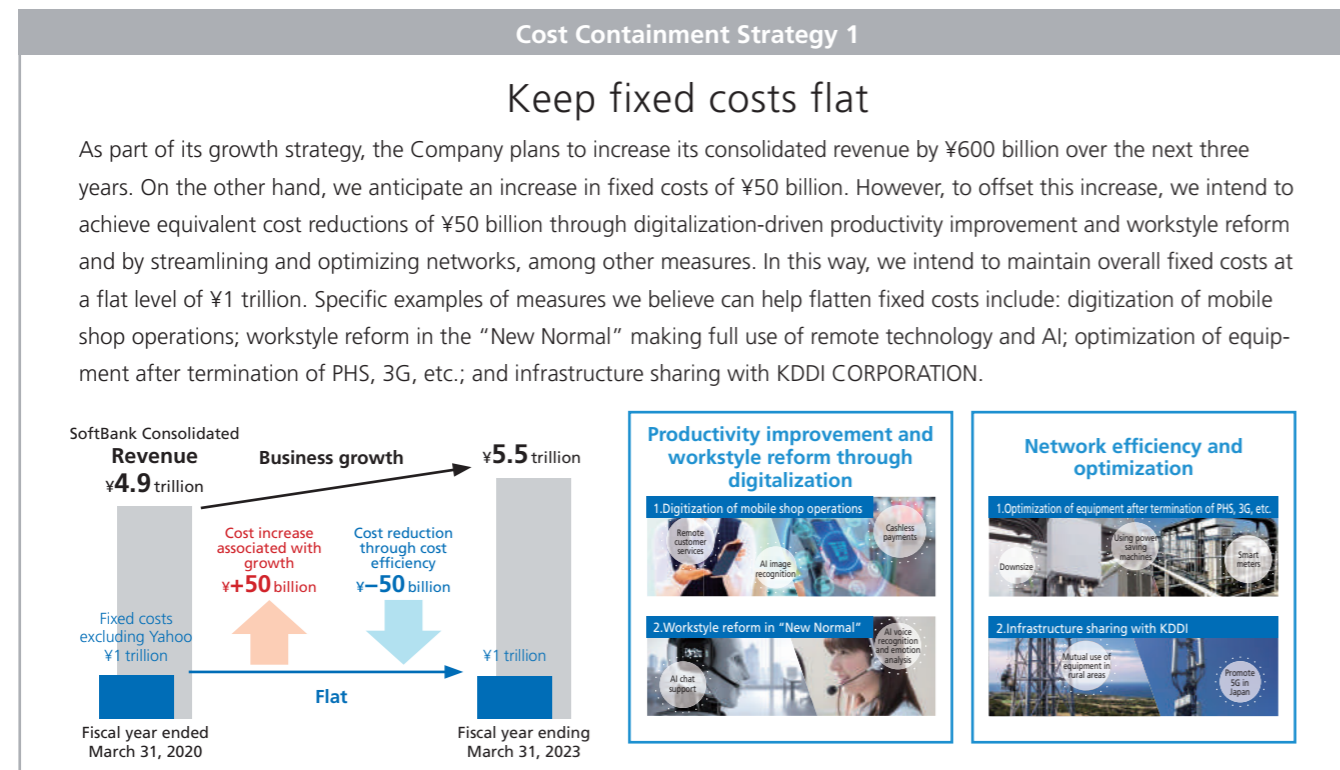
What the Company needs to do now is to quickly rollout a 5G network to contribute to Japan's industrial development, regional revitalization, and national resilience. Our social responsibility is becoming more and more important, and from this aspect our corporate value is increasing accordingly. Looking to the future, we will continue to marshal our intellects and make full use of our technological capabilities to enhance our corporate value.

# Structural Reform

## SoftBank Cost Containment Strategy

SoftBank is aggressively investing in growth to implement its *Beyond Carrier* strategy, while at the same time working to improve profitability by implementing cost efficiencies, including Group synergies, while keeping fixed costs\* at current levels as sales grow.

\* Includes depreciation and amortization, network-related expenses, personnel expenses, advertising expenses, sales promotion expenses, and shop and office expenses associated with the Consumer and Enterprise segments.



# SECTION 3

## The Foundation Supporting Value Creation

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# Corporate Governance

## Interview with external directors 1

### Atsushi Horiba

External Director  
Chair of Nominating Committee  
Chair of Remuneration Committee



### Kazuaki Oki

External Director



### Q. What is the atmosphere of the Board of Directors meeting like?

**Horiba** SoftBank's atmosphere is nothing like that of a large corporation, which was different from what I imagined. Everyone openly and frankly expresses their honest opinions. At the same time, I feel that the discussions that take place during the Board of Directors meetings are well-focused on reaching a conclusion in a direct fashion. At HORIBA, Ltd. where I currently serve as CEO, we also have a frank and open corporate culture based on our corporate motto of "Joy and Fun," which reflects our desire to have all employees enjoy their day-to-day work as if it were their hobby in order to further enrich their lives. That said, HORIBA, Ltd.'s board meeting discussions proceed in a more congenial atmosphere with a bit more chit chat thrown in, so I guess I'm still learning about the differences in corporate culture.

**Oki** SoftBank's Board of Directors meetings do not adhere to any fixed format and opinions are exchanged candidly. Given the many agenda items that need discussing and the fact that they are all matters of importance, reaching a conclusion on all of them in the limited time available is certainly a challenge, but all directors are well-accustomed to explaining all of the details and it's really wonderful how the Board gets through all of the agenda items so smoothly. And for us outsiders, we are grateful for the opportunity to be briefed on the agenda items beforehand so we can resolve any questions we might have.

### Q. What are your thoughts on the fact that both the Company and its parent, SoftBank Group Corp., are publicly listed?

**Oki** I am skeptical that the listing of both the parent and its subsidiary would always be viewed as problematic. As SoftBank is a company tasked with supplying telecommunications infrastructure throughout Japan, its listing means it now has more shareholders outside of the parent company and a more diverse breadth of stakeholders. In turn, the Company is assessed more rigorously by society, which in my opinion, is a really good thing.

**Horiba** We can't say for certain that the Company would be in better shape if it was not listed. In SoftBank's case, being listed on the stock exchange means it is in a better position to raise capital on its own and grow its business operations rather than simply being a wholly-owned subsidiary of SoftBank Group Corp., the investing company. Being publicly listed also enhances transparency. Problems often seen in the listing of a parent company and its subsidiary include conflicts of interest with minority shareholders because the interests of the parent company are prioritized, or the lack of guaranteed independence for the subsidiary even after listing. As external directors, it is our job to stop that from happening, but I have yet to feel that such an unsound relationship exists at SoftBank.

I too had been grilled by my father and founder of HORIBA, Ltd., which overlaps somewhat with the fact that SoftBank's founder and current chairman and CEO of the parent company, Masayoshi Son, constantly asks a lot of questions to Board directors, with passion. However, the executives of the business maintain a sound approach and will always respond to Chairman Son in a well-reasoned and logical manner, so there is no chance of any dispute arising that might put minority shareholders at a disadvantage. On the contrary, I get the feeling that as the Company executes the *Beyond Carrier* strategy, questions and comments from Chairman Son are galvanizing the organization in a major way. Rather than Chairman Son being the voice of authority to decide on matters himself, every agenda item is discussed by all Board directors, so in this sense, the Company's independence is guaranteed.

**Oki** Chairman Son is ultimately raising the question of how to go about maximizing profits whilst taking the interests of stakeholders into account. Here, he's not talking about what best suits the parent company, but how minority shareholders can equally benefit from growth in profits. The objective here is to increase profitability in a sound fashion. As everyone is on a level playing field, I see no issues at all with the Company's relationship with its parent.

However, the relationship the Company has with its subsidiary Z Holdings differs somewhat to the relationship it has with SoftBank Group Corp., the investing company. More often than not, both SoftBank and Z Holdings are approaching the same customers, so I think they need to cooperate on maintaining a win-win relationship and take extra care to ensure management independence and avoid conflicts of interest. In fact, the synergies between their businesses are very strong and actually helped bolster returns for minority shareholders of both companies in the fiscal year ended March 31, 2020. Therefore, I think making Z Holdings a subsidiary and engaging in closer collaboration was certainly the right approach to take.

### Q. What is your opinion of the style of management that is always mindful of the SDGs?

**Oki** While SoftBank recently identified items of materiality in areas in which it can contribute to achieving the SDGs, the Company has long undertaken various initiatives with similar objectives. For example, concerning core telecommunications infrastructure, the Company considers it a priority to ensure that its mobile network never goes down during any kind of disaster. This is something the Company has long endeavored to uphold as a matter of course rather than for the purpose of achieving the SDGs. In fact, being

able to contribute to the SDGs without making a conscious effort to do so is something to be extremely proud of.

**Horiba** To be honest, the tendency to suddenly place a special emphasis on the SDGs doesn't feel quite right. If a company stays in touch with society and practices good management, its contributions should naturally align with the objectives of the SDGs. Many Japanese companies have long advocated this in their management philosophies and continue to set their sights on such goals. Accordingly, I think the SDGs should not be seen as a new way of thinking, but instead be used to check whether or not the business activities of one's own company are heading in the right direction. I believe the SDGs should be the spirit that serves as the foundation of management. Another point I'd like to make is that because the SDGs call on corporations to take action, instead of aiming to undertake social contribution initiatives outside of the scope of normal business, it is important that we deliver value to society in various ways by doing as much work as possible ourselves in the form of existential value for the company. On this point, SoftBank currently provides society with indispensable telecommunications infrastructure and is also leveraging digital technology to expand its business with the ultimate goal of finding solutions to social issues. So all up, we can definitely say that the Company's business is positioned right in the middle of what the SDGs aim to achieve.



## Corporate Governance

Interview with  
external directors 2Takehiro Kamigama  
External DirectorKyoko Uemura  
External Director**Q. What is the atmosphere of the Board of Directors meeting like?**

**Kamigama** Actually, there is always an air of excitement surrounding the Board of Directors. The *Beyond Carrier* strategy is enabling the Company to differentiate itself from the competition, so I'm looking forward to seeing what that will entail. Also, various discussions, including those concerning M&As, continue to proceed at a really fast pace, so basically there is no other company quite like this one.

**Uemura** I too really feel that SoftBank has its own unique dynamism. As the agenda items are discussed to some extent in advance, I thought the Board of Directors meetings would simply approve and resolve such matters, but in actuality a clamorous discussion of topics we don't get briefed on usually takes place, which makes the meetings really quite interesting.



Typically there aren't many meetings of the Board of Directors during which opinions are divided between the internal directors, but conversely, hearing such debate firsthand often generates a greater sense of understanding. I sense a feeling that whilst listening to opinions from us outsiders, internal directors are trying to change even more. The lively exchange of opinions is the norm during Board meetings, given that President Miyau-chi possesses strong views as a leader, while the opinions of Chairman Son are always rebuffed directly by the arguments of the Company's executives.

**Kamigama** Also, all of us outsiders raise questions emphatically during the briefings that precede the Board of Directors meetings, but if we are unable to receive an answer to any of those queries there and then, the agenda items will be addressed at another Board of Directors meeting in a modified manner, so this really indicates to us that our opinions are being thoroughly taken on board. On top of this, after the conclusion of Board of Directors meetings, the directors usually discuss strategies, during which we get officially briefed on potential resolution items. We are really thankful for this because if we didn't understand the background or objectives of a business strategy, we would be unable to pass judgment.

**Uemura** The strategy discussions also include video presentations depicting futuristic, next-generation visions of society that would be fantastic if they actually come to pass. These easy-to-understand discussions create a very positive atmosphere. Furthermore, a culture of always backing up arguments with objective data is well-entrenched in the meetings of the Board of Directors and the strategy discussions. I think it is in these moments that we are required to calmly express our opinions from an external point of view.

**Kamigama** There is no doubt that some aspects of future-oriented growth strategies can be overly optimistic at times. Nonetheless, we can still look forward to synergies with Z Holdings as the e-commerce market expands up ahead, for example. The Company will therefore have my full support if I can naturally take

a good look at the risks and comprehend their strategic approach.

**Q. What do you think are the qualities required of a successor?**

**Kamigama** Considering that both society and business are undergoing significant change as a result of COVID-19, I think the qualities of a leader really come down to being able to creatively anticipate the future and demonstrate to others what needs to be done. Instead of having above-average capabilities, I think a leader must excel in foreseeing what lies ahead and be capable of leading everyone in the right direction. Not too many Japanese people are like this, but in SoftBank's case, anybody who doesn't possess these qualities probably isn't suited to be a leader, in my opinion.

**Uemura** Also, someone who thrives on adversity. Given that SoftBank is a company that readily embraces all sorts of challenges and often faces adversity, it needs somebody who is tough enough to survive hardship. This person must also have the courage to quickly change course and withdraw from a business upon realizing that it wasn't the right option. There will always be people saying that you've put so much effort into it to pull out now, but I think the courage to withdraw is an attribute required of a leader. The decision to pull the pin on something is far more difficult than the decision to start it, but I think this kind of judgment is always required at SoftBank.

**Q. What kind of process is used to determine remuneration for officers?**

**Kamigama** The process for deciding on officer remuneration comprises basic remuneration and performance-based remuneration. The indicators and mathematical formulas used to calculate both of these are openly disclosed so that remuneration is determined fairly with a high level of transparency. We also examine the appropriateness of remuneration amounts by comparing them against other industry peers.

**Uemura** The weighting of the performance-based remuneration component is heavier than the basic remuneration and half of the former is paid in cash, while the other half is paid in shares. This serves as an incentive for officers to work towards raising the Company's share price.

**Q. What is your opinion of the style of management that is always mindful of the SDGs, and the identification of materiality?**

**Kamigama** To be honest, I have been impressed with how



well the Company has incorporated the SDGs into its business in such a short period of time. However, there is no sense in just neatly writing about the SDGs, which is why discussions up ahead about how much the Company can actually contribute to achieving them will be more important than anything else. Without eliminating various possibilities at present, the Company recognizes a broad range of areas in which it identifies items of materiality, but as it continues to undertake numerous businesses, it will likely become clear which areas are most important, so that is when topics can be narrowed down a bit more.

**Uemura** I consider the SDGs to be a growth strategy the whole world can share. The SDGs themselves have very few antitheses, so I think the very act of furthering business operations with the targets of the SDGs in mind will naturally lead to growth. For example, the problem of poverty is linked to information and education disparity, so in this sense, the development of telecommunications infrastructure is crucial. This is the starting point for corporations to make effort to expand areas of coverage and lower costs. I think it is vital that SoftBank makes use of its managerial resources for the benefit of the SDGs and laterally expands its operations in an effort to eliminate all forms of disparity and raise living standards—or in other words, giving everyone in society the chance to shine.



## Corporate Governance

### Characteristics of SoftBank's Corporate Governance



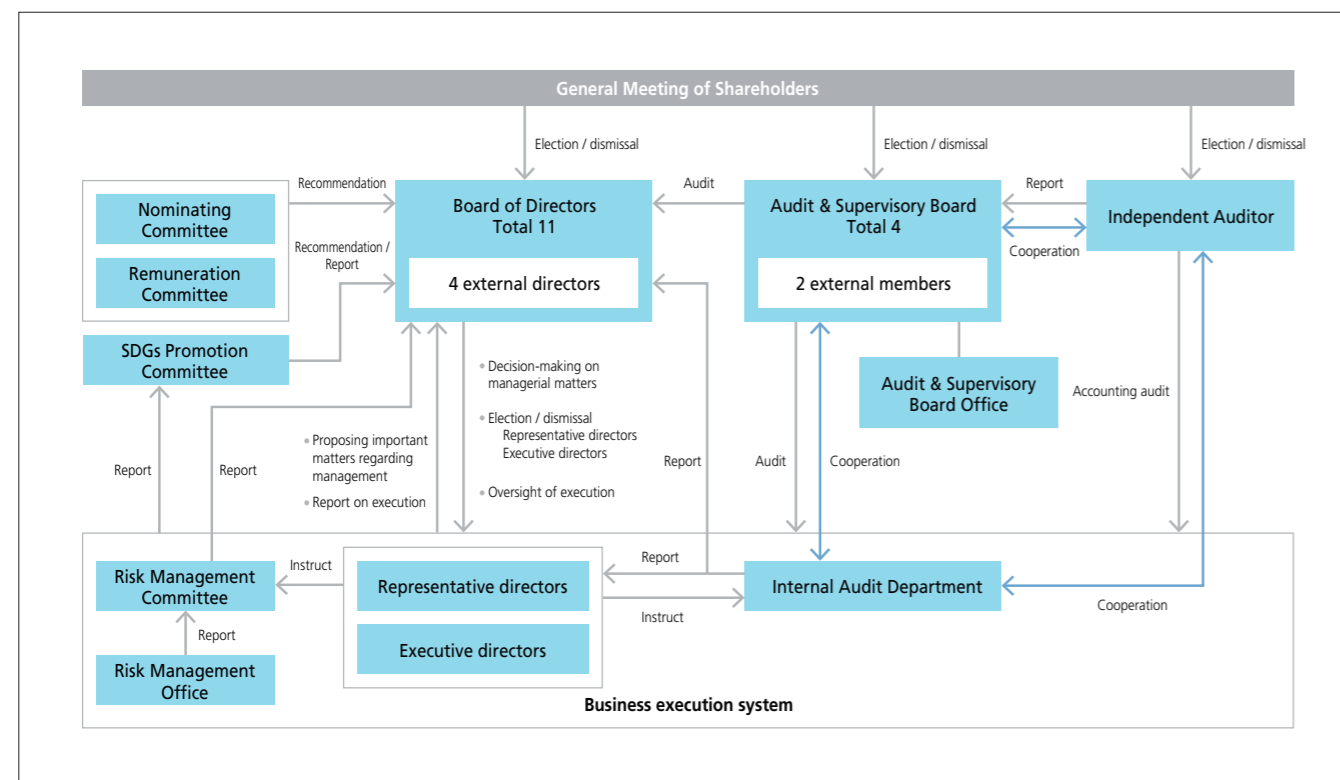
### Corporate Governance Structure

SoftBank Corp.'s Board of Directors is a decision-making body for important matters and an oversight body for the status of business execution. The Board of Directors also plays a role in steering management to improve long-term enterprise value. At present, the Board of Directors consists of 11 directors, including four external directors, and makes management decisions following "appropriate investigation" and "thorough consideration."

In addition, the Company's Audit & Supervisory Board conducts efficient and effective audits regarding the status of execution of duties by directors. The Audit & Supervisory Board consists of four Audit & Supervisory Board Members, including two external Audit & Supervisory Board Members, and formulates the "audit policy" and "audit plan." Audit & Supervisory Board Members carry out audit activities in accordance with this policy and plan.

Moreover, the Company introduced the executive officer system to ensure clarification of the management supervisory function, strengthening the business execution function of the Board of Directors, and expediting management. Thus, the Company judges that its corporate governance is functioning effectively.

#### Corporate governance system



### Board of Directors

The Board of Directors consists of 11 directors, including four external directors, and their terms of office last until the conclusion of the Ordinary General Meeting of Shareholders held with respect to the final fiscal year ending within one year after election.

The Company stipulates the maximum number of directors at 15 in the Articles of Incorporation. The Board of Directors elects director candidates who are considered the most suitable for the position, regardless of their nationality, ethnicity, gender, or age, based on discussions by the Nominating Committee. At present, there are 11 directors serving, all of whom have a wealth of knowledge and experience regarding business management. Four Independent External Directors have been elected, and they hold constructive and lively discussions at the Board of Directors meetings from diverse perspectives, including outside perspectives.

#### Main topics discussed by the Board of Directors in fiscal year ended March, 31 2020

- Corporate management
- Investments and financing
- Shares and corporate bonds
- Matters concerning directors and Audit & Supervisory Board Members
- Human resources and organizational matters

#### Board of Directors

Masayoshi Son	Chairman
Ken Miyauchi	Representative Director
Jun Shimba	Representative Director
Yasuyuki Imai	Representative Director
Junichi Miyakawa	Representative Director
Kazuhiko Fujihara	Board Director
Kentaro Kawabe	Board Director
Atsushi Horiba	External Director
Takehiro Kamigama	External Director
Kazuaki Oki	External Director
Kyoko Uemura	External Director

### Nominating Committee and Remuneration Committee

SoftBank voluntarily established the nominating and remuneration committees as advisory bodies to the Board of Directors. Nominating Committee and Remuneration Committee comprise the CEO and Independent External Directors to ensure independence of the committees, deliberate proposals for the election and dismissal Board Directors, the nomination of Representative Directors, remuneration for Board Directors and to make recommendations to the Board of Directors. The Board of Directors fully respect recommendations from these committees, using them as material for Board of Directors discussions.

#### Nominating Committee and Remuneration Committee

	Nominating Committee	Remuneration Committee
<b>Purpose</b>	Determine content of proposals upon deliberation on proposals for the election and dismissal of Board Directors and the nomination of Representative Directors at the General Meeting of Shareholders.	Conducts proposals on the remuneration program for Board Directors and Audit & Supervisory Board Members in addition to proposals on the remuneration of individual Board Directors of the Company.
<b>Chair</b>	Atsushi Horiba (External Director)	
<b>Members (including Chair)</b>	Ken Miyauchi (CEO) Atsushi Horiba (External Director) Takehiro Kamigama (External Director) Kazuaki Oki (External Director) Kyoko Uemura (External Director)	

### Audit & Supervisory Board

The Audit & Supervisory Board consists of four members, two of whom are external members (two full-time members and two part-time members). The Internal Audit & Supervisory Board Members consist of one full-time member and one part-time member. The full-time Internal Audit & Supervisory Board Member has extensive knowledge and experience in the fields of corporate governance and compliance accumulated through serving as an executive officer, CCO (Chief Compliance Officer), and head of the General Affairs Division of the Company, as well as in corporate management accumulated through serving as the president of a Group company. The part-time Internal Audit & Supervisory Board Member is a certified public accountant and has extensive knowledge and experience in accounting, including many years in charge of the accounting unit of SoftBank Group Corp. The external Audit & Supervisory Board Members consist of one full-time member and one part-time member, both of which are fully independent. The full-time external Audit & Supervisory Board Member has extensive experience in heading compliance and risk management divisions of a financial institution. The part-time external Audit & Supervisory Board Member has extensive knowledge and experience as a certified public accountant. The Audit & Supervisory

## Corporate Governance

Board Members, including the external Audit & Supervisory Board Members, attend Board of Directors meetings to monitor and verify the status of decision-making by the Board of Directors and the fulfillment of its supervisory duties over each director. They also audit the execution of duties by the directors etc., as well as the directors and the Audit & Supervisory Board Members of major subsidiaries, through regular interviews and other means.

The Audit & Supervisory Board establishes an audit policy, audit plan and priority audit items for each fiscal year. It meets once a month in principle, receives regular reports from each department related to the internal control system to confirm the status of the execution of duties by directors based on the priority audit items, and confirms the appropriateness of business execution. In addition, the Audit & Supervisory Board receives quarterly reports on the progress and results, etc. of audits from the Independent Auditor, and exchanges information and opinions with them. It also receives explanations of individual matters from directors, or others as necessary.

### Basic Audit Policy and Priority Audit Items

The Audit & Supervisory Board establishes the audit policy and priority audit items and engages in monitoring and supervision. During Audit & Supervisory Board meetings, opinions are exchanged in a lively manner regarding the content of reports from relevant departments and the Independent Auditor, as well as the activity reports of each Audit & Supervisory Board Member.

#### 1. Basic Audit Policy

In accordance with laws, regulations, the Articles of Incorporation and the Audit & Supervisory Board Regulations, Audit & Supervisory Board Members ensure the sound and sustainable growth of the Company by conducting audits of business execution by directors and perform duties to establish a high-quality corporate governance system able to earn the trust of society. We also strive to improve the efficiency and quality of audits through close cooperation with the Internal Audit Department, the Internal Control Division and the Independent Auditor. Furthermore, audits by the Audit & Supervisory Board is conducted in accordance with Audit & Supervisory Board Rules and Audit & Supervisory Board Regulations.

#### 2. Priority Audit Items

- (1) Legality audit
- (2) Internal control system audit
- (3) Board of Directors decision-making audit
- (4) Information disclosure audit
- (5) Group management audit
- (6) Accounting auditor evaluation
- (7) IFRS, related accounting efforts confirmation
- (8) BCM, accident response confirmation
- (9) Radio wave governance trend response confirmation

### Audit & Supervisory Board Members

Eiji Shimagami	Full-time Audit & Supervisory Board Member
Yasuharu Yamada	Full-time External Audit & Supervisory Board Member
Kazuko Kimiwada	Audit & Supervisory Board Member
Kenichiro Abe	External Audit & Supervisory Board Member

### Internal Audit Department

The Internal Audit Department (27 members as of June 25, 2020) conducts internal audits of the overall duties of the Company as an organization directly under the CEO. The Internal Audit Department mainly evaluates business compliance with laws and regulations and effectiveness of internal controls, and reports the results of internal audits to the CEO and the Board of Directors of the Company while explaining them to the Audit & Supervisory Board Members. The Internal Audit Department also conducts audits of subsidiaries as a parent company in an effort to strengthen the governance of the entire Group in collaboration with the Audit Departments of Group companies. Furthermore, internal and external quality evaluations are conducted as an initiative aimed at improving audit quality.

