



SoftBank

Integrated Report 2022



SoftBank Corp. Integrated Report 2022

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 Value Reporting Foundation. 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, 2021 to March 31, 2022

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
SoftBank/the Company	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
Yahoo Japan	Yahoo Japan Corporation
LINE	LINE Corporation
PayPay	PayPay Corporation

CONTENTS

- 1 Purpose of Issuing this Integrated Report
- 2 Corporate Philosophy
- 3 Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

- 10 Message from the CEO
- 15 Message from the CFO
- 21 Coordination between Management and the IR Office
- 22 Value Creation Process
- 23 Sources of Competitive Advantage (Inputs)
- 24 Material Issues

Section 2

How We Create Value

- 28 6 Key Questions about SoftBank's Growth
- 29 **Q1** What is the impact of the mobile service price reduction?
- 31 **Q2** What is behind the growth of the Enterprise Segment?
- 34 **Q3** What is the synergy among *Yahoo!* *JAPAN*, *LINE*, and *PayPay*?
- 35 **Q4** What plans do we have for *PayPay* up ahead?
- 38 **Q5** What are SoftBank's technology strategies?
- 41 **Q6** What is SoftBank's human resource strategy to support business growth?

Section 3

How We Sustain Value

- 45 Corporate Governance
- 45 Dialogue between external directors and institutional investors
- 48 Overview of Corporate Governance System
- 49 Evolution of Corporate Governance System
- 50 Establishment of Special Committee
Dealing with conflict of interest transactions with the parent company
- 51 Skill Matrix of Board Directors and Audit & Supervisory Board Members
- 52 Activities of External Directors and External Audit & Supervisory Board Members
- 53 Remuneration for Board Directors
- 54 Nominating Committee and Remuneration Committee
- 55 Board of Directors
- 56 Status of Audit
- 57 Board Directors and Audit & Supervisory Board Members
- 59 Risk Management
- 60 Addressing Substantial Risks
- 62 Information Security

- 63 Human Resource Strategy

- 63 Special Feature
SoftBank's future opened up by promoting women in the workforce
- 66 HR strategy and diversity
- 67 Giving everybody the chance to challenge themselves
- 68 Workstyle reforms and health & productivity management
- 69 SoftBank's Human Resource Initiatives
- 70 List of Achievements
- 71 Environmental Initiatives

Data Section

- 75 At a Glance
- 76 Performance Highlights (Financial)
- 78 Performance Highlights (Non-Financial)
- 79 Market Data
- 80 Review and Analysis of the Fiscal Year Ended March 31, 2022
- 85 Consolidated Financial Statements
- 89 Material Issues
- 96 ESG Data Book
- 113 Group Structure
- 114 External Evaluation
- 116 Corporate Data/Stock Information

Contents

> [Purpose of Issuing this Integrated Report](#)

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

Purpose of Issuing this Integrated Report

The theme of this Integrated Report is value created by the Group, and the report is structured to provide an understanding of this value as a story. This report is an attempt to convey the strengths and strategies of the Group through management messages, interviews with employees and customers, and real feedback.

Cover Story

 P3

To achieve our corporate philosophy, "Information Revolution — Happiness for everyone," we have compiled information on the Group's past, present, and future initiatives as *SoftBank's Take on Challenge*.

Section 1

What Value We Create

 P9

This section introduces what kind of value the Group creates through contents that include our CEO message, CFO message, value creation process, and material issues.

Section 2

How We Create Value

 P27

This section introduces how each of our businesses as well as the technologies and human resources supporting those businesses create value. This section also explains the strengths of our Enterprise business, which has achieved rapid growth, the development of our cashless payment service *PayPay*, which has established a dominant position in Japan, our technology and human resource strategies, and other details.

Section 3

How We Sustain Value

 P44

This section introduces our essential management base for continuing to create value. The contents in this section include discussions between our external directors and institutional investors as well as discussions between our external directors and employees pertaining to the promotion of women's empowerment.

Data Section

 P74

This section contains comprehensive financial and non-financial information on the Group that is intended to help our stakeholders quantitatively understand the value we create.

Contents

Purpose of Issuing this Integrated Report

> [Corporate Philosophy](#)

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

Corporate Philosophy

Information Revolution — Happiness for everyone

Since our founding, the SoftBank Group has sought to promote the Information Revolution to contribute to the wellbeing of people and society.

What does happiness mean?

Different people will give different answers: "To love and be loved;" "To live each day to the full;" "To express oneself;" "To smile." In essence, however, happiness is a form of inspiration. Why is the SoftBank Group engaged in its business and what does it aim to achieve? The answer is simple: to bring happiness and give inspiration to people — a vision that has guided us since our founding and is encapsulated in our corporate philosophy.

The performance of computers has increased rapidly and humanity is facing its own big bang — an era of superintelligent computers that will usher in the Information Revolution of unlimited potential. It is vital that this transformation be brought about in the right way, so that it adds happiness to humanity. This vision is a driving force for the SoftBank Group as we continue to pursue growth.



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

> **Cover Story / SoftBank's Take on Challenge**

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section



Cover Story

SoftBank's Take on Challenge

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

> **Cover Story / SoftBank's Take on Challenge**

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

SoftBank's Take on Challenge

Creating innovative series of services and leading the development of telecommunications services in Japan

In 2001, SoftBank started providing *Yahoo! BB*, a high-speed broadband service that uses ADSL, to achieve *almost twice the speed at almost half the price*. In addition to helping spread the Internet throughout Japan, this act radically transformed Japan's telecommunications infrastructure.

Further, SoftBank acquired Vodafone (Japanese subsidiary) to enter the mobile communications business and started providing the *White Plan*, which offers free calls between *SoftBank* customers during certain hours. The Company also anticipated the spread of smartphones and therefore became the first carrier to sell iPhones in Japan. To respond to increasingly diverse customer needs, SoftBank also developed a new brand *Y!mobile* to provide the high communication quality of an MNO*1 at prices comparable to an MVNO*2, ahead of competing companies. Even after four telecom operators were merged in 2015 to form SoftBank as it stands today, the Company has created innovative services one after another to lead the development of telecommunications services in Japan.

*1 Mobile Network Operator
*2 Mobile Virtual Network Operator

2001

Started providing the high-speed broadband service *Yahoo! BB*

2006

Entered the mobile communications business

2007

Started providing *White Plan*

2008

Starting sales of iPhone as sole domestic iPhone distributor

2014

Started providing *Y!mobile* service

2015

Merged four telecom operators*

*SoftBank Mobile Corp., SoftBank BB Corp., SoftBank Telecom Corp., and Ymobile Corporation

2016

Started providing high-volume, flat-rate data plans

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

> [Cover Story / SoftBank's Take on Challenge](#)

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

SoftBank's Take on Challenge

Declaring to achieve high returns and high growth while strengthening corporate governance

December
2018

Listed SoftBank

In December 2018, as our parent company SoftBank Group Corp. accelerated its global investments as a strategic holding company, SoftBank was listed on the First Section of the Tokyo Stock Exchange as a core operating company in Japan.

We declared that we aim to achieve both shareholder returns and growth investment by focusing on the telecommunications business and developing highly investment-efficient businesses in collaboration with SoftBank Group Corp. and its portfolio companies. As a public company subject to direct evaluation by the market, we intend to conduct management based on autonomous, transparent, and prompt decision-making. Around the time of our listing, we established the Nominating Committee and the Remuneration Committee, raised our ratio of independent external directors on the Board of Directors to more than 30%, and introduced performance-based remuneration for our Board Directors and executive officers.



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

> [Cover Story / SoftBank's Take on Challenge](#)

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

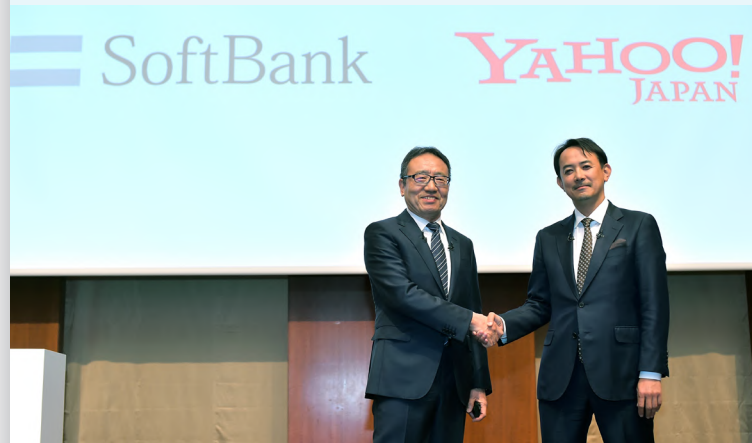
Data Section

SoftBank's Take on Challenge

Acquiring Japan's leading Internet companies as subsidiaries

June
2019

Acquired Z Holdings as a subsidiary



Acquiring Z Holdings as a subsidiary to accelerate the expansion of non-telecommunications services

SoftBank acquired Z Holdings (formerly Yahoo Japan)—which operates *Yahoo! JAPAN*, one of Japan's largest web portals—as a subsidiary, thereby accelerating the expansion of its non-telecommunications services by increasing the synergy with telecommunications services and utilizing each company's services, customer bases, and big data.

November
2019

Z Holdings acquired ZOZO as a subsidiary



Obtaining ZOZOTOWN, one of Japan's largest fashion e-commerce websites

Z Holdings acquired ZOZO, Inc.—which runs ZOZOTOWN, one of Japan's largest fashion e-commerce websites—as a subsidiary and is aiming to secure *Japan's No. 1 e-commerce merchandise transaction value*. Because these companies have a complementary relationship in terms of the products they sell and their customer segments, the business has grown in leaps and bounds.

March
2021

Merged the business of Z Holdings and LINE



Obtaining one of Japan's largest communication services

Through the business integration with LINE, Z Holdings has now become Japan's largest Internet service provider group with touch points with customers that are vital to daily life: "information," "payment," and "communication."

Significance of owning listed subsidiaries and protection of minority interests
SoftBank owns Z Holdings and a number of other listed subsidiaries. SoftBank believes that each listed subsidiary should engage in business while being evaluated in the stock market and that autonomous management that takes into consideration the interests of minority shareholders will contribute to the growth of each company. Prior approval of or reporting to the Company regarding important decision-making at subsidiaries is required. With respect to listed subsidiaries, from the perspective of their independence, the Company limits the items that require such prior approval only to the conclusion of contracts that include clauses that are binding on non-contracting parties such as SoftBank Group Corp. and its subsidiaries and affiliates (including non-compete clauses), so that the Company will not unfairly constrain their decision-making.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

> [Cover Story / SoftBank's Take on Challenge](#)

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

SoftBank's Take on Challenge

Acquiring PayPay, a cashless payment service with an overwhelming market share, as a subsidiary

October
2022

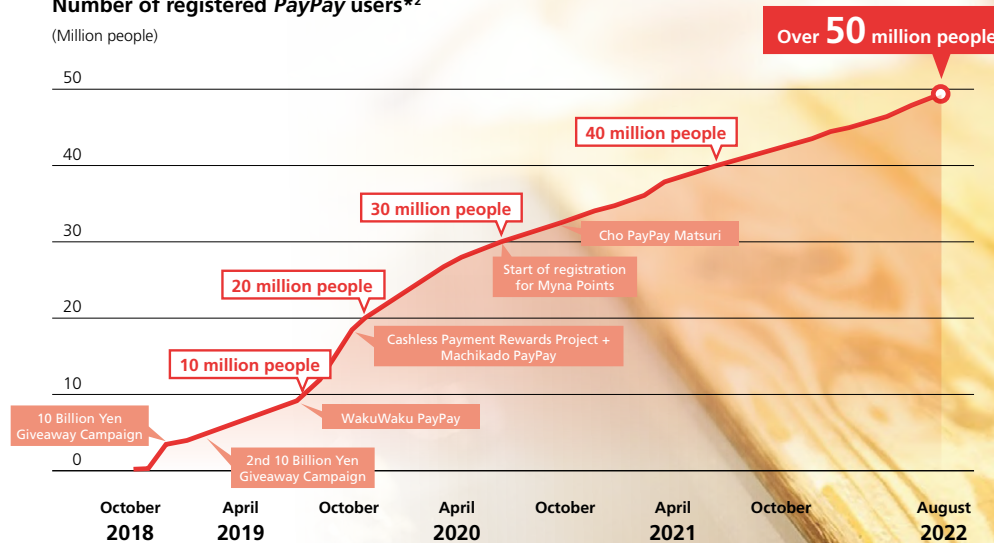
Acquired PayPay as a subsidiary

The cashless payment service *PayPay* has rapidly grown as a social infrastructure, with over 50 million registered users and a 67%*1 share of the Japan's code payment market within 3 years and 10 months since its launch. PayPay became a consolidated subsidiary of the Company and Z Holdings in October 2022, and will expand revenue opportunities by linking PayPay with Z Holdings' services such as *LINE*. We will expand the ecosystem centered on *PayPay* points and increase the corporate value of the entire group through a ripple effect on various existing services.

*1 PayPay GMV as a percentage of total store spending in the code payment market. This figure was calculated by SoftBank based on the "Survey on Code Payment Usage Trends, June 5, 2022," published by the Council for the Promotion of Cashless Society.

Number of registered PayPay users*2

(Million people)



*2 Total number of users with registered accounts



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

> [Cover Story / SoftBank's Take on Challenge](#)

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

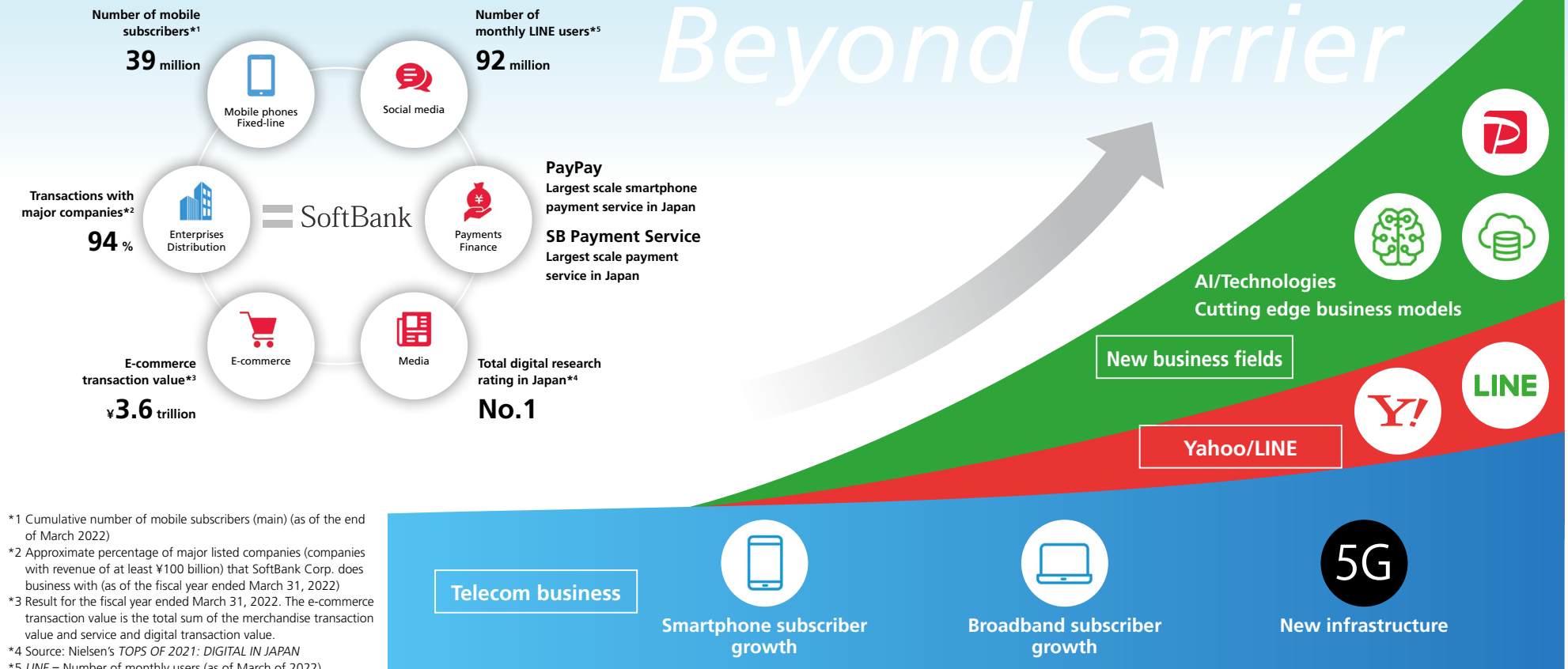
How We Sustain Value

Data Section

SoftBank's Take on Challenge

A comprehensive digital platform provider of Japan's top-class ICT services

In line with our growth strategy of *Beyond Carrier*, we are expanding our business domain into social media, payment, media, and e-commerce through the acquisition of Z Holdings and the launch of *PayPay*, while pursuing stable growth of our telecommunications business. For enterprises, we provide a variety of solutions ranging from network construction, data centers, cloud services, security, AI/IoT, and digital marketing. We continue to evolve into a comprehensive digital platform providing Japan's top-class ICT (Information and Communication Technology) services.



*1 Cumulative number of mobile subscribers (main) (as of the end of March 2022)
*2 Approximate percentage of major listed companies (companies with revenue of at least ¥100 billion) that SoftBank Corp. does business with (as of the fiscal year ended March 31, 2022)
*3 Result for the fiscal year ended March 31, 2022. The e-commerce transaction value is the total sum of the merchandise transaction value and service and digital transaction value.
*4 Source: Nielsen's TOPS OF 2021: DIGITAL IN JAPAN
*5 LINE = Number of monthly users (as of March of 2022)

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Message from the CEO

Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

Material Issues

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section



Section



What Value We Create

We use our strong telecommunications infrastructure as a foundation to provide top class ICT services in Japan, and we are involved in the digitalization of all kinds of industries. It is therefore no exaggeration to say that, without us, it is no longer possible to even think about the digitalization of Japan. Based on this awareness and pride, we create services that increase the convenience of and enrich people's lives while also utilizing the power of technology to contribute to the problem-solving of society as a whole.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

> Message from the CEO

Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

Material Issues

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

Message from the CEO

SoftBank will seek to trigger Japan's digitalization



Founded an Internet service provider (ISP) in 1991, serving as president for about 10 years. Joined what is now SoftBank Corp. in 2001 and was appointed Director & Executive Vice President (CTO) in April 2006. Contributed to the growth of the Company primarily as head of the Technology Unit. Appointed Representative Director & CTO of SoftBank in April 2018. More recently, served as president of multiple Group companies and spearheaded the Institute for AI and Beyond in partnership with the University of Tokyo. Has served as President & CEO of SoftBank since April 2021.

**Junichi
Miyakawa**

President & CEO

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

> Message from the CEO

Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

Material Issues

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

Message from the CEO

SoftBank's Vision

Triggering Japan's digitalization

The Japanese economy is currently on the verge of a major turning point. The global economy in recent years has been driven by foreign IT companies, which have grown drastically over the past 30 years. Meanwhile, Japan's adoption of digital technology has markedly lagged that of other developed countries, a trend that is undermining its competitive advantage in the international marketplace. There are still many challenges for Japan to overcome, such as the lack of awareness of the usefulness of digital technology and a low smartphone penetration rate, which indicates that not all people are enjoying the benefits of digitalization.



"Information Revolution—Happiness for everyone" is SoftBank's corporate philosophy. Making people's lives better with the power of technology has been our plan of action ever since the Company was founded. Fortunately, our group has not only the digital foundation developed in the telecommunications business, but also top-class services in every digital field in Japan, from e-commerce, portal sites, and messaging apps to cashless payments. In fact, we are in the best possible position, as a corporation, to harness the power

of technology to propel Japan's hitherto sluggish digital transformation. So that Japan can make its presence felt in the international community over the next 20 to 30 years, I believe we must first act as a detonating agent to trigger a wave of digitalization across the entire nation.

Beyond Carrier Growth Strategy

Tapping the enormous market that lies beyond digitalization

If we are asked why we are so focused on digitalization, it is, of course, because we see greater business growth opportunities in the future beyond digitalization.

The digitalization of every aspect of people's lives means information that has been scattered around the analog world should be transformed into data all at once. And by combining such a large amount of data, new added value and new markets will be created. For example, if traffic and human flow data can be used to create highly accurate digital maps, self-driving vehicles will spread rapidly, and if digital space-based remote medical care systems can be established, the concept of community healthcare will be revolutionized. The next 10 to 20 years should be a time when digitalization will fundamentally change the way every industry takes its place.

In this era of change, I have no intentions whatsoever of letting SoftBank remain just a telecommunications company. We have our sights set on a much bigger market in which all people and things are digitally connected. We will combine our strengths including e-commerce, messaging, and payments with the foundations of telecommunications infrastructure to drive the digitalization of various industries. This is the *Beyond Carrier* worldview that we at SoftBank are aiming for.

Importance of Telecommunications

Smartphones are key to connecting people with digital technology

Telecommunications are essential to the future of digitalization that we envision. No matter how much a company or local government digitalizes its services, the benefits of that digitalization cannot be enjoyed if the environment on the receiving end is still in an analogue state. Telecommunications fulfil the key role of connecting people with digital technology and smartphones as that point of contact will likely grow increasingly important going forward. Given that SoftBank aims to facilitate the digitalization of society, it is inevitable, in a way, that we must endeavor to expand the number of smartphone subscribers.

The role of mobile phone stores is also crucial to the increased uptake of digital technology in society. In the telecommunications industry in recent years, we have seen the closure of many stores nationwide and customer services have also been migrated to online channels. However, stores at which customers can obtain face-to-face assistance from professional staff members are an important entry point to digitalization and a source of support for many people. At SoftBank we want to ensure that no one is left behind in the shift to digitalization. If we deprive people of the opportunity to go digital by prioritizing cost reductions, we would be missing the point.

As CEO, I must always examine what needs to be done now for the benefit of society the next 20 to 30 years down the track and which choices will be more advantageous for the Company's business growth from a long-term point of view. Given that we are going to get involved in the digitalization of all industries in the future, the telecommunications customer base is still important, and if we consider the store as an important customer contact point rather than just a cost center, the business opportunities will still be wide open. In fact, we have assigned enterprise sales personnel to some of our mobile phone stores to start offering digital products

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

> Message from the CEO

Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

Material Issues

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

Message from the CEO

and services to sole proprietors and small or medium-sized enterprises (SMEs) in each area.

Technology Strategies

Digitalization of industries underpinned by 5G

One elemental technology of digitalization is 5G. 5G's ultra-high speed, large capacity, ultra-low latency, and multiple simultaneous connections are indispensable to industrial digitalization. As Japan tries to catch up with the rest of the world in digitalization, it simply cannot fall behind other countries in 5G, a fundamental element of digitalization. At the end of March 2022, our 5G population coverage exceeded the target of 90%. Once the stand-alone communication network is in place, 5G will finally come into its full strength. We have set

the fiscal year ending March 31, 2023 as the year of intensive investment in 5G, and we are thoroughly working toward the further advancement of 5G networks.

Growth Potential of Enterprise Segment

Digitalization of Japanese companies yet to hit full stride

One reason behind Japan's poor progress on digitalization is the slow uptake of digital technology by Japanese companies. Even though the COVID-19 pandemic has brought companies online, digitalization of SMEs in Japan has only just begun. Only the major corporations in Japan have finally taken steps to incorporate digital technology into their existing operations, but this does not mean they have built a whole new industry powered by digital technology. In other words, the adoption of digitalization in Japanese corporations has yet to go full tilt and the time to transform existing businesses into new digital tools is just around the corner.

In fact, in the first fiscal year after I was appointed President and CEO, I devoted a lot of my time to the Enterprise segment. I was involved deeply in a variety of projects, I engaged in sales activities myself, and I participated in discussions with corporate managers from many different industries. Although SoftBank entered the Enterprise segment after initially selling fixed-line communications and business mobile phones to enterprise customers, we are now taking on more and more large-scale digital transformation (DX) projects to digitalize entire factories with the use of 5G. This largely owes to our ability to offer a one-stop service, from consulting through to systems integration, because we took steps to bolster our ranks of digital professionals and I personally feel that the response from the market has been very telling.

Harnessing Group synergies to promote digitalization at mid-tier firms and SMEs

In the fiscal year ending March 31, 2023, we are also focusing our efforts on the market for mid-tier firms and SMEs. It is said that the total amount of IT spending at Japanese mid-tier firms and SMEs is comparable to that of the major companies. At long last, the time for the full-fledged adoption of digital technology among SMEs is drawing near, helped along by heightened demand for digitalization during the COVID-19 pandemic, the commercialization of 5G, and official support from the Japanese government, including the establishment of its Digital Agency. Up until now, we had chiefly focused on digitalization for large corporations, but within the Group there are many companies that specialize in the SME market, such as Askul Corporation and PayPay. We hope to leverage the customer bases of each Group company to keep costs to a minimum and efficiently open up a market for mid-tier firms and SMEs.

High Potential of Group Companies

LINE and PayPay are the "treasures" vital to Japan's digitalization

Z Holdings and PayPay are subsidiaries indispensable to our plan to carry out the *Beyond Carrier* strategy. Z Holdings owns the smartphone messaging application *LINE*, which boasts approximately 92 million users. You could say it is the national messaging app because it is used by almost all smartphone users in Japan. Meanwhile, the number of users of the cashless payment service *PayPay* now stands at around 50 million; *PayPay* commands a nearly 70% share of Japan's QR code payment market.

Given that we have come this far, the digitalization of Japan without *LINE* and *PayPay* is no longer conceivable. For instance, any company or local government entity in Japan would probably turn straight to *LINE* as the platform of choice



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

> Message from the CEO

Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

Material Issues

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

Message from the CEO

when it needed to communicate directly with every individual. And with some 86 million users, we cannot forget *Yahoo! JAPAN*, the country's largest Internet portal site, together with *ZOZOTOWN*, a fashion e-commerce site that has gained a strong following. These dominant services are essential to Japan's digital transformation—they could even be seen as items of treasure in the digital world. The services like *LINE* and *PayPay* should never settle down small. We would like to maximize business value by consistently refining the strengths of our existing services.

HR Initiatives

The role of a leader is to clearly show the way forward

The driving force behind a company's growth will always be its human resources. In the past 12 months I have carried out my management responsibilities with an emphasis on engaging in dialogue with employees. The Company has long conducted employee satisfaction surveys and "pulse" surveys in order to gain an understanding of every person's situation and boost their motivation, but in addition to those measures, immediately after I was appointed President & CEO last year I launched a monthly online morning meeting to be attended by all employees. This is not just with a few quick words, but for a good 30 minutes. I put together a presentation and directly communicate in my own words about the circumstances the Company is currently in and my own thoughts on it.

In my mind, the role of a leader should be to clearly show the way forward. People should naturally act, once they clearly understand what direction they are heading in and what is required of them. People work way more effectively on tasks they choose to undertake themselves than the jobs simply assigned to them. Even though the subject of my morning meeting changes every month, I have consistently communicated the message that if you lose your way or encounter difficulties, you should take a step back and look at the bigger picture. And especially because of the chaotic times we are experiencing right now, I want our employees to first imagine

the next 20 to 30 years from now and then count backwards from there. Creating a presentation every month can be hard work sometimes, but I consider it to be one of my roles. It has been very well received by our employees, and it soon became the number one viewed content at our company.

Diversity, Equity and Inclusion

Becoming a dynamic company with diverse talents

When looking at talents, another key element is our commitment to diversity. At SoftBank we promote Diversity, Equity and Inclusion with the aim of building an organization conducive to spontaneous innovation in which all employees understand each other's differences, leverage the strengths of one another, and express opinions with an open-mindedness.



One theme we are particularly focused on is the empowerment of women. Last year we announced that we would aim to have women account for 20% of all management positions by the fiscal year ending March 31, 2036, which equates to a three-fold increase from the fiscal year ending March 31, 2022. To help us achieve this target, we first set up the Committee for the Promotion of Women in the Workforce. I myself assumed the role of chairperson on this committee. We have

so far invited external experts to committee meetings to facilitate in-depth discussions about how to best reform our existing business model and working environment from the ground up. Also last year, we added two female external directors to the Board as part of our efforts to strengthen corporate governance. Not only have they brought their own specialized knowledge to the Board, but I really feel that their presence is contributing to multilateral and lively management discussions. We would like to continue to make SoftBank a dynamic company by actively promoting Diversity, Equity and Inclusion and realizing a corporate culture in which diverse talents can play an active role.