### Support System for External Directors and External Audit & Supervisory Board Members

The Company seeks to ensure that all officers, including the external Audit & Supervisory Board Members, can participate fully in the Board of Directors meetings having fully grasped the specific details of the agenda for discussion. The secretariat to the Board of Directors therefore provides them with materials for the Board of Directors meetings beforehand, including supplemental briefings and other information as required. In addition, the Audit & Supervisory Board Office has been established to support the duties of all Audit & Supervisory Board Members, including external members. The office comprises dedicated personnel who act under the direction of the Audit & Supervisory Board Members to gather information, investigate matters, and provide other assistance.

### Reasons for Appointment of Board Directors and Audit & Supervisory Board Members

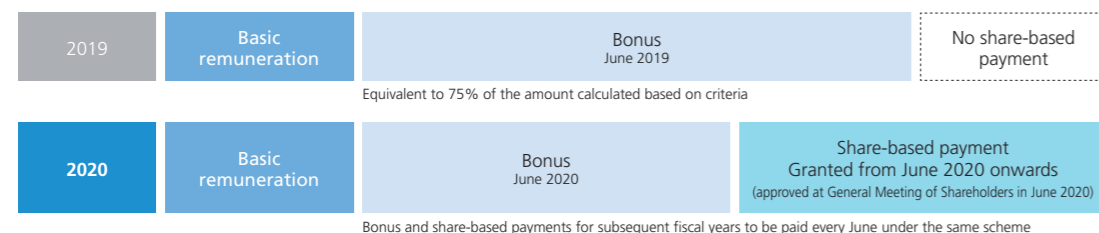
Name	Reasons for Appointment
<b>Masayoshi Son</b> Chairman	Mr. Son has extensive knowledge and experience in corporate management, business strategy, M&A and other matters as the founder of SoftBank Group Corp. The Board would like to reelect Mr. Son as a Board Director to benefit from his guidance in the Company's decision-making process for the further growth of the Group.
<b>Ken Miyauchi</b> President & CEO	Since taking office as Director & Vice President of SOFTBANK BB Corp. (currently the Company) in January 2003, Mr. Miyauchi has contributed to expanding the fixed-line communications business, and since becoming the Company's Board Director in April 2006, he has also contributed to expanding the mobile communications business. Since becoming the Company's President in April 2015, he has not only expanded the telecommunications business in Japan but also aggressively promoted entry into new fields with a focus on the internet based on the <i>Beyond Carrier</i> strategy. The Board would like to reelect Mr. Miyauchi as a Board Director to lead the further growth of the Group.
<b>Jun Shimba</b> Representative Director & COO	Since taking office as the Company's Managing Executive Officer in April 2006, Mr. Shimba has served in prominent positions at the Company, primarily as head of the consumer business unit, and contributed to the Company's growth. In addition, he became the Company's Representative Director & COO in April 2017. The Board would like to reelect Mr. Shimba as a Board Director to lead the further growth of the Group.
<b>Yasuyuki Imai</b> Representative Director & COO	Since taking office as the Company's Corporate Officer in October 2007, Mr. Imai has served in prominent positions at the Company, primarily as head of the enterprise business unit, and contributed to the Company's growth. In addition, he became the Company's Representative Director & COO in April 2017. The Board would like to reelect Mr. Imai as a Board Director to lead the further growth of the Group.
<b>Junichi Miyakawa</b> Representative Director & CTO	After managing an internet company, Mr. Miyakawa took office as the Company's Director & Executive Vice President (CTO) in April 2006. Since then, he has served in prominent positions at the Company, primarily head of the technology unit, and contributed to the Company's growth. In addition, he became the Company's Representative Director & CTO in April 2018. The Board would like to reelect Mr. Miyakawa as a Board Director to lead the further growth of the Group.
<b>Kazuhiko Fujihara</b> Board Director Executive Vice President & CFO	Since taking office as the Company's Managing Executive Officer (CFO) in April 2006, Mr. Fujihara has consistently served in prominent positions at the Company in the area of governance, mainly in corporate planning, finance, accounting, and purchasing, and contributed to the Company's growth. The Board would like to reelect Mr. Fujihara as a Board Director to lead the further growth of the Group.
<b>Kentaro Kawabe</b> Board Director	Since assuming the position of COO of Yahoo Japan Corporation (now Z Holdings Corporation) in April 2012, Mr. Kawabe has aggressively pursued its business development, and has extensive knowledge and experience as a corporate manager. The Board would like to reelect Mr. Kawabe as a Board Director to benefit from his guidance in the Company's decision-making process for the further growth of the Group.
<b>Atsushi Horiba</b> External Director <b>Independent Officer</b>	Having served as Representative Director of HORIBA, Ltd. for approximately 28 years since 1992, Mr. Horiba has been leading the growth of the HORIBA group and therefore has a wealth of management experience. He has been elected as an external director in order to supervise the Company's management based on his knowledge and experience and give advice on the overall management of the Company in order to contribute to the Group's further growth and strengthening of corporate governance.
<b>Takehiro Kamigama</b> External Director <b>Independent Officer</b>	Having served as Representative Director of TDK Corporation for 12 years from 2006, Mr. Kamigama has a wealth of management experience and has demonstrated leadership in enhancing the profitability of TDK's business and expanding its business fields. He has been elected as an external director in order to supervise the Company's management based on his knowledge and experience and give advice on the overall management of the Company in order to contribute to the Group's further growth and strengthening of corporate governance.
<b>Kazuaki Oki</b> External Director <b>Independent Officer</b>	Mr. Oki has extensive knowledge and experience as a certified public accountant. He has been elected as an external director in order to supervise the Company's management based on his knowledge and experience and give advice on the overall management of the Company in order to contribute to the Group's further growth and strengthening of corporate governance.
<b>Kyoko Uemura</b> External Director <b>Independent Officer</b>	Ms. Uemura has extensive knowledge and experience as a lawyer. She has been elected as an external director in order to supervise the Company's management based on her knowledge and experience and give advice on the overall management of the Company in order to contribute to the Group's further growth and strengthening of corporate governance.
<b>Eiji Shimagami</b> Full-time Audit & Supervisory Board Member	Mr. Shimagami served as the Company's Vice President, CCO, & Human Resources & General Affairs Unit, General Affairs Division Head until March 2017, and is well versed in the governance and compliance field. In addition, he served in positions including president of a group company and has extensive knowledge and experience in corporate management. The Board would like to elect Mr. Shimagami as an Audit & Supervisory Board Member to have him conduct audits from a professional and multifaceted standpoint drawing on his knowledge and experience.
<b>Yasuharu Yamada</b> Full-time External Audit & Supervisory Board Member <b>Independent Officer</b>	Mr. Yamada has extensive knowledge and experience relating to risk management and compliance at financial institutions, as well as considerable expertise in finance and accounting. He has been elected as an external Audit & Supervisory Board Member in order to leverage his knowledge and experience to perform audits from a specialist perspective and to ensure a more independent perspective on the audits.
<b>Kazuko Kimiwada</b> Audit & Supervisory Board Member	Ms. Kimiwada has extensive knowledge and experience as a certified public accountant, and serves as Executive Corporate Officer, Head of Accounting Unit at SoftBank Group Corp. The Board would like to reelect Ms. Kimiwada as an Audit & Supervisory Board Member so that she can conduct audits from a professional standpoint drawing on her knowledge and experience.
<b>Kenichiro Abe</b> External Audit & Supervisory Board Member <b>Independent Officer</b>	Mr. Abe has extensive knowledge and experience as a certified public accountant. He has been elected as an external Audit & Supervisory Board Member in order to leverage his knowledge and experience to perform audits from a specialist perspective and to ensure a more independent perspective on the audits.

## Corporate Governance

### Officer Remuneration

#### Changes to performance-based remuneration

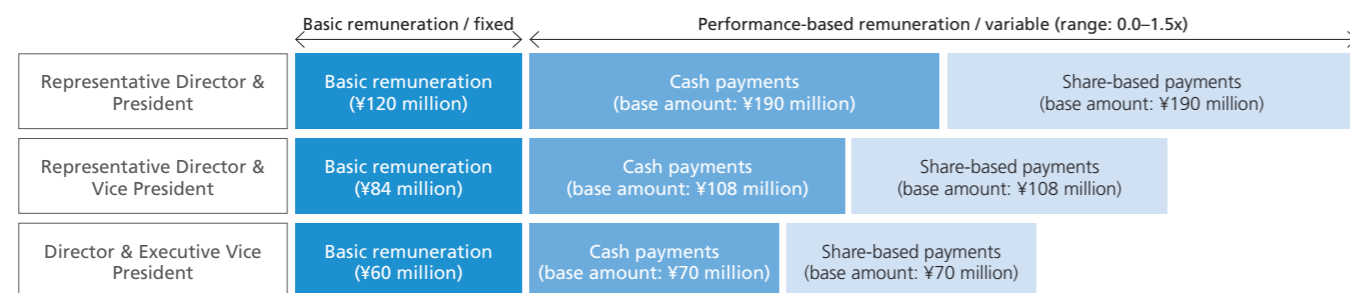
For performance-based remuneration in 2020, the ratio of cash payments to share-based payments is 1:1.



With the goal of further promoting shared value among directors and shareholders, we abolished the granting of stock options in fiscal year ended March 31, 2020 and decided to introduce a new restricted stock-based compensation system in fiscal year ending March 31, 2021.

#### Remuneration system for directors (excluding external directors)

Figure 1: Makeup of basic remuneration and performance-based remuneration by position



#### Structure of remuneration

In addition to fixed compensation, remuneration for directors (excluding external directors) consists of basic remuneration and performance-based remuneration as an incentive for improving the Company's short-term performance and enhancing longer-term corporate value.

The annual amount of basic remuneration is determined according to position; a fixed amount is paid in cash every month. Performance-based remuneration is derived by multiplying a base amount (determined according to position) by a payment rate that corresponds to the level of achievement of performance targets for the current fiscal year (0.0–1.5x; target: 1.0x). Performance-based remuneration comprises a cash payment and a share-based payment; the payment ratio for these two components is 1:1 (Figure 1).

Also, in terms of a Group payment policy, remuneration for directors who concurrently serve as officers of Group companies is to be paid mainly by the Company, while remuneration for Director Masayoshi Son and Director Kentaro Kawabe is to be excluded from payment.

#### Calculation method for performance-based remuneration

Net income attributable to owners of the Company and operating income (consolidated basis) are used as indicators to determine the achievement of performance targets. Each performance-based component varies at a rate of 0.0–1.5x (target 1.0x) according to the level of achievement of mainly the performance targets. A weighting is established in accordance with the level of achievement for each performance target, which is then multiplied by 50% to yield a performance target achievement coefficient\* (Figure 2).

Figure 2: Calculation method for performance-based remuneration



\* Note that under special circumstances, such as serious scandals and accidents, losses and other extraordinary factors, or other management indicators (FCF, etc.), the coefficients for net income attributable to owners of the Net income attributable to owners of the Company and operating income shall be determined based on the advice of the Remuneration Committee.

#### Decision-making Rights on Policy for Determining Amounts of Remuneration and Its Calculation Method

Ownership of rights :Board of Directors  
 Details of rights :Determination of Board Director remuneration based on proposals by the remuneration committee  
 Scope of responsibility :Determination of Board Director remuneration, total amount of funds for performance-based remuneration, and individual distribution.

#### Committee in Charge of Decision-making on Policy for Determining Amounts of Remuneration of Board Directors and Audit & Supervisory Board Members and Its Calculation Method

At the Board of Directors meetings, the remuneration committee conducts proposals on the remuneration program for Board Directors and Audit & Supervisory Board Members in addition to proposals on the remuneration of individual Board Directors of the Company. To ensure objectivity and transparency in remuneration, the committee is chaired by an External Board Director and comprises the President and Representative Director and External Board Directors.

#### Amount of Remuneration for Directors and Audit & Supervisory Board Members

(Millions of yen)

Officer category	Total remuneration	Subtotal for each type of remuneration				Number of eligible officers
		Basic remuneration	Performance-based remuneration		Other	
			Cash payments	Share-based payments		
Directors (excluding external directors)	2,034	432	628	628	345	6
Audit & Supervisory Board Members* (excluding external Audit & Supervisory Board Members)	14	14	–	–	–	2
External directors	48	48	–	–	–	4
External Audit & Supervisory Board Members	16	16	–	–	–	2

\* Including one Audit & Supervisory Board Member resigned during the fiscal year.

#### Amount of Consolidated Remuneration, etc., for Directors of SoftBank Corp.

(Millions of yen)

Name	Total consolidated remuneration	Officer category	Company category	Subtotal for each type of remuneration			
				Basic remuneration	Performance-based remuneration		Other
					Cash payments	Share-based payments	
Ken Miyauchi	608	Director	SoftBank Corp.	120	200	200	89
Jun Shimba	355	Director	SoftBank Corp.	84	113	113	45
Yasuyuki Imai	355	Director	SoftBank Corp.	84	113	113	45
Junichi Miyakawa	355	Director	SoftBank Corp.	84	113	113	45
Kazuhiko Fujihara	270	Director	SoftBank Corp.	60	89	89	33
Kentaro Kawabe	223	Director	Z Holdings Corporation	85	98	40	0

\* Listed only directors whose total consolidated remuneration and other compensation is ¥100 million or more.

#### Remuneration determination process

Meeting body	Remuneration Committee			Board of Directors
Meeting date	December 23, 2019	March 24, 2020	April 27, 2020	May 26, 2020
Participants	Atsushi Horiba (chair) Takehiro Kamigama Kazuaki Oki Kyoko Uemura Ken Miyauchi (all members in attendance)			Directors and Audit & Supervisory Board Members (all members in attendance)
Agenda	Confirmation of performance-based remuneration indicators and examination of share-based payment plan	Confirmation of performance-based remuneration indicators	Approval and determination of remuneration amounts for each officer Confirmation of disclosure documents	Confirmation and decision on recommendations of Remuneration Committee Approval of remuneration amounts for each officer

## Corporate Governance

### Board Directors and Audit & Supervisory Board Members (as of June 25, 2020)



**Masayoshi Son**

Chairman

- 1981 Founded SOFTBANK Corp. (now SoftBank Group Corp.), Chairman & CEO
- 1996 President & CEO, Yahoo Japan Corporation (now Z Holdings Corporation)
- 2006 Chairman of the Board, President & CEO, Vodafone K.K. (now the Company)
- 2007 President & CEO, the Company
- 2015 Chairman, the Company
- 2015 Director, Yahoo Japan Corporation (now Z Holdings Corporation; current position)
- 2016 Manager, SoftBank Group International GK (now SoftBank Group Japan Corporation)
- 2017 Chairman & CEO, SoftBank Group Corp. (current position)
- 2018 Chairman, the Company (current position)
- 2018 Representative Director, SoftBank Group Japan Corporation (current position)



**Ken Miyauchi**

President & CEO



- 1977 Joined Japan Management Association
- 1984 Joined SOFTBANK Corp. (now SoftBank Group Corp.)
- 1988 Director, SOFTBANK Corp.
- 1993 Executive Managing Director, SOFTBANK Corp.
- 1999 Representative Director, SoftBank Commerce Corp. (now the Company)
- 2003 Director & Vice President, SOFTBANK BB Corp. (now the Company)
- 2006 Executive Vice President, Director & COO, Vodafone K.K. (now the Company)
- 2007 Director, Representative Vice President & COO, the Company
- 2007 Representative Director & COO, the Company
- 2012 Director, Yahoo Japan Corporation (now Z Holdings Corporation; current position)
- 2013 Representative Director, Senior Executive Vice President of SOFTBANK Corp. (now SoftBank Group Corp.)
- 2014 Representative Director, Chairman of SoftBank Commerce & Service Corp. (now SB C&S Corp.)
- 2015 President & CEO, the Company
- 2018 Director, SoftBank Group Corp. (current position)
- 2018 Representative Director, President & CEO, the Company
- 2018 President & CEO, the Company (current position)



**Jun Shimba**

Representative Director & COO

- 1985 Joined SOFTBANK Corp. (now SoftBank Group Corp.)
- 2005 Director, SOFTBANK BB Corp. (now the Company)
- 2006 Managing Executive Officer, Vodafone K.K. (now the Company)
- 2007 Director & Managing Executive Officer, SOFTBANK BB Corp. (now the Company)
- 2007 Managing Corporate Officer, the Company
- 2012 Director & Senior Managing Corporate Officer, the Company
- 2015 Senior Managing Director, the Company
- 2017 Representative Director & COO, the Company
- 2017 Representative Director, President & CEO, SoftBank Payment Service Corp. (now SB Payment Service Corp.; current position)
- 2018 Representative Director & COO, the Company (current position)



**Kentaro Kawabe**

Board Director

- 1996 Director, Dennotai Corporation
- 1999 CEO, Dennotai Corporation
- 1999 Director, PIM Corporation
- 2000 Joined Yahoo Japan Corporation (now Z Holdings Corporation), Yahoo! Mobile Producer
- 2007 Yahoo! News Producer, Yahoo Japan Corporation
- 2012 Corporate Officer, Chief Operating Officer (COO), President of Media Business Group, Yahoo Japan Corporation
- 2012 Senior Executive Vice President, COO, Head of Media Service Company, Yahoo Japan Corporation
- 2014 Senior Executive Vice President, Managing Corporate Officer, Director & COO, Yahoo Japan Corporation
- 2015 Senior Executive Vice President Corporate Officer, COO, Yahoo Japan Corporation
- 2018 Chief Executive Officer (CEO), Senior Executive Vice President Corporate Officer, Yahoo Japan Corporation
- 2018 President and Representative Director, President Corporate Officer, CEO, Yahoo Japan Corporation (current position)
- 2018 Board Director, the Company (current position)
- 2019 President and Representative Director, President Corporate Officer, CEO, Yahoo Japan Corporation (current position)
- 2020 Director, ZOZO Inc. (current position)



**Atsushi Horiba**

External Director Independent Officer



- 1972 Joined HORIBA, Ltd.
- 1982 Director, HORIBA, Ltd.
- 1988 Senior Managing Director, HORIBA, Ltd.
- 1992 Representative Director & President, HORIBA, Ltd.
- 1995 Representative Director & President, STEC Co., Ltd. (now HORIBA STEC, Co., Ltd.)
- 2005 Chairman, Representative Director & President, HORIBA, Ltd.
- 2016 Chairman & Representative Director, HORIBA STEC, Co., Ltd. (current position)
- 2018 Chairman, Representative Director & Group CEO, HORIBA, Ltd. (current position)
- 2018 External Director, the Company (current position)



**Takehiro Kamigama**

External Director Independent Officer



- 1981 Joined Tokyo Denki Kagaku Kogyo K.K. (now TDK Corporation)
- 2002 Corporate Officer, TDK Corporation
- 2003 Senior Vice President, TDK Corporation
- 2004 Director, Executive Vice President, TDK Corporation
- 2006 Representative Director & President, TDK Corporation
- 2016 Chairman & Representative Director, TDK Corporation
- 2017 External Director, OMRON Corporation (current position)
- 2018 External Director, Yamaha Motor Co., Ltd. (current position)
- 2018 External Director, the Company (current position)
- 2018 Mission Executive, TDK Corporation (current position)



**Yasuyuki Imai**

Representative Director & COO

- 1982 Joined Kajima Corporation
- 2000 Joined SOFTBANK Corp. (now SoftBank Group Corp.)
- 2007 Corporate Officer, the Company
- 2008 Managing Corporate Officer, the Company
- 2012 Director & Senior Managing Corporate Officer, the Company
- 2015 Senior Managing Director, the Company
- 2017 Representative Director & COO, the Company
- 2018 Representative Director & COO, the Company (current position)



**Junichi Miyakawa**

Representative Director & CTO

- 1991 Representative Director & President, KK Momotaro Internet
- 2000 Representative Director & President, Nagoya Metallic Communications Corp. (now the Company)
- 2002 Representative Director & President, Tokyo Metallic Communications Corp. (now the Company)
- 2002 Representative Director & President, Osaka Metallic Communications Corp. (now the Company)
- 2002 Representative Director & President, DTH Marketing Corp. (now the Company)
- 2003 Director, SOFTBANK BB Corp. (now the Company)
- 2006 Director & Executive Vice President (CTO), Vodafone K.K. (now the Company)
- 2007 Director, Executive Vice President & CTO, the Company
- 2014 Director & Senior Managing Corporate Officer, the Company
- 2014 Technical Chief Operating Officer, Sprint Corporation
- 2015 Senior Managing Director, the Company
- 2015 Senior Technical Advisor, Sprint Corporation
- 2017 Senior Managing Director & CTO, the Company
- 2018 Representative Director & CTO, the Company (current position)



**Kazuhiko Fujihara**

Board Director, Executive Vice President & CFO

- 1982 Joined Toyo Kogyo Co., Ltd. (now Mazda Motor Corporation)
- 2001 Joined SOFTBANK Corp. (now SoftBank Group Corp.)
- 2001 General Manager of Group Management Group, SOFTBANK Corp.
- 2003 Manager, Management Planning Dept., SOFTBANK BB Corp. (now the Company)
- 2004 Director & CFO, SOFTBANK BB Corp.
- 2006 Managing Executive Officer (CFO), Vodafone K.K. (now the Company)
- 2007 Director, Senior Vice President & CFO, the Company
- 2012 Director, Executive Vice President & CFO, the Company
- 2014 Director & Managing Executive Officer, SOFTBANK Corp. (now SoftBank Group Corp.)
- 2015 Director, Executive Vice President & CFO, the Company
- 2015 Director, Yahoo Japan Corporation (now Z Holdings Corporation)
- 2016 Director, Audit and Supervisory Committee Member, Yahoo Japan Corporation
- 2016 Managing Executive Officer, SoftBank Group Corp.
- 2017 Senior Vice President, SoftBank Group Corp.
- 2018 Board Director, Executive Vice President & CFO, the Company (current position)
- 2019 Director, Yahoo Japan Corporation (now Z Holdings Corporation; current position)



**Kazuaki Oki**

External Director Independent Officer



- 1984 Joined Aoyama Audit Corporation
- 2003 Representative Partner, ChuoAoyama Audit Corp.
- 2006 Representative Partner, PricewaterhouseCoopers Aarata (now PricewaterhouseCoopers Aarata LLC)
- 2017 Head of Oki CPA Office (current position)
- 2017 External Director, Shizuoka Bank (Europe) S.A. (current position)
- 2018 Supervisory Officer, NIPPON LIFE PRIVATE REIT Inc. (current position)
- 2018 External Director, the Company (current position)
- 2018 Representative Partner, Chiyoda Audit Corporation (current position)



**Kyoko Uemura**

External Director Independent Officer



- 1994 Assistant Judge, Osaka District Court
- 2004 Judge, Numazu Branch, Shizuoka Family Court
- 2005 Judge, Yokohama District Court
- 2008 Registered as a lawyer
- 2008 Lawyer, LM Law Offices
- 2009 External Auditor, Yahoo Japan Corporation (now Z Holdings Corporation)
- 2017 External Auditor, MS&AD Insurance Group Holdings, Inc. (current position)
- 2018 External Director, the Company (current position)
- 2018 Lawyer, Miyama, Koganemaru & Associates (current position)

- Nominating Committee Member
- Chair of Nominating Committee
- Remuneration Committee Member
- Chair of Remuneration Committee

## Corporate Governance



**Eiji Shimagami**  
Full-time Audit & Supervisory Board Member

1982 Joined Nissan Motor Co., Ltd.  
2000 Joined Japan Telecom Co., Ltd. (now the Company)  
2001 Joined J-Phone Communications Co., Ltd. (now the Company)  
2003 Manager, Human Resources & Planning Department, J-Phone Communications Co., Ltd.  
2007 Manager, General Administration Department, SoftBank Corp. (now SoftBank Group Corp.)  
2008 Corporate Officer, Human Resources & General Affairs Unit, General Affairs Division Head, the Company  
2011 President, SoftBank Atwork Corp. (now SB Atwork Corp.)  
2013 Company Representative and CEO, SB U.S. LLC  
2014 Vice President, CCO, Human Resources & General Affairs Unit, General Affairs Division Head, the Company  
2018 Audit & Supervisory Board Member, SB Energy Corp. (current position)  
2018 Audit & Supervisory Board Member, Bloom Energy Japan Limited (current position)  
2019 Advisor, the Company  
2019 Full-time Audit & Supervisory Board Member (current position)



**Yasuharu Yamada**  
Full-time External Audit & Supervisory Board Member **Independent Officer**

1980 Joined Fuji Bank, Ltd. (now Mizuho Bank, Ltd.)  
1999 Advisor, Global Planning Division, Fuji Bank, Ltd.  
2000 Seconded to Fuji Investment Management Co., Ltd. (now Asset Management One Co., Ltd.)  
2009 Retired from Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)  
2010 Corporate Officer, Legal and Compliance Division Head and Information Management Officer, Mizuho Asset Management Co., Ltd. (now Asset Management One Co., Ltd.)  
2012 Corporate Officer, General Risk Management Division Head, Compliance Division Head and Information Management Officer, Mizuho Asset Management Co., Ltd.  
2014 Executive Managing Director, Managing Executive Officer, Risk Management Group Head, Compliance and Risk Management Division Head and Information Management Officer, Mizuho Asset Management Co., Ltd.  
2014 Executive Managing Director, Managing Executive Officer, Risk Management Group Head, Mizuho Asset Management Co., Ltd.  
2016 Retired from Mizuho Asset Management Co., Ltd.  
2016 Full-time External Audit & Supervisory Board Member, the Company (current position)