Sustainability Initiatives

Seeking to solve social issues through business

To help bring about a sustainable society, we are actively undertaking initiatives geared towards the achievement of the Sustainable Development Goals (SDGs). SoftBank's sustainability initiatives aim to solve social issues through business. We believe that working to solve issues in society will ultimately lead to business growth for the Company, which is why we are seeking to make various contributions to society through our business activities. We hope to close the digital divide by expanding the use of smartphones, transform industries through digitalization in companies and local governments and solve issues concerning community healthcare and regional transportation, and contribute to the increased uptake of cashless payments through *PayPay*. All these initiatives seek to solve the social issues Japan currently faces with the power of technology, yet at the same time, they are also our mainstay businesses that drive profit growth.

Our high-altitude platform station (HAPS) business is but just one initiative with which we seek to contribute to society through business. My involvement in the HAPS business goes back 11 years from now to the time of the Great East Japan Earthquake in 2011. At the time, I headed up the on-site disaster recovery team in my capacity as CTO for a period of

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

> Message from the CEO

Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

Material Issues

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

Message from the CEO

two months. Together with our engineers, we went around to inspect, one by one, all the base stations that had been damaged by the earthquake, but the scenes of destruction we saw with our own eyes were just indescribable. Telecommunications are a lifeline connecting one person to another. Even during times of disaster, they must be maintained no matter what, so that all people, wherever they may be, can equally benefit from telecommunication services. The strong desire to make that happen was the starting point of today's HAPS business. The fact that telecommunications is our core business is the very reason why I think there are still many things we can achieve for the benefit of society.

Natural disasters and other problems caused by climate change are also growing increasingly severe year after year. To help realize a decarbonized society as soon as possible, in May 2021 we released our Carbon Neutral 2030 Declaration and committed to reducing our greenhouse gas emissions to net zero by the year 2030. While switching to virtually 100% renewable energy for our own power use, we are also making maximum use of cutting-edge technologies such as AI and IoT to reduce power consumption in its data centers and telecommunication facilities.

Shareholder Returns

Strongly generating cash as the source of shareholder returns

Shareholder returns has been a key management issue for SoftBank since our public listing in 2018. Actively deploying measures to drive business growth whilst also maintaining healthy shareholder returns is never easy, but personally I will do whatever it takes to uphold the promise I once made to stock market participants.

To that end, we are focused on the stable generation of cash flow—the source of shareholder returns every year. Even though we face some headwinds in the business environment from the impact of mobile service price reduction, we expect

to be able to stably generate adjusted free cash flow of around ¥600 billion annually going forward from growth in other businesses and the various endeavors of management, including financial action measures. Given that our dividend payments presently total around ¥400 billion, I believe we have sufficient capacity to maintain the current level of shareholder returns.

On a daily basis I hear and read various opinions from investors regarding our policy on shareholder returns. Even now the management team is discussing our policy for the fiscal year ending March 31, 2024 onward, but my basic view is that we should continue with the high level of returns next fiscal year as well. Even if a time comes in the future when we drastically change our approach to shareholder returns, it will probably be accompanied by a major game-changing moment for the Company. For now, I remain firmly committed to paying all shareholders the healthy returns we promised to them as the management team of the Company.

In Conclusion

Turning adversity into the driving force behind new challenges

The Enterprise segment, the Yahoo/LINE segment, and services such as *PayPay* are certainly benefiting from rapid growth right now. On the other hand, it is also true that this is a difficult time for the Company's overall profits due to the impact of mobile service price reductions in 2021. I believe my true value as CEO is being tested as to how we can overcome this challenging period and whether I can firmly prepare for the future without losing sight of the course we should take. I also made the decision to step up our 5G investments this fiscal year after backcasting from the future and concluding that it must be done now.

We expect the negative impact on profits from mobile service price reduction impact to peak in the fiscal year ending March 31, 2023 before declining sharply thereafter. If

we can get through this difficult time, then all we need to do is go on the offensive again, so in a sense, it was probably my destiny to be appointed President and CEO at this time. This adversity is motivating SoftBank to take up new challenges and all employees are working together to maximize corporate value. SoftBank is currently on the cusp of a transformational period, and we will do our utmost to live up to the expectations of all stakeholders.



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Message from the CEO

> Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

Material Issues

Section 2

How We Create Value

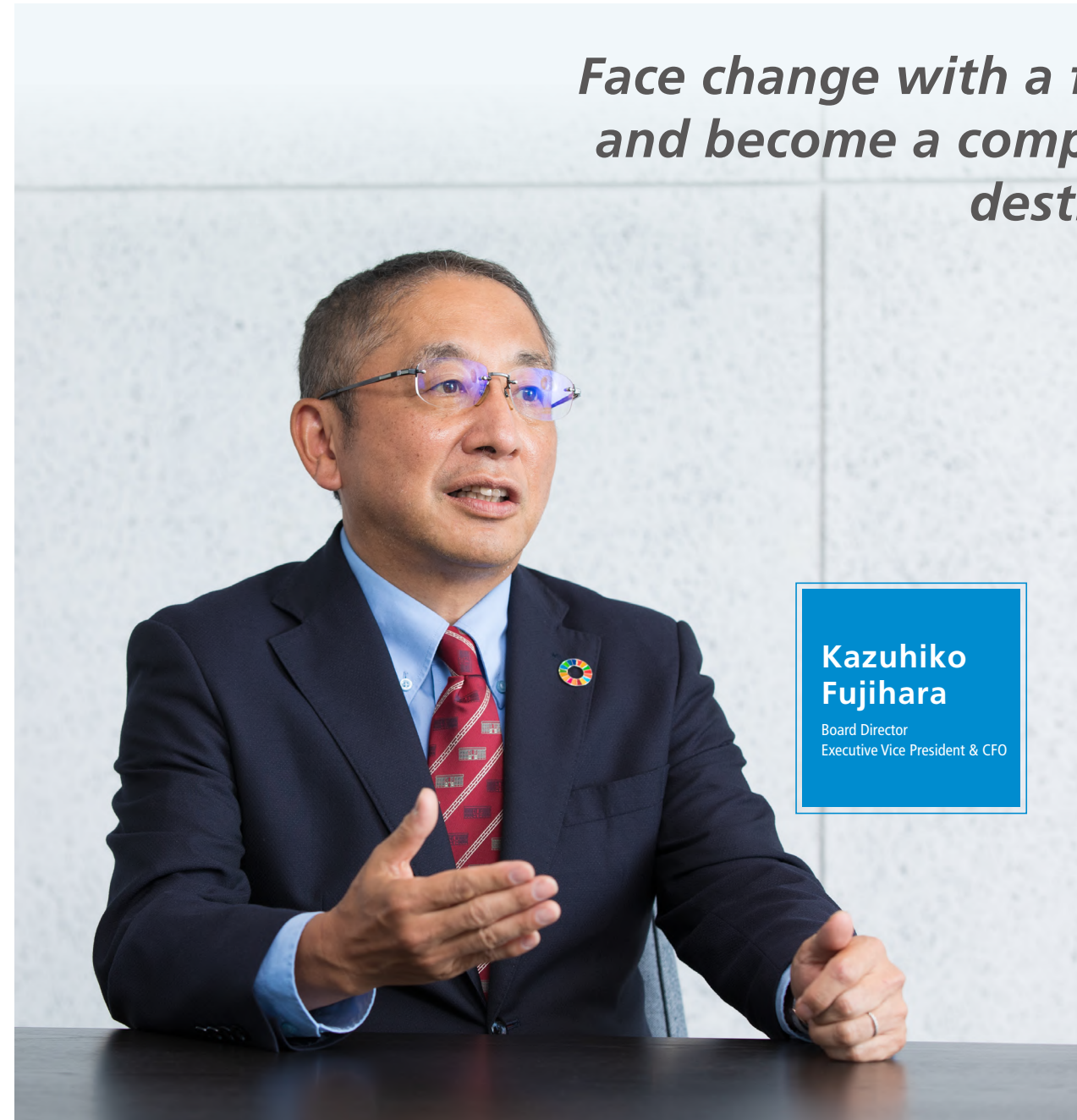
Section 3

How We Sustain Value

Data Section

Message from the CFO

Face change with a future-oriented mindset and become a compass that illuminates the destination in difficult times



**Kazuhiko
Fujihara**

Board Director
Executive Vice President & CFO

Financial Forecasts

Financial forecasts and direction for the fiscal year ending March 31, 2023

In the fiscal year ending March 31, 2023, we are committed to achieving our long-promised goal of ¥1 trillion in operating income (announced in August 2020). For the fiscal year ending March 31, 2023, the Consumer segment is expected to see a ¥159.5 billion (25%) year-on-year decrease in profit due to the impact of the mobile service price reduction. The Enterprise segment, in contrast, is expected to increase its profit by ¥21.5 billion (17%) from the previous fiscal year as its solutions and other businesses grow against the backdrop of the advancement of digitalization. We expect year-on-year growth for revenue and profits on a consolidated basis, taking into account the remeasurement gain from the consolidation of PayPay, which has grown significantly due to a Group-wide effort. Recording a remeasurement gain from making PayPay a subsidiary was fortunate in terms of timing, but we do not intend to use this to gloss over our business performance; rather, we aim to increase corporate value on a consolidated basis by generating cash flow that exceeds the previous year, not paper results. I see this situation as an important period preliminary to demonstrating our next stage of growth. I take the positive view that this will be a step toward our next growth, as we can win the confidence of the stakeholders in our management's commitment by maintaining revenue and profit growth by making PayPay a subsidiary even in the difficult time of the mobile service price reduction.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Message from the CEO

> Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

Material Issues

Section 2
How We Create Value

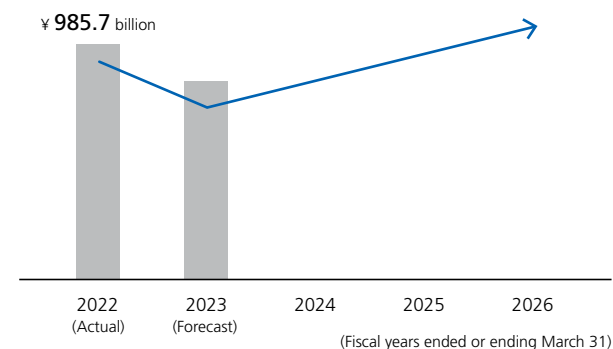
Section 3
How We Sustain Value

Data Section

Message from the CFO

Starting from the fiscal year ending March 31, 2024, the impact of the mobile service price reduction will have run its course, and we will begin to see the impact of cost reduction efforts and decreasing depreciation costs, along with business growth in the Enterprise and the Yahoo! JAPAN/LINE segments. Therefore, operating income on a consolidated basis excluding the impact of PayPay becoming a subsidiary will bottom out in the fiscal year ending March 31, 2023, and then recover from the fiscal year ending March 31, 2024 onwards. In addition, we expect to be able to generate stable cash flow on an ongoing basis as the rollout of our 5G area investment runs its course and capital expenditures decline significantly.

Operating income (excluding PayPay consolidation impact)



Forecasts for the fiscal year ending March 31, 2023 (YoY)

(Billions of yen)	Fiscal year ended March 31, 2022 (Actual)	Fiscal year ending March 31, 2023 (Forecast)	Change	Change (%)
Revenue	5,690.6	5,900	+209.4	+4%
Operating income	985.7	1,000 or more	+14.3 or more	+1% or more
Net income*1	517.5	530 or more	+12.5 or more	+2% or more
Adjusted Free Cash Flow*2	579.7	600	+20.3	+3%
CAPEX*3 (Consumer and Enterprise)	399.0	430	+31.0	+8%

*1 Net income attributable to owners of the Company

*2 Adjusted FCF = FCF + (proceeds from the securitization of installment sales receivables – repayments thereof), excludes FCF of A Holdings Corporation and Z Holdings Corporation and its subsidiaries, loans to Board Directors, and impact of PayPay Corporation consolidation in fiscal year ending March 31, 2023. Includes dividend payments from A Holdings Corporation.

*3 Acceptance basis, excluding rental mobile phones for enterprise customers, shared equipment (contributions by other operators), and IFRS 16 "Leases."

Reason for disclosing our plan about the fiscal year ending March 31, 2024 and beyond

The fiscal year ending March 31, 2023 is the year in which the impact of the mobile service price reduction will peak. Profit would be lower year-on-year if there were not remeasurement gain from making PayPay a subsidiary. Even though SoftBank has increased revenues and profits continuously since its listing, we are fully aware that our shareholders and investors are anxious about the decline in earnings from our Consumer segment, which is the backbone of our business.

At this juncture, I am reminded of the time when we once posted a loss of nearly ¥100 billion due to our upfront investment in the ADSL service *Yahoo! BB*. At that time, our President Masayoshi Son (currently Representative Director, Chairman, and CEO of SoftBank Group Corp.) related the following story: "In a dark sea, you can't tell the size of the waves, the depth of the water, or where the shore is. Investing in a loss-making company is like swimming in such a sea, and nothing is more unsettling. At such times, you need a light to illuminate the sea."

To me, the fiscal year ending March 31, 2023 resembles that "dark sea." Therefore, the reason we have decided to

openly disclose our plan for the fiscal year ending March 31, 2024 and beyond is precisely to "illuminate the sea;" in other words, to enable shareholders and investors to understand the future outlook by explaining everything, including the time frame in which the impact of the mobile service price reduction will run its course, our cost reduction measures, and the growth of businesses that drive the *Beyond Carrier* strategy, such as the Enterprise and the Yahoo! JAPAN/LINE segments.

Factors for decrease in profits in the Consumer segment in the fiscal year ending March 31, 2023

First, the negative impact of the mobile service price reduction is expected to be ¥90 billion (¥77 billion in the previous fiscal year). This is because many customers rethink their price plan when they get a new phone, so we expect the impact to peak as this cycle plays out. In addition, sales-related expenses, etc. are expected to increase by ¥60 billion, of which ¥40 billion is due to the deferral of customer acquisition costs (non-cash). Customer acquisition costs are capitalized at the time of their expenditure and are amortized (recorded as expenses) over the period that the device is used. The customer acquisition costs incurred in the fiscal years ended March 31, 2020 and 2021,

Earnings forecast summary

	Fiscal year ending March 31, 2023 (Forecast)	Plan for the fiscal year ending March 31, 2024 and Beyond
Operating Income	Achieve medium term target of ¥1 trillion operating income	Price reduction impact to run its course Income to increase with business growth (Excluding PayPay consolidation impact)
CAPEX	Accelerate investment on further 5G deployment	Investment on 5G to run its course, reducing CAPEX significantly
Fixed Costs	Seek continuous cost efficiency	Depreciation decrease Network OPEX decrease etc.
Adjusted Free Cash Flow*2	Forecast of ¥600 billion	Stable at ¥600 billion level
Shareholder Returns	Dividends per share: ¥86	High shareholder returns

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Message from the CEO

> Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

Material Issues

Section 2

How We Create Value

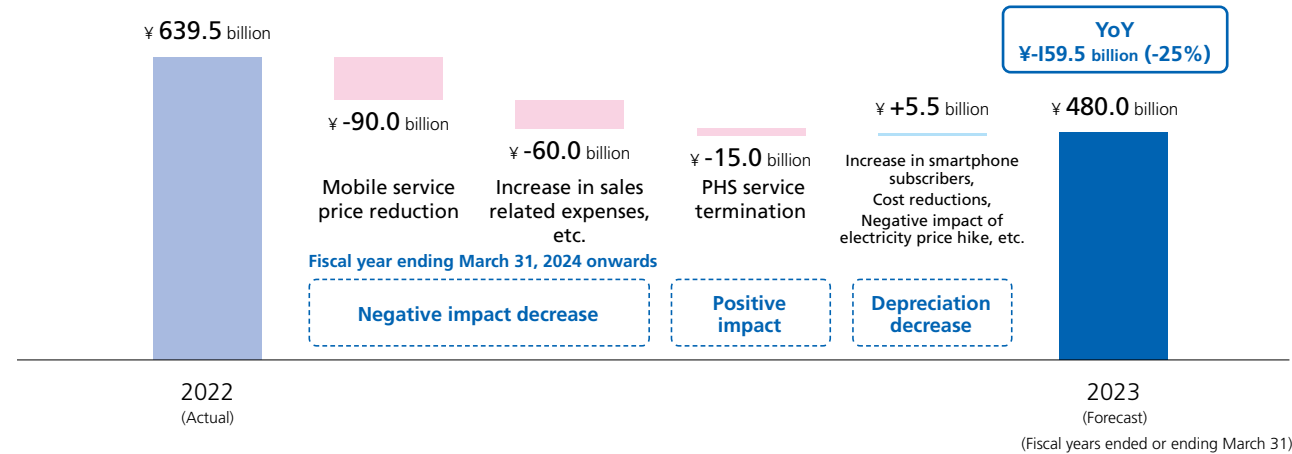
Section 3

How We Sustain Value

Data Section

Message from the CFO

Consumer segment income



which were kept low due to the amendments to the Telecommunications Business Act and the COVID-19 pandemic, were deferred to the the fiscal year ended March 31, 2022. In contrast, the increased customer acquisition costs associated with increased sales activity in the fiscal year ended March 31, 2022 will be deferred primarily to the fiscal year ending March 31, 2023 and thereafter. We therefore anticipate an increase in sales-related expenses in the fiscal year ending March 31, 2023 compared to the previous fiscal year.

We are also factoring in a decline in gross profit on handset sales due to a decrease in the number of handsets shipped



compared to the fiscal year ended March 31, 2022; a downturn in *Electricity* following its strong performance in fiscal year ended March 31, 2022; and a cost increase of ¥15 billion due to the termination of PHS service. The Consumer segment is facing a combination of these negative factors in the fiscal year ending March 31, 2023. However, the negative impact of the mobile service price reduction is expected to peak in the fiscal year ending March 31, 2023, shrink to ¥50 billion in the following fiscal year, and then flatten out in the subsequent fiscal years.

On the other hand, the cumulative number of smartphone subscribers is on the rise, with our smartphone users accounting for 47% of *Yahoo! JAPAN Shopping* transaction value*1 and 43% of *PayPay* GMV (gross merchandise value). I want to emphasize the point that our smartphone users are an important foundation for the growth of the Group's various businesses, not limited to the telecommunications business.

*1 Total transaction value of *Yahoo! JAPAN Shopping* and *PayPay Mall*

Forecast for ARPU

For the fiscal year ending March 31, 2023, the average total ARPU (average revenue per user per month) is expected to decrease by ¥270 from the previous fiscal year. ARPU declined by ¥280 in the fourth quarter of the fiscal year ended March

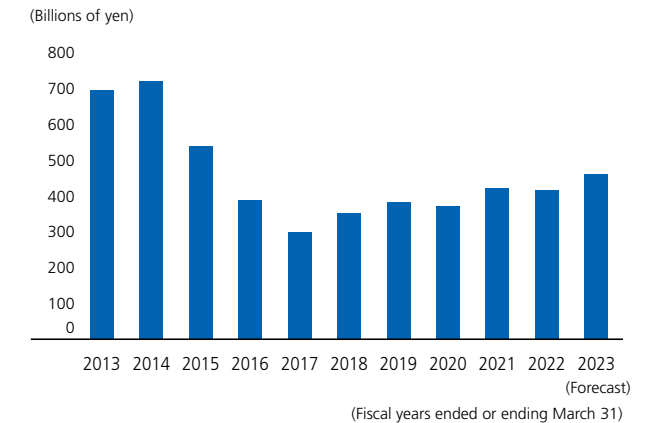
31, 2022 compared to the same period of the previous year, which means the decline in ARPU is expected to narrow down in the fiscal year ending March 31, 2023. Going forward, revitalizing the *SoftBank* brand will be a major theme. To make people feel the value unique to the *SoftBank* brand, we need to link the various services within the Group and increase the number of attractive services that 5G offers. I believe that this will increase the number of unlimited data plan users of *SoftBank* brand, and increase the number of users switching brands from *Y!mobile* to *SoftBank*, which will boost our ARPU.

Cost Strategy

Efforts to reduce costs

We expect the cost reduction to become more pronounced from the fiscal year ending March 31, 2024 onwards. First, with regard to fixed costs, the depreciation of large capital expenditures at the ¥700 billion level that were made after 2012, when the company acquired the wide-coverage frequency band (what we call the "Platinum Band"), has come to an end, which means depreciation and amortization expenses are entering a contraction phase. Furthermore, PHS, 3G, and ADSL services will be phased out one by one, and the

CAPEX



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Message from the CEO

> Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

Material Issues

Section 2
How We Create Value

Section 3
How We Sustain Value

Data Section

Message from the CFO

associated equipment will be decommissioned promptly. By consolidating our networks into 4G/5G and optical lines in this way, we expect to reduce their operating costs by approximately ¥20 billion in total. The negative impact of the mobile service price reduction in the fiscal year ending March 31, 2024 will be largely offset by the decrease of depreciation and operational costs, and we intend to return to an earnings growth trend with business growth in the Enterprise and the Yahoo! JAPAN/LINE segments.

I also serve as head of the Purchasing Department, where we are also promoting cost reduction through our purchasing strategies. I always tell my team to think of themselves not as a purchasing department but as "Purchasing Inc." I constantly guide the team so that they always aim to expand "Purchasing Inc.'s revenue, which means transaction volume, and its profit, which means cost reduction amount," by thoroughly involving themselves in every aspect of the Group's businesses and increasing the transaction volume of the Purchasing Department. We have accumulated a wide range of purchasing know-how through various purchasing initiatives, such as using a reverse auction system in which SoftBank, the buyer, presents the starting price and terms and condition and then selects a supplier, as well as through joint Group purchasing and by having our Purchasing Department employees undertaking the tasks for the Group companies or work on loan for them.

Based on this know-how, we have been actively working to reduce costs across the entire Group since 2019, when Yahoo Japan became a subsidiary. In the fiscal year ended March 31, 2020 the results of such cost reduction measures amounted to about ¥7 billion, mainly for Yahoo Japan, but each year we covered more Group companies, and by the fiscal year ended March 31, 2022, the annual savings reached ¥16 billion. Our aim is not to meddle in the cost reductions of Group companies as the parent company, but rather to encourage each Group company to take the initiative to be more effective, realizing that the pursuit of smarter purchasing activities can generate a considerable amount of money and lead to business improvement, and in fact this is exactly what has been happening recently.

Cash Allocation

Capital expenditure plan and growth investment policy

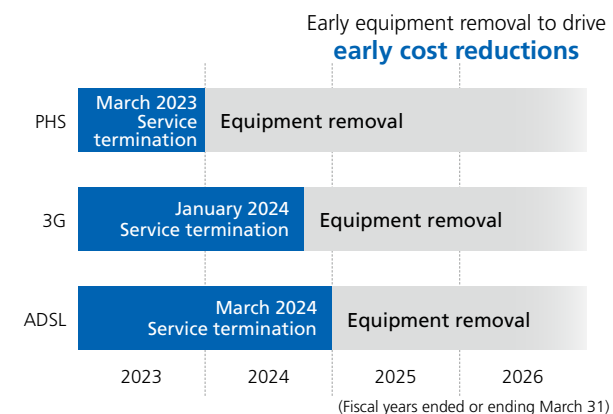
Capital expenditures (in the Consumer and Enterprise segments) are set to increase by 8% year-on-year to ¥430 billion in the fiscal year ending March 31, 2023. As of the fiscal year ended March 31, 2022, our 5G network achieved population

coverage of over 90%, and in the fiscal year ending March 31, 2023, we will make concentrated investments to further expand our 5G rollout, in terms of both area and demand-driven spot enhancement, to complete our 5G network ahead of our competitors. Once that milestone is reached, I expect capital expenditures in the fiscal year ending March 31, 2024 and beyond to drop sharply by ¥100 billion to around ¥330 billion and then remain flat.

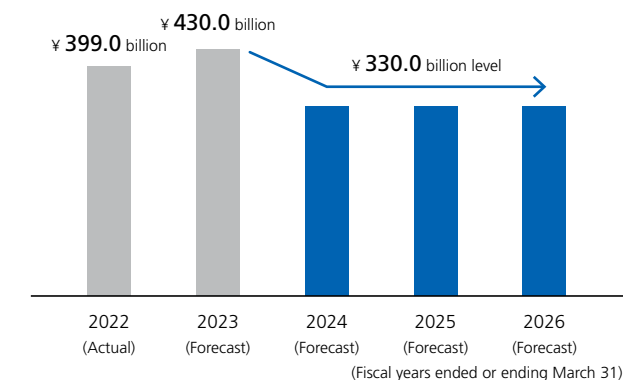
Smartphone users are still not very aware of the difference between 4G and 5G, but this final intensive investment will complete the 5G core network and usher in a phase in which services that take full advantage of the benefits of 5G will become widely available.

Meanwhile, funds for growth investments, which are kept separate from capital expenditures, reached ¥88 billion in the fiscal year ended March 31, 2022, an increase from the previous fiscal years, due to additional investment in PayPay as well as investments in Treasure Data, Inc., which has a dominant market share in customer data platform (CDP) services in Japan, and Axiata Digital Advertising Sdn. Bhd., which operates digital marketing businesses in ten Asian countries and is a Group company of Axiata Group Berhad, one of the largest telecommunications carriers in Asia. Even in normal times, about half this amount is budgeted, and we are always on the lookout for new business opportunities.

Network OPEX decrease due to 3G/PHS/ADSL sunset



CAPEX (Consumer/Enterprise)



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Message from the CEO

> Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

Material Issues

Section 2
How We Create Value

Section 3
How We Sustain Value

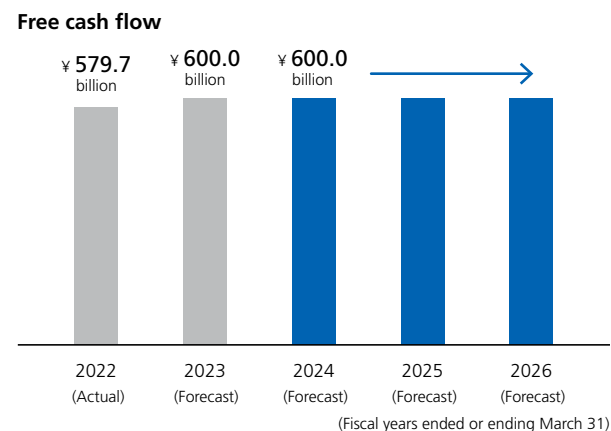
Data Section

Message from the CFO

Approach to future adjusted FCF levels

As the starting point for all financial targets in our planning, we use adjusted free cash flow (FCF), which is calculated by operating cash flow, less capital expenditures and investments for growth. Of course, all business activities involve cash, and cash flow conditions also affect our management options to achieve growth, which is why I believe that the idea of focusing on adjusted FCF is very important.

For the fiscal year ending March 31, 2023, while capital expenditures will increase to ¥430 billion, we aim to control growth investments to reach a target of ¥600 billion in adjusted FCF, a 3% increase from the previous fiscal year. I want to make sure we can accomplish this while also making continuous improvements to our working capital and other indicators. Our policy is to steadily generate adjusted FCF at this level from the fiscal year ending March 31, 2024 onwards.



Financial Strategy

View on the status of the balance sheet

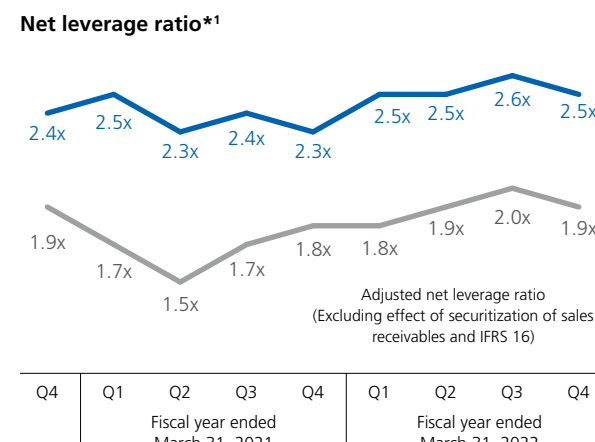
We currently have long-term issuer ratings of A+ and AA- with Rating and Investment Information, Inc. (R&I) and Japan

Credit Rating Agency, Ltd. (JCR), respectively. We will continue to maintain this high rating while preserving both our earnings capacity and financial soundness. In monitoring financial soundness, we emphasize net leverage ratio as an important indicator. This is the ratio of net interest-bearing debt to adjusted EBITDA.