**Kazuko Kimiwada**  
Audit & Supervisory Board Member

1982 Passed the secondary examination for Certified Public Accountant  
1983 Joined Deloitte Haskins & Sells LLC (now Deloitte Touche Tohmatsu LLC)  
1986 Passed the tertiary examination for Certified Public Accountant; registered as a Certified Public Accountant  
1995 Joined Mallinckrodt Medical, Inc.  
1996 Joined SOFTBANK Corp. (now SoftBank Group Corp.)  
2000 Accounting Manager, SOFTBANK Corp.  
2004 Accounting Manager & Related Business Manager, SOFTBANK Corp.  
2007 Accounting Manager & Internal Control Manager, SOFTBANK Corp.  
2012 Corporate Officer & Internal Control Manager, SOFTBANK Corp.  
2014 External Audit & Supervisory Board Member, the Company  
2016 Audit & Supervisory Board Member, the Company (current position)  
2016 Corporate Officer, Head of Accounting Unit, SoftBank Group Corp. (current position)  
2017 Executive Corporate Officer, Head of Accounting Unit, SoftBank Group Corp. (current position)  
2018 Director, Audit & Supervisory Committee Member, Yahoo Japan Corporation (now Z Holdings Corporation)



**Kenichiro Abe**  
External Audit & Supervisory Board Member **Independent Officer**

1980 Joined PricewaterhouseCoopers Japan LLC  
2002 Representative Partner, ChuoAoyama Audit Corp.  
2006 Representative Partner, PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Aarata LLC)  
2012 Head of Kenichiro Abe Certified Public Accountant Officer (current position)  
2012 Full-time External Auditor, Givaudan Japan K.K.  
2013 External Director, Fujikura Ltd.  
2015 Auditor-secretary, The Japan Professional Basketball League  
2016 External Auditor, Givaudan Japan K.K.  
2016 External Audit & Supervisory Board Member, the Company (current position)  
2017 External Director & Audit Committee Member, Fujikura Ltd. (current position)

### Executive Vice Presidents

Executive Vice President  
**Shuichi Kukita**

Executive Vice President & CNO\*1  
**Hideyuki Tsukuda**

Executive Vice President  
**Eric Gan**

Executive Vice President & CHRO\*2  
**Fumihiko Aono**

### Senior Vice Presidents

Senior Vice President  
**Kinya Honda**

**Kenichi Takashima**

**Keigo Sugano**

**Hiroyuki Terao**

Senior Vice President & CDO\*3

**Kazuhiro Sasaki**

Senior Vice Presidents

**Taku Oketani**

**Tomio Miyake**

**Sadahiro Sato**

**Kunihiro Fujinaga**

Senior Vice President & CS\*4

**Takashi Tsutsui**

Senior Vice President

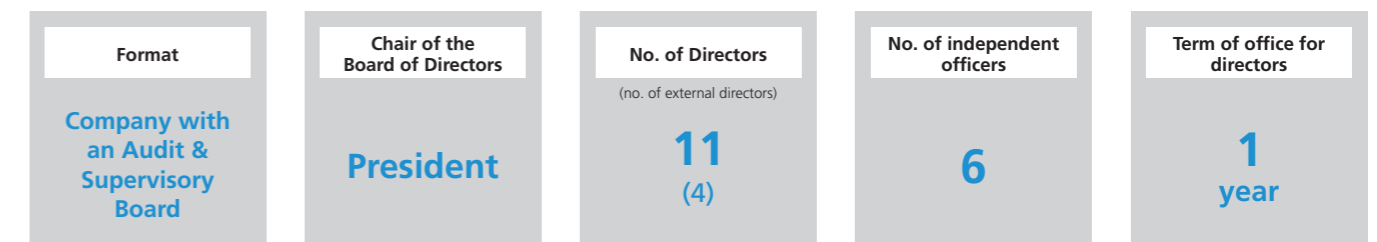
**Tomohiro Sekiwa**

Senior Vice President & CIO\*5

**Keiichi Makizono**

\*1 CNO: Chief Network Officer  
\*2 CHRO: Chief Human Resources Officer  
\*3 CDO: Chief Data Officer  
\*4 CS: Chief Scientist  
\*5 CIO: Chief Information Officer

### Overview of Corporate Governance System (as of June 24, 2020)



### Attendance of External Officers at Meetings

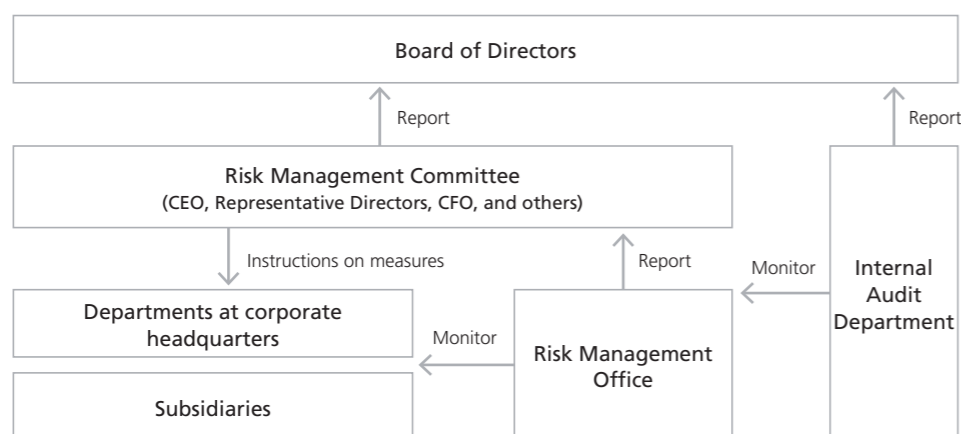
Name		Attendance at Board of Directors and committee meetings in fiscal year ended March 31, 2020 (attendance/meetings)			
		Board of Directors	Nominating Committee	Remuneration Committee	Audit & Supervisory Board
Atsushi Horiba	External Director <b>Independent Officer</b>	14/14	2/2	3/3	
Takehiro Kamigama	External Director <b>Independent Officer</b>	14/14	2/2	3/3	
Kazuaki Oki	External Director <b>Independent Officer</b>	14/14	2/2	3/3	
Kyoko Uemura	External Director <b>Independent Officer</b>	14/14	2/2	3/3	
Yasuharu Yamada	Full-time External Audit & Supervisory Board Member <b>Independent Officer</b>	14/14			17/17
Kenichiro Abe	External Audit & Supervisory Board Member <b>Independent Officer</b>	14/14			17/17

# Risk Management

The corporate business environment is in constant flux, Risk Management Methods with risks becoming increasingly complex and diversified. Early detection and prompt countermeasures are effective for responding to risks. SoftBank established a system for identifying risks and implementing preventative countermeasures and regularly engages in the PDCA cycle in an effort to mitigate and avoid risks.

## Risk Management Structure

To identify and prevent the emergence of Company-wide risks, SoftBank established a system of management that analyzes risks from various angles within the Company. In addition to conducting inspections including risks of department plans for various site measures, the Risk Management Office regularly conducts Company-wide and comprehensive risk assessments and checks on the status of countermeasures, all of which is reported to the Risk Management Committee (whose members include the CEO, representative directors, the CFO and others, with the participation of Audit & Supervisory Board Members and related department managers). The Risk Management Committee determines the importance of risks and the responsible party (risk owner), provides instructions on countermeasures and reports the situation to the Board of Directors. The Internal Audit Department confirms the overall risk management system status from an independent standpoint.



## Risk Management Methods

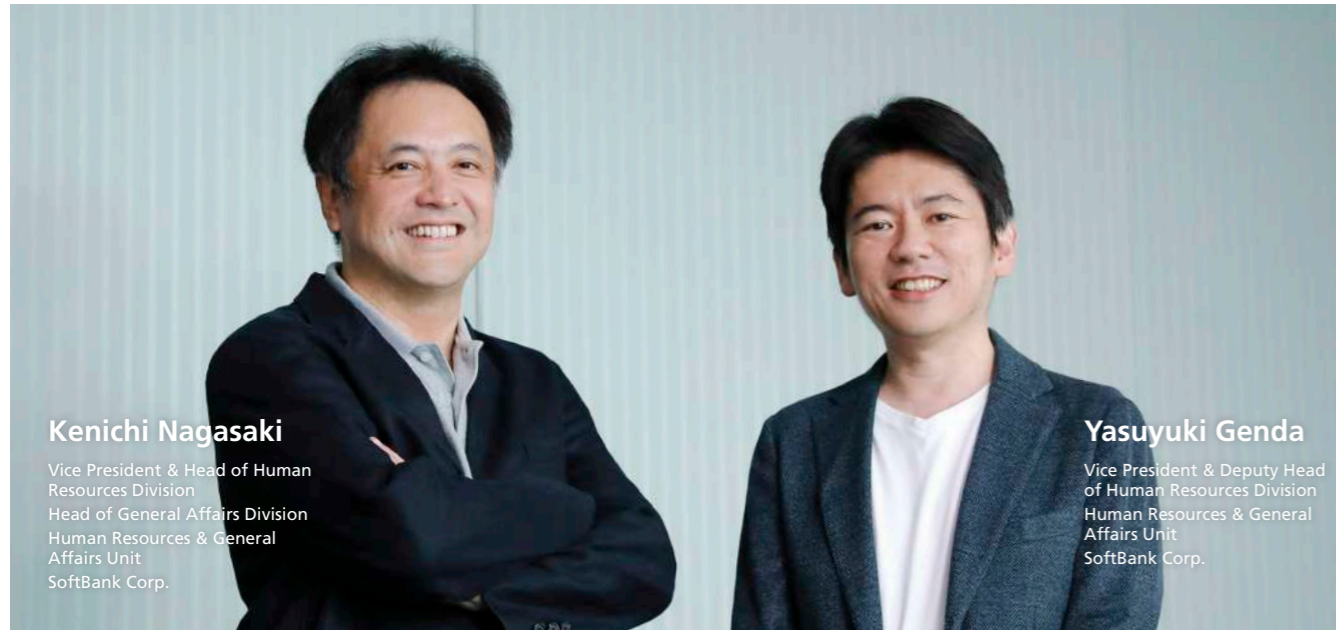
Company-wide risks are managed by (1) conducting annual risk assessments to identify risks so that the Risk Management Committee can determine the importance of risks and formulate management policies, (2) implementing risk countermeasures measures, (3) monitoring the progress of countermeasures implemented by the Risk Management Office, and (4) implementing the PDCA cycle to improve measures.



## Typical Risks and Mitigation Measures

Risk items	Example of typical risks	Risk mitigation measures
Risks related to changes in politics, economy, social conditions, regulations, market environments and competition with other companies	Risk of competition for Group services due to expansion of MVNO market share, intensifying competition in the telecommunications industry due to new entrants, rapid spread of services by start-up companies	Introduce services, products and sales methods that suit consumer preferences
Risks related to changes in technology and business models	Risk that the Group will not be able to respond in a timely and appropriate manner to changes in the market environment, including the emergence of new technologies and business models such as 5G	Surveys of the latest technology and market trends, demonstration experiments for the introduction of services with strong technological superiority and consideration of alliances with other companies
Risk of information leaks and the inappropriate use of the Group's products and services	Risk of information leaks or loss due to intentional Group actions, negligence or unauthorized access such as cyber-attacks by a third party	Limit workplace areas related to confidential information and establish entry/exit management rules; monitor and prevent unauthorized access via cyber-attacks from outside the Company; separate and make independent access authority and network usage according to information security level
Risk related to the provision of stable networks	Risk of inability to maintain communication services quality due to increased traffic (volume) and the inability to secure the required frequency bands. Risk that telecommunications networks or information systems will not operate as normal due to natural disasters or the spread of infectious diseases	Strengthen communication networks based on future traffic forecasts; introduce network redundancy and power outage countermeasures at network centers and base stations
Risks related to corporate acquisitions, business alliances and establishment of joint ventures	Risk that Group investee companies will not be able to achieve expected results; risk of business alliances and joint ventures not producing expected results	When considering the execution of individual investments, conduct necessary and sufficient due diligence, then make investment decisions through a defined approval process
Risks of dependence on other companies' management resources	Risk of inability to maintain usage of communication line equipment owned by other businesses; risk of supply outages, delivery delays or other problems with the procurement of communication equipment	Adopt policies for using communication line equipment from multiple companies and procuring equipment from multiple business partners to build networks
Risks related to developing and retaining human resources	Risk of not being able to retain human resources, such as engineers, required for business operations as planned	Introduce remuneration system that considers level of expertise for personnel with high market value
Legal and compliance risks	Risk of violating laws and regulations; risk of introduction or revision of laws and regulations that may adversely affect the business	Monitor legal and regulatory revisions; consult with lawyers and other outside experts when necessary
Financial and accounting risks	Risk of increased funding costs due to rising interest rates; risks due to changes in accounting and tax systems or impairment losses	Build financial base with sufficient funds by diversifying financing methods; consult with advisory tax accountants and other outside experts when necessary
Relationship risks with parent company	Risk that parent company may have a significant impact on the shareholders meeting resolutions	Voluntarily establish a Nominating Committee and Remuneration Committee chaired by an independent external director comprising independent external directors and the CEO to ensure independence regarding the nomination of officers and determination of remuneration
Service outage and degradation risks due to related system failures	Risk of being unable to continuously provide services due to human error, equipment or system problems, cyber-attacks by third parties, hacking, or other unauthorized access in customer systems, smartphone payment service PayPay or other services	Establish network redundancy and clarify recovery procedures in the event of a failure or other accident

# Human Resource Strategy



**Kenichi Nagasaki**

Vice President & Head of Human Resources Division  
Head of General Affairs Division  
Human Resources & General Affairs Unit  
SoftBank Corp.

**Yasuyuki Genda**

Vice President & Deputy Head of Human Resources Division  
Human Resources & General Affairs Unit  
SoftBank Corp.

**The mission of Human Resources is to connect “people” to “business.”**  
In order to achieve both employee growth and business growth, we have developed various systems and are making improvements to them as we go.

## The goal of our human resource strategy

Human resource growth is an important theme that is also relevant to “developing a resilient management foundation,” which is an SDG and one of our priority issues (materialities). In addition, from a long-term perspective, I believe that companies that are able to continuously contribute to social development will in turn be valued by society.

SoftBank’s business is becoming very diversified, with new businesses growing and group companies expanding.

Furthermore, people from diverse backgrounds come to work at SoftBank under our corporate philosophy of “Information Revolution — Happiness for everyone,” and they are all working to develop their skills and take on new challenges as they work toward their career goals. As human resources professionals, we are focused on how to assign the right people to each business and how to create an environment where they can thrive there. At the same time, we believe it is important for each individual to achieve their own career goals, and that’s why we have put a variety of systems in place.

## Individuals and companies, working to achieve their respective goals

SoftBank’s human resource systems include a free-agent system that allows employees to transfer to their preferred department or group company, a job posting system for recruiting members to new businesses and new companies, a side job system, and SoftBank InnoVenture. What makes our human resource systems special is that they help employees rise to the challenge of achieving their career aspirations.

In terms of employee development, we believe that the best way for employees to grow amidst a rapidly changing business environment is to repeatedly take on new challenges in the course of their daily work. At the same time, we want to combine both on- and off-the-job trainings to enhance the capabilities of our employees through our human resource development programs such as SoftBank University, SoftBank Academia, and SoftBank InnoVenture.

Going forward, we will continue to provide systems to promote both employee growth and business growth simultaneously.

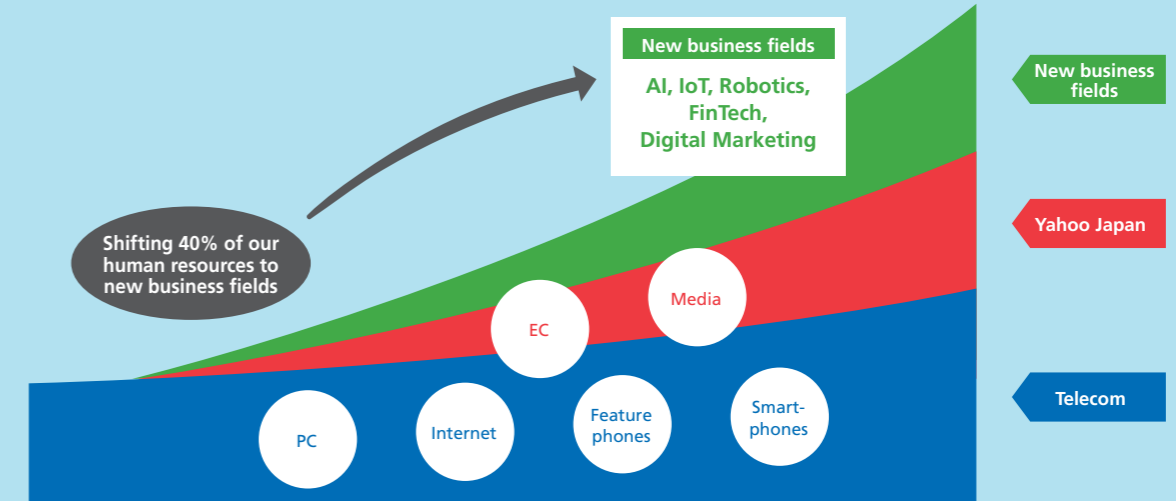
## Human resource strategy that adapts to changes in the business environment

### Strategy for creating a diverse workforce

SoftBank has transformed itself through the expansion of its distribution, publishing, and telecommunications businesses, as well as its information and communications technologies. The telecommunications industry is changing rapidly, and the skills required to keep up continue to change accordingly. SoftBank is pursuing a human resource strategy to create a diverse workforce that is flexible and capable of adding value in a changing environment.

### Shifting 40% of our human resources to new business fields to accelerate the *Beyond Carrier* strategy

As part of its *Beyond Carrier* strategy, SoftBank is working to shift 40% of its workforce into new business fields. As the telecommunications-related business operations become thoroughly digitized and automated, it frees up personnel to contribute to new business fields. We have already transferred thousands of personnel from the telecommunications field to new business fields with the aim of providing new opportunities for employees and accelerating growth in new areas.



### Job posting system that aims to shift human resources to new and growing businesses

This internal recruiting system for starting up new business lines provides opportunities for employees to grow and express themselves and establishes a work environment where anyone can take on new challenges. The system is very popular among employees, as shown by the 3-5x ratio of applicants to job postings, and a total of 835 employees have moved to new jobs taking advantage of the system (as of April 1, 2020).

#### Main business fields recruiting

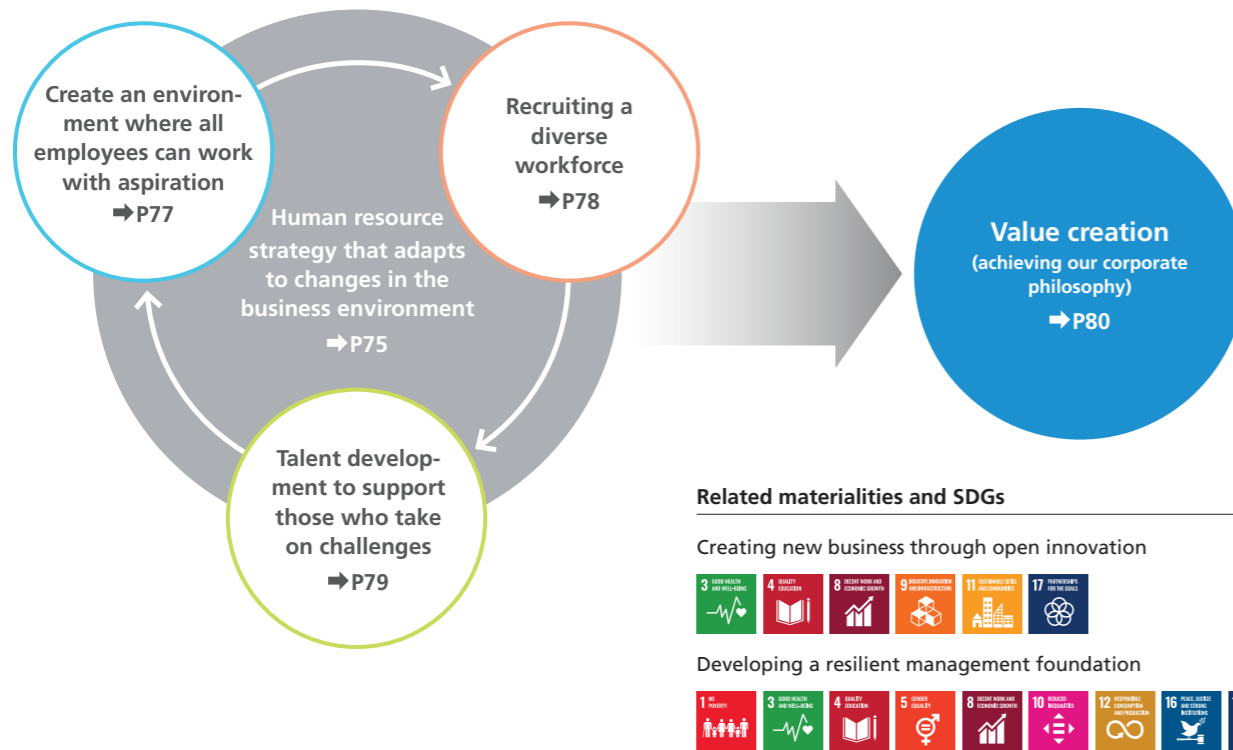
Smartphone payments	DX	MaaS
AI	Healthcare	Robotics

etc.

## Human Resource Strategy

SoftBank has put in place a variety of human resource systems that aim to increase corporate value and support the various career paths that different employees aspire at the same time.

### Human resource strategy framework



### Human Resource Policies

SoftBank must be an organization that continues to win, with positive and highly motivated employees. To unleash the unique potential of our business, we support and reward those employees able to rise to the challenge.

#### An organization that continues to win

To become a business that continues to grow for the next 300 years, we must be an organization that continues to win. We must never fall victim to the “big company syndrome.” We will be bold, embrace change, and be fearless in the pursuit of our goals. We will continue to keep our organization’s vitality.

#### Opportunities for those willing to challenge themselves

SoftBank will always support those who challenge themselves to achieve personal growth. But the decision to take this chance comes down to the individual. We want you to embrace challenge without fear of failure. SoftBank brings together remarkable people, encourages growth through friendly competition, and continues to offer those willing to challenge themselves the opportunity to grow.

#### Fair reward for your efforts

SoftBank rewards employees fairly for the work they do. If you have ability and ambition, there is no limit to what you can do. Age, gender, nationality, and educational background don’t matter. Employees who work hard will be rewarded in line with their results.

## Create an Environment where All Employees Can Work with Aspiration

### Systems that Lay the Foundation for Challenge and Innovation

SoftBank has introduced a mission grade system under which fields and grades are decided according to the individual’s mission and workstyle, rather than personal attributes such as age or gender. Evaluation is based on both contribution, which evaluates work performance and contribution to the organization, and evaluation of core competencies and values required to carry out the mission, with compensation linked to mission grade and evaluation. The purpose of developing these HR systems is to support the potential of employees who take on challenges, to clearly recognize those employees’ achievements, and to foster innovation and improve the well-being of our employees by

developing a progressive workplace environment where diverse human resources can thrive.

#### Challenge measures

We are helping our employees grow and achieve their career goals by operating a job posting system (in-house recruitment system) and a free-agent system.

At SoftBank, employees transfer to their preferred department or group company, or to new companies or new businesses, at their own initiative. In addition, our SoftBank InnoVenture system for proposing new businesses has received a total of 6,600 applications to date, of which 16 have led to commercial ventures.

### Achieving a “Smart & Fun!” Workplace

#### Promotion of Workstyle Reform

SoftBank is tackling workstyle reform with “Smart & Fun!” as its slogan. In this initiative, we are leveraging IT to work smartly and thereby allow personnel to concentrate on activities that are more creative and innovative. We are also freeing up time through our Super Flextime System, which helps employees maximize results by enabling them to work in a more efficient, focused manner. SoftBank aims to make work itself “fun!” by investing the freed-up time in the growth of each individual. SoftBank has implemented social distancing in its offices to prevent the spread of COVID-19. At the same time, to maximize the productivity of individuals and organizations, we have introduced new workstyles including the use of satellite offices and working from home, and allowing employees to travel directly to and from their homes and outside destinations. Anyone of these measures can be combined as often as deemed necessary. We also strive to keep the number of employees coming to the office on any given day at 50% or less. We are encouraging an optimal workstyle by positioning the office as a place for team building, collaboration, and innovation, and the home as a place for focused work.