As of March 31, 2022, the Group's net interest-bearing debt increased by approximately ¥360 billion from the end of the previous fiscal year to approximately ¥4,380 billion. Although the mobile service price reduction has a negative impact on adjusted EBITDA, we are committed to controlling the net leverage ratio within the 2x range.

With regard to earnings capacity, although ROE is well over 30%, I am well aware of the issue of our low shareholders' equity. However, because we have committed to a high level of dividends, it would be difficult to raise shareholders' equity at one bound. On the other hand, our shareholder's equity ratio as of March 31, 2022 was 13.2%, an improvement of 0.6 percentage points from the end of the previous fiscal year, and we intend to steadily improve this ratio going forward. I also believe that making PayPay a subsidiary will have a positive impact on improving our shareholder's equity ratio on a consolidated basis.

At the beginning of the COVID-19 pandemic, from a crisis



*1 Net leverage ratio = Net interest-bearing debt / Adjusted EBITDA (LTM)

management perspective we focused on expanding securitization of receivables to increase cash on hand. Now, however, we are able to steer our cash position to a stable and optimal state. About fund-raising methods, we are working to lengthen the average remaining maturity of interest-bearing debt and improve financing costs by increasing the ratio of direct financing, especially bond issuances. Although the impact of the mobile service price reduction is significant, I believe that our financial position is secure.

Approach to capital costs and initiatives to enhance corporate value of portfolio companies

As a basic policy, when we execute investments, we use the internal rate of return (IRR) as the hurdle rate. Because the Company makes maximum use of its liabilities, our weighted average cost of capital (WACC) is roughly 5%, but when making investment decisions, we look for investment returns that are commensurate with business risks well above that level. In calculating the IRR, the Corporate Planning Division, which I head, carefully examines the business plan from the business unit, takes into consideration multiple risk scenarios, and calculates the IRR based on approximately five years of cash flow and terminal value. After the investment is executed, Board Directors and Audit & Supervisory Board Members are dispatched as necessary and quarterly monitoring is conducted to check the progress against the approved business plan and take necessary measures.

Shareholder Returns

Future shareholder return policy

Regarding dividends, in the fiscal year ending March 31, 2023 we are committed to a total annual dividend of ¥86 per share, maintaining a total shareholder return ratio of approximately 85%. *2 Our target for adjusted FCF is also based on this

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Message from the CEO

> Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

Material Issues

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

Message from the CFO

assumption. From a cash management point of view, there is a trade-off between growth investments and shareholder returns, but we want to be a company that pursues both. We have been consistent in this approach since our listing as a publicly traded company. While our policy of high levels of shareholder returns will remain unchanged in the fiscal year ending March 31, 2024 and beyond, we will be setting and disclosing new medium-term targets amidst the current abundance of business opportunities, and we will continue to consider where to strike the balance between growth and returns, taking into account the dialogue with the capital markets.

*2 Total amount of dividends paid and treasury stock retired during the three years from the fiscal year ended March 31, 2021 through the fiscal year ending March 31, 2023/total amount of net income attributable to owners of the Company during the same three years

The Significance of the CFO

The role of the CFO at SoftBank

An ancient Japanese proverb cautions us to “cut your coat according to your cloth,” or in modern terms, “consider your income before spending.” In other words, you must reliably anticipate revenues and keep costs in line with your budgets. I believe that the basic principle of any business is to first generate proper cash flow through solid operations. On the other hand, when a great opportunity presents itself, you must seize it, even if you have to leverage it with borrowing. In other words, I believe that the most important role for a CFO is to set a firm target and then serve as a compass to guide the company on a growth trajectory by controlling cash while judging when to use the gas pedal and the brake.

The fact is that Yahoo Japan and LINE are indispensable for advancing the *Beyond Carrier* strategy, and the Finance Division played a central role in making them subsidiaries of SoftBank. The same is true of our investment in PayPay. In the future, if there is an opportunity to acquire a major growth engine, we want to be able to allocate funds and invest them

without hesitation, and for this reason, we thoroughly manage our cash flow on a daily basis.

SoftBank is a unique company that has grown by spotting trends early and changing its business domain accordingly. This is why our DNA is rooted in a spirit of freedom and challenge, with no barriers between the possible and the impossible, and this dynamism is our strength. While I am committed to building a sound and stable financial foundation, I also place great importance on the DNA that compels us to rise to these challenges.

Ideas I value as a personal philosophy

I believe it is very important to face change with a future-oriented mindset. Thinking about this from the standpoint of the Finance Division, I think there are three components of this mindset: (1) Analyze change as the accumulation of differences; (2) Shorten the clock cycle; and (3) When in doubt, look further ahead.

To navigate as a compass, you must be clear about where you are going, measure the path from your current location to the goal, and consider what it will take to reach it. However, the business environment changes from moment to moment. I define this change as the accumulation of differences. It is important to “Analyze change as the accumulation of differences” to consider what actions are necessary, that is, to compare your situation to the initial budget, the previous month, and the previous year, carefully analyze the extent of the difference, why it occurred, why it has grown, what will happen if we ignore it, and discuss what actions we should take to achieve the goals. That is the first component.

The second, “Shorten the clock cycle,” means shortening the cycle in which the forecast is revised. Rather than being forcibly tied to a budget decided at the beginning of the period, I believe it is more important to respond to changing conditions and frequently revise our forecasts based on our analysis.

Finally, “When in doubt, look further ahead,” is really more

like SoftBank's slogan than my personal philosophy. For example, by discussing what is coming 10 years from now, we can have a common understanding of what we should aim for in the long term and what we should be working on to achieve that, rather than just facing the issues that are currently piling up in front of us. Having a long-term perspective for the future is extremely important for a group like ours to move forward. With this future-oriented mindset as my personal philosophy, I would like to fulfill my role as a compass guiding SoftBank's sustainable growth.



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Message from the CEO

Message from the CFO

> Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

Material Issues

Section 2
How We Create Value

Section 3
How We Sustain Value

Data Section

Coordination between Management and the IR Office

We communicate our management plans as well as our management's intentions to shareholders and investors through proactive dialogue. We also have a system so that valuable insights and evaluations of shareholders and investors are fed back to management. Through such interactive communications, we strive for sustainable growth and medium- to long-term enhancement of our corporate value.

Feedback to management

	Frequency	Means of reporting	Process
Summaries of analyst reports	On the earnings announcement date and as occasion arises	Email	Report summaries of analyst reports issued by securities firms to management via email
Comments from investors and analysts	Several weeks after the earnings announcement	Board of Directors meetings and others	Elicit comments from investors and analysts by interviewing them following the earnings announcement and reporting them at Board of Directors meetings and other occasions
IR-related reports	End of every month	Email	Reporting to management via email on target share prices set by analysts and other stock price-related indicators as well as on major IR activities, etc.
Stock price-related indicators and shareholder information	Available at any time	Data analysis tools	Provide data such as target share prices set by analysts, other stock price-related indicators, and shareholder information, available anytime

Outcomes of Dialogue with Our Shareholders and Investors

Request We would like an opportunity to discuss with external directors.

Response In April 2022, we organized a small meeting between our external directors and institutional investors. The agenda included the effectiveness of the Board of Directors as well as group governance (see page 45).

Request We would like an enhancement of information disclosure to support deeper corporate analysis.

Response For the fiscal year ended March 31, 2022, we disclosed three new items: operating income forecasts by segment, a breakdown of the recurring and non-recurring revenue from the Enterprise segment's solution business and others, and KPIs for prominent affiliates such as PayPay. Going forward, we will remain committed to enhancing information disclosure.

Major IR activities

Number of IR activities during the fiscal year ended March 31, 2022: **275** (Of which 40 with our management)

Total number of firms: **546**

Number of interviews with investors: **213**

Number of conferences and road shows organized by securities firms: **54**

Number of small meetings and other events: **8**

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Message from the CEO

Message from the CFO

Coordination between Management and the IR Office

> Value Creation Process

Sources of Competitive Advantage (Inputs)

Material Issues

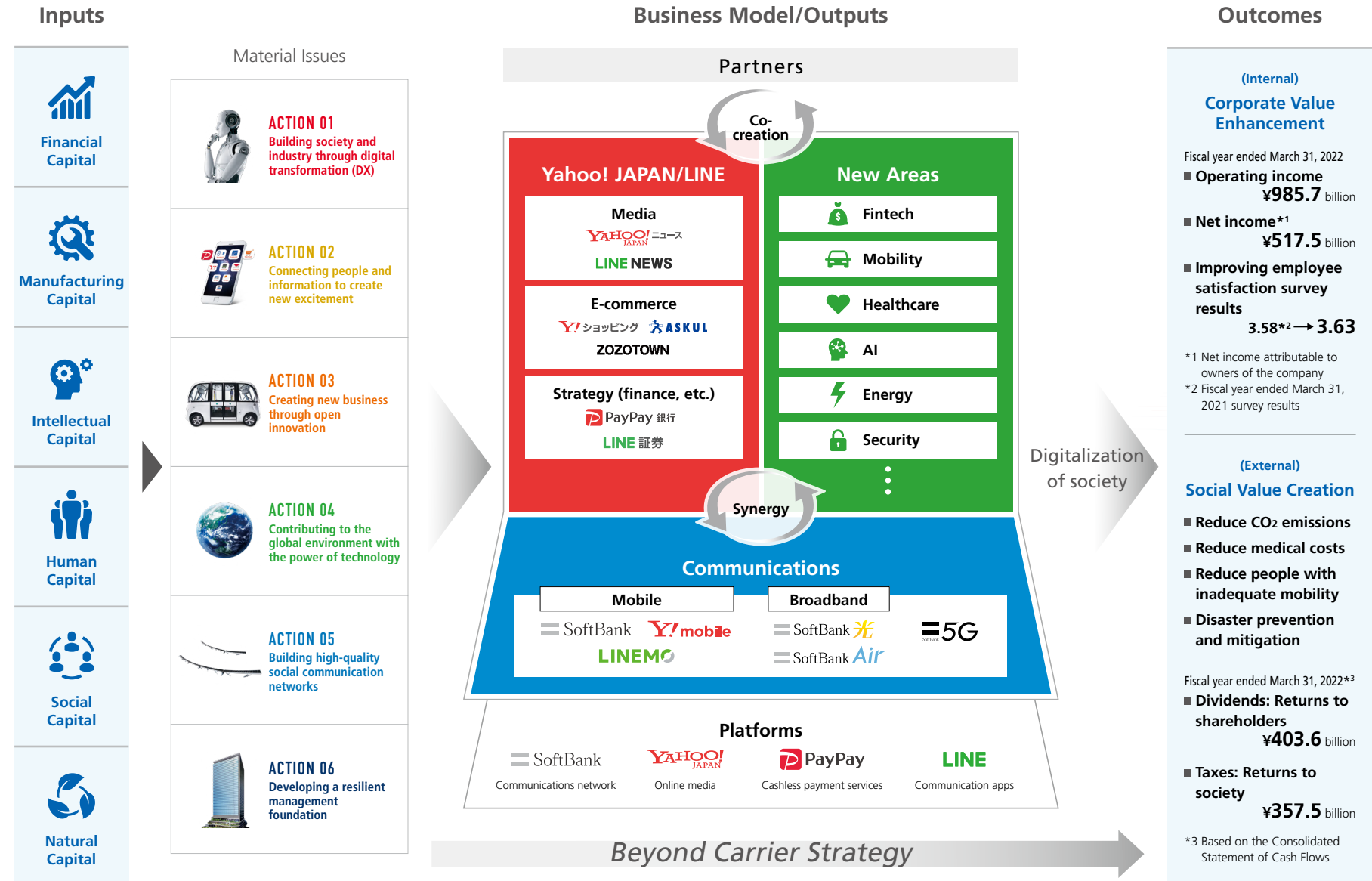
Section 2
How We Create Value

Section 3
How We Sustain Value

Data Section

Value Creation Process

SoftBank aims to maximize its corporate value through sustainably growing its telecommunications business and proactively developing businesses across a wide range of information and technology fields by going beyond the framework of a telecommunications carrier. By serving as a catalyst for digitalization across society and solving social issues, we aim to become the corporate group needed most by people around the world.



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Message from the CEO

Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

> Sources of Competitive Advantage (Inputs)

Material Issues

Section 2
How We Create Value

Section 3
How We Sustain Value

Data Section

Sources of Competitive Advantage (Inputs)

The Group has a wide-range of capital with competitive advantages that are built up through its businesses. In addition to mobile and broadband services, the Group operates the *Yahoo! JAPAN* portal site, *PayPay* cashless payment service and *LINE* communication service. Spanning a wide range of fields, including communications, e-commerce, payment and social media, our enormous domestic customer base will contribute greatly to the Group's future business development and corporate value enhancement.



Financial Capital

- **Equity** (equity attributable to owners of the parent)
¥**1,675.2** billion (March 31, 2022)
- **Adjusted free cash flow** (excluding Z Holdings, etc.)*1
¥**579.7** billion (fiscal year ended March 31, 2022)
- **Long-term ratings** (as of September 10, 2021)
R&I: A+; JCR: AA-*2

Financial Soundness

SoftBank focuses on adjusted free cash flow (FCF), which is calculated as operating cash flow less capital expenditures and growth investment.

To maintain high shareholder returns while investing in growth, we will continue to generate a stable annual adjusted FCF of approximately ¥600 billion and strive to maintain a sound financial standing.



Manufacturing Capital

- **Capital expenditures**
¥**414.2** billion (fiscal year ended March 31, 2022)*3
- **Growth investment**
¥**88.0** billion (fiscal year ended March 31, 2022)

Investment in Growth

SoftBank undertakes capital expenditure to build high quality communications networks. We conduct efficient capital expenditure to further develop 5G technologies and expand our service area while also making ongoing investments in new businesses, mainly through M&A.



Intellectual Capital

- **Cutting-edge technologies and business models** of SoftBank Group's portfolio companies
- **Best Japan Brands 2022:**
USD**5,435** million*4

Collaboration and Synergy within the SoftBank Group

As a member of the SoftBank Group, SoftBank collaborates with the Group's global unicorns, including the portfolio companies of the parent, to incorporate cutting-edge technologies and business models with relatively low up-front investment. Leveraging unique Group synergy, we are working to further expand the customer base with the aim of maximizing the corporate value of the Group.



Human Capital

As of March 31, 2022

- **Consolidated group employees:** **49,581**
- **Group sales personnel:** Approx. **15,000***5
- **Group engineering personnel:** Approx. **12,000***5

Group Sales and Technological Abilities

The Group boasts a large force of sales personnel, primarily in the Enterprise Segment, who engage in sales of solutions (consulting), going beyond sales of products alone. Furthermore, SoftBank's numerous communications infrastructure engineers and the software engineers of Yahoo Japan, LINE and other group companies, back up the group's diverse businesses.




Social Capital

- **User base***6
- **Smartphone subscribers:** **27.58** million (as of March 31, 2022)
- **SoftBank Hikari subscribers:** **7.31** million (as of March 31, 2022)*7
- **Yahoo! JAPAN users:** **86.00** million
- **LINE users:** **92.00** million
- **PayPay users:** **50.00** million
- **Shops:** Approx. **6,300** (as of March 31, 2022)*8
- **Business with 94%** of large companies*9

Unrivaled Business Foundation

SoftBank has one of the largest user bases in Japan. Spanning a wide range of fields, from communications to e-commerce, payment and social media, this user base is a major strength, allowing us to quickly create new businesses. As we aim for society-wide digitalization that leaves no one behind, our shops are important points of contact with customers. Leveraging the customer contact points we have developed through our businesses, we will use cutting-edge technologies to connect the powerful platforms of the Group and create new value.



Natural Capital

- **Electric power consumption**
2,117,259 MWh (fiscal year ended March 31, 2022)

Carbon-neutral Declaration*10

SoftBank has issued the Carbon-Neutral 2030 Declaration. Under this declaration, we are working to reach virtually zero greenhouse gas emissions by 2030, the target year for achieving the Sustainable Development Goals (SDGs), by switching the electric power used in our business activities to 100% virtually renewable energy and by advancing energy conservation efforts utilizing cutting-edge technologies such as AI and IoT.

*1 Adjusted free cash flow = Free cash flow + (proceeds from the securitization of installment sales receivables – repayments thereof) Excludes free cash flow of A Holdings Corporation and Z Holdings Corporation and its subsidiaries as well as loans to Board Directors, etc.; includes dividend payments received from A Holdings Corporation

*2 R&I: Japan Rating & Investment Center; JCR: Japan Credit Rating Agency

*3 Acceptance basis, excluding capital expenditures of Z Holdings Corporation and its subsidiaries, investments in devices for rental services, shared equipment (contributions by other operators), and the impact of adopting IFRS 16.

*4 Brand value calculated by Interbrand Japan

*5 Sales personnel: Number of sales employees at SoftBank Corp.; Engineering personnel: Total engineering employees at SoftBank Corp., Yahoo Japan Corporation and LINE Corporation

*6 Figures for *Yahoo! JAPAN* are average monthly users from January to October 2021, based on the Nielsen Digital Content Ratings (Monthly Total Report). Does not include overlap of smartphone and personal computer users. Figures for *LINE* are monthly users (as of March 31, 2022). Figures for *PayPay* are cumulative registered users (as of August 2022).

*7 Number of subscribers including SoftBank Air

*8 Directly managed retail outlets, agency stores, big-box electronics retailers and shops offering multiple carriers

*9 Approximate share of Japan-listed companies with annual sales of ¥100 billion or more that do business with SoftBank Corp. (as of March 31, 2022)

*10 Applies to SoftBank Corp. (non-consolidated); Scope 1 and Scope 2

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Message from the CEO

Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

> Material Issues

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

Material Issues

Contributing to the solution of social issues by serving as a catalyst for digitalization across society

Guided by the concept of “a world where all things, information and minds are connected,” SoftBank has identified six material issues and aims to solve social issues through our business and corporate activities and to realize our corporate philosophy of “Information Revolution—Happiness for everyone.”

Solving social issues through business activities

 ACTION 01 Building society and industry through digital transformation (DX)	 ACTION 02 Connecting people and information to create new excitement	 ACTION 03 Creating new business through open innovation
		

Beyond Carrier Strategy

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
		

Corporate Philosophy

Information Revolution — Happiness for everyone

Since its founding, the SoftBank Group has constantly sought to contribute to the wellbeing of people and society through the Information Revolution. Properly developing the unlimited power of the Information Revolution for the well-being of people is the driving force for our growth.

Vision

Becoming a Corporate Group needed most by people around the world

SoftBank aims to contribute to happiness for everyone through the Information Revolution and become “the corporate group needed most by people around the world.” To achieve this vision, SoftBank will leverage the business base it has built and the power of digital technology to build a new social base and realize its ideal of a society that is convenient, comfortable and safe for all.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Message from the CEO

Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

> Material Issues

Section 2
How We Create Value














Section 3
How We Sustain Value

Data Section

Material Issues

SoftBank's Material Issues

Guided by the concept of "a world where all things, information and minds are connected," SoftBank has identified six material issues to achieve sustainable growth. The six material issues have a visionary perspective that takes the achievement of the Sustainable Development Goals (SDGs) by 2030 as a key driver of our growth and envisions the next 10 years to contribute to the realization of a sustainable society.

	Material issues	Risks	Opportunities	Target KPIs ^(Note)	FYE March 31, 2022 (actual)	Related pages
Solving social issues through business activities	 <p>ACTION 01 Building society and industry through digital transformation (DX)</p>	<p>Create new industries and provide solutions for transforming various businesses in society by utilizing cutting-edge technologies such as 5G and AI.</p> <ul style="list-style-type: none"> Loss of promising markets due to lack of digital strategy or vision, decline in corporate appetite for innovation, or stagnation in digitalization due to delay in loosening regulations Decline in profitability due to intensified competition from numerous new entrants into the enterprise solutions market Loss of business opportunities due to shortage of digital talent 	<ul style="list-style-type: none"> Realization of the corporate philosophy, "Information Revolution — Happiness for everyone," support for our corporate activities from customers and investors Expansion of solutions business for implementing digital technologies in society Growing opportunities to provide solutions for demographic aging issues and regional revitalization 	<p>Revenue from business solution and others</p> <ul style="list-style-type: none"> Compound annual growth rate (CAGR) of 10% 	CAGR: 9.3%*	Enterprise segment  P31
	 <p>ACTION 02 Connecting people and information to create new excitement</p>	<p>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.</p> <ul style="list-style-type: none"> Decline in profitability and intensifying price competition due to commoditization of the existing telecommunications services Decline in profitability due to intensifying competition or mismatch with customer needs in the e-commerce and finance/payment businesses 	<ul style="list-style-type: none"> Growth in smartphone subscribers and increase in large-volume data users Expansion of business to non-telecommunication areas through provision of super apps Increased profit opportunities via deeper data-driven marketing 	<p>Cumulative registered users of PayPay</p> <ul style="list-style-type: none"> 60 million <p>(Reference) Target KPI for FYE March 31, 2022: 50 million</p>	46.79 million	PayPay  P35
	 <p>ACTION 03 Creating new business through open innovation</p>	<p>Develop new businesses, cutting-edge technologies and innovative business models in Japan by leveraging our relationships with global leading 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.</p> <ul style="list-style-type: none"> Loss of business opportunities due to delay of business development resulting from shortages of required human resources and knowledge Inability to recoup invested funds or impairment losses due to failure to achieve expected results 	<ul style="list-style-type: none"> Quickly secure market share through the acquisition of human resources and knowledge and speedy business development through collaboration with partners Advancement and deepening of innovation through co-creation and expansion of the scale of businesses and markets in which the group participates 	<p>Promote initiatives for HAPS commercialization (FYE March 31, 2028)</p> <p>(Reference) Target KPI for FYE March 31, 2022: promote initiatives for practical use of HAPS (FYE March 31, 2024)</p>	Achieved international standardization of radio propagation prediction methods	Technology strategies  P38
Solving social issues through corporate activities	 <p>ACTION 04 Contributing to the global environment with the power of technology</p>	<p>Contribute to the mitigation of climate change, the promotion of a circular economy, and the spread of renewable energy by utilizing cutting-edge technologies to pass on a sustainable global environment to the next generation.</p> <ul style="list-style-type: none"> Increase in restoration and prevention costs related to more frequent infrastructure disruption and communication blackouts due to natural disasters Difficulty in securing non-fossil fuel electricity and long-term increase in electricity procurement costs Impact on financing due to insufficient environmental efforts 	<ul style="list-style-type: none"> Expansion of the market for highly energy-efficient solutions that utilize IoT, etc. Expansion of businesses related to the sharing economy Expansion of businesses related to renewable energy 	<p>Ratio of renewable energy for base stations</p> <ul style="list-style-type: none"> 70% or higher (FYE March 31, 2023) <p>(Reference) Target KPI for FYE March 31, 2022: 50% or higher (FYE March 31, 2022)</p>	Achieved 53.5%	Support for TCFD recommendations  P72
	 <p>ACTION 05 Building high-quality social communication networks</p>	<p>Commit to maintaining a constantly connected and stable network and to protecting our customers' important data, as communication networks serve as a lifeline.</p> <ul style="list-style-type: none"> Loss of new business opportunities requiring 5G with high-speed, large-capacity and massive device connectivity Increased costs, deterioration of customer trust or loss of subscribers due to network outages or delays in disaster recovery Deterioration of customer trust or loss of subscribers due to the improper use or leakage of personal information 	<ul style="list-style-type: none"> Increased ARPU and revenue reflecting communications speed and capacity increases, through the nationwide expansion of 5G coverage Development of new industries and services that use 5G, such as autonomous driving and telemedicine Increased customer satisfaction through high network quality and dependable security 	<p>5G deployment plan</p> <ul style="list-style-type: none"> More than 50,000 base stations (end of 2022) Population coverage of over 90.6% (FYE March 31, 2023) <p>(Reference) Target KPI for FYE March 31, 2022: Population coverage of over 90% (end of 2022)</p>	Achieved 90% population coverage (March 31, 2022)	Information security  P62
	 <p>ACTION 06 Developing a resilient management foundation</p>	<p>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.</p> <ul style="list-style-type: none"> Loss of trust as a corporation due to violation of laws or regulations or to absence of corporate governance Deterioration of reputation due to human rights violations or inadequate response to environmental issues 	<ul style="list-style-type: none"> Investor confidence in corporate governance and supply chain management Improvement of motivation and emergence of innovation through workstyle reforms and diversity promotion Improvement of productivity through advanced workstyles, transformation of established work processes and commercialization of expertise 	<p>Ratio of women in management positions</p> <ul style="list-style-type: none"> Over 20% (FYE March 31, 2036) <p>During this process, achieve a ratio of over 15% by the fiscal year ending March 31, 2031 (double the ratio of FYE March 31, 2022)</p>	7.6%	Human resource strategy  P41 Corporate governance  P45

(Note) For the Target KPIs that have been updated from the previous fiscal year (FYE March 31, 2022), Target KPIs for both the current fiscal year (FYE March 31, 2023) and the previous fiscal year are listed.
*Recurring revenue within the revenue from business solution and others, our focal point, increased by 17.7% year on year.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Message from the CEO

Message from the CFO

Coordination between Management and the IR Office

Value Creation Process

Sources of Competitive Advantage (Inputs)

> Material Issues

Section 2

How We Create Value

Section 3

How We Sustain Value

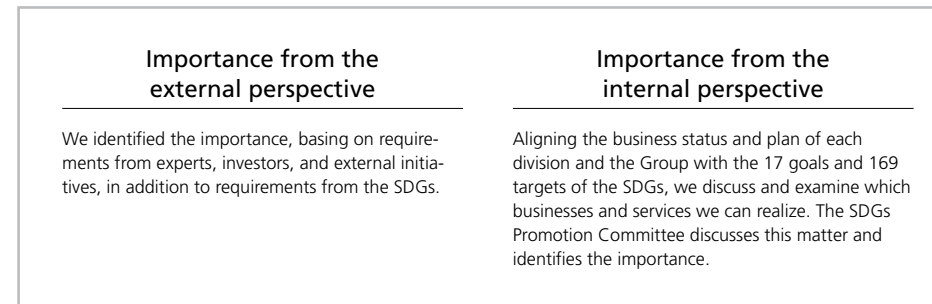
Data Section

Material Issues

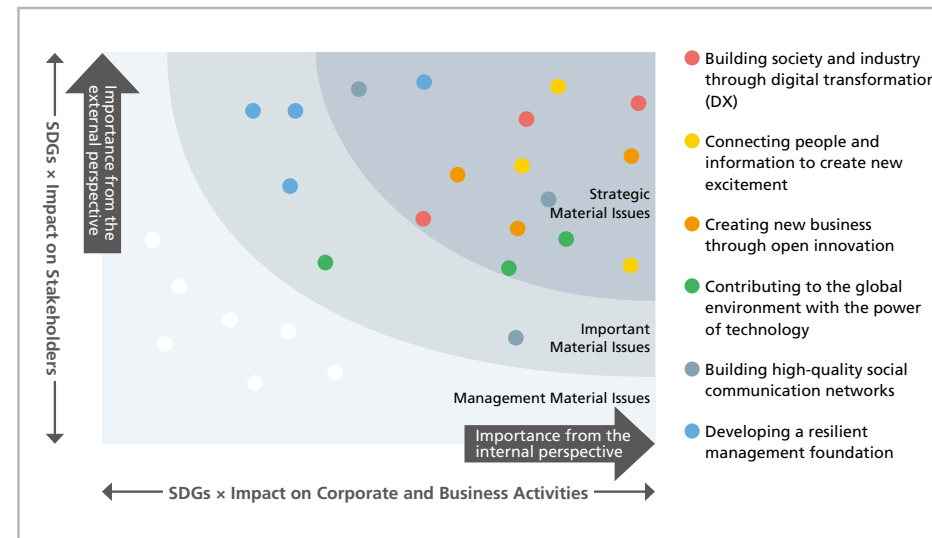
Material Issue Identification Process and Sustainability Promotion Structure

Process for Identifying Material Issues

SoftBank has identified six material issues to address in order to develop a sustainable society based on the concept "a world where all things, information and minds are connected." In identifying these material issues, we selected items that are important to both stakeholders such as ESG investors and our businesses, basing on the SDGs, a set of common global goals and seeking input from experts.