#### Promotion of Health and Productivity Management

To ensure our employees are mentally and physically healthy, we encourage employees to receive regular health checkups and stress checks. In addition, we have established the Wellness Center, introduced online medical consultations, and prohibited smoking during working hours. In an effort to help employees enhance their health, SoftBank organizes seminars on such themes as diet improvement, regular exercise, quitting smoking, mental health, and women’s health. In light of COVID-19, these are now mostly online webinars. We also conduct an annual health awareness survey to assess the current health of employees and review health promotion measures, and we are developing a health management e-learning program to improve the health literacy of employees. In recognition of these efforts, SoftBank has been certified as a “White 500” organization by the Certified Health Management Organization Program for the second consecutive year since 2019.



### Enhancing Employee Satisfaction with Diversity and Inclusion

#### Employee Satisfaction (ES) Surveys

Employee Satisfaction (ES) surveys are conducted each year to monitor satisfaction and identify issues, as part of efforts to build stronger organizations and increase motivation. Action plans are created based on an analysis of results and conditions, both

companywide and in each division. This ties into continuous improvement activities for building better organizations, and also ensures that those improvement activities permeate through all levels of the organization, contributing to employee vitality and improved business performance.



## Human Resource Strategy

### Promoting Diversity

At SoftBank, we are working to create opportunities and environments in which diverse human resources can demonstrate their individuality and abilities, regardless of age, gender, nationality, or physical abilities. Currently, the percentage of female employees is about 30% and the percentage of female managers is 6.6% (as of April 2020\*). More than 90% of our female employees return to work after taking maternity and childcare leave, and many women are able to balance work and childcare at the same time.

SoftBank is working to create an inclusive environment where everyone, including people from the LGBT community, can work comfortably. Beginning in October 2016, we extended eligibility for company benefits beyond legally recognized spouses to include same-sex partners. As a general rule, the same standards are applied to the hiring of people with disabilities as to those with no disabilities, and there is no distinction in their treatment after joining the company.

\* Figures for SoftBank Corp. (standalone basis) and major affiliates.

## Recruiting a Diverse Workforce

### SoftBank's Recruiting Policies

SoftBank has a number of initiatives in place to attract a diverse workforce. In our mid-career hiring process, where we recruit for specific jobs, we focus on direct recruiting\*1 and referrals from our employees to hire people who come ready to work. Meanwhile, for new graduate recruitment, we adopt a policy of "universal hiring." Unlike most Japanese companies, which recruit large numbers of graduates at once, SoftBank keeps its doors wide open so that people who wish to take on challenges can seek employment freely of their own accord.

Because candidates are not limited by the passage of time after graduation, they can apply for a position with SoftBank even after working for a time at another company. All recruits are selected based on the same criteria, regardless of attributes such as gender or nationality. Candidates can apply through a wide range of selection programs, including "No. 1 Recruitment" international graduate recruitment, and a variety of internships. The use of AI as a tool in scoring entry sheets and video interviews contributes to fair and objective evaluations based on uniform evaluation standards.

\*1 Hiring by approaching the talent you need directly rather than via a recruitment agency.

### Focus on Intern Recruiting

SoftBank runs a JOB-MATCH internship program that allows candidates to apply their experience and skills in an actual job. In these hands-on internships, candidates work alongside SoftBank employees for 2 weeks or 4 weeks. This experience is more effective than an interview at revealing the company culture and letting both sides evaluate each other's strengths and individuality.

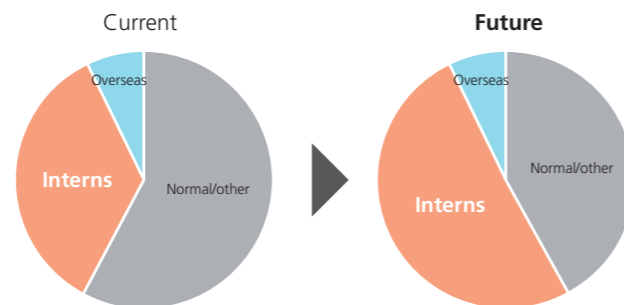
Other programs include TURE-TECH, our regional development internship program in which participants spend a week in a rural area to work on solutions to local issues, and "01gateway", our internship program for creating new businesses by having

participants go through the experience of starting a business from zero, SoftBank style.

Going forward, SoftBank intends to continue to expand its internship opportunities and intern recruitment, since this approach is more effective than conventional recruitment as a means of hiring diverse talent and reducing mismatches between company and candidate.

### How candidates are hired

#### Further expansion of intern recruiting



### Use of Technologies in Recruiting

SoftBank actively uses technologies in its recruiting activities to match recruits with companies, and to invest the time saved in more strategic recruiting that will bring about the best results for both the candidates and the Company. To this end, a wide range of technologies have been adopted; for example: Video interviews have been introduced to reduce the burden of time and costs for candidates traveling to selection venues, and AI-based chatbots are used to reduce the time and effort required to respond to candidate inquiries. In addition, the use of AI as a tool in scoring entry sheets and video interviews contributes to fair and objective evaluations based on uniform evaluation standards\*2.

\*2 If a candidate fails a screening or interview based on AI results, those results are re-evaluated by an HR officer to guarantee the accuracy of the selection process.

## Talent Development to Support Those who Take on Challenges

### A Training System for All Employees

#### SoftBank University



SoftBank University is SoftBank's own unique training system that is designed to train personnel who can contribute to the realization of the SoftBank Group's corporate philosophy. SoftBank University has three main curricula, comprising the SoftBank Business Program, the Technology Program, and the Stratified Layer Program, all of which aim to foster personnel with strong individuality.

In June 2009, the "SoftBank University Internally Certified Instructor (ICI\*) program" was introduced to enable employees to pass on their expertise (knowledge, experience, and wisdom) to others, and to promote more effective trainings. These employees conduct trainings based on their experience, thereby providing other employees with opportunities to enhance their skills.

\* Internally Certified Instructor

**Number of students per year**  
(average per year since fiscal year ended March 31, 2017)

More than **9,000**

**Satisfaction**  
(elicited from participants)

**90%** or greater

**Internally certified instructors**  
(as of March 31, 2020)

More than **110**

### Identifying and Grooming Successors to Lead the Group

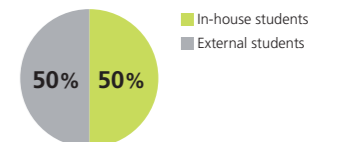
#### SoftBank Academia



SoftBank Academia was established by Masayoshi Son with the aim of identifying and grooming successors. The program is open to not only SoftBank Group employees but also students from outside the SoftBank Group, including startup managers, engineers, and researchers.

**Enrolled Academia students**

About **300**



### In-House System for Starting Business

#### SoftBank InnoVenture



SoftBank InnoVenture is an in-house entrepreneurship program that helps employees realize new business proposals. Any employee of a SoftBank Group company can make a proposal. A large number of original and innovative ideas have been submitted as proposals, and several of them have started as businesses.

**umami**ell

**Scatch!**

**MICE Platform**

**connect+**

**HELLO CYCLING**

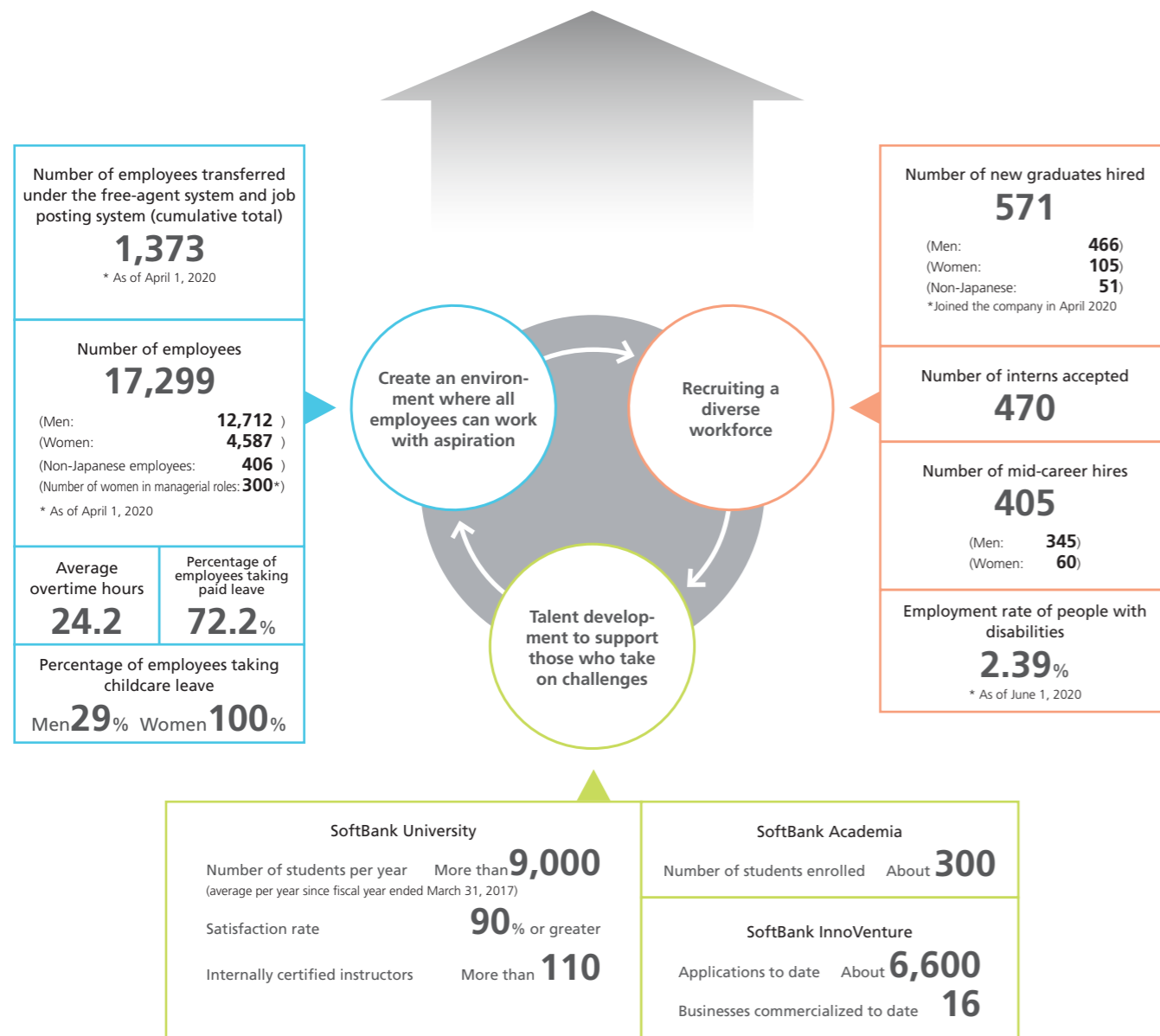
## Human Resource Strategy

### Value Creation (Achieving our Corporate Philosophy)

# Information Revolution — Happiness for Everyone

Under this philosophy, SoftBank brings together people motivated to do their best work

We have put in place a number of human resource initiatives under SoftBank's unique human resources strategy framework with the goal of developing talent who will continue to energetically implement our *Beyond Carrier* strategy.



\* The figures listed under "Create an environment where all employees can do their work with aspiration." and "Recruit a diverse workforce" are for SoftBank (standalone basis).  
\* As of March 31, 2020, or full year of fiscal year ended March 31, 2020, if not otherwise stated.

## Environmental Initiatives

### Response to TCFD Recommendations

In April 2020, SoftBank announced its support for recommendations released by the Task Force on Climate-related Financial Disclosures (TCFD)\*.

We will strengthen our governance in accordance with these recommendations and proactively strive to enhance our disclosure in keeping with the framework of "governance, strategy, risk management, indicators, and targets" that the TCFD has prescribed for companies.

\* Task Force on Climate-related Financial Disclosures: An international initiative established by the Financial Stability Board (FSB) in 2016 with the goal of encouraging companies to disclose information regarding the financial impact that risks and opportunities associated with climate change have on their businesses.



### Governance

SoftBank established the SDGs Promotion Committee to support the regular review of climate-change related initiatives as an advisory body to the Board of Directors. This committee is chaired by the president and CEO, who also serves as the Chief SDGs Promotion Officer a position that assumes ultimate responsibility for all sustainability activities, including climate change-related strategies.

In addition to the SDGs Promotion Committee, we have established the Environment Committee, which supports internal efforts to promote climate change prevention under the direction of the Chief SDGs Promotion Officer and the SDGs promotion officer. The Environment Committee is responsible for the management of risks and numerical values related to climate change; numerical management aimed at limiting waste generation, water consumption, and other environmental impacts; and promoting operations, initiatives, and awareness-raising activities that support these aims. The Environment Committee is chaired by the director of the CSR Department and appoints an environmental response manager for each department and the Group.

### Strategy

SoftBank operates a telecommunications business that includes 230,000 base station locations and uses a large volume of electricity. Accordingly, we recognize that our businesses could be subject to significant risks associated with climate change.

To assess climate-related risks and opportunities and consider adoption strategies that will prepare us for future events caused by climate change, we conducted analyses based on two scenarios indicated in the 2016 Paris Agreement, an international framework for global warming countermeasures that has been agreed upon by 196 countries around the world. The first scenario used for these analyses was one in which the average global temperature rises 2°C or less since the Industrial Revolution following a transition to a low-carbon economy. The second scenario involves an average global temperature rise of slightly less than 4°C since the Industrial Revolution as failure to implement climate change countermeasures exceeds current projections.

The 2°C scenario assumes the implementation of carbon pricing and other strengthened climate change countermeasures and supposes that climate change will not accompany enough physical impact to have an effect on business. We analyzed cost increases that would occur in association with the shift to renewable energy and energy conservation development if carbon pricing of about 6,000 JPY per tCO<sub>2</sub>e were implemented as assumed in data obtained from sustainable development scenarios issued by the International Energy Agency.

The 4°C scenario assumes that climate changes are not strengthened, resulting in physical impact from climate change, including extremely abnormal weather patterns. In calculating possible physical impact, it used a representative concentration pathway of 8.5 W/m<sup>2</sup>. The specific analyses are as follows.

## Environmental Initiatives

**Scenario assuming a 4°C rise in average global temperature: Projects a future in which typhoons and other natural disasters become more frequent and increase in size and intensity**

Scenario	Identified risks	Initiatives considered	Period before occurrence of risk
More frequent, large, and intense natural disasters	Rise in recovery costs due to an increase in the amount and severity of facility damage	Strengthen efforts aimed at preventing and mitigating disasters <ul style="list-style-type: none"> <li>Strengthen telecommunications infrastructure through the implementation of redundant power supplies, etc.</li> <li>Provide HAPS service that is not affected by natural disasters</li> </ul>	Long-term
Rise in frequency of extremely hot days	Increase in cost of electricity used for air conditioning	Strengthen energy conservation efforts <ul style="list-style-type: none"> <li>Substitute energy-saving equipment</li> <li>Improve power efficiency with IoT technology</li> </ul>	Long-term

Reference: Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change

**Scenario assuming a rise of 1.5–2.0°C in average global temperature: Presupposes the rapid achievement of a decarbonized global society**

Scenario	Identified risks	Initiatives considered	Period before occurrence of risk
Strengthened decarbonization regulations	Increased tax burden due to carbon tax implementation	Shift to the use of renewable energy to power base stations	Medium-term
	Increase in electricity costs due to a shift to renewable energy	Strengthen energy conservation efforts <ul style="list-style-type: none"> <li>Substitute energy-saving equipment</li> <li>Improve power efficiency with IoT technology</li> </ul>	Short-term
Rising environmental awareness	Loss of customers due to reputation risks associated with potential underperformance of environmental initiatives	Implement CO <sub>2</sub> emission reduction efforts and disseminate relevant information <ul style="list-style-type: none"> <li>Shift to the use of renewable energy to power base stations</li> <li>Provide natural electricity</li> <li>Promote new businesses that contribute to CO<sub>2</sub> reduction</li> </ul>	Short-term

Reference: "Energy Technology Perspectives 2017 Beyond 2°C Scenario (B2DS)" from the International Energy Agency

### Risk Management

Based on these scenario analyses, the Environment Committee, which is responsible for managing climate-related and other environmental risks, identifies specific climate change-related risks and opportunities brought forth by both the Company and all group companies that are subsequently evaluated and analyzed by the SDGs Promotion Committee. Matters determined to be of high importance are submitted to the Board of Directors for discussion.

In fiscal year ended March 31, 2020, to measure potential effects from risks associated with decarbonization, we implemented shadow pricing and analyzed its financial impact. With regard to opportunities, we considered converting our base stations to renewable energy as a means of responding to reputational risks associated with climate change and analyzed relevant impacts on both business and finance.

### Indicators and Targets

By managing environmental impact data, we also manage risks and opportunities associated with climate change.

As one of our primary numerical targets in fiscal year ending March 31, 2021, we aim to generate 30% of the electrical power consumed at our base stations through renewable energy sources. We will strive to raise this ratio to 50% in fiscal year ending March 31, 2022 and to 70% in fiscal year ending March 31, 2023 as we gradually shift toward renewable energy and will simultaneously curtail our greenhouse gas emissions.

Category	Unit	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	
Greenhouse gas (GHG) emissions (Scope 1, 2)	Total	t-CO <sub>2</sub>	733,515	722,514	693,953	776,104
	Scope 1	t-CO <sub>2</sub>	11,400	11,386	11,456	15,803
	Scope 2	t-CO <sub>2</sub>	722,115	711,128	682,497	760,301

Note: Values are determined based on the following boundaries:

- Through fiscal year ended March 31, 2019: SoftBank Corp. (standalone basis)
  - Fiscal year ended March 31, 2020: All SoftBank Corp. (standalone basis) business sites and major affiliates (Yahoo Japan Corporation, ASKUL Corporation)
- Note: Values increased in fiscal year ended March 31, 2020 due to a change in boundaries

Category	Description of calculation	Unit	Fiscal year ended March 31, 2020	Rate (%)
Scope 1	Direct emissions		11,773	0.4
Scope 2	Indirect emissions from energy sources		663,644	23.1
Scope 3	Other indirect emissions		2,202,152	76.5
Category 1: Purchased products and services	Calculated by multiplying the purchase price of products and services by emission intensity, including during the stage in which all products are procured and transported		447,211	15.5
Category 2: Capital goods	Calculated by multiplying capital investment amount by the rate of emission intensity per unit of capital good value		1,105,300	38.4
Category 3: Activities related to fuels and energy not included in scope 1 or 2	Calculated by multiplying fuel and energy consumption by emission intensity at the time of fuel procurement		98,327	3.4
Category 4: Transportation and delivery (upstream)	In cases of indirect conveyance and shipping, value is calculated by multiplying transportation cost by the rate of emission intensity per unit of monetary value (procurement transport is included under category 1)		23,993	0.8
Category 5: Waste from business	Calculated by multiplying the weight of industrial waste by rates of emission intensity for different types of waste and treatment methods		475	0.02
Category 6: Business trips	Calculated by multiplying transportation expenses by rates of emission intensity associated with units of transportation expense paid in different categories of transportation and by multiplying the number of days during which living accommodations were provided by per-day rates of emission intensity	t-CO <sub>2</sub>	6,204	0.2
Category 7: Commuting of employees	Calculated by multiplying the total commuting distance of employees by the rates of emission intensity per kilometer traveled by one individual employee in different transportation categories		7,879	0.3
Category 8: Lease assets (upstream)	Calculated by multiplying the total distance traveled by company cars by the emission intensity associated with fuel consumption levels corresponding to the maximum loading capacities enabled by different types of fuel		8,786	0.3
Category 9: Transportation and delivery (downstream)	(Not calculated)		–	–
Category 10: Processing of sold products	(Not calculated)		–	–
Category 11: Use of sold products	Calculated by multiplying the number of products sold or rented by the lifetime electrical power consumptions and rates of emission intensity associated with the use of each product		434,079	15.1
Category 12: Disposal of sold products	Calculated by multiplying the total weight of products sold by the rates of emission intensity associated with each type of waste produced as a result		815	0.03
Category 13: Lease assets (downstream)	(Included under category 11)		–	–
Category 14: Franchise	Calculated by multiplying the total floor area of SoftBank and Y!mobile stores by the rates of emission intensity per unit of floor area associated with each different building purpose		69,083	2.4
Category 15: Investment	(Not calculated)		–	–
<b>Total</b>			<b>2,877,569</b>	<b>100.0</b>

Note: Values only calculated for SoftBank Corp. (standalone basis)

## Environmental Initiatives

Category		Unit	Fiscal year ended March 31, 2017	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Energy	Electric power consumption	Thousand kWh	1,338,019	1,418,791	1,355,703	1,644,234
	Of which, renewable energy consumption	Thousand kWh	36	44	44	32,516
	City gas	Thousand m <sup>3</sup>	4,835	4,731	4,554	4,508
	Bunker A fuel oil	kl	65	144	190	160

Category		Unit	Fiscal year ended March 31, 2020
Greenhouse Gas	Carbon Dioxide (CO <sub>2</sub> )	t	14,408
	Methane (CH <sub>4</sub> )	t-CO <sub>2</sub>	1,108
	Dinitrogen Monoxide (N <sub>2</sub> O)	t-CO <sub>2</sub>	127
	Hydrofluorocarbons (HFCs)	t-CO <sub>2</sub>	161
	Perfluorocarbons (PFCs)	t-CO <sub>2</sub>	0
	Sulfur Hexafluoride (SF <sub>6</sub> )	t-CO <sub>2</sub>	0

Note: Values are determined based on the following boundaries:

- Through fiscal year ended March 31, 2019: SoftBank Corp. (standalone basis)
- Fiscal year ended March 31, 2020: All SoftBank Corp. (standalone basis) business sites and affiliates (Yahoo Japan Corporation, ASKUL Corporation)

Note: Values increased in fiscal year ended March 31, 2020 due to a change in boundaries

Note: Our greenhouse gas (Scope 1, 2, and 3) emissions and energy consumption during fiscal year ended March 31, 2020 were verified by the Japan Quality Assurance Organization, a third-party institution (verified ISO 14064-3 compliant with a limited level of assurance).

# SECTION 4

## Financial Information

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## Financial Strategy / A Message from the CFO



**Kazuhiko Fujihara**

Board Director  
Executive Vice President & CFO  
SoftBank Corp.

### Performance Overview of the Fiscal Year Ended March 31, 2020

In the fiscal year ended March 31, 2020, SoftBank exceeded the performance targets set at the beginning of the fiscal year, achieving year on year increases of 4.4% in revenue, to ¥4,861.2 billion, and 11.4% in operating income, to ¥911.7 billion, both of which were record highs. Like last fiscal year, revenue and income increased across all business segments. Furthermore, despite the recording of ¥19.5 billion in income taxes related to the business integration of Z Holdings Corporation and LINE Corporation, net income attributable to owners of the Company increased 2.3% to ¥473.1 billion, also a record high.

These strong results were based on the continued growth in revenue and income in the Consumer segment, which is the

backbone of the Company's business, despite the fact that the business environment was not exactly smooth sailing as we navigated amendments to the Telecommunications Business Act, the rise of low-priced smartphones, new entrants from other industries, and the outbreak of COVID-19 in the fourth quarter. Revenue of the mobile communications business grew by ¥48.2 billion (3%) and the broadband business grew by ¥22.8 billion (6%) year on year. Cumulative smartphone subscribers increased by 2.05 million to 24.13 million in the fiscal year ended March 31, 2020, and the annual smartphone subscriber churn rate was 0.70%, the lowest level ever. However, total ARPU (monthly Average Revenue Per User) decreased by ¥60 to ¥4,330 in the

fourth quarter compared to the same period of the previous fiscal year. This drop in ARPU reflects the increased number of subscribers for low-price *Y!mobile* and *LINE MOBILE* brands as well as price reduction due to the plans that separate handset payments and communication fees and the offer of family discounts. The revenue of mobile communications services increased thanks to growth in the total number of subscribers. With respect to revenues from sales of goods and others, handset sales volume declined year on year due to the introduction of a limit on handset subsidies accompanying amendments to the Telecommunications Business Act. On the other hand, handset inventories dropped below 50%, contributing to an improvement in reserves.

Yahoo segment revenue increased significantly by ¥98.5 billion (10.3%) year on year, and segment income increased by ¥16.4 billion (12.0%). Some of this growth reflects the impact of the addition of ZOZO, Inc. (approximately ¥57 billion in revenue). Meanwhile, Z Holdings, which became a SoftBank subsidiary in the first quarter, has exerted a significant impact on profits since the second quarter, clearly demonstrating the synergies that have developed between the companies. In the Enterprise segment, revenue of business solution and others in new business fields such as cloud services, IoT, security, and digital marketing grew 16.7% year on year, and segment income was up 9.5% year on year. In the Distribution segment, sales of PCs, servers, and other equipment to enterprise customers were strong, and cloud service license fees were a stable source of revenue, resulting in a 15.6% increase in revenue.

### Earnings Forecast for the Fiscal Year Ending March 31, 2021

Although the COVID-19 pandemic is currently causing a rapid contraction in economic activity, we aim to maintain the trend of profit growth in the fiscal year ending March 31, 2021, and to achieve consolidated operating income of ¥920 billion. Telecommunications revenues are expected to be solid due to an increase in data usage and telework demand associated with stay-at-home requests, and we also expect an increase in e-commerce transaction value in the Yahoo business. On the other hand, we anticipate declines in the number of customers visiting smartphone stores, face-to-face sales opportunities in the Enterprise segment, and ad placements in the Yahoo business. Based on these factors, the Company expects to increase operating income and plan for the adjusted FCF, excluding Z Holdings Group, to reach ¥670 billion (¥550 billion excluding the impact of IFRS 16) by implementing cost control measures.