Dialogue with society and stakeholders

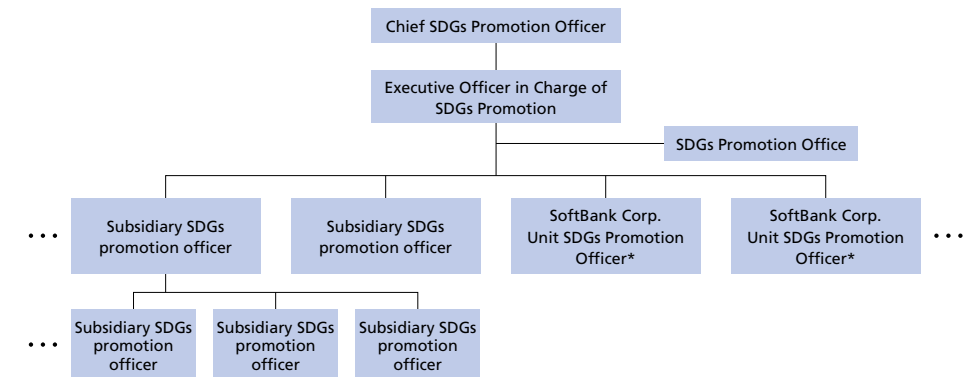


(Note) For the 19 items under Strategic Material Issues and Important Material Issues, please see the "SDGs Value Creation" column in the table for each material issue on pages 89–95. These items are also described on the Company's webpage on "Material Issues."

Sustainability Promotion Structure

In order to promote the Company's growth strategy in conjunction with sustainability, the SDGs Promotion Committee (Chair: Junichi Miyakawa), which was established as an advisory body to the Board of Directors, offers recommendations to the Board of Directors concerning SDGs and sustainability activities. It also makes quarterly activity reports and ad hoc reports to the Board of Directors.

In terms of the Company's execution structure for sustainability activities, the President & CEO takes overall responsibility of SDGs and sustainability activities of the entire Group as Chief SDGs Promotion Officer. We also established the SDGs Promotion Office, and one of the Executive Vice Presidents serves as Executive Officer in Charge of SDGs Promotion and leads the Group's SDGs and sustainability activities with the office.



*Division SDGs Promotion Officer for divisions not under a unit
Note: As of April 1, 2022

Reverification of the Material Issues

In April 2022, the SDGs Promotion Committee and the Board of Directors reevaluated the Company's material issues and SDGs value creation items. They examined the impacts of changes in the external management environment*1 on our businesses, as well as the circumstances, outlooks, and degrees of importance of our business.*2 All these factors were then reflected in the material issues and SDGs value creation items.

We reaffirmed that these initiatives serve to further accelerate the *Beyond Carrier* strategy and that they are strategically positioned as a key driver of our businesses.

*1 The increased importance of climate strategy, biodiversity and natural capital; the impacts of geopolitical issues and international tensions; and the increased importance of information security and the protection of data and personal information, including cyberattacks and tightening data transfer regulations

*2 The further promotion of the practical implementation of digital technologies and corporate and social DX; the creation of new lifestyle value and pursuit of customer value; global-scale business expansion; energy sector initiatives; and the increased importance of coordination with group companies and strengthening of synergy

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

- Q1 What is the impact of the mobile service price reduction?
- Q2 What is behind the growth of the Enterprise Segment?
- Q3 What is the synergy among Yahoo! JAPAN, LINE, and PayPay?
- Q4 What plans do we have for PayPay up ahead?
- Q5 What are SoftBank's technology strategies?
- Q6 What is SoftBank's human resource strategy to support business growth?

Section 3

How We Sustain Value

Data Section



Section



How We Create Value

The impact of the mobile service price reduction in Japan is expected to peak in March 2023 and then diminish significantly. In the medium to long term, we will strive to maximize corporate value through the *Beyond Carrier* strategy, which includes growth in the Enterprise and Yahoo / LINE segments, growth and monetization of PayPay, and growth in group synergies. At the same time, we will promote a human resources strategy that supports business growth and technology strategies that will drive DX in Japanese industries.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

> Key Questions about SoftBank's Growth

- Q1 What is the impact of the mobile service price reduction?
 - Q2 What is behind the growth of the Enterprise Segment?
 - Q3 What is the synergy among *Yahoo! JAPAN, LINE, and PayPay*?
 - Q4 What plans do we have for *PayPay* up ahead?
 - Q5 What are SoftBank's technology strategies?
 - Q6 What is SoftBank's human resource strategy to support business growth?
-

Section 3

How We Sustain Value

Data Section

6

Key Questions

about SoftBank's Growth

- Q1 What is the impact of the mobile service price reduction?
- Q2 What is behind the growth of the Enterprise Segment?
- Q3 What is the synergy among *Yahoo! JAPAN, LINE, and PayPay*?
- Q4 What plans do we have for *PayPay* up ahead?
- Q5 What are SoftBank's technology strategies?
- Q6 What is SoftBank's human resource strategy to support business growth?

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

> **Q1** What is the impact of the mobile service price reduction?

Q2 What is behind the growth of the Enterprise Segment?

Q3 What is the synergy among Yahoo! JAPAN, LINE, and PayPay?

Q4 What plans do we have for PayPay up ahead?

Q5 What are SoftBank's technology strategies?

Q6 What is SoftBank's human resource strategy to support business growth?

Section 3

How We Sustain Value

Data Section

Q1 What is the impact of the mobile service price reduction?

A1 The negative impact will peak in the fiscal year ending March 31, 2023, and diminish thereafter



Background behind reduction of mobile service prices by telecommunications carriers

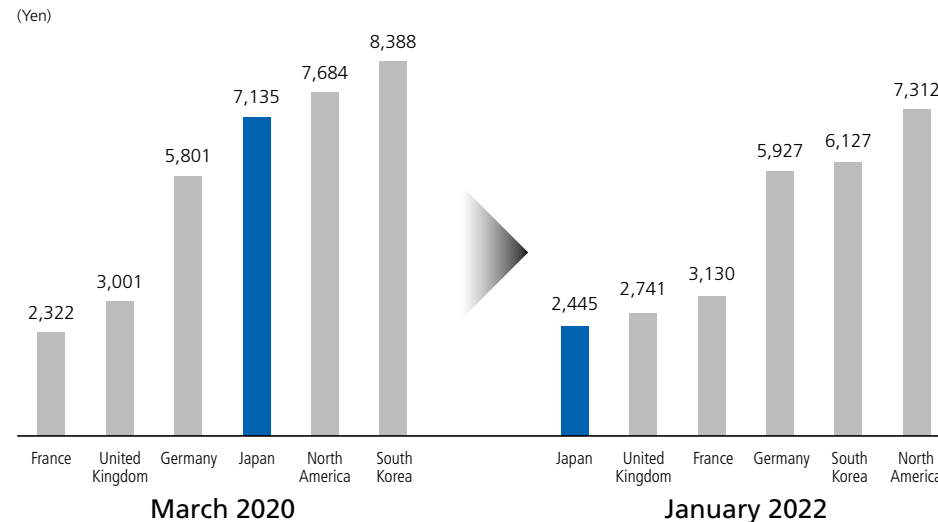
In the spring of 2021, Japan's telecommunications carriers reduced their mobile service prices. The spur for this was an announcement made by the Ministry of Internal Affairs and Communications, referring to a survey that concluded "for a monthly data plan of 20 GB, Japan's mobile service prices are higher than those in other countries."*1 The demand for more diverse services at a lower cost increased, and Japan's telecommunications carriers launched new brands for 20 GB data available exclusively online, while lowering mobile service prices for existing brands. We launched *LINEMO* in March 2021, with a 20 GB data plan at ¥2,480 per month (excluding tax), available exclusively online. The Company also lowered prices for *SoftBank* and *Y!mobile* at the same time. Due to reductions by the carriers, Japan's mobile service prices dropped to the lowest for 2 GB and 20 GB plans compared to other countries, and the second lowest for 5 GB and unlimited plans after the United Kingdom.

Impact on business performance

With telecommunications carriers offering online-only brands and implementing mobile service price reductions for existing brands, more users migrated to cheaper brands and lower price plans. As a result, in the fiscal year ended March 31, 2022, the Company had a negative impact on profit of ¥77 billion compared to the previous year.

The impact of this year-on-year decline in profits is expected to peak at ¥90 billion in the fiscal year ending March 31, 2023, and reach ¥50 billion in the fiscal year ending March 31, 2024, after which it is expected to diminish significantly. This is because brand transitions and price plan changes typically happen when customers purchase a new mobile phone, and by fiscal year ending March 31, 2024, most users will have already replaced their phones, which means the brand transitions and price plan changes will have run their course.

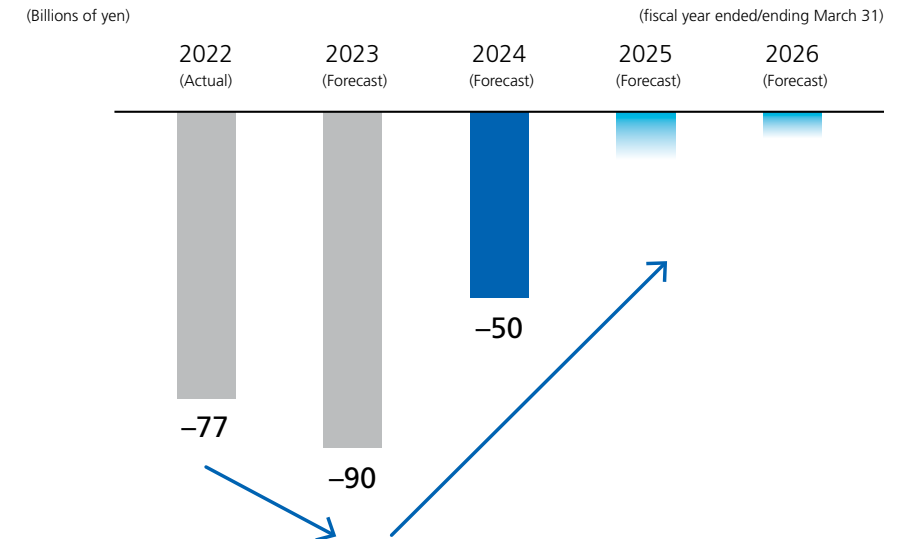
Average of major mobile phone carriers' price plans (20 GB monthly data)**



*1 "Survey on Differences in Telecommunications Service Charge between Domestic and Overseas Markets," the Ministry of Internal Affairs and Communications (June 2020)

*2 ICT Research & Consulting's "2020 Survey on Overseas Comparison of Smartphone Charges and Communication Quality" (July 2020, January 2022)

Impact due to the mobile service price reduction in spring 2021 (YoY)



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

- > **Q1** What is the impact of the mobile service price reduction?
- Q2 What is behind the growth of the Enterprise Segment?
- Q3 What is the synergy among *Yahoo! JAPAN*, *LINE*, and *PayPay*?
- Q4 What plans do we have for *PayPay* up ahead?
- Q5 What are SoftBank's technology strategies?
- Q6 What is SoftBank's human resource strategy to support business growth?

Section 3

How We Sustain Value

Data Section

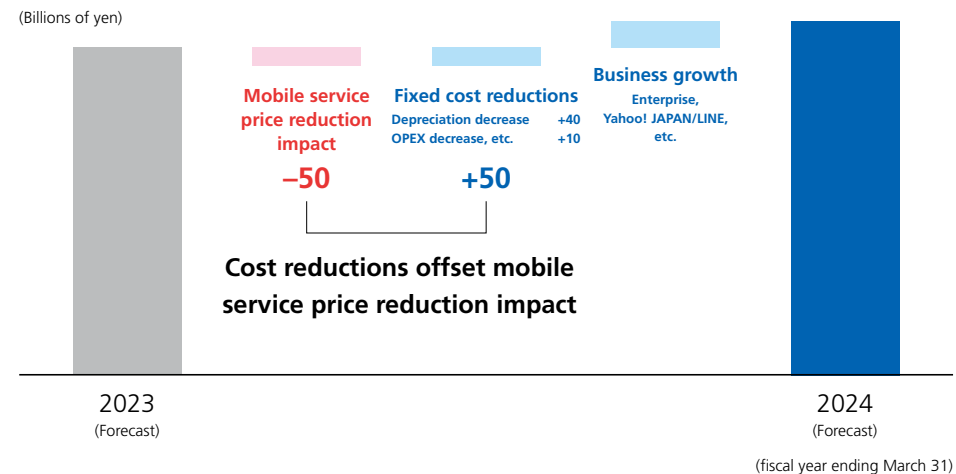
Q1 What is the impact of the mobile service price reduction?

A1 The negative impact will peak in the fiscal year ending March 31, 2023, and then diminish after that

Forecasts of consolidated financial results

As mentioned above, we forecast an impact of year-on-year profit decline of ¥50 billion in the fiscal year ending March 31, 2024, due to the mobile service price reduction. However, in the fiscal year ending March 31, 2024, we expect depreciation and amortization expenses to decrease by ¥40 billion as the amortization period for past large capital expenditures comes to an end. In addition, with the termination of 3G, PHS, and ADSL services, network operation costs are expected to be reduced by ¥10 billion. In addition to the positive impact of such fixed cost reductions offsetting the negative impact of the mobile service price reduction, we expect growth in the Enterprise segment and the Yahoo! JAPAN/LINE segment, and therefore anticipate an increase in consolidated operating income excluding the impact of PayPay consolidation.

Operating income for the fiscal year ending March 31, 2024
(Excluding PayPay consolidation)



Future of the Consumer segment

Since smartphones are the gateway to the Group's various services, we will continue to seek to expand the number of smartphone subscribers. The Consumer segment will aim for further business growth by leveraging its strengths in the multi-brand strategy, synergy with Group companies, and high-quality communications networks.

Strengths of the Consumer segment

(1) Multi-brand strategy

The Company provides three brands with differentiated characteristics, including: *SoftBank*, which offers unlimited data plans; *Y!mobile*, which has lower monthly costs for low to medium data usage; and *LINEMO*, with complete functions for users to carry out all types of procedures and receive support online. By responding to changing user needs, the Company aims to acquire new subscribers and prevent users from moving outside the Group.

(2) Group synergies with leading services

Within the Group, the Company has a number of leading services, including *Yahoo! JAPAN*, one of the largest Internet portal sites in Japan; *LINE*, Japan's No. 1 messaging app; and *PayPay*, the No. 1 cashless payment service. Through synergies with these Group services, which are highly popular in the fields of entertainment, online shopping, social media, and payments and financial services, we can offer unique benefits to our mobile users. By differentiating SoftBank from its competitors, we are able to attract new subscribers and encourage continued use of our services.

(3) High-quality communications networks

Our high communication quality provides a superior user experience and has been acclaimed by global research agencies. We are currently focused on building a 5G network that can realize ultra-high speed and large capacity, massive machine connections, and ultra-low latency.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

- Q1 What is the impact of the mobile service price reduction?
- > Q2 **What is behind the growth of the Enterprise Segment?**
- Q3 What is the synergy among Yahoo! JAPAN, LINE, and PayPay?
- Q4 What plans do we have for PayPay up ahead?
- Q5 What are SoftBank's technology strategies?
- Q6 What is SoftBank's human resource strategy to support business growth?

Section 3

How We Sustain Value

Data Section

Q2

What is behind the growth of the Enterprise segment?

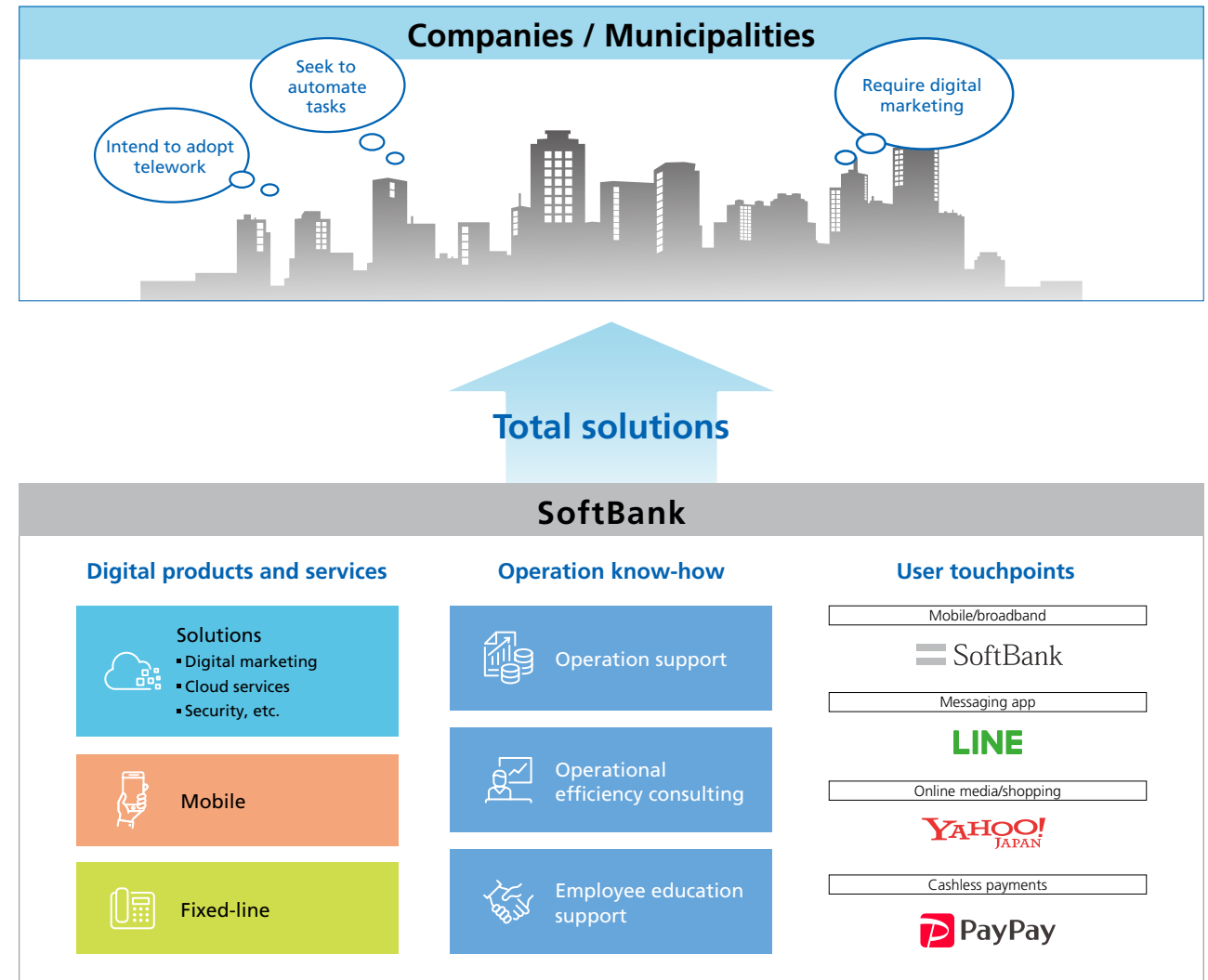
A2

Providing total solutions to meet the rapidly growing digitalization needs of corporations and municipalities



According to the "White Paper on Information and Communications in Japan" published in July 2021, the business environment around companies has changed significantly in recent years, mainly due to changes in consumer behavior associated with the spread of smartphones and other devices and the globalization of the market associated with the evolution and spread of digital technology. In order to respond to these changes, companies and municipalities are urgently required to incorporate digital technology into their systems and services. To meet the digitalization needs of these companies and municipalities, SoftBank provides not only telecommunications services, but also cutting-edge digital products such as cloud services, security, digital marketing, and IoT as total solutions together with operational know-how.

For the fiscal year ended March 31, 2022, the Enterprise segment grew significantly, with segment income increased 19% year on year. This was due to the expansion of services that generate recurring revenue, including cloud services, security, and digital marketing. Recurring revenue from these business solution and others increased 18% year on year. As part of our efforts to differentiate ourselves from our competitors, in the 2010s we transformed our business model from conventional stand-alone telecommunications service sales selling fixed-line telephone services, mobile communications services, and other services separately, into a total solutions provider that resolves issues faced by companies by combining cutting-edge digital products. The success of this transformation is what led to the current growth of the Enterprise segment.



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

Q1 What is the impact of the mobile service price reduction?

> Q2 What is behind the growth of the Enterprise Segment?

Q3 What is the synergy among Yahoo! JAPAN, LINE, and PayPay?

Q4 What plans do we have for PayPay up ahead?

Q5 What are SoftBank's technology strategies?

Q6 What is SoftBank's human resource strategy to support business growth?

Section 3

How We Sustain Value

Data Section

Q2 What is behind the growth of the Enterprise segment?

A2 Providing total solutions to meet the rapidly growing digitalization needs of corporations and municipalities

Case study of supporting clients' digitalization and strengths of the Enterprise segment

Sompo Japan Insurance Inc. (hereinafter, "Sompo Japan") is one of SoftBank's enterprise customers. This case study illustrates the strengths of Enterprise segment by reviewing specific examples of how we supported Sompo Japan's digitalization.



(From left to right)

SoftBank Corp.

Akio Morita, Director, Sales Department 1, Sales Division 1, 1st Corporate Sales Division

Hiroto Taiji, Director, Account Planning Department 2, Account Division, Digital Marketing Division

Sompo Japan Insurance Inc.

Noriyoshi Sekiguchi, Executive General Manager, Marketing Department

Riyo Sakurada, Leader, Marketing Department

Morita Sompo Japan has been using our telecommunication services such as mobile and fixed-line telephones for more than 10 years. In recent years, Sompo Japan's growing digitalization needs have also led to the adoption of our groupware services, security solutions, and cloud services, among other products. You also adopted our digital marketing products in 2021. Could you tell us about the background behind this?

Sekiguchi In our New Mid-Term Management Plan announced in May 2021, Sompo Japan set forth a strategy to grow our domestic P&C insurance business by strengthening marketing and DX. I joined Sompo Japan in January 2021, and as the head of the Marketing Department, which is driving this strategy, I'm focused on building a business model that enhances customer convenience and experience value through digitalization. I had heard that SoftBank had a track record of providing one-stop solutions to our various business challenges by combining a wide range of digital products, which is why I consulted with you about digital marketing of some of our strategic products.

Taiji Once you contacted us, the Digital Marketing Division of SoftBank, where I work, and our sales team in charge of Sompo Japan worked together to develop a digital advertising plan that maximizes the effectiveness of marketing activities related to health insurance and other products to consumers between the ages of 21 and 35, who are heavy smartphone users, and we proposed multiple products, including display ads and search ads. I understand that the statistical data available from our group company Yahoo Japan was the deciding factor in your decision to introduce these products. What specific points appealed to you?

Strength
1

Organizational structure that provides a one-stop shop for a wide range of digital products

In our sales organization, sales representatives are organized by client company, not by product. The sales representatives who are the most knowledgeable about the business challenges of their clients' company, are able to provide a wide range of more than 100 digital products on a one-stop basis, which leads to greater customer loyalty and cross-selling.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

Q1 What is the impact of the mobile service price reduction?

> Q2 What is behind the growth of the Enterprise Segment?

Q3 What is the synergy among Yahoo! JAPAN, LINE, and PayPay?

Q4 What plans do we have for PayPay up ahead?

Q5 What are SoftBank's technology strategies?

Q6 What is SoftBank's human resource strategy to support business growth?

Section 3

How We Sustain Value

Data Section

Q2 What is behind the growth of the Enterprise segment?

A2 Providing total solutions to meet the rapidly growing digitalization needs of corporations and municipalities

Sakurada We in the Marketing Department wanted to strengthen our analytical capabilities to properly and quickly identify trends in consumers' who have insurance subscription needs and reflect them in our digital communications. Given this background, the fact that SoftBank was able to offer various suggestions using Yahoo Japan's statistical data was the deciding factor in our decision to introduce digital marketing products from SoftBank. Since introducing these products, we've been able to use the statistical data from Yahoo Japan's to modify the direction of our own advertising and communication plans, which has been very helpful.

Morita Thank you for your kind words. Based on the knowledge and know-how I acquired in the training program for consulting sales development given by SoftBank's Enterprise Unit, I feel that I've been able to identify the issues facing our customers and the industries they belong to and come up with more substantial proposals for digitalization. I hope to continue to contribute solving business challenges at Sompo Japan by leveraging synergies among our group services such as Yahoo! JAPAN and LINE.

Sekiguchi I think you made a very satisfactory proposal based on what we asked of you. Going forward, I hope SoftBank will continue to work with us as a partner so that we can continue to draw on your wide-ranging digital expertise.



Strength
2

One of the largest suites of B2C platforms in Japan

SoftBank possesses one of the largest suites of B2C platforms in Japan, including Yahoo! JAPAN, LINE, and PayPay, with tens of millions of users across a wide range of fields including e-commerce, social media, and payment services. In recent years, working in conjunction with these platforms, SoftBank's Enterprise segment has earned high praise and rapid growth from its digital marketing services, which provide one-stop service from collection and analysis to utilization of client companies' data.

Strength
3

Abundance of digital professionals

SoftBank has implemented a wide range of training programs, from finance to management consulting, to proactively nurture its digital professionals. This is because we believe it is essential for the growth of the Enterprise segment to develop human resources who are able to offer total solutions to solve the business challenges of companies engaged in digitalization. Since the training started in 2019, the number of digital professionals has increased steadily, and as of March 2022, approximately 1,400 employees are working to solve problems in companies and municipalities.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

- Q1 What is the impact of the mobile service price reduction?
- Q2 What is behind the growth of the Enterprise Segment?
- > Q3 **What is the synergy among Yahoo! JAPAN, LINE, and PayPay?**
- Q4 What plans do we have for PayPay up ahead?
- Q5 What are SoftBank's technology strategies?
- Q6 What is SoftBank's human resource strategy to support business growth?

Section 3

How We Sustain Value

Data Section

Q3 What is the synergy among *Yahoo! JAPAN, LINE, and PayPay?*



A3 **Creation of a virtuous cycle by strengthening competitiveness of Consumer and Enterprise segments and accelerating the growth of group services**

Since its listing in 2018, SoftBank has launched *PayPay*, made Z Holdings (formerly Yahoo Japan) a subsidiary, and merged Z Holdings and LINE, among other accomplishments. As a result, SoftBank has become the corporate group with the largest customer base in Japan in key digital areas such as e-commerce, media, communications, and cashless payment services. The presence of such services within the Group creates synergies with the Consumer and Enterprise segments and strengthens our competitiveness. In addition, collaboration among these businesses has created a virtuous synergistic cycle that accelerates the growth of group services.

In the Consumer segment, by strengthening collaboration between *Yahoo! JAPAN, LINE, and PayPay* and our mobile telecommunications services, we can offer our customers benefits available from utilizing the synergies only SoftBank

can provide. For example, *SoftBank* users are reimbursed with more *PayPay* points when they use Yahoo Japan for e-commerce and receive *Yahoo! Premium* benefits, and we also reward long-term users with *PayPay* points. In addition, the new *LINEMO* brand, launched in March 2021, offers unlimited use of *LINE* without consuming the monthly data allowance. As a result, there is an increase in the number of new subscribers for mobile services for the purpose of using group services. Furthermore, user churn is reduced, since the churn rate for smartphone users who use multiple group services is significantly lower than for those who use none.

Similarly, in the Enterprise segment, the availability of group services differentiates us from our competitors, particularly when proposing solution services. This is because by collaborating with us, companies and municipalities seeking

to expand their services online will be able to reach a wide range of users in a short period of time through our group services, thereby streamlining their marketing time and costs.

Furthermore, collaborating with these businesses contributes to the growth of group services. For example, in the fiscal year ended March 31, 2022, SoftBank's mobile users accounted for 47% and 43% of the transaction value of Yahoo Japan e-commerce and PayPay, respectively, which is high when you consider that SoftBank's market share in mobile services is more than 20%. We believe this is a result of our successful conversion of customers from mobile services. Group services such as *Yahoo! JAPAN, LINE, and PayPay* are intended as universal services to be used by everyone, regardless of their telecommunications carrier. These group services, after achieving accelerated growth through linkage with our mobile services, will now enter a phase of attracting users from other carriers.

We announced that PayPay would become a consolidated subsidiary in October 2022. To carry this out, we have established an interim holding company jointly with Z Holdings to serve as the parent company of PayPay. Through this mechanism, we will accelerate the growth of PayPay by further integrating *PayPay* with the customer bases and services of SoftBank and Z Holdings. In addition, we aim to further strengthen group synergies by expanding the ecosystem around *PayPay* points.



*Yahoo! JAPAN = number of monthly users. Average monthly users from January to October 2021 according to Nielsen Digital Content Ratings (Monthly Total Report). Does not include user duplication between smartphones and PCs. LINE = number of monthly active users (as of March 2022). PayPay = cumulative number of registered users (as of August 2022).

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

- Q1 What is the impact of the mobile service price reduction?
- Q2 What is behind the growth of the Enterprise Segment?
- Q3 What is the synergy among Yahoo! JAPAN, LINE, and PayPay?
- > Q4 **What plans do we have for PayPay up ahead?**
- Q5 What are SoftBank's technology strategies?
- Q6 What is SoftBank's human resource strategy to support business growth?

Section 3

How We Sustain Value

Data Section

Q4 What plans do we have for *PayPay* up ahead?

A4

We are aiming further growth by promoting the widespread use of cashless payments and expanding financial services

Ichiro Nakayama

PayPay Corporation
President & Representative Director, CEO, Corporate Officer

Joined International Digital Communications Inc. (now IDC Frontier Inc.) in April 1994. Appointed President & Representative Director in April 2013. Appointed Director and Executive Vice President of Ikkyu Corporation in March 2016. Assumed current position in June 2018.



Q4

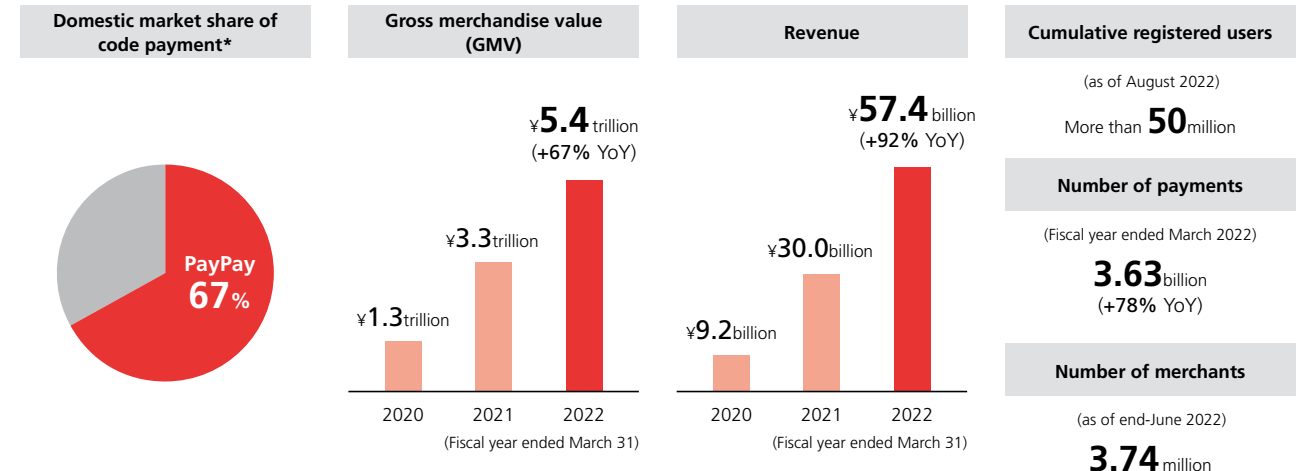
Service Overview

With more than 50 million registered users as of August 2022, *PayPay* is one of the Japan's largest cashless payment services. Starting with the payment service, *PayPay* also provides various services for users, including financial services, as well as various services for merchants.

Establishment Background

PayPay was established in 2018 by combining SoftBank's sales force and Yahoo's development capabilities, with technical support from Paytm, a global cashless payment provider that is a portfolio company of a fund invested by SoftBank Group Corp.

At a Glance



*Ratio of PayPay gross merchandise value (2021) as a percentage of total merchandise transaction value in the code-based payment market. Calculated by the Company based on the "Survey on Code Payment Usage Trends, June 5, 2022," published by the Council for the Promotion of Cashless Society.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

- Q1 What is the impact of the mobile service price reduction?
- Q2 What is behind the growth of the Enterprise Segment?
- Q3 What is the synergy among Yahoo! JAPAN, LINE, and PayPay?
- > Q4 **What plans do we have for PayPay up ahead?**
- Q5 What are SoftBank's technology strategies?
- Q6 What is SoftBank's human resource strategy to support business growth?

Section 3

How We Sustain Value

Data Section

Q4 What plans do we have for PayPay up ahead?

A4 We are aiming further growth by promoting the widespread use of cashless payments and expanding financial services

Potential of PayPay, now one of Japan's largest cashless payment services

PayPay has grown to become one of the Japan's largest cashless payment services, currently used by more than half of all smartphone users. As I have been president of PayPay since its establishment in 2018, it is really pleasing that PayPay—a latecomer to the code-based payment service market—is now in such a strong position. That said, if I were to ask myself whether we should be content with our current position, I think the answer would be, in a positive sense, “not yet.” Given that total annual personal consumption in Japan is approximately ¥300 trillion, PayPay's gross merchandise value (GMV) of ¥5.4 trillion in the fiscal year ended March 31, 2022 represents a share of less than 2%. Our aim is to shake up cash-based spending in Japan, which is said to be approximately ¥200 trillion. If we see this as our TAM*, then there is still a huge market in front of us. I believe there is no other business in Japan with such a large TAM.

*Total addressable market: Largest possible market size that can be acquired.

Continuing to hone our three strengths and providing services supported by both users and merchants

In order to win in this vast market, gaining the support of both users and merchants is essential. To this end, the strengths that PayPay continues to hone are its development, sales and marketing capabilities.

As for development capability, we have insisted on in-house application development since the company's inception and have continually enhanced security while quickly

responding to changing user needs. We have highly skilled engineers from about 40 countries and regions, and we conduct development 24 hours a day leveraging time differences. In addition to speedy development, we are particular about the stable operation of our settlement infrastructure, as we have recently started to process hundreds of billions of yen per month. As we are now able to achieve both speed and stable operation, we are proud to say that our development capability has been further enhanced.

As for sales capability, we onboarded SoftBank's best sales force from the start-up period, with several thousand sales staff directly visiting stores to undertake in-depth sales activities, ranging from new merchant signups to after-sales support services. As a result, we have a merchant network of more than 3.74 million locations, including not only convenience stores and large chain stores, but also small and medium-sized independent stores. For merchants to realize the benefits of adopting PayPay, we are strengthening our sales capability by enabling our sales employees to show with figures that the number of customers visiting stores has increased, and that the unit price per payment and frequency of visits to stores have risen.

As for marketing capability, we have been implementing effective campaigns that match the phase of the business. Since PayPay launched as a latecomer to the code payment service market, we conducted large-scale marketing campaigns such as “10 Billion Yen Giveaway Campaign” to rapidly increase our visibility. Currently, alongside mass marketing, we undertake personalized marketing to communicate the most appropriate message based on the interests, tastes, and behavioral patterns of each user. It is not so flashy that it hardly becomes a public topic, but we are further developing our “marketing capabilities” so that we can market more efficiently for different purposes, such as uncovering dormant users and increasing the unit price of payment.

Aiming growth with a three-layered revenue model

At first, we have been operating our business with the hope of making PayPay referred to as the very cashless payment service. However, simply being a payment app is not our ultimate goal. We want PayPay to be a super app that can be used anytime and anywhere, that enriches and makes life more convenient. We want to hear people say that their everyday life is way more convenient with PayPay.

Guided by this vision, we intend to grow the app's services based on a three-layered revenue model. This model comprises payment fee income on the first layer, merchant services on the second layer, and financial services on the third layer.

Payment fee income increases in line with growth in GMV. Thus, to expand the first layer, it is important to increase the use of PayPay in more situations. If there is a situation in which PayPay is currently not being used, it means that there are other payment methods more suitable for that situation. We have thoroughly analyze such use scenarios and are continuously improving the functionality of PayPay to make it



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

- Q1 What is the impact of the mobile service price reduction?
- Q2 What is behind the growth of the Enterprise Segment?
- Q3 What is the synergy among Yahoo! JAPAN, LINE, and PayPay?
- > Q4 **What plans do we have for PayPay up ahead?**
- Q5 What are SoftBank's technology strategies?
- Q6 What is SoftBank's human resource strategy to support business growth?

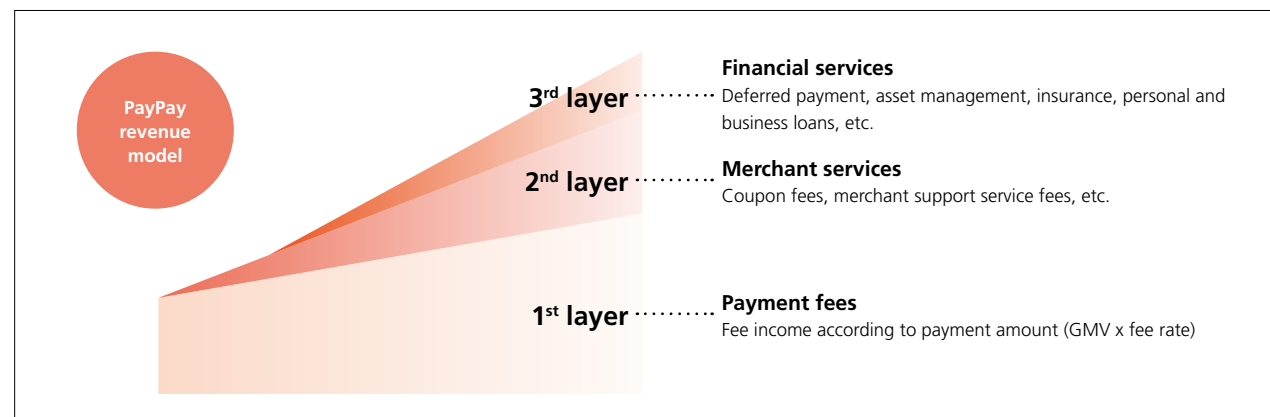
Section 3

How We Sustain Value

Data Section

Q4 What plans do we have for PayPay up ahead?

A4 We are aiming further growth by promoting the widespread use of cashless payments and expanding financial services



the first choice for payment in all aspects of our lives. As I mentioned earlier, because cash-based spending in Japan amounts to approximately ¥200 trillion, we think there is still plenty of room for growth in payment fee income up ahead.

For merchant services, we collect service fees from merchants by developing and providing marketing solutions that drive their sales growth. More specifically, we offer *PayPay My Store*, a monthly flat-rate service that supports merchant management as well as coupon services to attract users to their stores, and stamp services to increase repeat customers. If merchants are able to boost sales with the use of these services, it also means more payment fee income and service fees for PayPay, making this a truly win-win situation.

Lastly, there is a high degree of compatibility between financial services and smartphone payments. In terms of payment services, in February 2022 we unveiled a deferred payment function. This function also offers users the option of switching to revolving payments after a purchase has been made and is designed to boost fee income for us whilst also accommodating the various payment needs of users. Small amount insurance is also a good fit for the ease of use of

smartphones and is expected to grow in the future. For example, when you suddenly need to drive a friend's car, or when your business partner invites you to go golfing for the first time in a while, you can easily purchase car insurance or golf insurance for one day only on the *PayPay* app. We are confident that *PayPay* will establish its position as an accessible financial service because it is already used as a means of payment on a daily basis.

Profitability possible at any time if acquisition cost is scaled back

I have been asked by more people recently about when operating income at PayPay might swing to the black. In actual fact, PayPay could achieve operating profitability at any time now if we scale back the acquisition costs for new users and merchants. But as I mentioned before, we are looking at a ¥200 trillion market that is dominated by cash payments. In order to maximize the future corporate value of PayPay, I think it is still too early to ease up on efforts aimed at gaining

customers. While we do give due consideration to economic efficiency, instead of targeting small-scale success in the near term, we want to achieve much greater success by turning *PayPay* into a national service much like the *LINE* app.

Standing at the forefront of the Beyond Carrier strategy and meeting the expectations of shareholders

Even though we are a member of the SoftBank Group, *PayPay* users are spread across all mobile phone carriers. This is because we intended *PayPay* to be a universal service used by all people since the service was launched. As SoftBank considers its group strategy, I believe that having a payment service within the group that is widely used by users of competing carriers will be a significant advantage. Going forward, we will continue to pursue our own growth, but at the same time, we will also push ahead with various synergy strategies as a member of the SoftBank Group and stand at the forefront of the *Beyond Carrier* strategy.

Four years have passed since PayPay was founded and during this time we have achieved considerable growth. Particularly large sums of capital were needed during the startup phase, but we were able to overcome that challenge thanks to the significant investments made by our shareholders, including SoftBank. I would like to extend my gratitude once again to all SoftBank shareholders for their considerable understanding and support thus far. Since they took a chance to invest in the future potential of *PayPay* from among the many other investment options available, we are determined to live up to their expectations and deliver results, so they know that their investments have paid off.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

- Q1 What is the impact of the mobile service price reduction?
- Q2 What is behind the growth of the Enterprise Segment?
- Q3 What is the synergy among Yahoo! JAPAN, LINE, and PayPay?
- Q4 What plans do we have for PayPay up ahead?
- > Q5 **What are SoftBank's technology strategies?**
- Q6 What is SoftBank's human resource strategy to support business growth?

Section 3

How We Sustain Value

Data Section

Q5 What are SoftBank's technology strategies?

A5

Utilize technology refined through in-house practice to drive digital transformation of Japanese industries

Hideyuki Tsukuda

Executive Vice President & CTO

Joined Tokyo Digital Phone Co., Ltd. the predecessor of SoftBank Corp., in 1993. Since then, has been involved in the construction of 2G, 3G, 4G, and 5G communication networks. In April 2021, became CTO, replacing Junichi Miyakawa, the current CEO.



Characteristics of SoftBank's Technology Strategies

Driving Japan's DX through technology

As a telecommunications carrier, SoftBank has been building networks while working to develop the technology to maintain them at the world's highest standards. In addition, being more than just a telecommunications carrier, we have also accumulated wide-ranging knowledge and know-how through analysis using big data and AI technology. While advancing our own digital transformation (DX), we have encouraged our customers to experience the benefits of innovative digital technologies by processing and delivering information of value to them. Going forward, as we continue to develop our telecommunications infrastructure for 5G/6G, we

hope to contribute to driving the DX of Japanese industries and enterprises based on digital technologies.

One of the strengths we bring to these efforts is high communication quality. Experience has shown that when a 5G area exists as an enclave within a 4G area, communication quality may deteriorate at the boundary between the two areas. For this reason, we quickly expanded 5G coverage and made steady efforts to minimize the proportion of areas with low communication quality. That effort has borne fruit, and our mobile networks have been well-received externally. In addition to these public telecommunications services, our technological capabilities are another major strength in providing solutions to a wide range of needs for DX services in our Enterprise segment, which will drive our future growth. We accurately identify customer needs and implement the latest technologies and digitalization to solve them, while seeking outside partners for technologies that we do not have and

taking on the challenge of solving unknown issues. This is how we've managed to accumulate experience faster than any other companies. As we continue to identify solutions in unknown areas, our technology and know-how accumulate and evolve, and we continue the cycle of sharpening our ability to produce solutions.

5G Deployment and Beyond 5G Strategy

Proposing DX solutions that only our company with communication technologies can offer

As of the end of March 2022, the population coverage of our 5G services was over 90%, and we are steadily increasing



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

- Q1 What is the impact of the mobile service price reduction?
- Q2 What is behind the growth of the Enterprise Segment?
- Q3 What is the synergy among Yahoo! JAPAN, LINE, and PayPay?
- Q4 What plans do we have for PayPay up ahead?
- > Q5 **What are SoftBank's technology strategies?**
- Q6 What is SoftBank's human resource strategy to support business growth?

Section 3

How We Sustain Value

Data Section

Q5 What are SoftBank's technology strategies?

A5 To utilize technology refined through in-house practice to drive the digital transformation of Japanese industry

coverage according to plan. In the future, SoftBank aims to offer *Private 5G* services, which will utilize Multi-Access Edge Computing (MEC) technology to enable 5G use in localized settings such as construction sites deep in the mountains, using a distributed network arrangement instead of the conventional centralized type.

In fact, I proposed this term *Private 5G*, contrasting it with *Local 5G*. Originally, 5G MEC was conceived as a system in which data obtained from sensors in the field would be processed by an edge server, and only the results would be sent to a central server. Even if the communication speed is improved with 5G, if all the raw data obtained from cameras in the field is sent directly to the server, the line and server will soon run out of capacity. In such cases, we propose to proactively install AI in the camera and convert only the necessary data into text before uploading it to the server. This minimizes the data and enables much lower latency. We also place importance on understanding the nature of communication technology and making appropriate proposals on how to use the technology. For example, we developed a technology called SRv6 MUP* that enables a simpler, more scalable network configuration and does not increase operational complexity even when distributed by MEC.

Regarding Beyond 5G for example, we are actively involved in global standardization discussions on how to integrate the HAPS (High Altitude Platform Station) technology. HAPS is an unmanned aircraft system that flies in the stratosphere at an altitude of about 20 km and delivers radio waves to the ground, covering the same area as a ground-based base station. HAPS reduces the need to build base stations densely in a country like Japan, which is heavily forested and where only about 30% of the land area is inhabited. I believe using this technology to extend coverage three-dimensionally is an important theme for Beyond 5G.

Another key aspect of Beyond 5G, in addition to the technology to be incorporated, is the simplification of operations. In the construction of 5G base stations, setting detailed parameters for each base station is a major burden. The introduction of automated technology, similar to plug-and-play technology for PC peripherals, will simplify operations related to the construction and maintenance of base stations and will also help maintain stable communication quality.

*SRv6 MUP stands for Segment Routing IPv6 Mobile User Plane, a technology that enables low-cost and easy implementation of 5G features such as MEC and network slicing. For more information, please refer to [this](#) press release.

Technology Strategies to Drive DX in the Enterprises

Building a platform for efficient scale-up

As I mentioned at the outset, while our foundation is in the telecommunications business with a focus on mobile and fixed-line telecommunications, we also focus on enterprise solutions that drive DX in enterprises. Our greatest weapon in this area is the experience we have gained from working on our own DX. At SoftBank, we first try things ourselves, and if we find something difficult to use, we improve it before offering it to our customers. We have the advantage of being able to make realistic proposals that meet the needs of our clients, since our knowledge and know-how are backed up by actual experience, not abstract theories. For example, we have already launched STAION, an enterprise platform developed based on these experiences. This is an AI video analysis platform that connects our edge device, which performs video analysis using cutting-edge AI, to the cameras used by customers and allows them to view the analysis results on the web.

In order to promote this kind of technological development, I believe it is necessary to come up with a business model that can serve our customers on a sustainable basis and establish a win-win system that balances the price we offer our customers with the value we provide them.

Meanwhile, with respect to the business model, the key point is to what extent we can build a common platform while meeting the needs of each company. When we analyze the needs of our clients, we find that the needs are quite different from industry to industry: the automotive industry, the agriculture industry, and even municipalities have their own specific needs. However, even though individual needs may vary, the platform that solves the problem does not require much customization. Therefore, I believe a major role of our engineering team is to consider how to develop a common platform that can meet the needs of each company while maximizing economies of scale.

Fostering Engineers Who Will Create a New Era

Accumulating know-how and successful experience through in-house DX

There are about 5,000 people in the Technology Unit I oversee, and many of the engineers responsible for new businesses such as IoT, AI, and DX were originally telecommunications engineers. As an engineer, it is of course important to delve deeply into a specific area of communications technology, but gaining experience in a slightly different layer can greatly broaden your perspective. I call this "expanding your dynamic range" (referring to the measurement of the range of signal magnitudes in sound, video, images, etc.), and I consider this an important principle in developing talent.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

- Q1 What is the impact of the mobile service price reduction?
- Q2 What is behind the growth of the Enterprise Segment?
- Q3 What is the synergy among Yahoo! JAPAN, LINE, and PayPay?
- Q4 What plans do we have for PayPay up ahead?
- > Q5 **What are SoftBank's technology strategies?**
- Q6 What is SoftBank's human resource strategy to support business growth?

Section 3

How We Sustain Value

Data Section

Q5 What are SoftBank's technology strategies?

A5 To utilize technology refined through in-house practice to drive the digital transformation of Japanese industry

Under the slogan "Half & Twice" touted by former CEO Miyachi in 2015, we have been working to make full use of new technologies to halve the number of man-hours and costs within the company while at the same time doubling productivity and creativity. Many engineers from the Technology Unit have been involved in this effort and have accumulated successful experiences automating various tasks with DX. This has expanded our engineers' "dynamic range" and accumulated know-how, which in turn has helped us to expand our DX solutions. In some cases, employees who were formerly telecommunications engineers went to customers with the enterprise team to provide DX consulting services. And they can offer more than just superficial DX consulting work; when it's based on actual hardships you have experienced yourself, it is more powerful and persuasive when you explain all the benefits from DX.

Today, these in-house DX initiatives are going well, but at first, I struggled to motivate my team to work on them. Looking back, the most important thing was to change the employees' mindset. To motivate them, I had to explain



thoroughly how working on DX makes their job easier, eliminates errors and delays caused by human intervention, improves accuracy, and frees up time for other tasks that require creativity and ingenuity. The decisive factor in getting the program off the ground was the accumulation of small successes in working on the in-house DX, which made it fun for them. At that point, it ran on autopilot. The organization was set up and moved forward all at once. Whether it's an organization or a locomotive, you need the most energy when you first move a heavy object. I realized that my job was to add the first 20-30% of energy to get things moving.

These in-house DX initiatives in the Technology Unit subsequently spread throughout the company and accumulated as experience. This, combined with our strong sales force, led to rapid progress in our enterprise DX solution business.

The Mission Assigned to SoftBank

Freeing people from constraints and making them happier

More than a decade ago, when 33 workers were trapped in a cave-in at the San Jose mine in Chile, the first thing they did was to secure communications between the trapped miners and people on the surface. Establishing contact with the surface gave the workers hope, and all were rescued alive. As this example shows, telecommunications, the field we work in, is an infrastructure that connects people and delivers hope.

Today we live in an age where everyone has a smartphone, so the communication infrastructure is expected to be always available, and all activities are based on this assumption. Furthermore, digitalization is progressing rapidly in various fields, and not only communication platforms but also the data

obtained through them are becoming lifelines. The technology of this essential communications infrastructure for people is now linked to DX and is key to creating a happier and richer future for people. Technology needs to be implemented throughout society so that all data is automatically linked behind the scenes, and I want SoftBank to be the company that drives this.

Meanwhile, the technological development of the communications infrastructure has enabled the creation of the Metaverse, a realistic virtual space, thereby ushering in an era in which people can see and experience things they could not before. Looking toward such a future, we are promoting technological development to realize a society where people can live stress-free. In an era like this, communications are required to be safer and more reliable than ever before, and we are even more aware of our responsibility to protect society. Ultimately, I believe that freeing people from constraints and making them happier will increase our corporate value and achieve our philosophy of "Information Revolution—Happiness for everyone."

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

- Q1 What is the impact of the mobile service price reduction?
- Q2 What is behind the growth of the Enterprise Segment?
- Q3 What is the synergy among Yahoo! JAPAN, LINE, and PayPay?
- Q4 What plans do we have for PayPay up ahead?
- Q5 What are SoftBank's technology strategies?
- > Q6 **What is SoftBank's human resource strategy to support business growth?**

Section 3

How We Sustain Value

Data Section

Q6 What is SoftBank's human resource strategy to support business growth?

A6

We support the autonomous career development of each employee so that our diverse human resources can grow together with the Company

Direction of Human Resource Strategy

Since its founding, SoftBank's human resource mission has been to connect "people" and "business" and achieve growth for both, based on the corporate philosophy "Information Revolution—Happiness for everyone." To generate SoftBank's unique vitality, we maintain a human resource policy that supports the potential of those who take on challenges and clearly recognizes those who achieve results. Our approach to employees has shifted from a traditional method of managing them as "resources" to one of treating and utilizing them as "capital" and supporting their growth. We have always encouraged our employees to grow and take on new challenges, but to achieve further business growth, we are investing in a variety of human capital initiatives, including

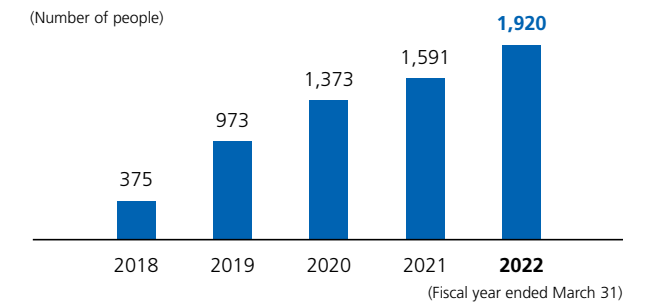
skill development, enhanced engagement, diversity, equity and inclusion, and health and productivity management, so that our employees can work energetically and grow and challenge themselves more than ever before.

When starting a new business or establishing a new company, we provide employees with opportunities for self-growth and self-expression through a job posting system. In addition, we look for original and innovative ideas (new businesses) through SoftBank InnoVenture, our in-house entrepreneurship program. In this way, we strive to become a dynamic organization in which all employees look forward to change and are excited in pursuit of their goals. Please see page 69 for details about these in-house systems.

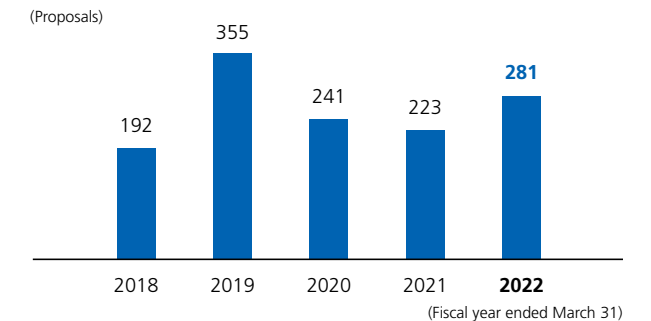
Information Revolution—Happiness for everyone
People who come together under this philosophy can work with the highest level of satisfaction.



Cumulative number of employees transferred under job posting system and free-agent system



Number of applications to SoftBank InnoVenture



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

- Q1 What is the impact of the mobile service price reduction?
- Q2 What is behind the growth of the Enterprise Segment?
- Q3 What is the synergy among Yahoo! JAPAN, LINE, and PayPay?
- Q4 What plans do we have for PayPay up ahead?
- Q5 What are SoftBank's technology strategies?

> Q6 What is SoftBank's human resource strategy to support business growth?

Section 3

How We Sustain Value

Data Section

Q6 What is SoftBank's human resource strategy to support business growth?

A6 We support the autonomous career development of each employee so that our diverse human resources can grow together with the Company

Interview : 01

A diverse workforce causes chemical reactions

Masayoshi Yanase

Head of Finance Business Strategy Division
Financial Services Group
PayPay Corporation



I joined Vodafone K.K. when it had just launched 3G services because I wanted to grow together with a growing industry. Soon after, the company became SoftBank, and since then I have consistently been involved in development-related work. After a stint in Silicon Valley, I was transferred to the Business Development Unit, where I became the head of planning for the FinTech business, and later participated in the launch of PayPay, where I am currently involved in the planning and commercialization of new services. Since joining the company, I have been able to expand the scope of my work, starting with handset development, then service development, and finally business development, but my goal of creating new growth markets has never changed.

The fun and difficulty of working at PayPay lies in inspiring our users by finding and solving challenges they weren't even aware of, rather than in responding to their requests. We expect that employees with various skills, career backgrounds, and perspectives will gather in the workplace and cause a chemical reaction. In my case, the skills I acquired through collaborations with other companies, business investments, and the establishment of joint ventures during my time in the Business Development Unit are useful in my current work. I also feel that I benefited greatly from the learning, connections, and perspectives I gained at SoftBank Academia, which is ahead of the curve in terms of diversity.