As the most important indicator of the ability to generate cash, the Company emphasizes adjusted free cash flow (adjusted FCF), which is operating cash flows net of capital expenditures and growth investments. We will secure more than ¥100 billion in adjusted free cash after paying out dividends. Our basic financial strategy is to use this free cash after payout of shareholder returns to strengthen our financial base and for additional growth investments. For the fiscal year ended March 31, 2020, we recorded an adjusted FCF (excluding Z Holdings Group and the impact from adopting IFRS 16) of ¥524.2 billion, which exceeds the target of ¥500 billion. This is the result of the solid performance of the business itself, and proves that we have been able to control our annual expenses by calculating backwards from our target adjusted FCF, on top of securing the necessary and sufficient investment funds.

#### Forecasts of consolidated financial results in the fiscal year ending March 31, 2021

(Billions of yen)

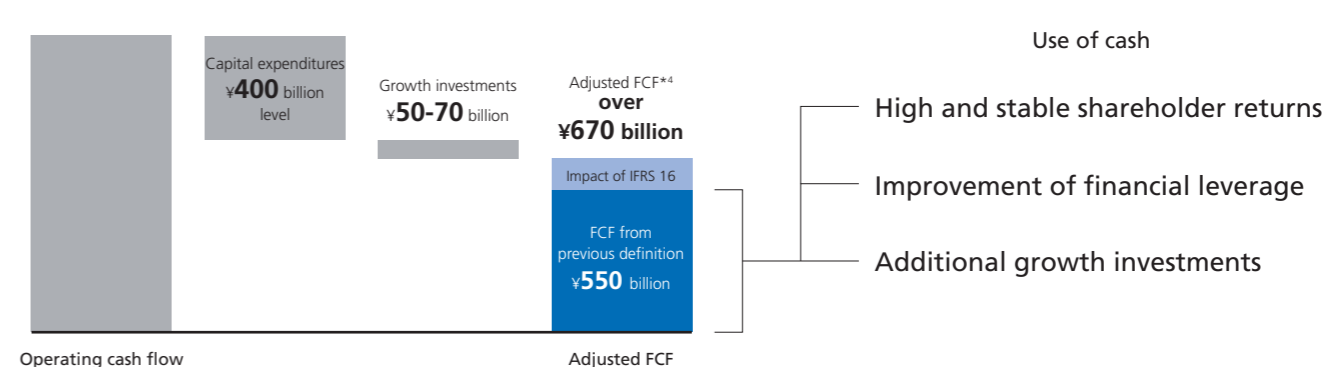
	Actual results for fiscal year ended March 31, 2020	Plan for fiscal year ending March 31, 2021	Variance	Growth rate
Revenue	4,861.2	4,900.0	+38.8	+0.8%
Adjusted EBITDA*1	1,606.5	1,630.0	+23.5	+1.5%
Operating income	911.7	920.0	+8.3	+0.9%
Net income	473.1	485.0	+11.9	+2.5%
Capital expenditures*2	369.8	400.0	+30.2	+8.2%
Adjusted FCF*3	644.7	670.0	+25.3	+3.9%
Dividend per share (Yen)	85	86	+1	-

\*1 Adjusted EBITDA = operating income + depreciation and amortization (including loss on disposal of non-current assets) ± other adjustments

\*2 Capital expenditures: acceptance basis, excluding Z Holdings Group, rental mobile phones for enterprise customers, and impact from adopting IFRS 16

\*3 Adjusted FCF (free cash flow) = FCF ± total cash flows relating to non-recurring transactions with SoftBank Group Corp. + (proceeds from the securitization of installment sales receivables – repayments thereof), excluding Z Holdings Group

#### Generation of stable free cash flow



\*4 Excluding Z Holdings Group

## Financial Strategy / A Message from the CFO

### Capital Expenditures and Investments in Growth

Capital expenditures in the telecommunications business in the fiscal year ended March 31, 2020 totaled ¥369.8 billion, slightly below the ¥380 billion planned at the beginning of the fiscal year. For the fiscal year ending March 31, 2021, we are projecting capital expenditures of ¥400 billion, and we expect capital expenditures to be at the level of ¥400 billion for each year going forward. This amount includes the amount of capital expenditures required for the nationwide rollout of the 5G network, and the ratio of 5G spends will increase within this amount. We are in a position to make efficient investments in 5G networks by taking advantage of the 230,000 base station locations we already have as well as technologies like Massive MIMO, a 5G essential technology that SoftBank has already implemented in its 4G networks.

In the Yahoo business, ZOZO, Inc., which operates the fashion e-commerce website ZOZOTOWN, was acquired as a subsidiary in November 2019. Yahoo Japan needed a boost in the fashion category, which is a large segment of the e-commerce market, and this problem was solved at once by the acquisition of ZOZO, Inc. Yahoo Japan and ZOZO complement each other in many areas and can be expected to generate a range of synergies, including in logistics.

Meanwhile, we are expanding into new business fields under the *Beyond Carrier* strategy. These efforts are still in the seed-sowing stage, but SoftBank Group Corp.'s ability to invest in promising cutting-edge unicorn companies worldwide allows us

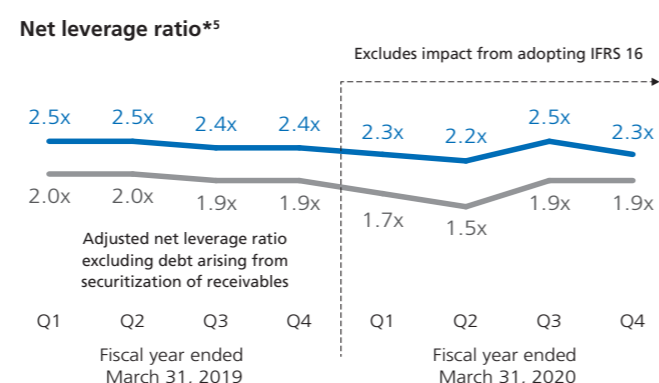
to start up and swiftly expand front-line businesses with less investment and risk than it would need to start up businesses from scratch. For example, we were able to launch and grow PayPay, DiDi, and WeWork businesses in accelerated time frames. Furthermore, our Yahoo business operates one of the largest internet portals in Japan and is deeply involved in a wide variety of businesses and industries. While taking full advantage of these benefits, the Company will continue to invest in the range of ¥50 billion to ¥70 billion annually in anticipation of corporate value increase through Group synergies.

In May 2019, PayPay Corporation transitioned from a consolidated subsidiary to an equity method affiliate by executing a third-party allotment of new shares for ¥46 billion (50% of voting rights) to SoftBank Group Corp. This capital injection represents SoftBank's full-scale entry into financial services, and strengthen the fund for PayPay's rapid expansion. As an operating company, we want to see PayPay grow even larger in the future through financing from the Company and Z Holdings. Therefore, in January 2020, the Company and Z Holdings decided to allocate non-voting preferred stock on a 50/50 basis for this purpose. The date of the conversion of the preferred stock has not been determined at this time, but at some point after the fiscal year ending March 31, 2023, the preferred stock will be converted into common stock and the voting rights ownership ratio will become 36% of each (72% total).

### Improvement of Financial Structure and Diversification of Fund-Raising Methods

In measuring financial soundness, we emphasize net leverage ratio as an important indicator. This is the ratio of net interest-bearing debt\*6 to adjusted EBITDA. Net interest-bearing debt as of March 31, 2020 was under ¥4 trillion at ¥3,938.4 billion, while adjusted EBITDA was ¥1,606.5 billion, an increase of ¥239.5 billion (17.5%) year on year. As a result, the net leverage ratio improved to 2.3x in the fourth quarter of the fiscal year ended March 31, 2020.

Because our telecommunications business is a subscription service, our operating cash flow is relatively stable. With the transition to 5G expected to increase traffic, we intend to steadily reduce our net leverage ratio by increasing the adjusted EBITDA. However, the substance of cash flow generation is more



\*5 Net leverage ratio = net interest-bearing debt / adjusted EBITDA (last 12 months of the relevant quarter). Excludes impact from adopting IFRS 16. In Q3 and Q4 of the fiscal year ended March 31, 2020, the EBITDA of ZOZO, Inc. for the previous 12 months was applied retrospectively. Fiscal year ended March 31, 2019 excludes Z Holdings Group.

important than superficial numerical improvements in a single year. As we continue to make necessary capital expenditures and invest in growth for the future, we will pay close attention to whether we can sustainably generate stable cash flow—which is the source of these investments—and, above all, whether our earning power is sustainable.

Meanwhile, we are diversifying our fund-raising methods. Traditionally, our primary means of financing were borrowings from banks, equipment leases, and securitization of installment

sales receivables. More recently, we issued ¥40 billion of bonds in March 2020 and ¥100 billion of bonds in July 2020, after receiving an A+ long-term rating from Rating and Investment Information, Inc. (R&I) and an AA- long-term rating from Japan Credit Rating Agency, Ltd. (JCR). Going forward, we intend to use bond issuance as a key fund-raising method to stabilize our financial base and improve financing costs.

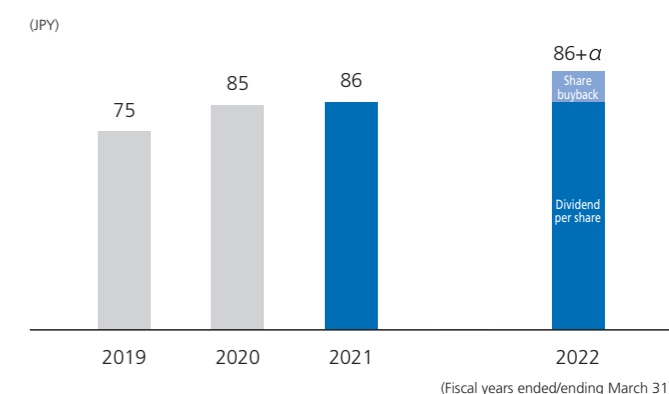
\*6 Net interest-bearing debt = interest-bearing debt – cash and cash equivalents – cash reserves for securitization of receivables

### Shareholder Returns

The Company's equity story since its initial public offering has been to achieve both high levels of shareholder returns and profit growth through its *Beyond Carrier* strategy. With regard to shareholder returns in particular, since listing, we have promised a stable per-share dividend with a guideline dividend payout ratio to net income of approximately 85% on a consolidated basis. The annual dividend per share (DPS) for the fiscal year ended March 31, 2020 is ¥85, an increase of ¥10\*7 year on year (yielding a consolidated payout ratio of 85.6%) with a background of strong performance. Starting in the fiscal year ending March 31, 2021, we decided to flexibly implement share buybacks to support the stock price while improving EPS (earnings per share), and we changed our shareholder return policy from a dividend payout ratio standard to a policy of maintaining a total shareholder return ratio of approximately 85%\*8. At present, our adjusted free cash flow is surpassing net income, since we are at a stage that does not require large amounts of capital expenditures. Given this situation, our policy is to continue to pay stable high

dividends regardless of whether or not we achieve our profit target. The DPS for the fiscal year ending March 31, 2021 is expected to be ¥86 (including an interim dividend of ¥43).

\*7 In the fiscal year ended March 31, 2019, SoftBank paid a half-year dividend of ¥37.50 per share (which converts to a dividend of ¥75.00 per share if calculated on a full-year basis) as the Company listed on December 19, 2018.  
\*8 Total dividends and share buybacks for fiscal year ending March 31, 2021 to fiscal year ending March 31, 2023 / total net income attributable to owners of the Company for these three years



### The Role of the CFO in the *Beyond Carrier* Strategy

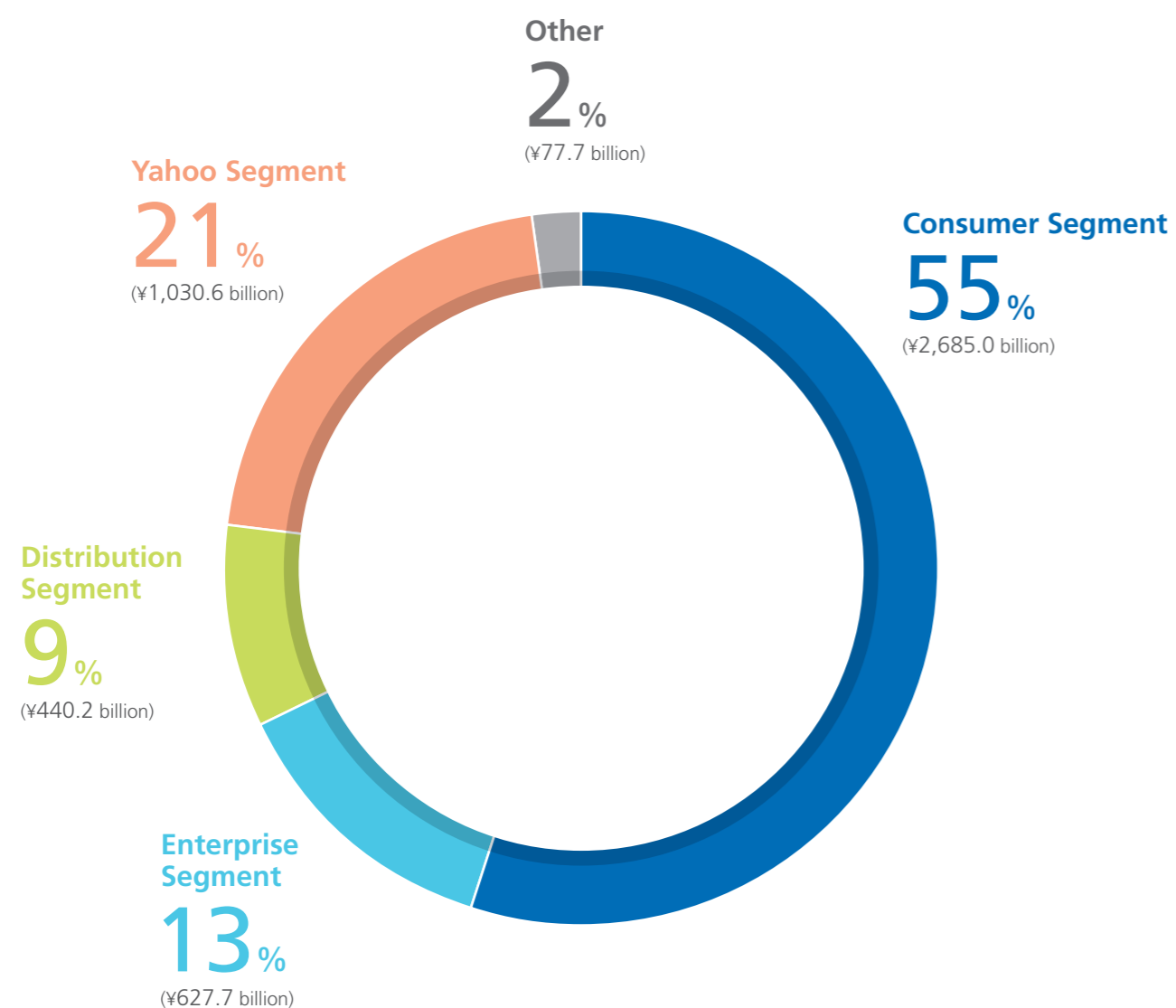
I believe that the three pillars of the Company—business, technology, and finance—are managed in unison to support sustained growth. The CFO, who is in charge of the Corporate Planning Division, needs to act as a compass, always working to keep the Company on course in pursuit of clearly defined goals. Managing costs is another important mission. I am focused on keeping costs flat to create fiscal resources to drive the *Beyond Carrier* strategy

so that we can keep stepping on the accelerator with confidence for significant growth opportunities. Based on that, we will make effective use of management resources to increase our corporate value by discerning not only the growth potential and profitability of each business but also our ability to create synergies between businesses.

# Business Overview

Fiscal year ended  
March 31, 2020

# Revenue ¥4,861.2 billion



### Segment Breakdown by Revenue

Note: Revenue ratio for each segment is calculated based on sales to external customers. Percentages are rounded off to the decimal point, and the percentage total for the chart therefore may not add up to 100.



### Consumer Segment

#### For Individual Customers

- Mobile communications services: Provision of the three brands of *SoftBank*, *Y!mobile*, and *LINE MOBILE*
- Broadband services: Offering of such services as *SoftBank Hikari*, a high-speed internet connection service for households
- Trading and supply of electric power and provision of electric power trading agency services
- Sale of mobile devices



### Enterprise Segment

#### For Enterprise Customers

- Provision of mobile communications services, fixed-line telephone services, network services such as VPN and internet, data centers, cloud, and other similar services
- Provision of solution services such as AI, IoT, robotics, security, and digital marketing



### Distribution Segment

#### For Enterprise Customers

- Provision of products and services addressing ICT, cloud services, IoT solutions, and other areas

#### For Individual Customers

- Provision of mobile and PC peripherals, software, IoT products, and other items



### Yahoo Segment

#### Commerce Field

- Provision of commerce-related services such as *YAHUOKU!*, *Yahoo! JAPAN Shopping*, *ZOZOTOWN* and others
- Provision of membership services such as *Yahoo! JAPAN Premium*
- Provision of financial and payment-related services such as credit cards

#### Media Field

- Media-related services such as *Yahoo! JAPAN Top Page* and *Yahoo! JAPAN News*
- Advertising-related services including paid search advertising and display advertising



### Other

- Investments in cutting-edge technologies and launch of new businesses
- Settlement services; online security trading service for smartphones; online business solutions and services; planning and production of digital media and digital content; sales of download licenses for PC software; advertising sales; R&D and manufacturing of network equipment, business planning, and activities for usage of frequency band related to the HAPS\* business; etc.

\* HAPS (High Altitude Platform Station) refers to systems where unmanned objects such as aircraft flying in the stratosphere can be operated like telecommunications base stations to deliver connectivity across wide areas.

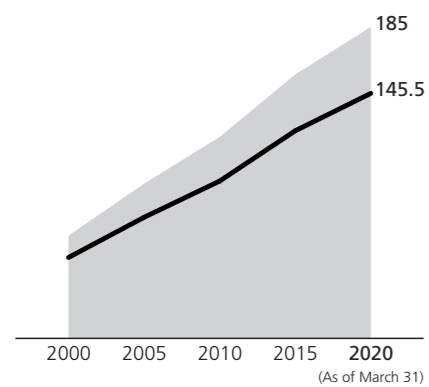
## Business Overview

### Market Data

#### Japan's Telecom Market

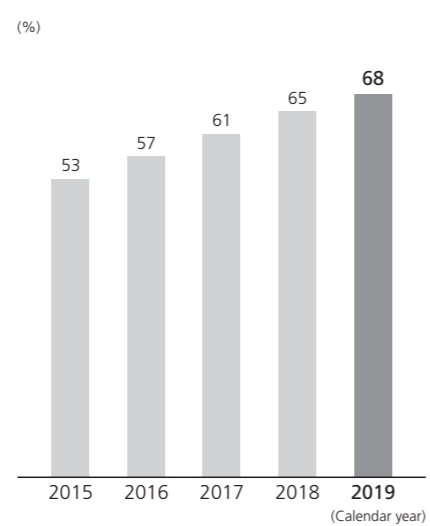
Number of Mobile Phone subscribers in Japan  
**184.90 million**

Mobile Phone Penetration Rate as Share of the Population in Japan  
**145.5%**



■ Number of mobile phone subscribers (Millions of subscribers)  
— Penetration rate as share of population  
Source: Created by the Company based on the "Information & Communications Statistics Database" of the Ministry of Internal Affairs and Communications

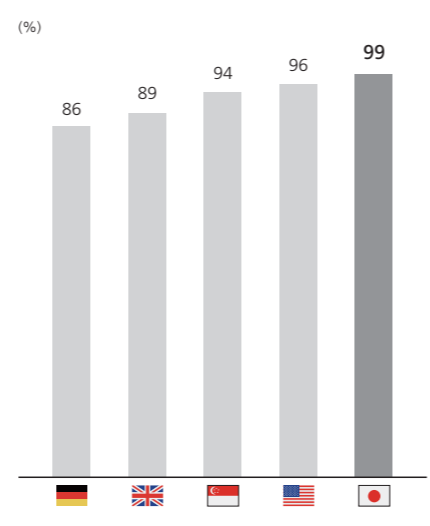
Smartphone Penetration Rate (Individual)  
**68%**



Source: Created by the Company based on the "Communications Usage Trend Survey" of the Ministry of Internal Affairs and Communications

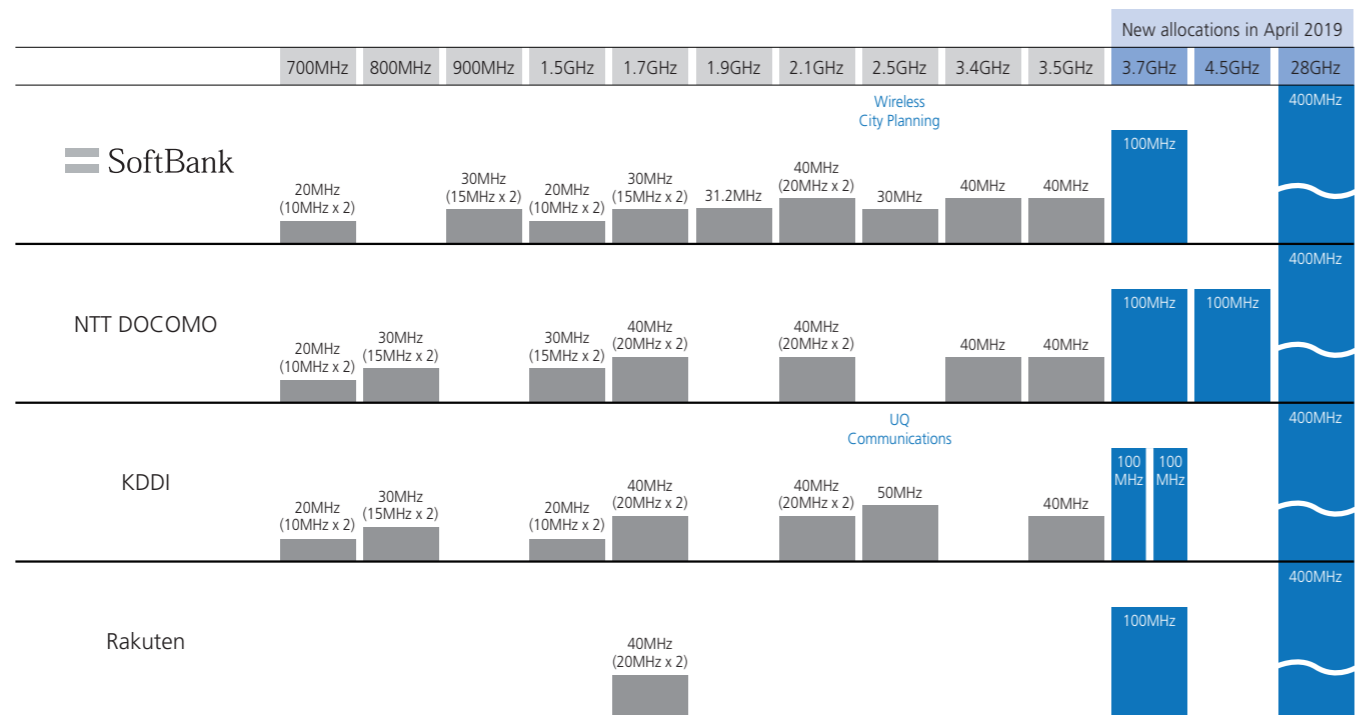
#### Comparison with the Telecom Markets of Other Countries

Smartphone 4G Availability\*1  
**99%**



\*1 Results from January 1, 2020 to March 30, 2020  
Source: Created by the Company based on "THE STATE OF MOBILE NETWORK EXPERIENCE 2020: ONE YEAR INTO THE 5G ERA (May 2020)" of Opensignal Limited.