Getting a new business off the ground, such as the launch of PayPay, presents a series of challenges. However, I told myself, "Don't think of reasons why you can't do it," and just did it. I think that by going through the process of a new business from start to finish, I was able to overcome the difficulties, whatever form they took. Going forward, I hope to always continue to take on new challenges both professionally and personally. As for my work, I would like to be a creator of businesses and services that will be used by more users, aiming to be the best in Japan and the world.

Interview : 02

Working with specialists in each field to solve social issues

Motomu Mishima

Manager of Strategy Planning Section 1, Business & Alliance Strategy Office, Global Alliance & Investment Strategy Division, Business Development Unit
SoftBank Corp.



I started my career at SoftBank, where I was engaged in selling telecommunications and IT-related products to major Japanese companies. Later, after gaining experience in sales of IT solution services intended for the overseas bases of Japanese companies, I was transferred to the Global Alliance & Investment Strategy Division. Currently, I specialize in FinTech and blockchain, and am engaged in a wide range of activities including planning new businesses, collaborating with Group companies, supporting business expansion of investee companies, and collaborating with SoftBank Vision Fund (SVF) investee companies.

I joined SoftBank because I was attracted by the idea of constantly accepting new challenges, but when I actually look at the Group as a whole, I am amazed at the fact that we are taking on all kinds of business challenges related to the information revolution and that this is all being carried out by the same company. My team consists of six members, including Indian nationals, who come from diverse backgrounds such as financial institutions, engineering, and distribution, so we are well equipped to plan, review, and promote the best services. I feel that by having many specialists in each field, we can deliver more value and a better experience to society and our users. Our work involves many partnerships with overseas companies and new business projects, where it is important to build relationships, so I feel that my experience in listening to customer needs and proposing services during my sales period has been very useful.

SoftBank gives young people equal opportunities. On the other hand, we are strongly expected to blaze our own trail. Good ideas are properly appreciated, and even young people can lead business development, so they feel they are growing as the company grows. In particular, we are confident that the blockchain-related market will grow rapidly and has the potential to solve many social issues. I try to inspire my team members by always taking a broader view than them and leading from the front. Going forward, in the blockchain area, I would like to promote business planning that enables SoftBank to create value beyond that of a telecommunications carrier.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Key Questions about SoftBank's Growth

- Q1 What is the impact of the mobile service price reduction?
- Q2 What is behind the growth of the Enterprise Segment?
- Q3 What is the synergy among Yahoo! JAPAN, LINE, and PayPay?
- Q4 What plans do we have for PayPay up ahead?
- Q5 What are SoftBank's technology strategies?

> Q6 **What is SoftBank's human resource strategy to support business growth?**

Section 3

How We Sustain Value

Data Section

Q6 What is SoftBank's human resource strategy to support business growth?

A6 We support the autonomous career development of each employee so that our diverse human resources can grow together with the Company

Interview : 03

Creating new growth businesses with a passion for business

Akari Ueno

Project Leader, Next Generation Water Infrastructure Project
Logistics & Water Infrastructure Business Development Department
1st Business Engineering Division
Digital Transformation Division, Enterprise Business Unit
SoftBank Corp.



I decided to join SoftBank after listening to a speech by Board Director Masayoshi Son, thinking that this is a company where I could do something interesting, inspiring, and useful to the world. After joining the Company I gained experience in enterprise sales at the Digital Marketing Division, and was engaged in planning and building services for enterprise customers in the IoT Consulting Department. After that, I moved to the DX Division, where I participated in driving a capital and business alliance with WOTA CORP., which has water reclamation and treatment technologies that utilize AI and IoT, and I'm currently working with WOTA CORP. on a next-generation water infrastructure project.

The mission of the Digital Transformation Division is to create growth businesses that solve social issues by combining our assets with partners like WOTA CORP. This requires a deep understanding of the assets of both companies, the skills to identify where business synergies arise and how to realize them, and the ability to co-create with the empathy and involvement of various stakeholders. In my case, the adaptability, flexibility, and tenacity I acquired working in a new business team where we faced new difficulties every day have been indispensable in carrying out my current work.

Since joining SoftBank, I have been taking on "firsts" on a daily basis. Negotiating in areas where no one else in the company has knowledge can be very challenging. In particular, up to the point where the capital and business alliance with WOTA CORP. was finalized, there were times when I was briefing directors and executive officers every single day, and I was in a state where I couldn't relax even for a moment. What I learned through this process was the importance of "aligning the vectors" while all members of the team have a common vision. I think it's difficult to continue to create new growth businesses without approaching the task from a high-level vantage point. In the future, I would like to take advantage of this experience to engage in human resource development for the future from the perspective of "human resources to create a SoftBank that continues to take on challenges."

Interview : 04

Opportunities are given to those who raise their hands, regardless of age

Takahiro Fukumoto

Project Manager, Demand Forecast Synergy Project
Supply and Demand Optimization Platform Business Department,
1st Business Engineering Division
Digital Transformation Division, Enterprise Business Unit
SoftBank Corp.



I wanted to work in a place where I could change the world with IT technology, and received job offers from several companies, but during my interview with SoftBank, an executive explained, "SoftBank is not just mobile—we have all kinds of assets, and if you raise your hand, you can take on any challenge, and your achievements will be appreciated regardless of your age." I was so impressed by his words that I decided to join SoftBank. In fact, these words turned out to be true, and when I was 26 years old, I was entrusted with a team of about 20 people as a section manager in the Sales Division.

After joining the Company and gaining experience in direct enterprise sales, I was involved in the organizational management of the Sales Division and then transferred to the Digital Transformation Division through our job posting system. At present, I'm a project manager of new business development based on AI prediction services in the "Restaurant and Food Retail" area. Specifically, in January we released *Sakimiru*, which predicts the number of customers visiting stores using statistical data on people flow and weather data, optimizes ordering and work shifts, and reduces food loss. We achieved a prediction accuracy of 93% in a verification trial and are seeing a better response than I imagined, with inquiries from more than 100 companies already. From the perspective of improving business speed, we decided to start small by predicting only the number of customers that would visit the store. Going forward, we intend to provide additional solutions such as optimizing ordering and work shifts, and expand the scale of the business in terms of both the number of customers and the services offered.

In the Digital Transformation Division, the person who makes the plan is responsible for everything from development to service launch, customer acquisition, and operations. Management skills are also required, so the management experience I gained in my 20s is still very useful. In fact, during the hiring interview, I said "I want to be a person who can make an impact on society with IT technology. I aim to be an executive as a means of achieving this goal," and I still feel the same way today. It's up to us to seize the chance, but with all the resources we have at SoftBank, I believe I can realize my dream.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Corporate Governance

Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section



Section



How We Sustain Value

In addition to improving governance through constructive dialogue with stakeholders, SoftBank will thoroughly implement initiatives to reduce and prevent increasingly complex and diverse risks, including those related to information security. Meanwhile, we aim to improve the well-being of our employees through optimal and productive workstyles, while providing a workplace where diverse personnel can maximize their abilities and where innovation is encouraged. We are also leveraging cutting-edge technologies to respond to global environmental issues for achieving a sustainable society.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

> Corporate Governance

Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

Corporate Governance

Dialogue between external directors and institutional investors



Yoshiko Sato

Moderator
Executive Managing Director, Japan Investor Relations Association (JIRA)

Joined Nikkei, Inc. in 1985. Seconded to JIRA in March 1993. Appointed Executive Managing Director of JIRA in 2015.



Takehiro Kamigama

External Director (Independent Officer)
Member of Nominating Committee, Remuneration Committee, and Special Committee

Served as Representative Director of TDK Corporation for 12 years from 2006 and was instrumental in enhancing TDK's profitability and expanding its business fields. Appointed Director of SoftBank Corp. in June 2018.



Kyoko Uemura

External Director (Independent Officer)
Member of Nominating Committee, Remuneration Committee, and Special Committee

Lawyer and Partner at Miyama, Koganemaru & Associates. Appointed Director of SoftBank Corp. in June 2018.

As part of our efforts to sustainably enhance corporate value, in April 2022 we hosted a small meeting between the Company's external directors and institutional investors. The meeting was attended by two external directors and moderated by Yoshiko Sato, Executive Managing Director of the Japan Investor Relations Association. A panel discussion on such topics as the effectiveness of the Board of Directors was followed by a Q&A session. The meeting was held online and lasted for approximately one hour, during which 75 investors and other participants engaged in lively discussion. Below is an excerpt of the panel discussion and some of the main questions asked by investors, grouped by subject matter.

Effectiveness of the Board of Directors

Q. What Board meeting discussions have been particularly memorable so far?

Kamigama: I would say that the discussion about the business integration of Z Holdings and LINE was impressive. After Yahoo Japan (now Z Holdings) became a consolidated subsidiary, various projects were proposed to the Board in quick succession and I vividly remember discussing them at Board meetings many times over. In particular, I remember getting goose bumps when I realized how momentous the synergies from those projects were likely to become. It was then that I was convinced about SoftBank's emphasis on speed and prompt decision making and that the integration was without doubt part of its *Beyond Carrier* strategy plans. Another point I'd like to make is President Miyakawa's backcasting management approach. I had the opportunity to hear him talk about the Company's long-term vision, the long-term management plan,

and what SoftBank might look like 10 years from now. He explained where the Company needs to be 10 years from now by looking 15 years ahead and calculating backwards from there. In other words, he spoke about what needs to be done now to achieve that vision. While I may be singing his praises a bit too much, I get the feeling that there are very few managers out there that look so far ahead.

Uemura: I believe it is important to assess Board agenda items from an external point of view and always speak one's mind. I'm also keenly aware of lending an ear to the opinions of the market so that we might improve corporate value. From that perspective, the discussion that had a lasting impression on me was from 2019 when SoftBank acquired the shares of Yahoo Japan and increased its ownership ratio to 45%. We discussed on multiple occasions why a parent-subsidary relationship would be required because it was assumed that the SoftBank Group Corp. would relinquish its Yahoo Japan shares.

It was explained to us that Yahoo Japan had the potential to become a key partner in the *Beyond Carrier* strategy, that a parent-subsidary relationship would be a good thing for forging strong ties, and that from Yahoo Japan's point of view, SoftBank users are a valuable asset to the growth strategy of the shopping business. In addition, Yahoo Japan would remain in a neutral position as an information platform, which SoftBank would respect as much as possible. For these reasons, both companies would maintain their stock market listings. The result of these repeated discussions ultimately ended with the proposal being unanimously approved.

Q. What kind of discussions took place regarding the sale of SoftBank shares by SoftBank Group Corp.?

Kamigama: There were uninhibited discussions mainly regarding two points: (1) the possibility of a heavy decline in the share price; and (2) the likelihood of similar sell-offs in the future.

Uemura: Our discussions focused a lot on the extent to which the Company had factored in the risk of a share price decline. We came to the conclusion that there was the risk of a considerable drop in the share price if SoftBank Group Corp. was to sell that amount of shares on the market, so even though the

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

> Corporate Governance

Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

Corporate Governance

decision was to make a public offering and also buy back shares at around the same time, SoftBank took steps to avoid a plummeting share price by seeking out long-term shareholders similar to those seen at the time of the Company's IPO. We also held discussions with Director Masayoshi Son and confirmed that he has no intentions of selling additional SoftBank shares in the future.*

*SoftBank Group Corp. announced in a press release on August 28, 2020 ([Secondary Offering of Shares of Subsidiary \(SoftBank Corp., Securities Code: 9434\)](#)) that it has no intentions of selling additional SoftBank shares in the future.

Q. What kind of role does Director Son play on the Board?

Kamigama: He certainly says some pretty harsh things, but I know that he speaks his mind in order to enhance SoftBank's corporate value. At the same time, the Company's internal directors do not remain silent—they will unreservedly object if they are not satisfied with the outcome of a discussion.

Uemura: In short, Director Son's perspective is of a global nature and my impression is that he makes comments about the direction the Company needs to take in light of global circumstances. He also says not to be content with the status quo and instead think about the future without being a slave to convention. This is something that mirrors the "stay hungry, stay foolish" mantra of Steve Jobs. In my view, I've often thought them to be similar people in a way. This message rings true for all kinds of businesses, and it has certainly galvanized me personally.

Q. Do you feel there to be any issues with the Board's effectiveness?

Kamigama: The number of subsidiaries and affiliates has now swelled to around 320 and I've heard that a system for managing them has been established, even though some companies are more tightly controlled than others. The Audit & Supervisory Board Members are paying close attention to this issue and improvements have been made on an ongoing basis, but Group governance, and especially the prevention of information leaks, is something we are always monitoring closely.

Uemura: I think the effectiveness of Group governance is not yet sufficient. Both SoftBank and Z Holdings share the role of managing the subsidiaries and affiliates under their respective company umbrellas. I've heard that a risk management structure is in place whereby officers are dispatched and monthly reports are compiled, but once every quarter we still have to enquire about the true state of affairs.

Q. Can you cite an example in which an external director has proactively pointed out an issue?

Kamigama: An external director previously pointed out the problem of impairment. On several occasions, the external director asked why it had occurred and how it could be remedied going forward.

Uemura: We receive quarterly reports mainly regarding management conditions at subsidiaries and affiliates, but Director Kamigama requested that reports about all of the companies that affect SoftBank should be provided as needed. We also looked into the information management systems of LINE and Demae-can Co., Ltd, both subsidiaries of Z Holdings, and pointed out that a system similar to the risk management system established by SoftBank should be set up at Z Holdings as well.

Group Governance

Q. SoftBank is a listed company, as is its parent company. What points do you keep in mind regarding the issue of conflicts of interest?

Kamigama: The issue of conflict of interest is of utmost importance. From the perspective of protecting minority shareholders as well, the transparency of procedures, including those for transactions between the parent and a subsidiary, along with the disclosure of information, must be intensively checked. To do that, we make best use of briefings before Board meetings to hear detailed explanations about transactions before discussing them. Resolutions are then passed at Board meetings. The Company also established the Special Committee in February 2022, which I think will further strengthen governance in

regards to conflict of interest.

Uemura: On this point, all of the external directors make a concerted effort to check the transparency of procedures and information disclosed. In particular, the external directors take great care to examine transactions that might constitute a conflict of interest with SoftBank Group Corp. To protect minority shareholders, we particularly focus on how much a transaction between the parent and a subsidiary will benefit SoftBank on a stand-alone basis, not the group as a whole. We also firmly request to see evidence that supports the appropriateness of a transaction price, not just its purpose. The Company's executive officers are also fully understanding of this and always promptly respond to our requests for additional information. As a result, some transactions with SoftBank Group Corp. have been cancelled because the parties failed to reach an agreement on price.

Q. What are your thoughts on governance, synergies, and shareholder returns with respect to the relationship between SoftBank and Z Holdings, given they are both listed companies?

Kamigama: The Group has become a large and complicated organization, but we think Z Holdings will be key to SoftBank's growth strategy going forward. Governance needs to function effectively, but at the same time, it must also allow for a certain level of independence and neutrality to be maintained. As external directors, governance is something we pay most attention to.

Uemura: Yahoo Japan grew its business online with computers being the main marketplace, but the market is now shifting to smartphones, so the collaboration with SoftBank smartphone users makes a great deal of sense. The integration with LINE and even the PayPay business would not have been possible if SoftBank and Yahoo Japan had not joined forces. SoftBank users are also contributing to growth in Yahoo Japan's user base in the shopping business. For SoftBank too, Yahoo Japan is a key partner in terms of differentiation in the telecommunications sector and I think synergies of considerable importance are being generated for both companies.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

> Corporate Governance

Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

Corporate Governance

Meanwhile, both companies have different policies on balancing shareholder returns with retained earnings, but more than anything else, I think this owes to the fact that they make decisions independently as listed companies.

Q. How do you perceive the overlap of some businesses between SoftBank and Z Holdings?

Kamigama: I have discussed this point with the external directors of Z Holdings. I believe it is important that we discuss how we can remain independent from each other and build a win-win relationship. Going forward, we will look to find the optimum solution whilst generating synergies for both organizations.

Uemura: There is some business overlap, but that aside, I believe the business integration of Z Holdings and LINE is absolutely essential. Although there have been somewhat chaotic times, I think the merger of these two companies will give rise to new businesses, ideas, and synergies in one or two years from now.

Z Holdings will be able to achieve significant growth if it can make clever use of the roughly 50 million *PayPay* users and the 92 million *LINE* users, and it will also be ably supported by the competent sales capabilities of SoftBank, so I expect both companies to be able to reap the benefits.

Change in Leadership and Succession Plan

Q. What kind of discussions took place at Nominating Committee meetings regarding the selection of President Miyakawa?

Kamigama: As an experienced manager, I think decisiveness is the most important quality required of a manager. Also, in light of SoftBank's makeup and the *Beyond Carrier* and *Beyond Japan* growth strategies, Mr. Miyakawa was the most suitable candidate to lead the Company as president because of his logical thinking based on the aforementioned backcasting management, as well as his knowledge of technology and extensive experience of M&As. Another point is that he is capable of competing fairly and squarely in any kind of debate



with Director Son. For these reasons, the vote was unanimous.

Uemura: Rather than choosing someone straight up, we first discussed what the prerequisites are for the president of SoftBank. In terms of the requirements for a top management position, we concluded that the candidate should be able to thoroughly envision a growth strategy for SoftBank's future, be as familiar as possible with AI and other cutting-edge technologies, and also be able to say "no" to Director Son. We ultimately asked all candidates to give a 30-minute presentation on a growth strategy for the next 10 years, and as a result of our discussions based on the candidate presentations, we unanimously recommended Mr. Miyakawa for president.

President Miyakawa is a person of ideas who likes to plan new businesses based on a strong spirit of constant evolution. He spearheaded the establishment of HAPSMobile Inc. and MONET Technologies Inc. and even now is still organizing collaborations and tie-ups with universities. Also, people in the Company tend to gravitate towards him and naturally lend their support.

Q. How did you feel about President Miyakawa borrowing ¥20 billion from the Company to purchase SoftBank shares?

Uemura: Even though the reason for this arrangement was to let President Miyakawa take responsibility for the share price, we were surprised by the large amount borrowed. Nevertheless, in the US it is said that good management comes from running a company from an owner's standpoint, and Director Son too has stressed the importance of operating the company from an owner's point of view. The borrowed funds were secured by the shares purchased and Director Son, as

guarantor, has pledged his own personal assets as collateral, which shows just how much President Miyakawa is trusted.

Kamigama: To be honest, I too was surprised, but I suppose we need more than just any ordinary businessman to take the helm of a Company like SoftBank. We did discuss the fact that this arrangement could lead to the wrong kind of management approach in response to the risk of near-term share price declines, but President Miyakawa said he would contribute to shareholders by boosting the share price and that he would take full responsibility, so with this kind of person in charge, we were satisfied and ultimately agreed to the arrangement.

Officer Remuneration System

Q. What reasons were behind the introduction of an officer remuneration system linked to total shareholder return (TSR)?

Uemura: Going forward, all performance-based remuneration for officers will be in the form of shares. The maximum ratio of share-based payments will be roughly 80%. This means officers are responsible for the Company's earnings, and also the share price by receiving share-based compensation. The TSR is calculated quite objectively and designed in a way to prevent subjective intervention. I think the remuneration system is rather strict because the cash weighting is small and compensation will not increase unless net income does.

Kamigama: I too agree with the changes that were introduced based on the reasons explained now by Ms. Uemura.

Final comment from the moderator

My impression is that both of them have made no bones about the discussions that took place at Board meetings. Accordingly, investors and external directors today shared their awareness of challenges and problems, which also provided the chance to deepen discussions. I believe it is important that we continue to arrange these kinds of opportunities to further this dialogue.

Contents

Purpose of Issuing this Integrated Report
Corporate Philosophy
Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Section 2
How We Create Value

Section 3
How We Sustain Value

> Corporate Governance

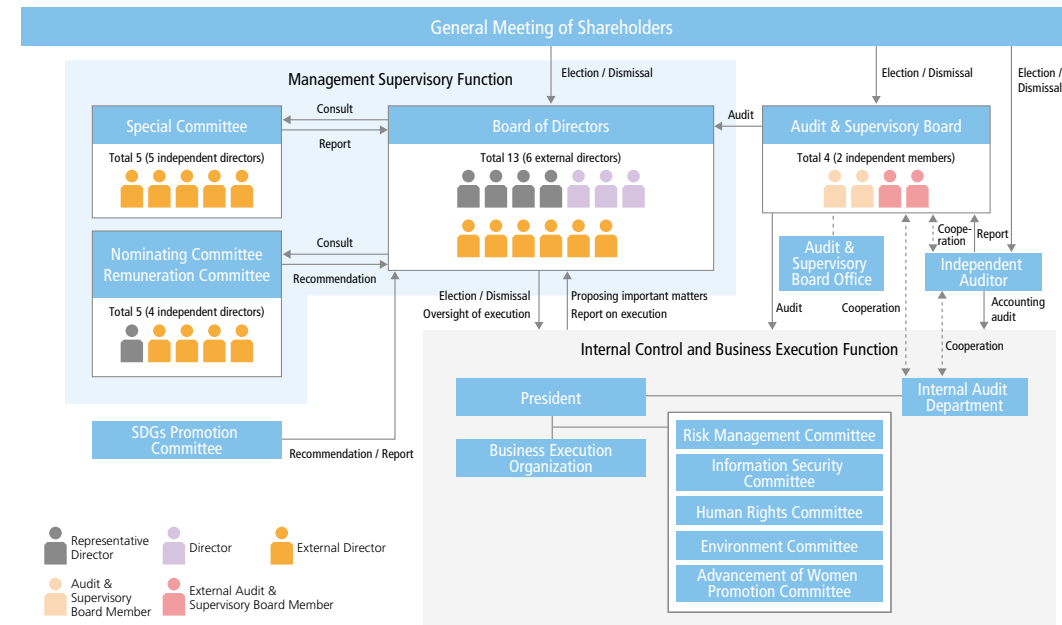
- Risk Management
- Human Resource Strategy
- Environmental Initiatives

Data Section

Corporate Governance

Overview of Corporate Governance System

Corporate governance system



Special Committee P50

Comprised of five independent external directors, the Special Committee deliberates and reviews important transactions between the Company and its controlling shareholder or its subsidiary, etc. where there may be a conflict of interest between the controlling shareholder and minority shareholders, etc. and submits its opinions to the Board of Directors.

Nominating Committee and Remuneration Committee P54

Each committee is comprised of the President & CEO and four independent external directors and chaired by an independent external director. Both committees deliberate and determine recommendations to be submitted to the General Meeting of

Shareholders. The Nominating Committee deals with the election and dismissal of Board Directors and the nomination of Representative Directors. The Remuneration Committee handles remuneration for Board Directors.

SDGs Promotion Committee P26

Chaired by the President & CEO, this committee is made up of members that the chair appoints from among the Board Directors and executive officers. It deliberates the policy on SDGs promotion activities for the entire Group and determines recommendations. It also reviews progress in implementing the policy and decides on what to report.

Board of Directors P55

The Board of Directors consists of 13 Board Directors, six of whom are external directors. It makes management decisions following appropriate investigation and thorough consideration. It also decides on matters required by law or the Articles of Incorporation as well as on important matters related to business execution by the Company in accordance with the Board of Directors Rules. In addition, the Board of Directors supervises each Board Director's business execution.

Audit & Supervisory Board P56

The Audit & Supervisory Board establishes an audit policy and plan as well as priority audit items for each fiscal year and meets once a month in principle to receive regular reports from each department related to the internal control system to review the status of the execution of duties by Board Directors in light of priority audit items, thereby evaluating the appropriateness of business execution.

Internal Audit Department P56

As an independent organization directly under the President & CEO, the Internal Audit Department conducts internal audits of the overall duties of the Company and audits its subsidiaries among others. It evaluates business compliance with laws and regulations as well as the effectiveness of internal control. Then the department reports the results to the President & CEO and the Board of Directors while explaining them to the Audit & Supervisory Board Members.

Risk Management Committee P59

Comprised of Representative Directors and others, the Risk Management Committee determines the degree of importance and owners of the risks, and identifies and promotes measures developed and taken by the risk owners, thereby reducing risks and preventing the occurrence of risk events. The Risk Management Committee regularly reports its findings to the Board of Directors.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

> Corporate Governance

Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

Corporate Governance

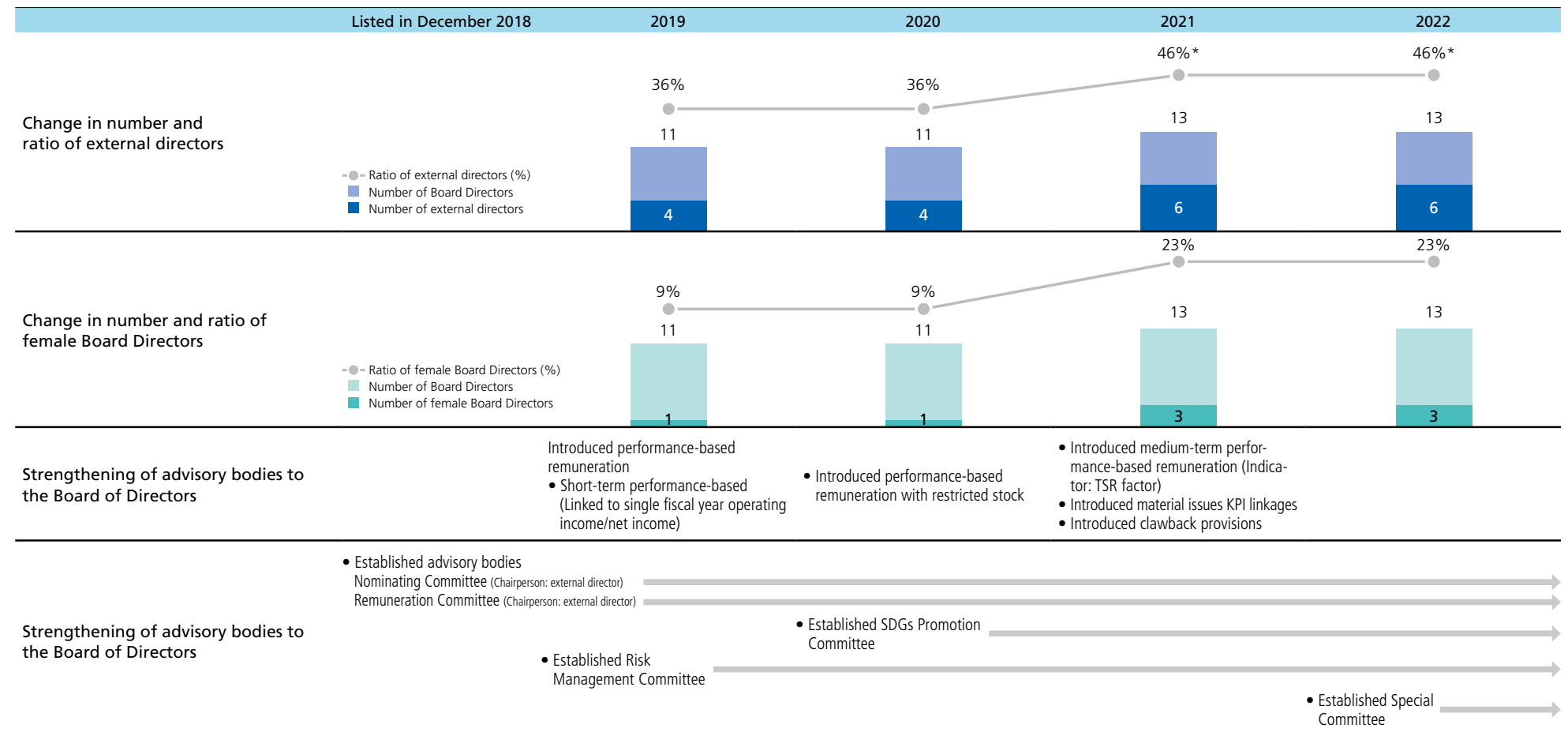
Evolution of Corporate Governance System

Since listed in December 2018, the Company has been constantly working to strengthen its corporate governance. Aiming to strengthen our governance function, we increased the number of external directors by two in 2021 to a total of six (of whom three are women), raising the ratio of external directors to 46%. In addition, to continue sustainable growth alongside society, we established the SDGs Promotion Committee in 2020 with the President & the President & CEO as the Chief SDGs Promotion Officer.