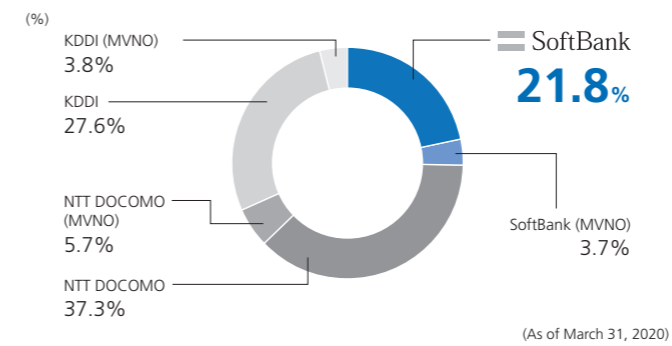
#### Status of Frequency Allocation\*2



\*2 Based on the disclosed materials of the Ministry of Internal Affairs and Communications and of each company as of April 10, 2019

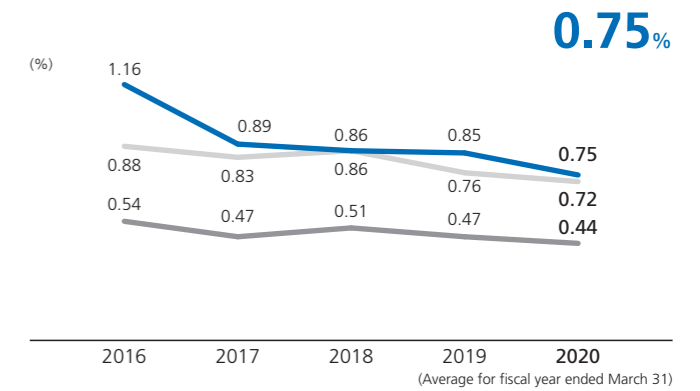
#### Competitive Landscape

Share of Mobile Subscribers by Operator\*3



\*3 Includes mobile phones, PHS, and BWA  
Source: Created by the Company based on the "Announcement of Quarterly Data on the Number of Telecommunications Service Contracts and Market Share (FY2019 Q4 (End of March))" of the Ministry of Internal Affairs and Communications

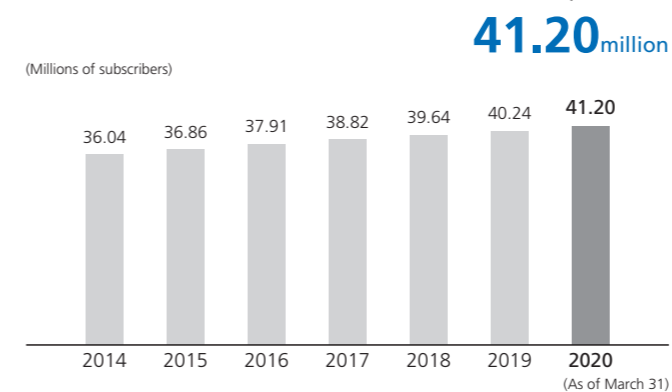
Mobile Phone Churn Rate\*4



\*4 Calculated based on the following for each company.  
SoftBank: churn rate for smartphones and feature phones (including voice SIM subscribers) among main subscribers; KDDI: au churn rate; NTT DOCOMO: churn rate of handsets  
Source: Created by the Company based on the earning disclosure materials of each company

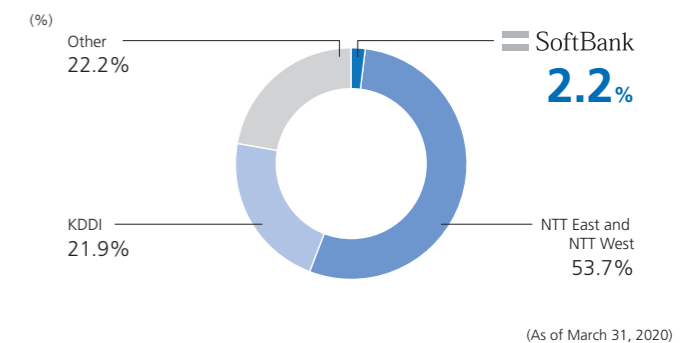
#### Broadband

Number of Fixed Broadband Service Subscribers\*5 in Japan



\*5 Total for FTTH, DSL, CATV Internet, and FWA services  
Source: Created by the Company based on the "2019 White Paper on Information and Communications in Japan" and the "Announcement of Quarterly Data on the Number of Telecommunications Service Contracts and Market Share (FY2019 Q4 (End of March))" of the Ministry of Internal Affairs and Communications

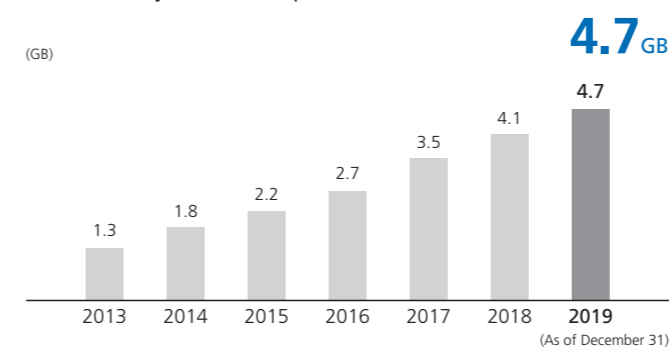
Share of Fixed Broadband Service Subscribers in Japan by Operator\*6



\*6 Total for FTTH, DSL, CATV Internet, and FWA services  
Source: Created by the Company based on the "Announcement of Quarterly Data on the Number of Telecommunications Service Contracts and Market Share (FY2019 Q4 (End of March))" of the Ministry of Internal Affairs and Communications

#### Data Traffic in Japan

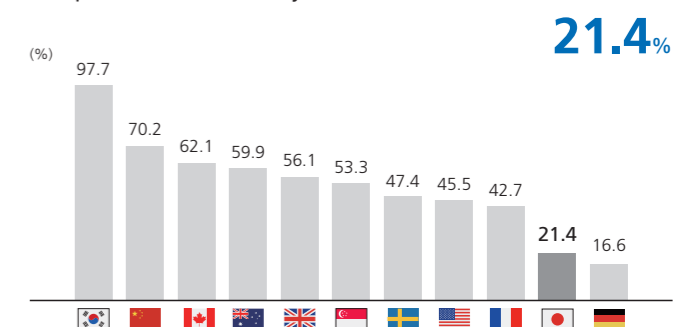
Total Monthly Data Traffic per Subscriber



Source: Created by the Company based on the "Current Status of Mobile Communication Traffic in Japan" of the Ministry of Internal Affairs and Communications  
\* Total monthly data traffic per subscriber in March of each year (total uploads and downloads)

#### Cashless Payment Penetration

Comparison of Cashless Payment Rates Worldwide (2017)



Source: "Cashless Roadmap 2020" of Payments Japan (Calculated from annual non-cash payment amounts according to the "Household Final Consumption Expenditure (2017)" of the World Bank and "Redbook (2017)" of the Bank for International Settlementment. Figures for China from market research firm Euromonitor International)



# Review and Analysis of the Fiscal Year Ended March 31, 2020

## Management Environment

The global business environment is undergoing a major transformation due to advances in digital technology. With the rapid penetration of AI and IoT and the utilization of big data, a DX is occurring that is changing the structure of the industry itself. The commercialization of the next-generation telecommunications standard 5G (fifth-generation mobile communications system), which has the advantages of ultra-high speed, large capacity, low latency, and massive machine connections, is expected to further accelerate this change. Meanwhile, in the Japanese telecommunications market, the business environment continues to undergo changes, including the strengthening of government policies to promote competition, the penetration of low-priced

smartphone services by Mobile Virtual Network Operators (MVNOs), and the entry of new players from other industries. Competition is intensifying, especially in the areas of e-commerce, finance, and payments.

In this context, under its *Beyond Carrier* strategy, the Group will continue to expand the customer base that it has developed in the telecommunications business, while also creating new businesses that leverage cutting-edge technologies such as IoT, AI, big data, and robotics, both by itself and through “co-creation” with partner companies. In doing so, the Group aims to solve various social issues facing Japan while maximizing corporate value.

## Overview of Consolidated Results of Operations

### ■ Revenue

For the fiscal year ended March 31, 2020, revenue increased across all segments to ¥4,861.2 billion, an increase of ¥204.4 billion (4.4%) year on year. Revenue increased by ¥16.2 billion in the Consumer segment, ¥18.4 billion in the Enterprise segment, ¥65.1 billion in the Distribution segment, and ¥98.5 billion in the Yahoo segment.

### ■ Operating income

For the fiscal year ended March 31, 2020, operating income increased across all segments by ¥93.5 billion (11.4%) year on year to ¥911.7 billion. Operating income increased by ¥19.8 billion in the Consumer segment, ¥7.3 billion in the Enterprise segment, ¥2.0 billion in the Distribution segment, and ¥16.4 billion in the Yahoo segment. Operating income under “Others” increased by ¥46.4 billion. This increase was mainly due to the recording of less operating loss than in fiscal year ended March 31, 2019 related to PayPay Corporation, which was accounted for as a subsidiary at that time, and the recording of a gain on loss of control due to the reclassification of Cybereason Japan Corp. from a subsidiary of the Company to an equity method affiliate in fiscal year ended March 31, 2020.

### ■ Net income

Net income for the fiscal year ended March 31, 2020 increased by ¥12.5 billion (2.5%) year on year to ¥506.7 billion. The increase in income taxes in the fiscal year ended March 31, 2020 was mainly due to the recording of ¥19.5 billion in income taxes related to the gain on intergroup transfer of shares of Z Holdings, following the conclusion of the definitive integration agreement for the business integration between Z Holdings and LINE Corporation, and the impact of the use of loss carryforwards in the fiscal year ended March 31, 2019, in addition to an increase in income tax associated with the increase in profit before income taxes. Shares of losses of associates accounted

for using the equity method increased by ¥39.8 billion to ¥46.1 billion. This increase was mainly due to initiatives undertaken to expand business at PayPay Corporation, which has been accounted for as an equity method affiliate since May 2019.

### ■ Net income attributable to owners of the Company

For the fiscal year ended March 31, 2020, net income attributable to owners of the Company increased by ¥10.7 billion (2.3%) year on year to ¥473.1 billion. Net income attributable to non-controlling interests increased by ¥1.8 billion (5.8%) year on year to ¥33.5 billion, mainly due to the consolidation of ZOZO, Inc. as a subsidiary.

### ■ Adjusted EBITDA

For the fiscal year ended March 31, 2020, adjusted EBITDA increased by ¥239.5 billion (17.5%) year on year to ¥1,606.5 billion. The increase mainly reflects, in addition to the increase in operating income, an increase of ¥141.9 billion in depreciation and amortization due to transferring rents that were previously classified as operating leases to depreciation and interest expense due to the adoption of IFRS 16 from the fiscal year ended March 31, 2020. The Group believes that adjusted EBITDA, which excludes the impact of non-cash transactions, is a useful and necessary indicator for more effective evaluation of its business performance.

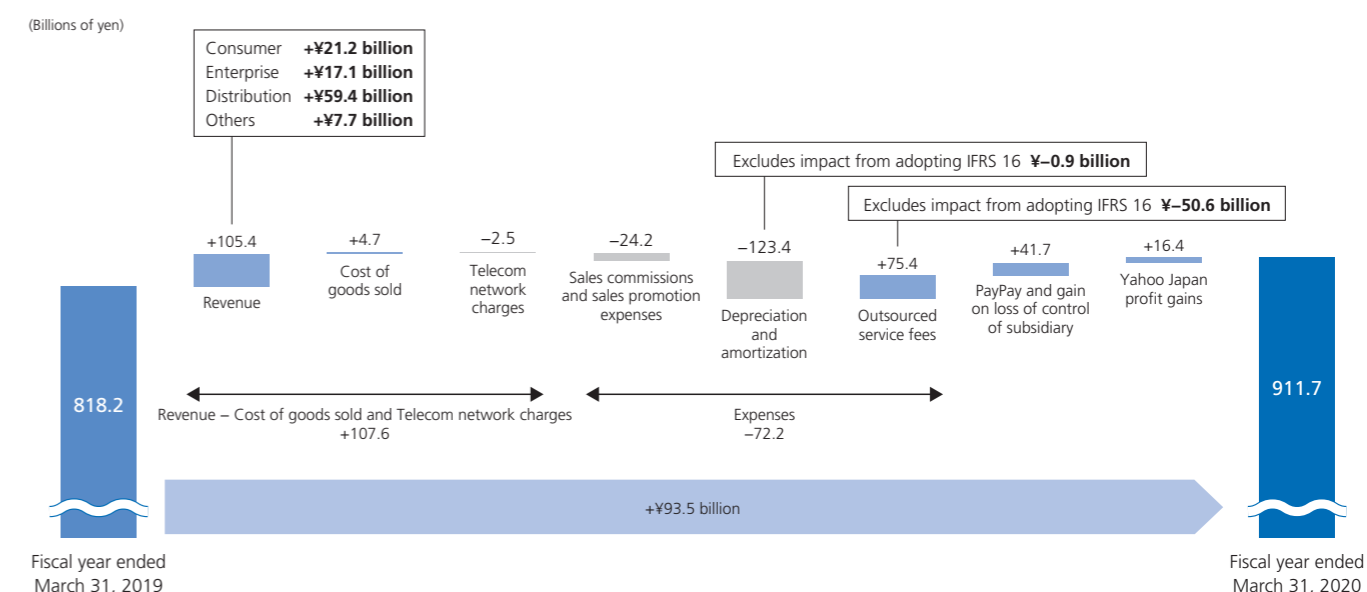
Furthermore, adjusted EBITDA margins, which are calculated based on the adjusted EBITDA mentioned above, are appropriate indicators to understand the ordinary profitability of core businesses. The adjusted EBITDA margin in the fiscal year ended March 31, 2020 was 33.0%, up 3.6 points year on year.

\* The Company has adopted IFRS 16 from the fiscal year ended March 31, 2020. In addition, subsidiaries acquired through common control transactions (including Z Holdings Corporation) that became under the umbrella of the Group on and before March 31, 2020 are accounted for as if they were acquired on April 1, 2018, in accordance with the Group's accounting policies.

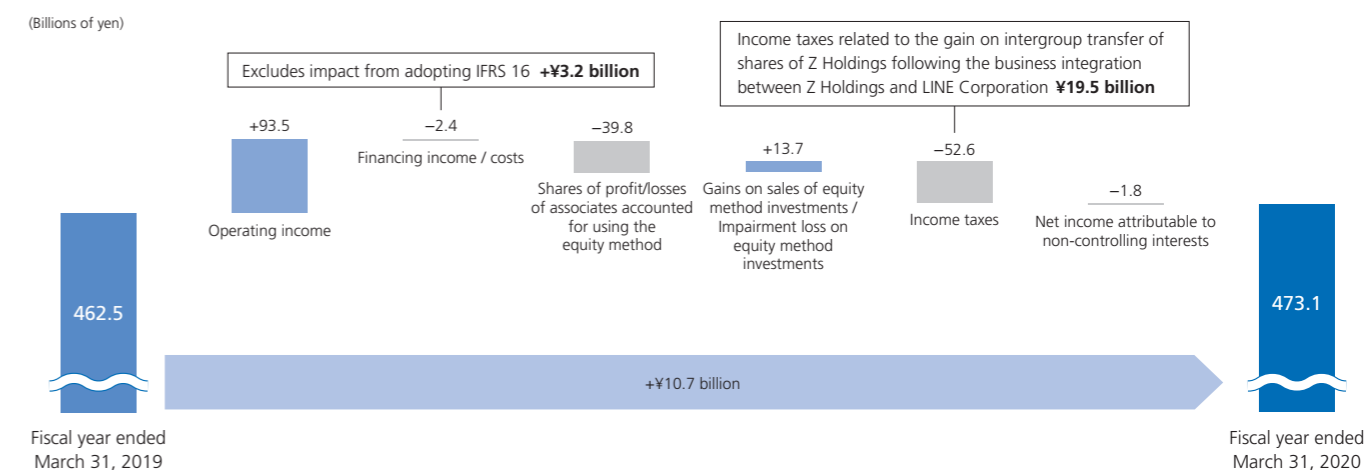
## Consolidated Results of Operations

Fiscal years ended March 31				(Billions of yen)
	2019	2020	Variance	Growth rate
Revenue	4,656.8	4,861.2	+204.4	+4.4%
Operating income	818.2	911.7	+93.5	+11.4%
Profit before income taxes	746.1	811.2	+65.1	+8.7%
Income taxes	-251.9	-304.5	-52.6	-20.9%
Net income	494.2	506.7	+12.5	+2.5%
Net income attributable to:				
Owners of the Company	462.5	473.1	+10.7	+2.3%
Non-controlling interests	31.7	33.5	+1.8	+5.8%
Adjusted EBITDA	1,367.1	1,606.5	+239.5	+17.5%

## Analysis of Fluctuation in Operating Income



## Analysis of Fluctuation in Net Income Attributable to Owners of the Company



# Review and Analysis of the Fiscal Year Ended March 31, 2020

## Overview of Results by Segment

### ■ Consumer Segment

In the Consumer segment, the Company provides telecommunications services, such as mobile communications services, including sales of mobile devices, and broadband services, to individual customers in Japan. For mobile device sales, the Company procures mobile devices from mobile device manufacturers and sells the mobile devices to distributors operating SoftBank shops, etc. and to individual customers.

Revenue for the fiscal year ended March 31, 2020 increased 0.6% year on year. Within telecom service revenues, mobile communications revenue increased, mainly due to an increase in the number of smartphone subscribers and a decrease in monthly discounts following an increase in the number of subscribers to so-called “unbundled” price plans that separate handset payments and communication fees and longer installment contract periods for devices under these plans. This increase in revenue was enough to offset a decline in average unit price due to discounts and growth in the number of *Y!mobile* and *LINE MOBILE* subscribers. Broadband revenues also increased due to an increase in the number of subscribers to the *SoftBank Hikari* fiber-optic service. Revenues from sales of goods and others decreased due to decreases in the unit prices and sales volume of mobile devices, despite an increase in sales from the *Ouchi Denki* (home electricity) service.

The sum of the operating expenses (cost of sales and selling, general and administrative expenses) and other operating income and loss (other operating income and other operating expenses), hereinafter referred to as “total operating expenses,” decreased 0.2% year on year. This decrease was mainly due to decrease in cost of products in connection with a decline in the sales volume of mobile devices. As a result, segment income increased by ¥19.8 billion (3.2%) year on year to ¥647.3 billion.

### ■ Enterprise Segment

In the Enterprise segment, the Group provides a wide range of solutions for enterprise customers. These include mobile communications services, the *OTOKU Line* fixed line telephone service, the *ConnecTalk* service enabling seamless internal line voice calling between mobile phones and fixed line telephones, the Virtual Private Network service called *SmartVPN*, and network services such as internet, data center services, cloud services and various solutions for enterprises such as AI, IoT, robotics, security, and digital marketing.

Revenue for the fiscal year ended March 31, 2020 increased 3.0% year on year. The increase in mobile revenue in particular was due to an increase in the number of smartphone subscribers. Fixed-line revenue declined due to a decrease in the unit price of telephone services and a large contract related to network construction that expired in the fiscal year ended March 31, 2019. Revenue in the “business solution and others” category grew due to increased revenue from cloud services, sales of goods and sales of outsourcing and professional services.

Total operating expenses increased 2.0% year on year. This increase mainly reflects an increase in costs following the abovementioned increase in mobile and “business solution and others” revenues. As a result, segment income increased by ¥7.3 billion (9.5%) year on year to ¥83.6 billion. Excluding the impact from the expiration of a large contract related to network construction in the fiscal year ended March 31, 2019, operating income increased by ¥15.8 billion (23.2%).

### ■ Distribution Segment

In the Distribution segment, the Group provides cutting-edge products and services that accurately reflect the ever-changing market environment. For enterprise customers, the Group offers products and services primarily addressing ICT, cloud services, and IoT solutions. For individual customers, the Group undertakes the planning and supply of products and services across a wide range of areas such as mobile and PC peripherals, including accessories, as well as software and IoT products, as a manufacturer and distributor.

Revenue for the fiscal year ended March 31, 2020 increased 15.6% year on year. This was due to firm sales of existing products such as PCs and servers for enterprise customers, and an increase in stable revenue sources such as growth in the number of licenses for cloud services.

Total operating expenses increased 15.7% year on year. This increase was mainly due to an increase in the cost of products owing to the increase in revenue. As a result, segment income increased by ¥2.0 billion (13.1%) year on year to ¥17.2 billion.

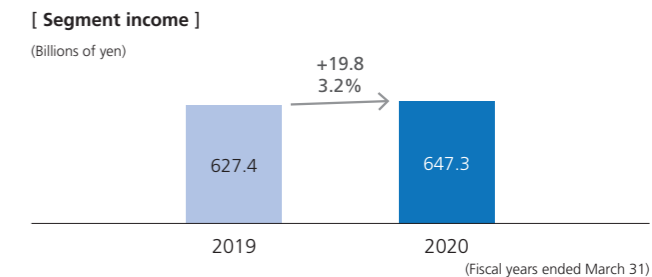
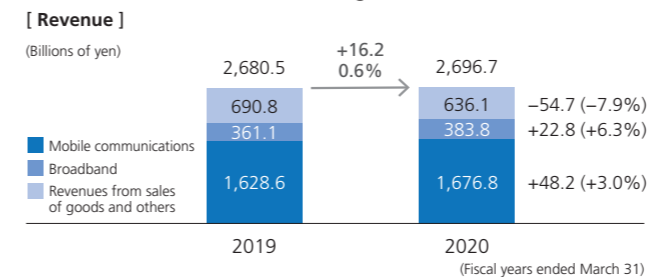
### ■ Yahoo Segment

In the Yahoo segment, the Group offers over 100 services that center on e-commerce, financial and payment-related businesses, and media covering online to offline services in a comprehensive manner. In the commerce field, the Group provides e-commerce services such as *YAHUOKU!*, *Yahoo! JAPAN Shopping* and *ZOZOTOWN*, as well as membership services such as *Yahoo! JAPAN Premium* and financial and payment-related services such as credit cards, while in the media services field it provides internet advertising-related services.

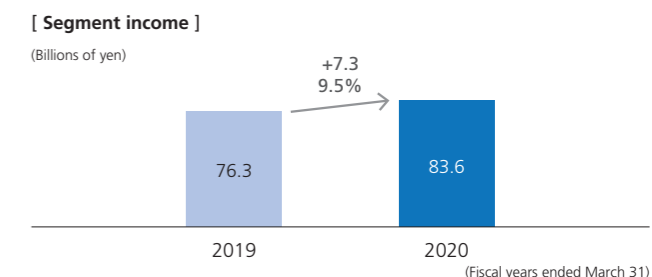
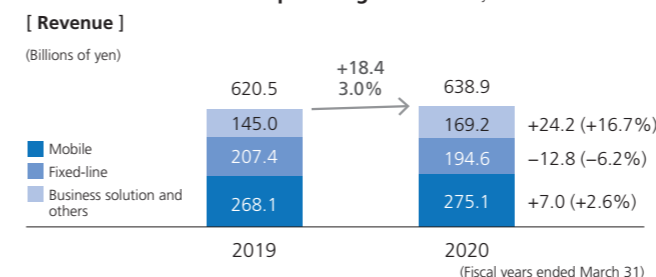
Revenue for the fiscal year ended March 31, 2020 increased by 10.3% year on year. The increase in commerce revenue in particular was due to consolidation of ZOZO, Inc. and an increase in revenue associated with an increase in transaction value in existing commerce services.

Total operating expenses increased 10.0% year on year. This increase mainly reflects increases in selling, general and administrative expenses accompanying the consolidation of ZOZO, Inc., cost of sales associated with an increase in sales of other commerce services and depreciation expenses associated with an increase in software and servers. As a result, segment income increased by ¥16.4 billion (12.0%) year on year to ¥152.3 billion.