Meanwhile, in 2020, we introduced a system to grant restricted stock as a form of performance-based remuneration for some Board Directors and executive officers as an incentive to work towards the sustainable enhancement of the Company's corporate value and to promote further

sharing of value with investors and shareholders. For the system, we in 2021 adopted total shareholder return (TSR) as an indicator to determine medium-term performance-based remuneration and additionally incorporated material issues targets (targets adopted from the six material issues identified for the Company's sustainable growth) into our index for determining short-term performance-based remuneration.

In 2022, we established the Special Committee to deliberate and examine important transactions and acts where there may be a conflict of interest between the controlling shareholder and minority shareholders.



*Five members are independent external directors, ratio of independent external directors is 38%

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

> Corporate Governance

Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

Corporate Governance

Establishment of Special Committee

Dealing with conflict of interest transactions with the parent company

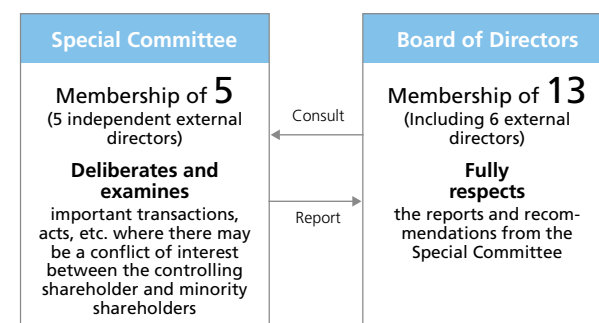
In February 2022, the Company established the Special Committee, which is comprised of Independent External Directors, to further enhance corporate governance. The Committee functions as a voluntary advisory body to the Board of Directors.

The Committee deliberates and examines important transactions between the Company and its controlling shareholder (and/or its subsidiaries) if there is a potential conflict of interest between the controlling shareholder and minority shareholders. It then reports its findings to the Board of Directors.

Special Committee: Its Roles and the Background to Its Establishment

The Company, which lists SoftBank Group Corp. as its parent company, traditionally makes Director appointments that resulted in Independent External Directors forming more than a third of the Company's Board composition in an effort to secure independence and transparency. The Company remains committed to enhancing the effectiveness of its management supervision. For example, for important transactions with the controlling shareholder, typically the parent company, Board-level deliberations take the opinions of Independent External Directors into consideration from the perspective of protecting minority shareholder interests into account.

The idea behind the establishment of the Special Committee was that a committee comprised solely of Independent External Directors should deliberate and examine important transactions where there may be a conflict of interest between the controlling shareholder and minority shareholders for the purpose of continuous strengthening the Company's corporate governance.



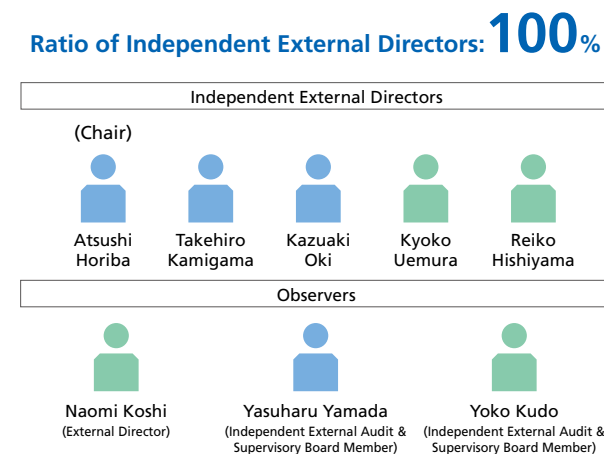
Committee Composition

As a voluntary advisory body to the Board of Directors, the Special Committee is composed of five Independent External Directors to ensure its independence. The Committee Chair appoints three observers principally from among the external directors to enhance the Committee's impartiality and transparency, and to ensure that diverse views are reflected.

Guidelines on Transactions with the Controlling Shareholder

In implementing related-party transactions, including transactions with the parent company group, the Company pays

Special Committee Members (As of June 24, 2022)



special attention to whether such transactions are rational from a managerial standpoint of the Group and whether their terms and conditions are appropriate compared to external transactions. Important related-party transactions are individually subject to the approval of the Board of Directors. Among such transactions, those of special importance are referred to the Special Committee for consultation. Even with regard to related-party transactions that do not fall under the category of especially important transaction, the Finance and Accounting Division monitors the aggregate amount and details of such transactions once a year in principle.

For Reference: Supporting System for External Directors and/or External Audit & Supervisory Board Members

The secretariat to the Board of Directors provides all officers, including external directors and external Audit & Supervisory Board members with materials for the Board of Directors meetings beforehand. It also provides supplemental briefings and other information as required. Prior to each Board of Directors meeting, a briefing session is held for the external directors and Audit & Supervisory Board members. With the CFO and/or other appropriate officers attending all these meetings, the departments in charge provide detailed explanation of the agenda items, followed by a question-and-answer session to ensure a clear understanding from the external directors and Audit & Supervisory Board members.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

> Corporate Governance

Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

Corporate Governance

Skill Matrix of Board Directors and Audit & Supervisory Board Members

Primary Skills ◎
Supplementary Skills ○

Name	Position and Title in the Company	Major career / credentials of External Officers	Gender	Management	Finance	Legal / Risk	Digital / Technology	Sales / Marketing	Global
			Male : M Female: F	•Corporate Management	•Finance •Accounting •Banking •Investment	•Legal •Risk •Labor - Management •Compliance	•Information & Communications technology •High-tech	•Business Strategy •Marketing •Sales	•Global Business
Ken Miyauchi	Representative Director & Chairman		M	◎				○	○
Junichi Miyakawa	President & CEO		M	○			◎		○
Jun Shimba	Representative Director & COO		M	○				◎	
Yasuyuki Imai	Representative Director & COO		M	○				◎	
Kazuhiko Fujihara	Board Director, Executive Vice President & CFO		M	○	◎				○
Masayoshi Son	Board Director, Founder		M	◎			○		○
Kentaro Kawabe	Board Director		M	◎				○	
Atsushi Horiba	External Director	Chairman, HORIBA, Ltd.	M	◎			○		○
Takehiro Kamigama	External Director	Chairman, TDK Corporation	M	◎			○		○
Kazuaki Oki	External Director	Certified Public Accountant	M		◎				○
Kyoko Uemura	External Director	Lawyer	F		○	◎			
Reiko Hishiyama	External Director	Professor, Waseda University	F				◎		
Naomi Koshi	External Director	Lawyer, Mayor (2 terms)	F			◎			○
Eiji Shimagami	Full-time Audit & Supervisory Board Member		M			◎			
Yasuharu Yamada	Full-time Audit & Supervisory Board Member (External)	Executive Managing Director, Mizuho Asset Management Co., Ltd.	M		○	◎			○
Kazuko Kimiwada	Audit & Supervisory Board Member		F		◎				○
Yoko Kudo*	Audit & Supervisory Board Member (External)	Certified Public Accountant in the state of California	F		◎				○

(Note) This table does not show all of the skills possessed by each Board Director/Audit & Supervisory Board Member

* She was elected at the General Meeting of Shareholders in June 2022 in place of Audit & Supervisory Board Member Kenichiro Abe, who resigned due to expiration of his term of office at the conclusion of the General Meeting of Shareholders in June 2022.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

> Corporate Governance

Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

Corporate Governance

Activities of External Directors and External Audit & Supervisory Board Members (As of June 23, 2022)

The activities of each external director and external Audit & Supervisory Board Member for the fiscal year ended March 31, 2022 are as follows.

Name	Position in the Company	Attendance at Board of Directors meetings*1*2	Attendance at Nominating & Remuneration Committee meetings	Number of the Company shares held	Major activities and overview of duties relating to expected roles
Atsushi Horiba <small>Independent Officer</small>	External Director Chair of Nominating and Remuneration Committees Chair of Special Committee	91.7% (11/12)	100% (12/12)	2,600 shares	Makes necessary remarks based on his deep knowledge and experience in overall management as the manager of the world's leading analytical equipment manufacturer, and also expresses his opinions from minority shareholders' standpoint, to fully perform his role of management supervision. In addition, attends the Remuneration Committee and the Nominating Committee, acting as Chair of the both committees, and makes comments as appropriate. He also chairs the Special Committee established in February 2022.
Takehiro Kamigama <small>Independent Officer</small>	External Director Nominating and Remuneration Committee Member Special Committee Member	100% (12/12)	100% (12/12)	—	Makes necessary remarks based on his deep knowledge and experience in overall management as the manager of the world's leading comprehensive electronics components manufacturer, and also expresses his opinions from minority shareholders' standpoint, to fully perform his role of management supervision. In addition, attends the Remuneration Committee and the Nominating Committee, as a member of the both committees, and makes comments as appropriate. He is also a member of the Special Committee established in February 2022.
Kazuaki Oki <small>Independent Officer</small>	External Director Nominating and Remuneration Committee Member Special Committee Member	100% (12/12)	100% (12/12)	1,000 shares	Makes necessary remarks from a professional perspective based on his extensive knowledge and experience as a certified public accountant, and also expresses his opinions from minority shareholders' standpoint, to fully perform his role of management supervision. In addition, attends the Remuneration Committee and the Nominating Committee, as a member of the both committees, and makes comments as appropriate. He is also a member of the Special Committee established in February 2022.
Kyoko Uemura <small>Independent Officer</small>	External Director Nominating and Remuneration Committee Member Special Committee Member	100% (12/12)	100% (12/12)	2,100 shares	Makes necessary remarks from a professional perspective based on her extensive knowledge and experience as a lawyer, and also expresses her opinions from minority shareholders' standpoint, to fully perform her role of management supervision. In addition, attends the Remuneration Committee and the Nominating Committee, as a member of the both committees, and makes comments as appropriate. She is also a member of the Special Committee established in February 2022.
Reiko Hishiyama <small>Independent Officer</small>	External Director Special Committee Member	100% (10/10)	—	500 shares	Makes necessary remarks based on her extensive knowledge and experience as a university professor specializing in cutting-edge technologies such as AI and IoT, and also expresses her opinions from minority shareholders' standpoint, to fully perform her role of management supervision. She is also a member of the Special Committee established in February 2022.
Naomi Koshi	External Director	100% (10/10)	—	—	Makes necessary remarks from a professional perspective as a lawyer, as well as her extensive knowledge and experience in areas such as municipal government and promotion of women's career advancement, and also expresses her opinions from minority shareholders' standpoint, to fully perform her role of management supervision.

Name	Position in the Company	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	Number of the Company shares held	Expected role and main activities
Yasuharu Yamada <small>Independent Officer</small>	Full-time Audit & Supervisory Board Member	100% (12/12)	100% (16/16)	—	Makes necessary remarks to ensure the appropriateness of decision making from an expert perspective based on extensive knowledge and experience concerning risk management and compliance.
Kenichiro Abe*3 <small>Independent Officer</small>	External Audit & Supervisory Board Member	100% (12/12)	100% (16/16)	—	Makes necessary remarks to ensure the appropriateness of decision making from an expert perspective based on extensive knowledge and experience as a certified public accountant.

*1 The number of meetings of the Board of Directors by written resolution is excluded.

*2 The attendance of Board Directors Reiko Hishiyama and Naomi Koshi shows the number of meetings held after their appointment on June 22, 2021.

*3 He resigned due to expiration of his term of office at the conclusion of the General Meeting of Shareholders in June 2022.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

> Corporate Governance

Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

Corporate Governance

Remuneration for Board Directors

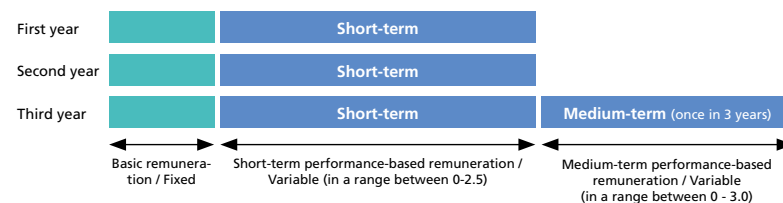
Outline of the policy and the method for determining the remuneration of Officers

The Company's policy for the remuneration of Board Directors and Audit & Supervisory Board Members is to set the remuneration at a competitive level compared to that of corporate executives in Japan and abroad whose businesses are of a generally similar or larger scale, based on a survey of remuneration of corporate executives in Japan conducted by a third-party organization. The idea is to motivate these officers to contribute to improving business performance not only in the short-term but also in the medium- to long-term without excessive risk-taking. Such performance improvement can be achieved by constant earnings growth, stable cash flows, and sustainable corporate growth as well as medium- to long-term corporate value growth while maintaining friendly relations with stakeholders.

The process of determining the remuneration of Board Directors includes 3 steps. First, the Human Resources Division formulates the policy for determining remuneration. Second, the method devised in line with this policy is referred to the Remuneration Committee for consultation. With input from the Committee, the Board of Directors approves the method. To determine the amounts of remuneration of individual Board Directors, the General Meeting of Shareholders decides on the cap on the total amount of remuneration. The President & CEO then decides on the amounts while respecting the recommendations of the Remuneration Committee as well as the resolutions of the Board of Directors. The Remuneration Committee, in line with the executive remuneration policy, reviews the total amount of remuneration as well as the amount of individual remuneration, and makes recommendations to the Board of Directors. It is also part of the remuneration policy to pay only fixed remuneration to external directors, who are independent of business execution, as well as to internal and external Audit & Supervisory Board Members, who audit the Board Directors' business execution. Under the Group's payment policy, the remuneration of Board Director Masayoshi Son and Board Director Kentaro Kawabe are to be excluded from the scope of actual payment since the remuneration of Directors who concurrently hold posts in the Group companies is paid from the main company.

Structure of the remuneration of Board Directors

Remuneration for Board Directors (excluding external directors) consists of fixed basic remuneration and short-term and medium-term performance-based remuneration to provide incentives for improving the Company's short-term performance and enhancing medium- to long-term corporate value.



Basic remuneration(Cash payments)

The basic remuneration shall be based on the annual amount as determined by position, and paid in cash on a monthly basis.

Short-term performance-based remuneration (Share-based payments)

Short-term performance-based remuneration is paid annually in a certain period of time after the end of each fiscal year to eligible Board Directors in the form of restricted shares that are subject to transfer restrictions until their retirement. Under the basic policy of the Company, the composition ratio between the basic remuneration and the short-term performance-based remuneration is, in principle, 1:2.3 to 1:3.2, in accordance with the nature of duties performed by individual Board Directors and their actual performance. The short-term performance-based remuneration fluctuates in a range of 0 to 2.5 times the base amount by position.

Net income attributable to owners of the Company and operating income (both on a consolidated basis) as well as material issue targets are used as performance-linked indicators for the achievement of short-term performance targets.

$$\text{Amount of short-term performance-based remuneration} = \text{Base amount by position} \times \left(\text{Net income factor} \times 50\% + \text{Operating income factor} \times 50\% \right) + \text{Material issue factor} \pm 0-5\%$$

Performance targets for the fiscal year ended March 31, 2022

(Millions of yen)	Indicators	Target	Result
	Net income attributable to owners of the Company	505,000	517,517
	Operating income	975,000	985,746

Material issue targets for fiscal year ended March 31, 2022

Material issues	Indicators	Target	Result
Contributing to the global environment with the power of technology	Base station renewable energy ratio*1	50% or more	52.1%*2
Building high-quality social communication networks	5G rollout plan: population coverage	More than 90%	More than 90%
Developing a resilient management foundation	Solutions and other sales: CAGR (compound annual growth rate)	10%	9.3%

*1 Measure to achieve carbon neutrality by 2030

*2 In calculating the amount to be paid, the Company uses the figure determined as of the Company's predetermined record date.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

> Corporate Governance

Risk Management

Human Resource Strategy

Environmental Initiatives

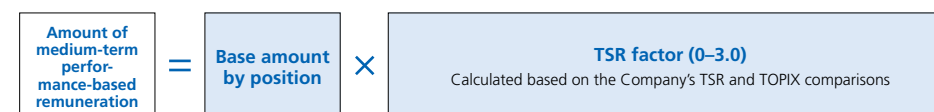
Data Section

Corporate Governance

Medium-term performance-based remuneration (Share-based payment)

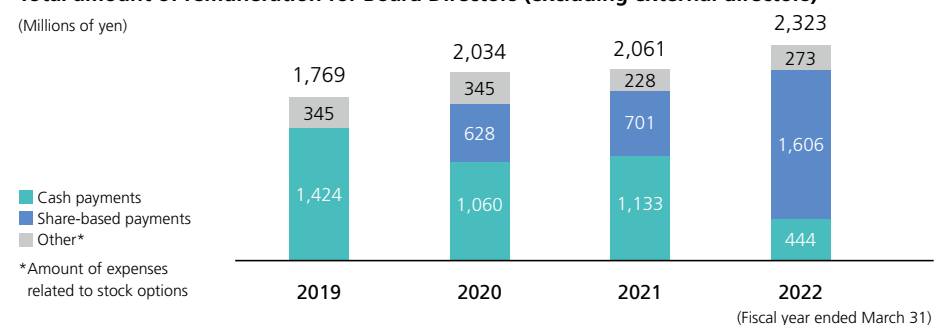
Medium-term performance-based remuneration is paid once every three years in a certain period of time after the end of each fiscal year to eligible Board Directors in the form of restricted shares that are subject to transfer restrictions until their retirement. Under the basic policy of the Company, the composition ratio between the basic remuneration and the medium-term performance-based remuneration is, in principle, 1:1.7 to 1:2.1, in accordance with the nature of duties performed by individual Board Directors and their actual performance. The medium-term performance-based remuneration fluctuates in a range of 0 to 3.0 times the base amount by position.

The total shareholder return (TSR) is used for a performance-linked indicator that determines medium-term performance target achievement, in order to further promote value sharing with stakeholders and to raise awareness among Board Directors of medium- to long-term share price improvements. The factor is calculated based on the Company's actual TSR and TOPIX comparisons for the past three years.



Total amount of remuneration for Board Directors (excluding external directors)

(Millions of yen)



Request for return of Board Directors' remuneration, etc.

With regard to the performance-based portion of the remuneration, etc. of Board Directors, the Company may demand the return of the remuneration, etc., without compensation, in light of the responsibilities of the Board Director concerned, if the Board of Directors of the Company recognizes that the Board Director has violated laws or regulations, the internal rules of the Company, or contracts entered into between the Company and the Board Director in any material respect, if the Board of Directors recognizes that there has been a material revision or correction to the figures of financial statements on which the calculation of the performance-based remuneration was based; or if the Board of Directors deems that it is appropriate for all or part of the performance-based remuneration to be acquired by the Company without compensation.

Nominating Committee and Remuneration Committee

The Company has voluntarily established the Nominating Committee and the Remuneration Committee.

Each committee is composed of the President & CEO and four independent external directors and chaired by an independent external director to ensure its independence. Both committees deliberate and determine recommendations to be submitted to the General Meeting of Shareholders. The Nominating Committee deals with the election and dismissal of Board Directors and the nomination of Representative Directors while the Remuneration Committee handles remuneration for Board Directors.

Main topics discussed at the Nominating Committee and the Remuneration Committee

(From September 2021 to May 2022)

Nominating Committee

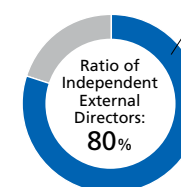
Structure of the Board of Directors, election of Board Directors, nomination of Representative Directors, skill matrix of Board Directors

Remuneration Committee

Remuneration by position, performance-linked indicators, disclosure documents, individual remuneration amounts

Composition of Nominating Committee

Number of meetings held in the fiscal year ended March 31, 2022: **3**



4 Independent External Directors

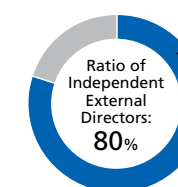
Atsushi Horiba (Chair)
Takehiro Kamigama
Kazuaki Oki
Kyoko Uemura

1 Internal Board Director

Junichi Miyakawa
(President & CEO)

Composition of Remuneration Committee

Number of meetings held in the fiscal year ended March 31, 2022: **6**
(of which 2 were held in writing)



4 Independent External Directors

Atsushi Horiba (Chair)
Takehiro Kamigama
Kazuaki Oki
Kyoko Uemura

1 Internal Board Director

Junichi Miyakawa
(President & CEO)

Determination process of remuneration and others

Meeting body	Remuneration Committee				Board of Directors
	Date	February 25, 2022	March 29, 2022	April 22, 2022	May 12, 2022
Agenda	Confirmation of performance-based remuneration indicators	Confirmation of performance-based remuneration indicators	Confirmation of performance-based remuneration indicators Confirmation of remuneration amount for each officer	Approval and determination of remuneration amount for each officer Confirmation of disclosure documents	Confirmation and determination of recommendations of Remuneration Committee Review and determination of policy for determining amount of remuneration, etc. for each Board Director

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

> Corporate Governance

Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

Corporate Governance

Board of Directors

The Company's Board of Directors is a decision-making body for important matters and an oversight body for the status of business execution. It also plays a role in steering management to improve long-term corporate value. The Company's Articles of Incorporation stipulates that the number of Board Directors must be 15 or less. 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 Board of Directors elects, as candidates for Board Director, those who are considered the most suitable for the position in consideration of their nationality, ethnicity, gender, and age, based on discussions by the Nominating Committee.

As of June 2022, there are 13 Board Directors serving, all of whom have a wealth of knowledge and experience regarding corporate management. They include six external directors (of whom five are independent external directors). At the Board of Directors meetings, they hold constructive and lively discussions from diverse perspectives, including outside perspectives.

Main topics discussed at the Board of Directors meetings in the fiscal year ended March 31, 2022

- Corporate management
- Investments and financing
- Shares and corporate bonds
- Matters concerning Board Directors and Audit & Supervisory Board Members
- Matters concerning human resources and organization

Evaluation of Effectiveness of Board of Directors

In order to further ensure its effectiveness and to improve its functions, the Company's Board of Directors analyzes and evaluates the effectiveness of the Board of Directors every year. With the support of an independent organization, the Board of Directors has been carrying out evaluations of the effectiveness of the Board of Directors continuously once each year since 2018. The following actions were taken in the fiscal year ending March 31, 2022 based on the issues identified in the effectiveness evaluation for the fiscal year ending March 31, 2021.

Actions taken in the fiscal year ending March 31, 2022 in response to the effectiveness evaluation for the fiscal year ending March 31, 2021

Issues identified in effectiveness evaluation	Actions taken
Activation of strategy discussions	Based on the opinion that there was not enough time for discussion on strategies, the allocation of time to agenda at the Board of Directors meetings was reviewed, and regular meetings were held between external directors and the Chairman and the President & CEO to make opportunities to frankly exchange the opinions on what should be discussed at the Board of Directors. In the effectiveness evaluation for the fiscal year ending March 31, 2022, while there was an opinion that the time for strategy discussions increased and discussions, with external directors attended, were active and improved, there was also an opinion that not only discussion on short-term strategies but also discussions from a medium- to long-term perspective are necessary.

Strengthening group risk management	Based on the opinion that it is necessary to consider strengthening risk management for Group companies in line with the expansion of the Group, the Company has established a system that requires timely reporting of major incidents, in addition to regular quarterly status reports, to enable continuous monitoring by the Board of Directors. In the effectiveness evaluation for the fiscal year ending March 31, 2022, while there was an opinion that significant improvement was made as the Board of Directors was able to grasp the status of Group companies in a timely manner, there was also an opinion that there was room for further improvement in the establishment and operation of a system to share information in a timely manner, given the deep hierarchy of Group companies.
-------------------------------------	---

Evaluation process

Subjects of evaluation								
Five internal directors, six external directors, and four audit & supervisory board members								
Method of evaluation								
Means: Questionnaire-based survey (in a signed form) and interview Evaluation period: From December 2021 to June 2022								
Question items								
<table border="0"> <tr> <td>1. Strategies and implementation thereof</td> <td>5. Group governance</td> </tr> <tr> <td>2. Risk and crisis management</td> <td>6. Management evaluation, remuneration, and succession planning</td> </tr> <tr> <td>3. Corporate ethics</td> <td>7. Dialogue with stakeholders</td> </tr> <tr> <td>4. Business restructuring (mergers, acquisitions, divestitures or business alliances)</td> <td>8. Structure and operation of the Board of Directors</td> </tr> </table>	1. Strategies and implementation thereof	5. Group governance	2. Risk and crisis management	6. Management evaluation, remuneration, and succession planning	3. Corporate ethics	7. Dialogue with stakeholders	4. Business restructuring (mergers, acquisitions, divestitures or business alliances)	8. Structure and operation of the Board of Directors
1. Strategies and implementation thereof	5. Group governance							
2. Risk and crisis management	6. Management evaluation, remuneration, and succession planning							
3. Corporate ethics	7. Dialogue with stakeholders							
4. Business restructuring (mergers, acquisitions, divestitures or business alliances)	8. Structure and operation of the Board of Directors							

Overview of the results of the evaluation of the effectiveness of the Board of Directors for the fiscal year ended March 31, 2022

Based on the results of the questionnaire and interviews, the Company's Board of Directors concluded that the vision of corporate governance envisaged by the Company has largely been materialized, with its effectiveness adequately ensured. On the other hand, the Board of Directors decided that the following items should be prioritized to further ensure the effectiveness and to improve the functions of the Board of Directors.

Priority issues
<ul style="list-style-type: none"> ▪ Deepening discussion on medium- to long-term strategies: Discussing medium- to long-term growth strategies incorporating the sustainability strategy including the human capital strategy, from Group-wide cross-sectional perspectives ▪ Strengthening group governance and risk management: Considering a system that enables the Board of Directors to supervise information on risks of the entire Group ▪ Responding to parent-subsidiary listings (ensuring independence with respect to conflict of interest transactions): Securing the effectiveness of Special Committee

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

> Corporate Governance

Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

Corporate Governance

Status of Audit

Audit & Supervisory Board

The Company has established an Audit & Supervisory Board to conduct efficient and effective audits regarding the status of execution of duties by Board Directors. The Audit & Supervisory Board consists of four expert Audit & Supervisory Board Members rich in knowledge and expertise, including two external Audit & Supervisory Board Members, and establishes an audit policy and plan as well as priority audit items for each fiscal year, based on which Audit & Supervisory Board Members carry out audit activities.

The Audit & Supervisory Board meets once a month in principle, receives regular reports from each department related to the internal control system to review the status of the execution of duties by Board Directors based on the priority audit items, and evaluates 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 (IA), and exchanges information and opinions with the IA. It also receives explanations of individual matters from Board Directors and others as necessary.

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.

Priority audit items for fiscal year ended March 31, 2023

- (1) Legality audit
- (2) Internal control system audit
- (3) Board of Directors decision-making audit
- (4) Information disclosure audit
- (5) Group management audit
- (6) Independent Auditor evaluation
- (7) Review of BCM (Business Continuity Management) and accident response
- (8) Review of response to regulatory trends

Internal auditing structure

The Internal Audit Department is an organization directly under the President & CEO and made up of 27 members from diverse background as of June 24, 2022. The department conducts internal audits of the overall duties of the Company and evaluates business compliance with laws and regulations and effectiveness of internal control. It 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. It further 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. The Internal Audit Department conducts internal and external quality evaluations as an initiative aimed at improving audit quality.