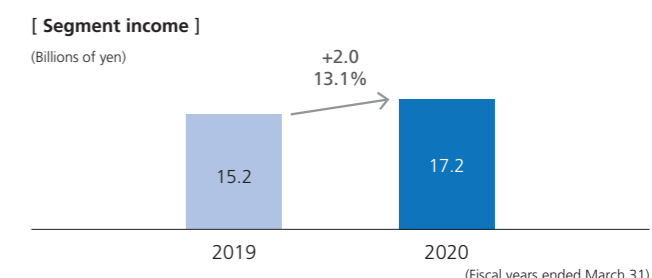
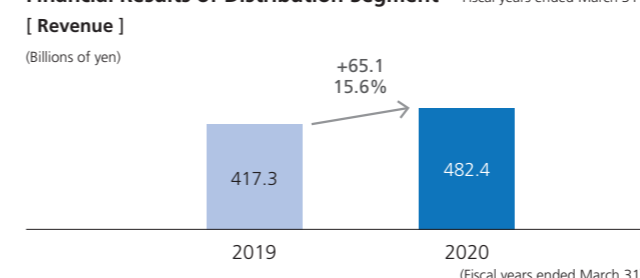
### Financial Results of Consumer Segment Fiscal years ended March 31



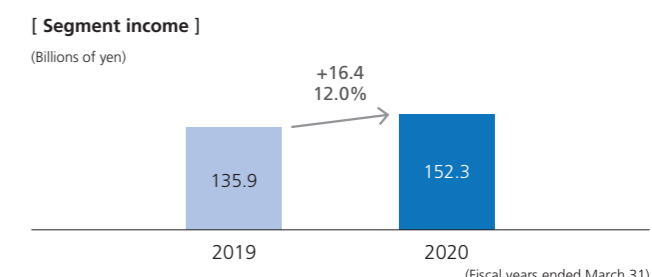
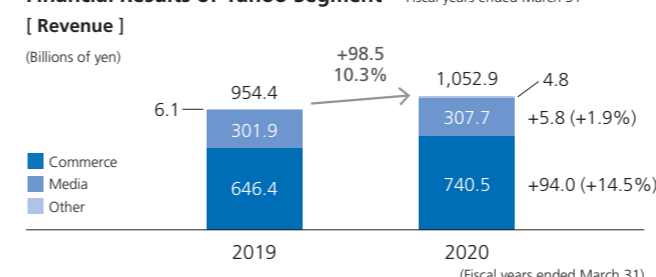
### Financial Results of Enterprise Segment Fiscal years ended March 31



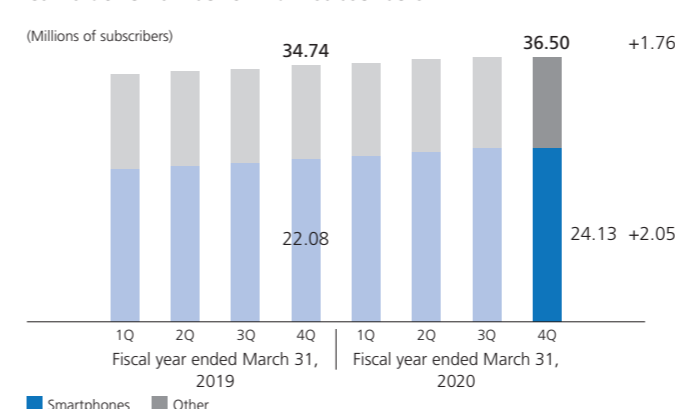
### Financial Results of Distribution Segment Fiscal years ended March 31



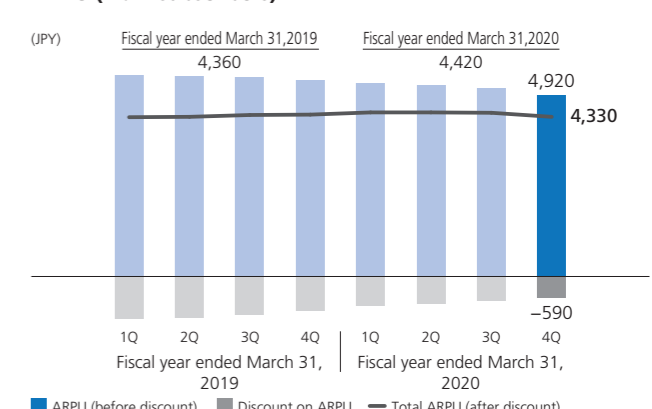
### Financial Results of Yahoo Segment Fiscal years ended March 31



### Cumulative number of main subscribers\*



### ARPU (main subscribers)



## Review and Analysis of the Fiscal Year Ended March 31, 2020

### Overview of Consolidated Financial Position

#### ■ Assets

Total assets amounted to ¥9,792.3 billion as of March 31, 2020, an increase of ¥1,755.9 billion (21.8%) from the previous fiscal year-end. This mainly reflected an increase of ¥816.0 billion in assets due to the consolidation of ZOZO, Inc., an increase of ¥484.7 billion in assets due to the recognition of right-of-use assets related to lease transactions previously classified as operating leases with the adoption of IFRS 16, an increase of ¥205.4 billion in cash and cash equivalents, and an increase of ¥173.4 billion in other financial assets mainly due to an increase in long-term installment receivables.

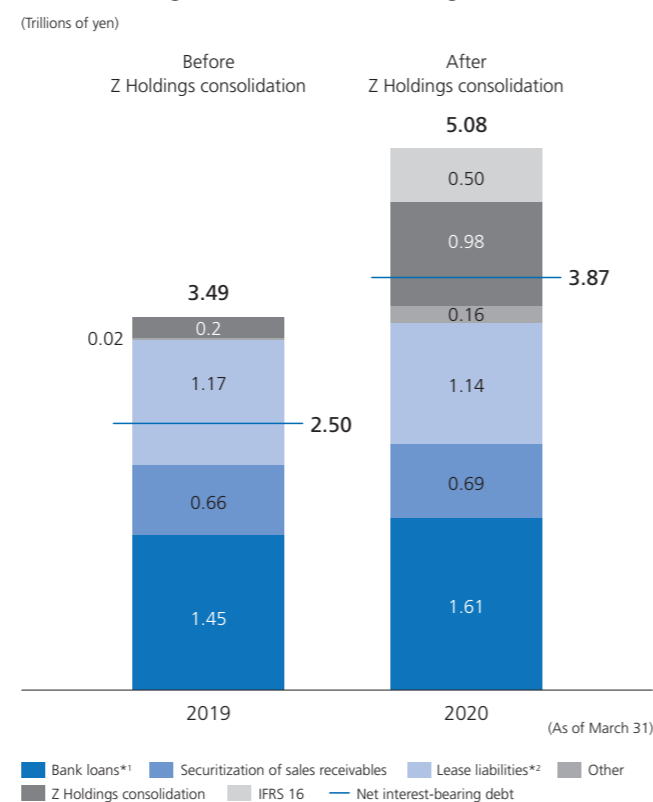
#### ■ Liabilities

Total liabilities amounted to ¥8,084.7 billion as of March 31, 2020, an increase of ¥2,070.9 billion (34.4%) from the previous fiscal year-end. This was mainly due to new financing activities and an increase in interest-bearing debt from the impact of adopting IFRS 16.

#### ■ Equity

Total equity amounted to ¥1,707.6 billion as of March 31, 2020, a decrease of ¥315.0 billion (15.6%) from the previous fiscal year-end. The change was from increases of ¥506.7 billion due to the recording of net income for the fiscal year ended March 31, 2020 and ¥185.8 billion due to business combinations accompanying the consolidation of ZOZO, Inc., and decreases of ¥501.0 billion due to the changes from a transaction under common control, ¥431.3 billion due to cash dividends, and ¥68.7 billion due to share buybacks.

#### Interest-bearing Debt / Net Interest-bearing Debt



\*1: Senior Loan Agreements which SoftBank Corp. entered in August 2018 and October 2019  
 \*2: Lease liabilities as of March 31, 2020 are liabilities and borrowings related to sale and leaseback transactions of SoftBank Corp. (standalone basis) and Wireless City Planning Inc. (including payables from purchase of installments)

#### Consolidated Statement of Financial Position

(Billions of yen)

(As of March 31)	2019	2020	Variance	Reason for variance
Cash and cash equivalents	938.4	1,143.8	+205.4	Increase in FCF
Trade and other receivables	1,696.0	1,800.3	+104.3	Increase in transaction value for payment-related business
PP&E / intangible assets / right-of-use assets	3,397.0	4,548.7	+1,151.7	Impact from adopting IFRS 16 Increase in intangible assets and goodwill due to the consolidation of ZOZO, Inc.
Other assets	2,005.0	2,299.5	+294.4	Increase in long-term installment receivables, increase in investment securities due to investment in PayPay Corporation, increase in deposit to CCP of The Japan Net Bank, etc.
Total assets	8,036.3	9,792.3	+1,755.9	
Interest-bearing debt	3,491.7	5,082.3	+1,590.5	See graph above
Other liabilities	2,522.0	3,002.4	+480.4	Increase in deferred tax liabilities due to the consolidation of ZOZO, Inc.
Total liabilities	6,013.8	8,084.7	+2,070.9	
Total equity	2,022.6	1,707.6	-315.0	Decrease due to the accounting following the conversion of Z Holdings into a subsidiary, which was conducted as a transaction under common control

### Overview of Consolidated Cash Flows

#### ■ Cash flows from operating activities

In the fiscal year ended March 31, 2020, the net cash inflow from operating activities was ¥1,249.5 billion, an increase of ¥284.0 billion year on year. This reflected an increase in cash due to the impact of adopting IFRS 16 and an increase in deposits in the banking business.

#### ■ Cash flows from investing activities

In the fiscal year ended March 31, 2020, the net cash outflow from investing activities was ¥900.1 billion, an increase of ¥313.9 billion year on year. This was mainly due to cash paid to obtain control of ZOZO, Inc. and make it a subsidiary.

#### ■ Cash flows from financing activities

In the fiscal year ended March 31, 2020, the net cash outflow from financing activities was ¥143.6 billion. Cash outflow mainly included ¥526.8 billion in purchase of treasury stock by subsidiaries including Z Holdings and ¥397.5 billion in cash dividends paid. Cash inflow mainly included ¥400.0 billion in borrowings for the acquisition of shares of ZOZO, Inc. through a tender offer, ¥325.0 billion in borrowings for the acquisition of additional shares of Z Holdings, and ¥230.0 billion in unsecured bonds issued by Z Holdings. When compared year on year, the increase in cash outflow from the increase in cash dividends and purchase of treasury stock by subsidiaries is offset by the increase of cash inflow from the increase in short-term and long-term interest-bearing debts, including the above, and the absence of payment for purchase of subsidiaries' shares in the fiscal year ended March 31, 2020. As a result, the net cash from financing activities increased by ¥285.5 billion year on year.

#### ■ Adjusted free cash flow

In the fiscal year ended March 31, 2020, adjusted free cash flow was positive ¥379.5 billion, a decrease of ¥70.3 billion year on year. This mainly reflects an increase in cash flow from operating activities and an increase in investment expenditures in connection with the acquisition of ZOZO, Inc. Excluding Z Holdings Group and the impact of adopting IFRS 16, the adjusted free cash flow was ¥512.0 billion in the fiscal year ended March 31, 2019 and ¥524.2 billion in the fiscal year ended March 31, 2020, remaining above net income. The Company considers free cash flow, which is the source of growth investments and shareholder returns, to be a key management indicator.

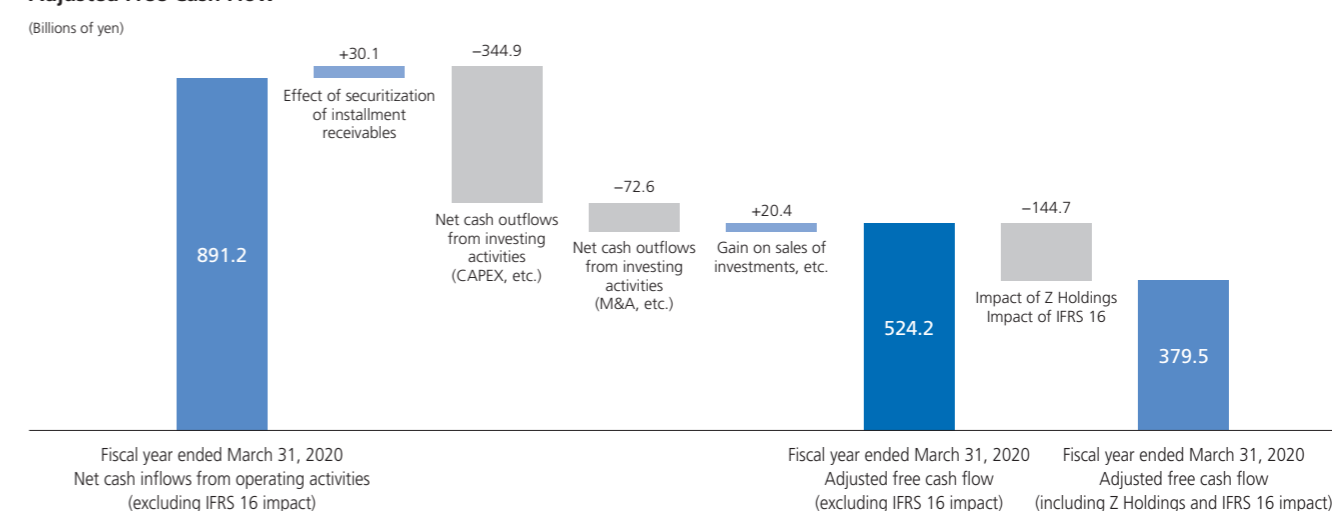
#### ■ Capital expenditures

In the fiscal year ended March 31, 2020, capital expenditures (acceptance basis, including rental mobile phones and the Z Holdings Group) were ¥565.5 billion, an increase of ¥67.1 billion year on year, mainly due to an increase resulting from the impact of adopting IFRS 16 and capital investments in 5G, despite a decrease in capital investments in the LTE services.

#### ■ Research and development expenses

The Group's goal is to provide customers with a stable supply of advanced products, and to develop a medium- to long-term roadmap for information and communication technology within the Group. In line with this goal, the Group will keep abreast of leading-edge technology trends in information and communication technology, conduct research and development, including external demonstrations, and consider commercialization opportunities. In the fiscal year ended March 31, 2020, research and development expenses totaled ¥14.7 billion.

#### Adjusted Free Cash Flow



# Consolidated Statement of Financial Position

SoftBank Corp. and its consolidated subsidiaries  
Fiscal years ended March 31, 2019 and 2020

	(Millions of yen)	
ASSETS	2019*1	2020
<b>Current assets</b>		
Cash and cash equivalents	¥ 938,388	¥1,143,808
Trade and other receivables	1,695,952	1,800,301
Other financial assets	90,565	94,906
Inventories	132,820	96,896
Other current assets	107,967	228,392
<b>Total current assets</b>	<b>2,965,692</b>	<b>3,364,303</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,791,260	986,095
Right-of-use assets	—	1,234,457
Goodwill	393,312	618,636
Intangible assets	1,212,390	1,709,511
Contract costs	211,733	212,638
Investments accounted for using the equity method	89,656	80,149
Investment securities	114,788	175,152
Investment securities in banking business	337,516	342,975
Other financial assets	736,490	905,562
Deferred tax assets	72,636	55,904
Other non-current assets	110,855	106,876
<b>Total non-current assets</b>	<b>5,070,636</b>	<b>6,427,955</b>
<b>Total assets</b>	<b>¥8,036,328</b>	<b>¥9,792,258</b>

\*1 Transactions under common control are accounted for as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period as part of the consolidated financial statements of SoftBank Corp. and its subsidiaries.

	(Millions of yen)	
LIABILITIES AND EQUITY	2019*1	2020
<b>Current liabilities</b>		
Interest-bearing debt	¥ 953,730	¥1,811,281
Trade and other payables	1,214,190	1,253,766
Contract liabilities	126,354	127,652
Deposits for banking business	745,696	880,847
Other financial liabilities	3,217	3,779
Income taxes payable	115,485	153,371
Provisions	9,966	6,794
Other current liabilities	148,361	259,119
<b>Total current liabilities</b>	<b>3,316,999</b>	<b>4,496,609</b>
<b>Non-current liabilities</b>		
Interest-bearing debt	2,537,988	3,270,971
Other financial liabilities	38,637	36,765
Defined benefit liabilities	14,691	16,337
Provisions	72,675	83,871
Deferred tax liabilities	20,394	168,248
Other non-current liabilities	12,377	11,893
<b>Total non-current liabilities</b>	<b>2,696,762</b>	<b>3,588,085</b>
<b>Total liabilities</b>	<b>6,013,761</b>	<b>8,084,694</b>
<b>Equity</b>		
<b>Equity attributable to owners of the Company</b>		
Common stock	204,309	204,309
Capital surplus	111,826	-133,915
Retained earnings	1,178,282	1,003,554
Treasury stock	—	-68,709
Accumulated other comprehensive income	3,740	-4,693
<b>Total equity attributable to owners of the Company</b>	<b>1,498,157</b>	<b>1,000,546</b>
Non-controlling interests	524,410	707,018
<b>Total equity</b>	<b>2,022,567</b>	<b>1,707,564</b>
<b>Total liabilities and equity</b>	<b>¥8,036,328</b>	<b>¥9,792,258</b>

\*1 Transactions under common control are accounted for as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period as part of the consolidated financial statements of SoftBank Corp. and its subsidiaries.

## Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

SoftBank Corp. and its consolidated subsidiaries  
Fiscal years ended March 31, 2019 and 2020

	(Millions of yen)	
	2019*2	2020*2
Revenue	¥ 4,656,815	¥ 4,861,247
Cost of sales	-2,495,972	-2,536,837
Gross profit	2,160,843	2,324,410
Selling, general and administrative expenses	-1,339,656	-1,418,815
Other operating income	8,440	12,937
Other operating expenses	-11,439	-6,807
Operating income	818,188	911,725
Share of losses of associates accounted for using the equity method	-6,276	-46,060
Financing income	2,246	2,745
Financing costs	-58,023	-60,921
Gain on sales of equity method investments	2,592	10,591
Impairment loss on equity method investments	-12,614	-6,885
Profit before income taxes	746,113	811,195
Income taxes	-251,949	-304,527
Net income*1	494,164	506,668
Net income attributable to		
Owners of the Company	462,455	473,135
Non-controlling interests	31,709	33,533
	494,164	506,668
Comprehensive income		
Net income	494,164	506,668
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	1	41
Changes in the fair value of equity instruments at FVTOCI	-3,252	-9,309
Total items that will not be reclassified to profit or loss	-3,251	-9,268
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	1,080	-1,415
Cash flow hedges	-4,675	1,026
Exchange differences on translation of foreign operations	788	-536
Share of other comprehensive income (loss) of associates accounted for using the equity method	-561	573
Total items that may be reclassified subsequently to profit or loss	-3,368	-352
Total other comprehensive income (loss), net of tax	-6,619	-9,620
Total comprehensive income	487,545	497,048
Total comprehensive income attributable to		
Owners of the Company	455,147	468,217
Non-controlling interests	32,398	28,831
	¥ 487,545	¥ 497,048

\*1. All net income of SoftBank Corp. and its subsidiaries for the fiscal years ended March 31, 2019 and 2020 was generated from continuing operations.

\*2. Transactions under common control are accounted for as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period as part of the consolidated financial statements of SoftBank Corp. and its subsidiaries.

## Consolidated Statement of Changes in Equity

SoftBank Corp. and its consolidated subsidiaries  
Fiscal years ended March 31, 2019 and 2020

	(Millions of yen)							
	Equity attributable to owners of the Company							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)	Total	Noncontrolling interests	Total equity
As of April 1, 2018	¥197,694	¥ 204,906	¥ 458,230	¥ —	¥ 5,743	¥ 866,573	¥ 18,687	¥ 885,260
Retrospective adjustments from transactions under common control*2	—	-19,186	470,580	—	5,205	456,599	670,190	1,126,789
As of April 1, 2018, restated	197,694	185,720	928,810	—	10,948	1,323,172	688,877	2,012,049
Comprehensive income								
Net income	—	—	462,455	—	—	462,455	31,709	494,164
Other comprehensive income (loss)	—	—	—	—	-7,308	-7,308	689	-6,619
Total comprehensive income	—	—	462,455	—	-7,308	455,147	32,398	487,545
Transactions with owners and other transactions								
Cash dividends*4	—	—	-21,829	—	—	-21,829	-31,362	-53,191
Issuance of new shares	6,615	13,207	—	—	—	19,822	—	19,822
Purchase of treasury stock	—	—	—	—	—	—	—	—
Changes from transactions under common control*2,3	—	-240,330	6,630	—	96	-233,604	-3,874	-237,478
Changes from business combinations	—	—	—	—	—	—	4,422	4,422
Changes from loss of control	—	—	—	—	57	57	-230	-173
Changes in interests in subsidiaries*2,4	—	143,005	-197,837	—	—	-54,832	-169,719	-224,551
Changes in interests in existing subsidiaries	—	667	—	—	—	667	3,898	4,565
Share-based payment transactions	—	9,557	—	—	—	9,557	0	9,557
Transfer from accumulated other comprehensive income to retained earnings	—	—	53	—	-53	—	—	—
Total transactions with owners and other transactions	6,615	-73,894	-212,983	—	100	-280,162	-196,865	-477,027
As of March 31, 2019	¥204,309	¥ 111,826	¥1,178,282	—	¥ 3,740	¥1,498,157	¥524,410	¥2,022,567
As of April 1, 2019	¥204,309	¥ 111,826	¥1,178,282	¥ —	¥ 3,740	¥1,498,157	¥524,410	¥2,022,567
Cumulative effect of adopting a new accounting standard*1	—	—	-618	—	—	-618	-4,362	-4,980
As of April 1, 2019, restated	204,309	111,826	1,177,664	—	3,740	1,497,539	520,048	2,017,587
Comprehensive income								
Net income	—	—	473,135	—	—	473,135	33,533	506,668
Other comprehensive income (loss)	—	—	—	—	-4,918	-4,918	-4,702	-9,620
Total comprehensive income	—	—	473,135	—	-4,918	468,217	28,831	497,048
Transactions with owners and other transactions								
Cash dividends*4	—	—	-398,354	—	—	-398,354	-32,940	-431,294
Issuance of new shares	—	—	—	—	—	—	—	—
Purchase of treasury stock	—	—	—	-68,709	—	-68,709	—	-68,709
Changes from transactions under common control*2,3	—	-246,996	-249,991	—	-2,415	-499,402	-1,601	-501,003
Changes from business combinations	—	—	—	—	—	—	185,827	185,827
Changes from loss of control	—	—	—	—	—	—	—	—
Changes in interests in subsidiaries	—	—	—	—	—	—	—	—
Changes in interests in existing subsidiaries	—	-3,676	—	—	—	-3,676	6,853	3,177
Share-based payment transactions	—	4,931	—	—	—	4,931	—	4,931
Transfer from accumulated other comprehensive income to retained earnings	—	—	1,100	—	-1,100	—	—	—
Total transactions with owners and other transactions	—	-245,741	-647,245	-68,709	-3,515	-965,210	158,139	-807,071
As of March 31, 2020	¥204,309	¥-133,915	¥1,003,554	¥-68,709	¥-4,693	¥1,000,546	¥707,018	¥1,707,564

\*1. Upon adoption of IFRS 16 "Leases," the cumulative effect of retrospective adjustment due to initial application of this standard on periods before the fiscal year ended March 31, 2020 was recognized as an adjustment to the opening balance of retained earnings as of April 1, 2019.

\*2. Transactions under common control are accounted for as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period as part of the consolidated financial statements of SoftBank Corp. and its subsidiaries.

\*3. The changes in "Capital surplus" and "Retained earnings" represent the differences between the amount paid by SoftBank Corp. for subsidiaries that were acquired under common control and SoftBank Group Corp.'s book value of the subsidiaries at the time of acquisition.

\*4. In relation to transactions under common control, any equity transactions undertaken by subsidiaries under common control with entities outside of SoftBank Corp. and its subsidiaries before the date of the actual transaction by SoftBank Corp. are included within "Cash dividends" and "Changes in interests in subsidiaries."

# Consolidated Statement of Cash Flows

SoftBank Corp. and its consolidated subsidiaries  
Fiscal years ended March 31, 2019 and 2020

	2019*1	2020*1
(Millions of yen)		
<b>Cash flows from operating activities</b>		
Net income	¥ 494,164	¥ 506,668
Depreciation and amortization	504,482	675,241
Loss on disposal of property, plant and equipment and intangible assets	41,397	25,693
Gain relating to loss of control over subsidiaries	—	-12,937
Financing income	-2,246	-2,745
Financing costs	58,023	60,921
Share of losses of associates accounted for using the equity method	6,276	46,060
Gain on sales of equity method investments	-2,592	-10,591
Impairment loss on equity method investments	12,614	6,885
Income taxes	251,949	304,527
(Increase) decrease in trade and other receivables	-151,938	-150,408
(Increase) decrease in inventories	11,189	40,801
Purchases of mobile devices leased to enterprise customers	-32,455	-35,402
Increase (decrease) in trade and other payables	43,653	28,742
Increase (decrease) in consumption taxes payable	51,897	8,827
Increase (decrease) in deposits in banking business	61,862	135,151
Other	-66,331	-67,201
Subtotal	1,281,944	1,560,232
Interest and dividends received	1,707	2,340
Interest paid	-71,096	-60,464
Income taxes paid	-256,852	-258,430
Income taxes refunded	9,823	5,857
<b>Net cash inflow from operating activities</b>	<b>965,526</b>	<b>1,249,535</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment and intangible assets	-453,363	-431,783
Proceeds from sales of property, plant and equipment and intangible assets	1,371	2,947
Payments for acquisition of investments	-60,315	-115,061
Proceeds from sales/redemption of investments	31,966	42,412
Purchase of investment securities in banking business	-302,002	-275,681
Proceeds from sales/redemption of investment securities in banking business	197,321	272,312
Proceeds (payments) from (for) obtaining control of subsidiaries	96	-378,212
Increase in loans issued	-2,976	-3,110
Proceeds from repayment of loans	7,073	1,536
Other	-5,443	-15,505
<b>Net cash outflow from investing activities</b>	<b>-586,272</b>	<b>-900,145</b>
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term interest-bearing debt, net	-2,405	88,800
Proceeds from interest-bearing debt	2,892,313	2,531,035
Repayment of interest-bearing debt	-2,810,327	-1,692,530
Proceeds from stock issuance to non-controlling interests	5,195	4,630
Purchase of treasury stock	—	-68,709
Cash dividends paid	-22,056	-397,496
Cash dividends paid to non-controlling interests	-30,600	-29,335
Payment for purchase of subsidiaries' interests	-221,000	—
Purchase of treasury stock by subsidiaries	-228,009	-526,826
Decrease from loss of control over subsidiaries	—	-30,717
Other	-12,269	-22,465
<b>Net cash outflow from financing activities</b>	<b>-429,158</b>	<b>-143,613</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>516</b>	<b>-357</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>-49,388</b>	<b>205,420</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>987,776</b>	<b>938,388</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>¥ 938,388</b>	<b>¥1,143,808</b>

\*1. Transactions under common control are accounted for as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period as part of the consolidated financial statements of SoftBank Corp. and its subsidiaries.

# Appendix

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ESG Data Book

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Corporate Data / Stock Information

# ESG Data Book

## Boundary (Scope of this Data Book)

There are four boundaries: "SB," "SB + Major Subsidiaries," "SB + Subsidiaries" and "SB + YJ + ASK."

### NOTE

- SB stands for SoftBank Corp.
- YJ stands for Yahoo Japan Corporation.
- ASK stands for ASKUL Corporation.
- The Group Companies within the boundary vary according to accounting period.

## Environment

### Climate Change

Category		Boundary*	Unit	Results					Goal	Achievement Rate (%)*
				(Fiscal years ended March 31)						
				2016	2017	2018	2019	2020		
Greenhouse Gas (GHG) Emissions (Scope 1, 2)	Total	Until fiscal year ended March 31, 2019: SB In fiscal year ended March 31, 2020: SB + YJ + ASK	t-CO <sub>2</sub>	797,432	733,515	722,514	693,953	776,104	823,125	106
	Scope 1		t-CO <sub>2</sub>	11,539	11,400	11,386	11,456	15,803	13,588	86
	Scope 2		t-CO <sub>2</sub>	785,893	722,115	711,128	682,497	760,301	809,536	107
	Emissions Per Communication Fee	SB	t/Gbps	1,493	1,116	849	682	628	662	105

Category		Boundary*	Unit	Goal					
				(Fiscal years ending March 31)					
				2021	2022	2023	2024	2025	2031
Mid/long-term Goals for Reducing Greenhouse Gas Emissions	Sum of Scopes 1 and 2	SB+YJ+ASK	t-CO <sub>2</sub>	722,000	645,000	562,000	546,000	530,000	450,000

### \*Notes for boundaries

- Until fiscal year ended March 31, 2019: All offices of SoftBank Corp. (standalone basis)
- Fiscal year ended March 31, 2020: All offices of SoftBank Corp. (standalone basis) and major subsidiaries (Yahoo Japan Corporation, and ASKUL Corporation.) \*Covering about 90% of the electric power consumption of the entire corporate group
- The factor in the increase in fiscal year ended March 31, 2020 is the change of the boundaries.
- \*Notes for achievement rate
- Achievement rate means the target value to actual value.

## Environment

### Climate Change

Category	Boundary*	Unit	Fiscal year ended March 31, 2020	Rate (%)	Description of calculation
Scope 1: Direct Emission* <sup>1</sup>	SB	t-CO <sub>2</sub>	11,773	0.4	
Scope 2: Indirect Emission of Energy Sources* <sup>1</sup>			663,644	23.1	
Scope 3: Other Indirect Emission* <sup>1</sup>			2,202,152	76.5	
Category 1: Purchased Products and Services			447,211	15.5	Calculated by multiplying the purchase price of products and services by emissions per product including the procurement and transportation processes
Category 2: Capital Goods			1,105,300	38.4	Calculated by multiplying the equipment investment amount by emissions per price of capital goods
Category 3: Activities Related to Fuels and Energy not Included in Scope 1 or 2			98,327	3.4	Calculated by multiplying the consumption of fuel/electric power and others by emissions per fuel procurement
Category 4: Transportation and Delivery (upstream)			23,993	0.8	Calculated by multiplying transportation costs by emissions per transportation cost for transportation between bases and shipping. (Procurement transportation is included in Category 1)
Category 5: Waste from Business			475	0.02	Calculated by multiplying the weight of industrial waste by emissions per waste amount for each kind of waste and each disposal method
Category 6: Business Trips			6,204	0.2	Calculated by multiplying the payment amount of transportation allowances by emissions per transportation allowance amount for each transportation category and calculated by multiplying the number of days of accommodation by emissions per number of days of accommodation
Category 7: Commuting of Employees			7,879	0.3	Calculated by multiplying the total commuting distance of employees by emissions per km of travelers for each transportation category
Category 8: Lease Assets (upstream)			8,786	0.3	Calculated by multiplying the total travel distance of company vehicles by the emission coefficient of fuel for each maximum loading capacity and calculated by multiplying the total floor area of warehouses by emissions per area for each purpose of use of buildings
Category 9: Transportation and Delivery (downstream)			-	-	(Not to be calculated)
Category 10: Processing of Sold Products			-	-	(Not to be calculated)
Category 11: Use of Sold Products			434,079	15.1	Calculated by multiplying the number of products sold/rented by lifelong power consumption of each product and the emission coefficient of electric power
Category 12: Disposal of Sold Products			815	0.03	Calculated by multiplying the total weight of products sold by emissions per product for each kind of waste
Category 13: Lease Assets (downstream)	-	-	(Included in Category 11, and calculated)		
Category 14: Franchise	69,083	2.4	Calculated by multiplying the total floor area of SoftBank stores and Y!mobile stores by emissions per area for each purpose of use of buildings		
Category 15: Investment	-	-	(Not to be calculated)		
<b>Total</b>			<b>2,877,569</b>	<b>100.0</b>	

\*<sup>1</sup> The greenhouse gas emissions (Scopes 1, 2, and 3) and energy consumption in fiscal year ended March 31, 2020 were examined by Japan Quality Assurance Organization as a third party (Limited guarantee level in accordance with ISO 14064-3).

## ESG Data Book

## Environment

Climate Change										
				Results					Goal	Achievement Rate (%)*
Category		Boundary*	Unit	(Fiscal years ended March 31)						
				2016	2017	2018	2019	2020		
Energy*1	Electric Power Consumption*2	Until fiscal year ended March 31, 2019: SB In fiscal year ended March 31, 2020: SB + YJ + ASK	Thousand kWh	1,357,222	1,338,019	1,418,791	1,355,703	1,644,234	1,640,000	100
	Of which, Renewable Energy Consumption*3		Thousand kWh	34	36	44	44	32,516	32,000	102
	City Gas		Thousand m <sup>3</sup>	4,460	4,835	4,731	4,554	4,508	-	-
	Heavy Oil A		kl	79	65	144	190	160	-	-
Greenhouse Gas	Carbon Dioxide (CO <sub>2</sub> )	SB+YJ+ASK	t	-	-	-	-	14,408	-	-
	Methane (CH <sub>4</sub> )		t-CO <sub>2</sub>	-	-	-	-	1,108	-	-
	Dinitrogen Monoxide (N <sub>2</sub> O)		t-CO <sub>2</sub>	-	-	-	-	127	-	-
	Hydrofluorocarbons (HFCs)		t-CO <sub>2</sub>	-	-	-	-	161	-	-
	Perfluorocarbons (PFCs)		t-CO <sub>2</sub>	-	-	-	-	0	-	-
	Sulfur Hexafluoride (SF <sub>6</sub> )		t-CO <sub>2</sub>	-	-	-	-	0	-	-
Goals in Each Section	Electric Power Consumption in the Headquarters*4	SB	Thousand kWh	-	-	-	-	13,281	13,748	104
	Emissions per Communication at a Network Center*5		t/Gbps	-	-	-	-	169	188	111

\*1 The greenhouse gas emissions (Scopes 1, 2, and 3) and energy consumption in fiscal year ended March 31, 2020 were examined by Japan Quality Assurance Organization as a third party (Limited guarantee level in accordance with ISO 14064-3).

\*2 Goal in fiscal year ending March 31, 2031: Power consumption is estimated to augment 1.5 times from fiscal year ended March 31, 2020 to 2,500,000 thousand kWh, to cope with the increase of tracks due to the provision of 5G services, etc.

\*3 Goal in fiscal year ending March 31, 2031: Renewable energy will be adopted stepwise, and its consumption is estimated to reach 1,500,000 thousand kWh.

\*4 The goal is to reduce the power consumption to less than 25% of that in fiscal year ended March 31, 2011.

\*5 The goal is to reduce emissions per communication fee by 1% year on year.

## Environment

Resources and Waste										
				Results					Goal	Achievement Rate (%)*
Category		Boundary*	Unit	(Fiscal years ended March 31)						
				2016	2017	2018	2019	2020		
Industrial Waste	Emissions	Until fiscal year ended March 31, 2019: SB In fiscal year ended March 31, 2020: SB + YJ + ASK	t	-	1,286	1,159	1,092	5,226	-	-
	Final Disposal Amount		t	-	38.6	34.8	32.8	153	-	-
Communication Equipment of Removed Stations	Final Disposal Rate*1	SB	%	-	0.04	0.29	0.85	1.4	1.0	71
Use of Water	Water Consumption and Water Discharge Volume at Offices*2	Until fiscal year ended March 31, 2019: SB In fiscal year ended March 31, 2020: SB + YJ + ASK	m <sup>3</sup>	-	743,174	714,163	738,517	917,542	941,641	103
	Water Consumption and Water Discharge Volume at Data Centers	YJ (non-consolidated)*3	m <sup>3</sup>	-	-	-	-	273,668	-	-
	Consumption Per Area	Until fiscal year ended March 31, 2019: SB In fiscal year ended March 31, 2020: SB + YJ + ASK	m <sup>3</sup> /m <sup>2</sup>	-	0.95	0.93	0.92	0.73	-	-

\*1 The long-term goal is to reduce the rate to less than 1% by fiscal year ending March 31, 2031.

\*2 Description regarding water supply (tap water) (Water is taken only from waterworks [tap water].) It is assumed that the water discharge amount is equal to the water consumption amount. (Water is discharged to only the sewage system.) For offices not equipped with meters, it is estimated from the actual volume per area in the corporate group.

The long-term goal for maintaining and managing domestic water is to reduce the volume to less than 100% year on year by fiscal year ending March 31, 2031.

\*3 Through the change of the boundaries, the major subsidiaries Yahoo Japan Corporation, which owns water-cooled data centers, is taken into account.

## Compliance

				Results					Goal	
Category		Boundary*	Unit	(Fiscal years ended March 31)						
				2016	2017	2018	2019	2020		
Violation of Environmental Rules	Number of Times	Until fiscal year ended March 31, 2019: SB In fiscal year ended March 31, 2020: SB + YJ + ASK	Times	0	0	0	0	0	0	0
	Penalty Amount		Thousand yen	0	0	0	0	0	0	0



## ESG Data Book

## Society

Employees		Boundary	Unit	(Fiscal years ended March 31)					
Item				2016	2017	2018	2019	2020	
Number of Employees* <sup>1</sup>	Women	SB + Major Subsidiaries	Persons	–	5,351	5,358	5,356	7,730	
	Men			–	13,381	13,433	13,468	18,332	
	Total			–	18,732	18,791	18,824	26,062	
Average Number of Temporary Employees* <sup>1</sup>		SB + Major Subsidiaries	Persons	–	3,672	3,701	3,606	4,294	
Average Number of Consecutive Years Served* <sup>1</sup>	Women	SB + Major Subsidiaries	Years	–	9.6	10.3	10.9	10.2	
	Men			–	11.4	12.0	12.2	11.2	
	Total			–	10.9	11.4	11.9	10.9	
Average Age of Employees* <sup>1</sup>	Women	SB + Major Subsidiaries	Age	–	35.1	35.8	36.3	36.6	
	Men			–	39.5	40.0	40.1	39.3	
	Total			–	38.2	38.7	39.1	38.5	
Age Composition of Employees* <sup>1</sup>	20s	SB + Major Subsidiaries	Persons	–	3,550	3,434	3,337	5,042* <sup>3</sup>	
	30s			–	7,684	7,412	7,276	10,017* <sup>3</sup>	
	40s			–	5,584	5,810	5,904	7,863* <sup>3</sup>	
	50s			–	1,891	2,113	2,283	2,905* <sup>3</sup>	
	60s			–	23	22	24	45* <sup>3</sup>	
Number of Managers at Each Position* <sup>2</sup>	Manager	SB + Major Subsidiaries	Persons	–	2,981	3,097	3,139	4,161	
	Director			–	1,163	1,192	1,254	1,749	
Number of Employees Reemployed after Retirement		SB + Major Subsidiaries	Persons	–	59	65	52	105	
Number of Employees Absent from Work			Persons	–	236	236	208	303	
Number of Employees who Took Leave for Nursing Care			Persons	–	7	11	9	16	
Lost-Time Injury Frequency Rate			%	–	–	–	–	0.0	
Number of Employee Turnover	Personal Reason		Persons	–	341	620	698	1,267	
	Total		Persons	–	355	648	730	1,307	
Voluntary Turnover Rate			%	–	1.7	3.1	3.5	4.4	
Total Working Hours per Year			Hours	–	1,846	1,811	1,764	1,756	
Ratio of Annual Paid Leave taken			SB	%	–	73.3	75.1	76.5	72.2
			SB + Major Subsidiaries	%	–	73.2	75.0	76.4	74.2
Number of Employees Participating in Voluntary Activities		SB	Persons	–	–	–	153	179	
Ratio of Employees who Underwent a Stress Check		SB + Major Subsidiaries	%	–	85.0	89.4	90.1	96.2	
Ratio of Positive Findings in the Regular Health Examination* <sup>1</sup>			%	–	55.1	56.6	59.7	59.7	
Completion Rate for Specific Health Guidance			%	–	24.3	30.3	31.6	34.5	
Ratio of Employees who Smoke* <sup>1</sup>		SB	%	–	31.3	30.6	29.9	29.7	
		SB + Major Subsidiaries	%	–	31.3	30.5	29.8	26.6	

\*1 As of March 31 for each year

\*2 As of April 1 for each year

\*3 Excluding seconded employees from other companies for some companies.

## Society

Recruitment and Diversity		Boundary	Unit	(Fiscal years ended March 31)				
Item				2016	2017	2018	2019	2020
Number of Newly Hired Employees* <sup>4</sup>	Women	SB + Major Subsidiaries	Persons	–	229	201	230	509
	Men			–	470	496	637	1,397
	Total			–	699	697	867	1,906
Ratio of Women in New Graduates hired		SB + Major Subsidiaries	%	–	35.4	34.0	32.0	29.6
Number of Foreign-nationals in New Graduates hired			Persons	–	25	21	38	63
Ratio of Foreign - nationals to Newly Hired Employees* <sup>4</sup>			%	–	4.3	4.6	8.1	4.1
Ratio of Women in Total Employees* <sup>1</sup>			%	–	28.6	28.5	28.5	29.7
Number of Women in Management Positions* <sup>2</sup>		SB	Persons	–	228	241	272	300
Ratio of Women in Management Positions* <sup>2</sup>		SB + Major Subsidiaries	Persons	–	228	242	274	520
				–	5.5	5.6	6.2	6.6
Ratio of Women in Management Positions* <sup>2</sup>	Ratio of Women in Management Positions other than Administrative Divisions	SB	%	–	5.0	5.1	5.6	5.9
				–	5.5	5.6	6.2	8.7
Ratio of Women in Management Positions* <sup>2</sup>	Ratio of Women in Management Positions other than Administrative Divisions	SB + Major Subsidiaries	%	–	5.0	5.0	5.6	8.2
				–	5.0	5.0	5.6	8.2
Number of Employees taking Childcare Leave	Women	SB + Major Subsidiaries	Persons	–	299	334	348	573
	Men			–	66	101	141	278
Ratio of Employees taking childcare Leave	Women	SB + Major Subsidiaries	%	–	100	100	100	100
	Men			–	9	14	20	28
Number of Foreign-national Employees* <sup>1</sup>		SB + Major Subsidiaries	Persons	–	323	337	393	618
Number of Foreign-national Managers* <sup>2</sup>			Persons	–	19	26	32	40
Ratio of Employees with Disabilities* <sup>3</sup>		SB	%	–	2.13	2.24	2.19	2.30
		SB + Major Subsidiaries	%	–	2.12	2.22	2.15	2.26

## Region/Society

Item	Boundary	Unit	(Fiscal years ended March 31)				
			2016	2017	2018	2019	2020
Total Amount of Donations	SB	Thousand yen	33,194	18,286	15,342	9,556	4,698
Aid for Disaster Victims	SB	Thousand yen	2,228	771	368	2,318	713

## Other

Item	Boundary	Unit	(Fiscal years ended March 31)				
			2016	2017	2018	2019	2020
Number of Major Network Accidents* <sup>5</sup>	SB	Accidents	0	0	1	2	0

\*1 As of March 31 for each year

\*2 As of April 1 for each year

\*3 As of June 1 for each fiscal year

\*4 New hires include mid-career employees.

\*5 Report based on Article 57 of Enforcement Regulations of Telecommunications Business Act

## ESG Data Book

## Governance

## Corporate Governance

Item	Boundary	Unit	(Fiscal years ended March 31)				
			2016	2017	2018	2019	2020
Number of Directors	Number of Internal Directors	Women	–	–	–	0	0
		Men	–	–	–	7	7
		Total	–	–	–	7	7
	Number of Independent Directors	Women	–	–	–	1	1
		Men	–	–	–	3	3
		Total	–	–	–	4	4
Grand Total	–	–	–	11	11		
Number of Executive Officers on the Board	SB	Persons	–	–	–	5	5
% of Executive Officers on the Board		%	–	–	–	45.5	45.5
% of Independent Directors on the Board		–	–	–	36.4	36.4	
% of Women on the Board		–	–	–	9.1	9.1	
Number of Audit & Supervisory Board Members	Number of Internal Audit & Supervisory Board Members	Women	–	–	–	1	1
		Men	–	–	–	1	1
		Total	–	–	–	2	2
	Number of Independent Audit & Supervisory Board Members	Women	–	–	–	0	0
		Men	–	–	–	2	2
		Total	–	–	–	2	2
Grand Total	–	–	–	4	4		
Average Age of Directors	SB	Age	–	–	–	60.1	61.1
Term Limits for Directors	SB	Years	–	–	–	1	1
Average Term of Office of Directors	SB	Years	–	–	–	7.7	8.7
Number of Board Meetings	SB	Times	–	–	–	16	14
Number of Directors Attending Less Than 75% of Board Meetings		Persons	–	–	–	0	0
Number of Audit and Supervisory Board Meetings	SB	Times	–	–	–	16	17
Number of Board Members Attending Less Than 75% of Audit and Supervisory Board Meetings		Persons	–	–	–	0	0
Number of Board Members	SB	Women	–	–	–	2	2
		Men	–	–	–	13	13
		Total	–	–	–	15	15
% of Woman on Board Members	SB	%	–	–	–	13.3	13.3
Number of Nominating and Remuneration Committee Members	Number of Internal Nominating and Remuneration Committee Members	Women	–	–	–	0	0
		Men	–	–	–	1	1
		Total	–	–	–	1	1
	Number of Independent Nominating and Remuneration Committee Members	Women	–	–	–	1	1
		Men	–	–	–	3	3
		Total	–	–	–	4	4
Grand Total	–	–	–	5	5		
Number of Nominating and Remuneration Committee Meetings	SB	Times	–	–	–	5	5
Nominating and Remuneration Committee Meeting Attendance		%	–	–	–	100	100

## Governance

## Remuneration

Item	Boundary	Unit	(Fiscal years ended March 31)					
			2016	2017	2018	2019	2020	
Remuneration of Chief Executive Officer	SB	Million yen	Basic Remuneration	–	75	60	120	120
			Stock Option	–	–	7	89	89
			Performance-Based Bonus	–	380	263	315	200
			Performance-Based Stock Options	–	–	–	–	200
			Total	–	455	330	524	608
Compensation of Directors (Excluding Independent Directors)	SB	Million yen	Basic Remuneration	–	420	456	426	432
			Stock Option	–	–	34	345	345
			Performance-Based Bonus	–	1,295	1,018	998	628
			Performance-Based Stock Options	–	–	–	–	628
Total	–	1,715	1,508	1,769	2,034			
Compensation of Audit & Supervisory Board Members (Excluding Independent Audit & Supervisory Board Members)	SB	Million yen	Basic Remuneration	–	15	12	12	14
			Stock Option	–	–	–	–	–
			Performance-Based Bonus	–	–	–	–	–
			Performance-Based Stock Options	–	–	–	–	–
			Total	–	15	12	12	14
Compensation of Independent Directors and Independent Audit & Supervisory Board Members	SB	Million yen	Basic Remuneration	–	10	12	49	64
			Stock Option	–	–	–	–	–
			Performance-Based Bonus	–	–	–	–	–
			Performance-Based Stock Options	–	–	–	–	–
Total	–	10	12	49	64			
Remuneration of Non-executive Board Members	SB	Million yen	–	0	7	89	89	
Average Annual Salary of Employees	SB + Major Subsidiaries	Thousand yen	–	7,554	7,818	7,298	7,782	
Bonuses for Employees (median)	SB	Thousand yen	–	2,430	2,662	2,135	2,253	
Ratio of CEO's Remuneration to Average Annual Salary of Employees	SB + Major Subsidiaries	Times	–	6	4	7	8	

## Remuneration for Comptrollers

Item	Boundary	Unit	(Fiscal years ended March 31)					
			2016	2017	2018	2019	2020	
Remuneration for Independent Auditors	SB + Major Subsidiaries	Million yen	Audit Fee	–	–	592	805	1,398
			Non-audit Fee	–	–	68	92	115
			Total	–	–	660	897	1,513
Remuneration for Those who Belong to the Same Network as Auditors, Certified Public Accountants, and Others(excluding the above)	SB + Major Subsidiaries	Million yen	Audit Fee	–	–	–	–	–
			Non-audit Fee	–	–	491	648	343
			Total	–	–	491	648	343

## ESG Data Book

## Governance

## Shareholders' Rights

Item	Boundary	Unit	(Fiscal years ended March 31)				
			2016	2017	2018	2019	2020
Anti-Takeover Measures	SB	–	None				

## Compliance

Item	Boundary	Unit	(Fiscal years ended March 31)					
			2016	2017	2018	2019	2020	
Number of Reports Filed through Whistle-blowing System	SB	Reports	84	90	87	73	88	
Breakdown of the Number of Reports			Labor Affairs	44	49	50	51	57
			Other	40	41	37	22	31
Number of Code of Conduct or Ethics Breaches	SB + Major Subsidiaries	Breaches	–	45	38	36	43	
Political Contributions	SB	Yen	0	0	0	0	0	
Number of Violations, Including Human Rights Infringements and Harassment	SB + Major Subsidiaries	Breaches	–	12	8	9	17	
Number of Trainings on Human Rights	SB	Times	–	–	–	–	8	
Ratio of Employees Who Have Taken a Compliance Test	SB	%	97.4	99.9	99.2	99.9	99.8	
Number of Cases of Leakage of Personal Information, Theft or Loss of Data*1	SB	Cases	0	0	0	0	0	

## Information Security

Item	Boundary	Unit	(Fiscal years ended March 31)				
			2016	2017	2018	2019	2020
Number of Information Security Accidents*2	SB	Accidents	0	0	0	1	0
Number of ISO 27001 Certifications	SB	Certificates	1	1	1	1	1
Number of ISO 20000 Certifications	SB	Certificates	1	1	1	1	1
Number of ISO 9001 Certifications	SB	Certificates	1	1	1	1	1
Number of PrivacyMark Certification Sites	SB + Major Subsidiaries	Certificates	–	–	–	–	19
Information Security Training	SB	Certificates	1	1	1	1	1

\*1 Disclosed based on guidance from regulatory authorities and in violation of laws and regulations

\*2 Disclosed in accordance with the Company's information security policy

## Corporate Data / Stock Information

(As of March 31, 2020)

## Corporate Data

Company name	SoftBank Corp.
Representative	Ken Miyuchi, President & CEO
Corporate headquarters	1-9-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7317
Established	December 9, 1986
Number of employees	37,821 (Consolidated basis) 17,299 (Standalone basis)
Fiscal year	From April 1 to March 31 of the following year
Annual general meeting of shareholders	Every year in June

## Stock Information

Common stock	¥204,309 million
Shares authorized	8,010,960,300 shares
Shares issued	4,787,145,170 shares (treasury stock: 46,000,000 shares)
Stock exchange registration	Tokyo Stock Exchange, First Section
Number of shares constituting one trading unit	100 shares
Total number of shareholders with voting rights	700,562

## Our Websites

- Corporate Philosophy and Vision  
<https://www.softbank.jp/en/corp/ir/policy/strategy/>
- Sustainability  
<https://www.softbank.jp/en/corp/sustainability/>
- Growth Strategy  
<https://www.softbank.jp/en/corp/business/>
- 5G (Japanese only)  
<https://www.softbank.jp/biz/5g/>

## Stock Price Chart



## Principal Shareholders (Top 10 Shareholders)

Name	Number of shares held (Thousands)	Shareholding ratio (%)
SoftBank Group Japan Corporation	3,182,919	67.13
The Master Trust Bank of Japan, Ltd. (Trust Account)	106,870	2.25
Japan Trustee Services Bank, Ltd. (Trust Account)	73,230	1.54
Japan Trustee Services Bank, Ltd. (Trust Account 5)	36,338	0.77
STATE STREET BANK WEST CLIENT-TREATY 505234	27,122	0.57
STATE STREET BANK AND TRUST COMPANY 505103	24,130	0.51
Japan Trustee Services Bank, Ltd. (Trust Account 1)	18,621	0.39
Japan Trustee Services Bank, Ltd. (Trust Account 2)	16,910	0.36
Japan Trustee Services Bank, Ltd. (Trust Account 6)	14,606	0.31
Japan Trustee Services Bank, Ltd. (Trust Account 9)	14,480	0.31

Notes: 1. Shareholding ratio is calculated by subtracting the treasury stock (46,000,000 shares) from the total number of shares held.  
2. Of the above number of shares held, the shares held by The Master Trust Bank of Japan, Ltd. and Japan Trustee Services Bank, Ltd. include shares in connection with the trust business.

## Breakdown by Type of Shareholder