Cooperation among Audit & Supervisory Board Members, the Independent Auditor (IA), and the Internal Audit Department

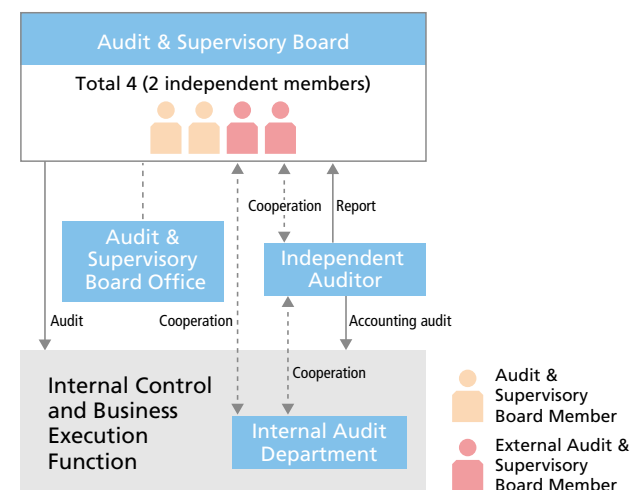
Audit & Supervisory Board Members receive explanations of auditing policies and plans from the Independent Auditor (IA) and exchanges information and opinions with the IA regarding those matters. They receive reports on the main items to be audited and the method and results of the audit, regarding the audit during and at the end of the fiscal year (including the quarterly review). Full-time Audit & Supervisory Board Members cooperate with the IA mainly by exchanging information and opinions with the IA on a monthly basis, as well as attending the accounting audits conducted by the IA. Audit & Supervisory Board Members regularly provide opportunities to exchange information with the Company's Internal Audit Department and Internal Control Division, cooperating organically with them, including requesting them to conduct an investigation as necessary. In particular, Audit & Supervisory Board Members review the progress of the internal audit plan and exchange opinions with the Internal Audit Department every month by, for example, holding regular meetings attended by full-time Audit & Supervisory Board Members.

The IA receives briefings from the Internal Audit Department on the audit plan and, when necessary, on the results of internal audits and other matters. The Internal Audit Department receives regular briefings from the IA regarding audit results and other matters. Moreover, both parties cooperate with each other as necessary by exchanging information and opinions, among other measures.

Cooperation with Audit & Supervisory Board Members and external directors

External directors and Audit & Supervisory Board Members have a semiannual meeting to exchange information. Audit & Supervisory Board Members share opinions on the management interview results and the recent management issues, so that external directors can further deepen their understanding of the Company.

Structure and cooperation framework of auditing



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

> Corporate Governance

Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

Corporate Governance

Board Directors and Audit & Supervisory Board Members

(as of June 23, 2022)

○ Nominating Committee Member
● Chair of Nominating Committee
△ Remuneration Committee Member
▲ Chair of Remuneration Committee

Ken Miyauchi

Representative Director & Chairman



After a stint with the Japan Management Association that started in February 1977, Mr. Miyauchi joined SOFTBANK Corp. (currently SoftBank Group Corp.) in October 1984. Since his appointment as Director & Vice President of SOFTBANK BB Corp. (currently the Company) in January 2003, he has worked to grow the fixed-line and mobile communications businesses, and was appointed President & CEO of the Company in April 2015.

Based on the Beyond Carrier strategy, Mr. Miyauchi not only grew the domestic telecommunications business, but also spearheaded business expansion into new fields centered on the Internet. In April 2021, he was appointed Chairman of the Company, since then he has supervised the entire Group.

Junichi Miyakawa

President & CEO
○△



Mr. Miyakawa became Representative Director & President of KK Momotaro Internet in December 1991 and has served as president and representative director of several telecommunications companies, including Nagoya Metallic Communications Corp. (currently the Company) in June 2000.

Mr. Miyakawa has extensive knowledge of cutting-edge technologies and was appointed as Director & Executive Vice President (CTO) of Vodafone K.K. (currently the Company) in April 2006. He has been primarily responsible for overseeing businesses in the technology domain. After accumulating a wealth of management experience, including through serving as president of several Group companies in recent years, he was appointed as President & CEO of the Company in April 2021.

Jun Shimba

Representative Director & COO



Mr. Shimba joined SOFTBANK Corp. (currently SoftBank Group Corp.) in April 1985 and was appointed as Managing Executive Officer of Vodafone K.K. (currently the Company) in April 2006. He has held a number of important roles in the Company, mainly overseeing businesses in the consumer field, and was appointed as Representative Director & COO of the Company in April 2017.

Yasuyuki Imai

Representative Director & COO



After a stint with KAJIMA CORPORATION that started in April 1982, Mr. Imai joined SOFTBANK Corp. (currently SoftBank Group Corp.) in April 2000. In October 2007, he was appointed as Managing Corporate Officer.

Mr. Imai has held a number of important roles at the Company, primarily overseeing businesses in the enterprise business field, and was appointed as Representative Director & COO of the Company in April 2017.

Kazuhiko Fujihara

Board Director, Executive Vice President & CFO



After a stint with Toyo Kogyo Co., Ltd. (currently Mazda Motor Corporation) that started in April 1982, Mr. Fujihara joined SOFTBANK Corp. (currently SoftBank Group Corp.) in April 2001. Since his appointment as Managing Executive Officer (CFO) of Vodafone K.K. (currently the Company) in April 2006, Mr. Fujihara has continuously been overseeing the governance field with a focus on management planning, finance, accounting, and purchasing. In April 2018, he was appointed as Board Director, Executive Vice President & CFO of the Company.

Masayoshi Son

Board Director, Founder



Mr. Son founded SOFTBANK Corp. (currently SoftBank Group Corp.) in September 1981. He became Chairman of the Board, President & CEO of Vodafone K.K. (currently the Company) in April 2006 and has been serving as Board Director, Founder of the Company since April 2021.

As the founder of SoftBank Group Corp., Mr. Son has extensive knowledge and experience in corporate management, business strategy, M&A, etc.

Kentaro Kawabe

Board Director



During his stint with Dennotai Corporation, Mr. Kawabe was appointed as Director in December 1996 and as CEO in September 1999. After serving as Director at PIM Corporation from December 1999, Mr. Kawabe joined Yahoo Japan Corporation (currently Z Holdings) in August 2000. Since his appointment as Chief Operating Officer (COO) of Yahoo Japan Corporation (currently Z Holdings Corporation) in April 2012, he has led the company's aggressive business development efforts. He has served as Board Director of the Company since September 2018.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

> Corporate Governance

Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

Corporate Governance

Board Directors and Audit & Supervisory Board Members (as of June 23, 2022)

○ Nominating Committee Member △ Remuneration Committee Member □ Special Committee Member
● Chair of Nominating Committee ▲ Chair of Remuneration Committee ■ Chair of Special Committee

Atsushi Horiba



External Director Independent Officer



Having served as Representative Director of HORIBA, Ltd. for 30 years from January 1992, Mr. Horiba has been leading the growth of the HORIBA group and therefore has a wealth of management experience. The Company expects him to supervise the Company's management based on his knowledge and experience and give advice on the overall management of the Company.

Takehiro Kamigama



External Director Independent Officer



Having served as Representative Director of TDK Corporation for 12 years from June 2006, Mr. Kamigama has a wealth of management experience to demonstrate leadership in enhancing profitability of TDK's business and expanding its business fields. The Company expects him to supervise the Company's management based on his knowledge and experience and give advice on the overall management of the Company.

Kazuaki Oki



External Director Independent Officer



Mr. Oki has extensive knowledge and experience as a certified public accountant. The Company expects him to supervise the Company's management based on his knowledge and experience and give advice on the overall management of the Company.

Kyoko Uemura



External Director Independent Officer



Ms. Uemura has extensive knowledge and experience as a lawyer. The Company expects her to supervise the Company's management based on her knowledge and experience and give advice on the overall management of the Company.

Reiko Hishiyama



External Director Independent Officer



Ms. Hishiyama is a professor of the Faculty of Science and Engineering at Waseda University, and her research interests include management system engineering. She has a wealth of knowledge and experience in the area of cutting-edge technology such as AI and IoT. The Company expects her to supervise the Company's management based on her knowledge and experience and give advice on the overall management of the Company.

Naomi Koshi

External Director



In addition to her extensive knowledge and experience as a lawyer in Japan and overseas, Ms. Koshi engages in a broad range of activities including municipal government initiatives and support measures for the promotion of women's career advancement. The Company expects her to supervise the Company's management based on her knowledge and experience and give advice on the overall management of the Company.

Eiji Shimagami

Full-time Audit & Supervisory Board Member



Mr. Shimagami served as the Company's Vice President, CCO, and 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 Company expects him to conduct audits based on his professional and multifaceted knowledge and experience.

Yasuharu Yamada

Full-time External Audit & Supervisory Board Member Independent Officer



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. The Company expects him to conduct audits based on his professional knowledge and experience, as well as from a more independent standpoint.

Kazuko Kimiwada

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 Company expects her to conduct audits based on her professional knowledge and experience.

Yoko Kudo

External Audit & Supervisory Board Member Newly appointed Officer Independent Officer



Ms. Yoko Kudo has extensive knowledge and experience in finance and accounting as a certified public accountant in the State of California. The Company expects her to conduct audits based on her professional knowledge and experience, as well as from a more independent standpoint.

Contents

Purpose of Issuing this Integrated Report
Corporate Philosophy
Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Section 2
How We Create Value

Section 3
How We Sustain Value

Corporate Governance

> Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

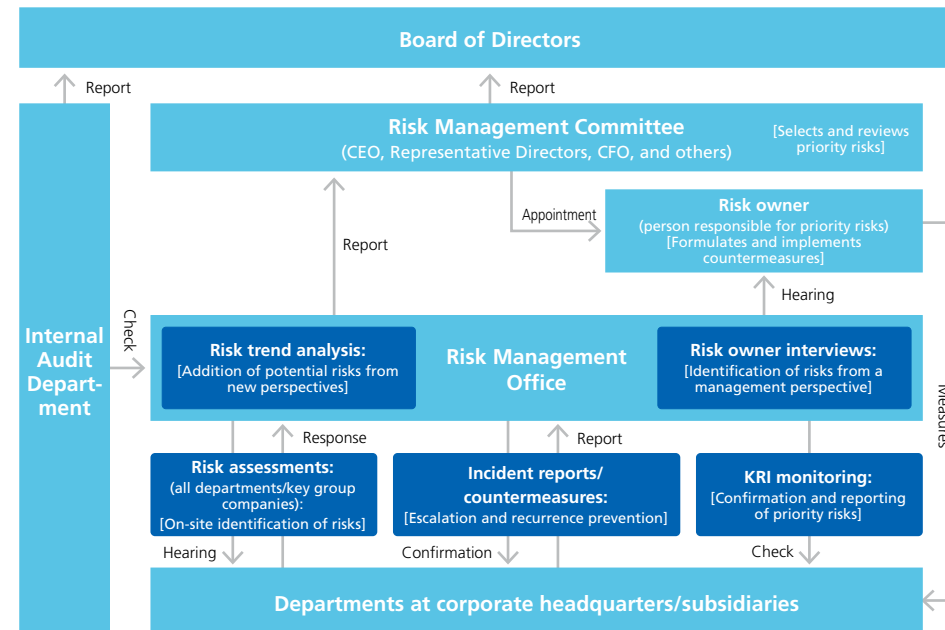
Risk Management

SoftBank has in place an organizational structure to identify risks throughout the Company and to deploy prevention measures accordingly. We also strive to mitigate increasingly complex and diversified risks and prevent their occurrence by periodically implementing a risk management cycle.

Risk Management Structure

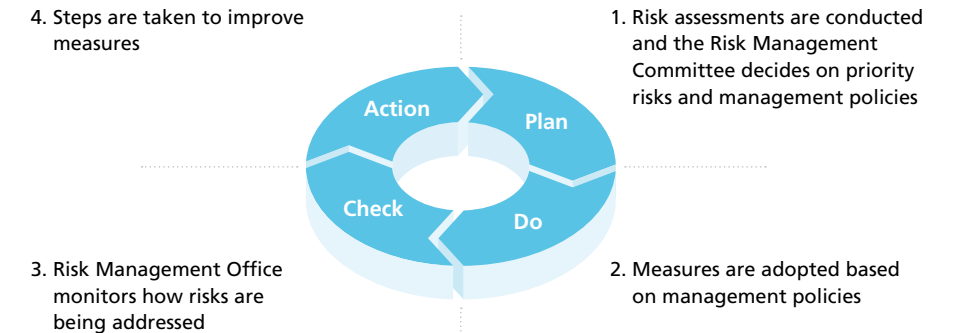
In order to identify Company-wide risks from various angles and prevent them from materializing, each division undertakes risk examinations on-site when formulating measures, whilst the Risk Management Office gauges Company-wide and all-encompassing risks and regularly checks how they are being addressed. It then reports its findings to the Risk Management Committee, which meets twice a year.

The Risk Management Committee's members include the CEO, representative directors, the CFO, and others. Audit & Supervisory Board members and related directors also attend its meetings. The committee determines the severity of risks and who should take responsibility (risk owners), issues instructions for what measures are to be taken, and reports on the progress thereof to the Board of Directors. Meanwhile, the Internal Audit Department monitors and supervises the overall risk management structure and its circumstances from an independent standpoint. In addition, from a Group-wide risk management perspective, we have established a mechanism through which to receive reports from subsidiaries and we carry out periodic checks on the business-related risks each subsidiary has identified, as well as the progress of their risk countermeasures.



Risk Management Methods

For the purpose of risk management and risk mitigation, the following PDCA cycle steps are implemented throughout the course of the year.



Yearly schedule

	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Disclosure			★ Securities Report									
Risk Management Committee							around October C Risk Management Committee (interim report)				around February P Risk Management Committee (determine/review priority risks)	
Risk Owner												
Risk Management Division												
Department of Head Office/Affiliates												

Legend: P Plan, D Do, C Check, A Action

Key activities in the schedule:
 - Risk Owner: D Devise/Implement measures for priority risk (Apr-Aug), A Devise/Implement additional measures to address priority risk (Nov)
 - Risk Management Division: C KPI monitoring (monthly) (Apr-Mar), D Checks on the status of measures (first half) (Aug), C Checks on the status of measures (second half) (Oct)
 - Department of Head Office/Affiliates: P Risk assessment (June)

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Corporate Governance

> Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

Risk Management

Addressing Substantial Risks

SoftBank selects substantial risks by taking a holistic view of risks through risk assessments of each division, interviews of risk owners, etc. and engages in risk management.

We work on a daily basis to identify, mitigate, and prevent risks by timely and holistically recognizing and addressing risks that can significantly obstruct business activities as a result of the rapidly changing external environment, etc.

(Note) The Risk Management Committee supervises substantial risks with a Director having experience in the information security field (CEO Miyakawa) playing a central role.

Risk related to management strategy

Risk item	Typical risk example	Risk reduction measure
a. Changes to economic conditions, regulatory or market environments, and competition with other companies		
<ul style="list-style-type: none"> International/domestic political conditions Competitors' situations Customer expectations 	<ul style="list-style-type: none"> Amendments to laws Economic fluctuations Demographic changes Product/service defects 	<ul style="list-style-type: none"> Delays or difficulties in procuring equipment for base stations and networks, products purchased (mobile devices, etc.), and development materials from suppliers within and outside of Japan Risk of MVNO share expansion, increased competition in the telecommunications industry due to new entrants, etc., rapid spread of services from startups competing with the Group's services Risk of providing products or services with major defects that cause damage to customers
b. Adapting to technology and business models		
<ul style="list-style-type: none"> Technological innovation 	<ul style="list-style-type: none"> Risk of the Group being unable to respond appropriately or in a timely manner to changes in the market such as the emergence of new technologies or business models 	<ul style="list-style-type: none"> Decentralize and diversify suppliers for the purpose of spreading risk in preparation for supply chain decoupling Adopt services, products, and sales methods that suit consumer orientation Thorough quality control during manufacturing and development stages
c. Leakage or mishandling of information and inappropriate use of products and services provided by the Group		
<ul style="list-style-type: none"> Cyber attacks, leaked/missing/lost information Inappropriate use of information assets Inappropriate use of products/services 	<ul style="list-style-type: none"> Risk of information leakage, loss, etc. due to intentional or negligent actions of the Group or unauthorized access such as cyber attacks by a third party Risk of losing society's confidence and trust in SoftBank due to mistaken use of our information assets resulting in violation of laws and/or social criticism Risk of lowered confidence and trust due to misuse (crimes, etc. such as fraud) of apps or payment services provided by the Group 	<ul style="list-style-type: none"> Research the newest technology and market trends, conduct verification testing to introduce technically superior services, consider alliances with other companies, etc. Limit work areas related to confidential information and establish access control rules; monitor and prevent unauthorized access due to cyber attacks from outside the company; separate and isolate access and networks according to information security levels Establish guidelines and conduct training Periodic monitoring of unauthorized use
d. Stable provision of network services		
<ul style="list-style-type: none"> Telecommunication network failures 	<ul style="list-style-type: none"> Risk of being unable to maintain telecommunications service quality due to increased network traffic or an inability to secure necessary frequency bands Risk of a natural disaster, pandemic, etc. preventing normal operation of telecommunication networks or information systems 	<ul style="list-style-type: none"> Bolster the telecommunication network based on predictions of future traffic Introduce network redundancy and countermeasures for power outages at network centers and base stations
e. Corporate acquisition, business alliances, establishment of joint ventures, etc.		
<ul style="list-style-type: none"> Investment and loans 	<ul style="list-style-type: none"> Risk of investee companies being unable to perform as expected; risk of business partnerships and joint ventures not producing expected results 	<ul style="list-style-type: none"> Conduct sufficient due diligence when considering each investment to make investment decisions in accordance with the prescribed approval process

(Note) Please visit our website for more information about risks related to laws, regulations, and compliance, risks related to finance and accounting, other risks, and emerging risks.
<https://www.softbank.jp/en/corp/aboutus/governance/riskmanagement/>

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Section 2
How We Create Value

Section 3
How We Sustain Value

Corporate Governance

> Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

Risk Management

Risk related to management strategy

Risk item	Typical risk example	Risk reduction measure
f. Dependence on other companies' management resources		
(a) Outsourcing ▪ Inappropriate management of information by outsourced companies	<ul style="list-style-type: none"> ▪ Risk of outsourced companies being unable to perform work as expected ▪ Risk of infringing on customers' human rights as a result of an outsourced company fraudulently acquiring the Group and its customers' information or using it for other purposes 	<ul style="list-style-type: none"> ▪ Conduct periodic audits of outsourced companies' work
(b) Use of other companies' facilities ▪ Other companies' management resources	<ul style="list-style-type: none"> ▪ Risk of becoming unable to continue using communication line facilities owned by other operators 	<ul style="list-style-type: none"> ▪ Use multiple operators' communication line facilities
(c) Procurement of various equipment ▪ Supply disruptions ▪ Delivery delays	<ul style="list-style-type: none"> ▪ Risk of supply disruptions, delivery delays, etc. in the procurement of telecommunication equipment, etc. 	<ul style="list-style-type: none"> ▪ Build networks by procuring equipment from multiple suppliers
g. Use of the <i>SoftBank</i> brand		
▪ Brand use	<ul style="list-style-type: none"> ▪ Risk that our actions negatively impact the trust or interests of SoftBank Group Corp. and we become unable to use the <i>SoftBank</i> brand 	<ul style="list-style-type: none"> ▪ Bolster the system for checking prior to using the brand, release materials related to brand use, and conduct training
h. Service interruption or degradation due to related system failure		
▪ System failures	<ul style="list-style-type: none"> ▪ Risk of becoming unable to continuously provide service for customer-facing systems, the <i>PayPay</i> smartphone payment system, etc. due to human error, equipment/system problems, cyber attack by a third party, hacking, or other unauthorized access 	<ul style="list-style-type: none"> ▪ Add redundancy to the network and clarify recovery procedures in case of failure or other accidents
i. Training and securing human resources		
<ul style="list-style-type: none"> ▪ Human resources (hiring, job changes, training) ▪ Labor management (overwork, etc.) ▪ Human rights ▪ Diversity 	<ul style="list-style-type: none"> ▪ Risk of being unable to secure engineers or other human resources necessary for business operation as planned ▪ Risk of reducing society's trust and confidence in SoftBank due to being unable to meet social demands for consideration for basic human rights ▪ Risk of reducing society's trust and confidence in SoftBank due to being unable to meet social demands for respecting diversity and demonstrating their full potential 	<ul style="list-style-type: none"> ▪ Adopt a remuneration system that considers the expertise of human resources with high market value ▪ Establish a human rights policy and human rights due diligence process; conduct risk assessments ▪ Ensure company-wide awareness of efforts related to diversity; conduct training
j. Climate change		
▪ Climate change	<ul style="list-style-type: none"> ▪ Increased power costs due to shift to renewable energy ▪ Procurement delays/difficulties for base station equipment, etc. as a result of supply chain disruptions due to natural disasters linked to climate change 	<ul style="list-style-type: none"> ▪ Further efforts to conserve energy by switching to energy-efficient equipment and using electricity more efficiently with the use of IoT and AI ▪ Build redundancy into backbone networks and ensure telecommunications network coverage during times of disaster with a tethered balloon wireless relay system

(Note) Please visit our website for more information about risks related to laws, regulations, and compliance, risks related to finance and accounting, other risks, and emerging risks.
<https://www.softbank.jp/en/corp/aboutus/governance/riskmanagement/>

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Corporate Governance

> Risk Management

Human Resource Strategy

Environmental Initiatives

Data Section

Risk Management

Information Security

Message from CISO

Constantly monitoring increasingly diversified and advanced threats

Tadashi Iida
Chief Information Security Officer



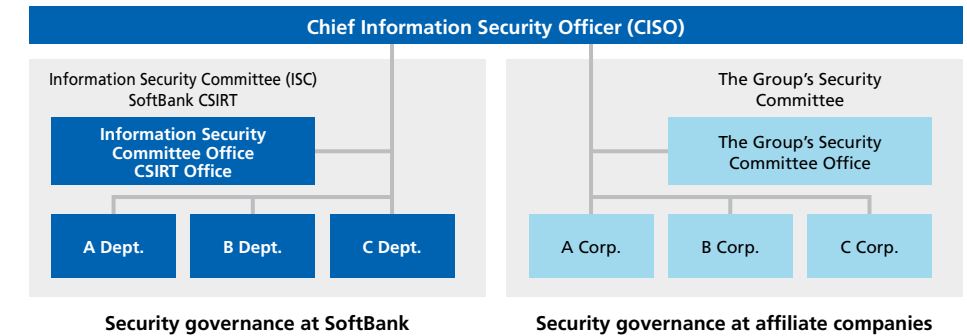
Policy

The uptake of digital technology in people's lives and corporate activities is gaining momentum and a world in which many tasks can be completed online continues to expand as a result of the COVID-19 pandemic. Key to the acceleration of this trend is cutting-edge technology such as 5G, AI, IoT, RPA, cloud computing, and big data. Labor saving and automation made possible by AI and RPA are encouraging a shift towards work of greater added value, while IoT sensor-powered controls and data analysis can now be utilized in upfront investments and risk aversion based on future predictions. Supporting all of this is advanced information and communications technology (ICT), cutting-edge telecommunications infrastructure, and information security. In order to earn the trust of customers and society, we have formulated an Information Security Policy and Privacy Policy. In line with these policies, not only do we handle information appropriately to prevent information leaks, but we also identify all conceivable risks and employ thorough and high-level measures to protect information assets from various external threats, including increasingly sophisticated cyber attacks and attacks targeting teleworking environments.

Information Security Governance

To conduct business operations pursuant to these policies as thoroughly as possible, we have appointed a Chief Information Security Officer (CISO) and established an Information Security Committee (ISC) chaired by the CISO and comprising managers of information security from each department. This committee is tasked with promoting information security measures across the

entire organization. Moreover, through the creation of the SoftBank Computer Security Incident Response Team (SoftBank CSIRT), we are making every effort to prevent the occurrence of security incidents and to minimize damage by swiftly responding to incidents. We have also created the Group's Security Committee chaired by the CISO and comprised of information security managers at affiliate companies (subsidiaries and affiliates) in an effort to collaborate closely on the implementation of policies and various measures within the Group.



Security Measures

Security risks have become increasingly diversified and advanced, highlighted by the sophistication of cyber attacks, the increase in persistent attacks by international hacker groups, attacks targeting teleworking environments, and cases of internal fraud. We constantly monitor and study these kinds of threats, but at the same time, from a technical perspective, we proactively employ cutting-edge technology to develop advanced security environments. From an operational point of view, we are working to further enhance our 24-hour, 365-day security surveillance and rapid response framework. Also, from an educational standpoint, we run training sessions to instill a heightened level of security awareness among all employees, while in terms of systems, we constantly keep our security policies and rules up to date in step with the times.

In addition, we operate a Security Operation Center (SOC) to monitor services and facilities, develop regulations, collaborate with internal departments and other organizations, and undertake reviews of measures that are based on the Cybersecurity Framework of the National Institute of Standards and Technology (NIST) and the CIS Controls of the Center for Internet Security (both of which are based in the United States). By continuously evolving our information security practices, we will look to provide services that customers can use with peace of mind whilst also supporting changes brought about by digital transformation.

(Note) Please visit our website for more details about information security.
<https://www.softbank.jp/en/corp/aboutus/governance/security/>

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Corporate Governance

Risk Management

> **Human Resource Strategy**

Environmental Initiatives

Data Section

Human Resource Strategy

Kayoko Miyazono

Vice President,
Head of East Area Division
Consumer Business Unit

Naomi Koshi

External Director

Akari Kido

Manager of Diversity Section
HR Planning Department,
HR Planning Division,
HR Division, Corporate Unit



All photos for this feature were taken at WeWork Tokyo Portcity Takeshiba



SoftBank's future opened up by promoting women in the workforce

In light of the increasingly diverse values and views of people, SoftBank believes that taking action on diversity, equity, and inclusion (hereinafter, "DE&I") in the workplace is key to improving corporate value and achieving a more sustainable society. As part of this initiative, we are taking steps to further the active participation of women at SoftBank, particularly by setting a target of 20% for women in management positions by fiscal year ending March 31, 2036. Naomi Koshi (External Director), Kayoko Miyazono (Vice President, Head in Consumer Business Unit), and Akari Kido (Manager in charge of promoting diversity) sat down together to discuss the need for promoting women in the workforce and what actions are required for the Company to achieve the target.

Adoption of various opinions leads to growth of an organization

Miyazono: After graduating from university I worked at an advertising agency. Partly because it was a medium-sized company, both men and women were assigned similar work roles to begin with, but as time went on, quite a few of my male colleagues left the company to further their careers. Women, on the other hand, had very few opportunities to do that, and I felt that it was hard to further my career unless I would possess a certain strength enabling me to stand out from the crowd.

After that I joined J-Phone Co., Ltd., which was the starting point of my career at SoftBank today. When I was first sounded out for a management position, I felt quite apprehensive, but my manager at the time was willing to assign work to all employees regardless of gender and his words of encouragement supported me and gave me a great deal of confidence to find my own style of work as a manager. As a company, SoftBank gets things done very quickly and has a mission to transform society with the latest technology, which is why I feel its support of people who are willing to play an active role irrespective of gender has also become a driving force of the Company's growth.

Kido: I became a manager roughly five years ago at a time when SoftBank's in-house DE&I and women's empowerment initiatives were shifting into full swing. At the time, in order to set a target for the percentage of women in management positions, we confirmed how work contribution levels relate to promotions. The confirmation results indicated no differences between men and women in terms of work assessment, but in terms of being qualified for a senior posting, men ranked above women. I had pure doubts about this gap, which is something that underpins the initiatives I'm striving to currently implement.

Koshi: I previously served as the mayor of Otsu City in Shiga Prefecture. In light of that experience, I believe the acceptance of wide-ranging opinions, including those of women, contributes to the growth of an organization.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Corporate Governance

Risk Management

> **Human Resource Strategy**

Environmental Initiatives

Data Section

Human Resource Strategy

I can cite two examples of this. The first is how we went about solving the problem of children waiting to gain admission to a nursery school when I was mayor. I was motivated to stand for mayor because I wanted to build a community in which women could freely choose whether to work or raise their children or do both. When I previously worked at a law firm in the US, I was amazed that male attorneys would take childcare leave. At that time, around 50%–60% of women in Japan would quit their job after the birth of their first child. I was determined to change this situation, so during the eight-year period I served as mayor, I created 54 nursery schools attended by some 3,000 preschool children. I feel that listening to, and taking onboard, the views of women has helped solve the issue in society.



Naomi Koshi

Worked as a lawyer and then as mayor of Otsu City prior to her appointment as an external director of SoftBank in June 2021. Has a wealth of knowledge and experience from working as a lawyer in Japan and overseas and is also engaged in various activities such as local government initiatives and supporting the advancement of women. Currently an advisor to the Committee for the Promotion of Women in the Workforce that was launched in July 2021.

The second example is my experience working at the municipal government office as mayor. The organization of the municipal office is structured around life-time employment and a seniority system. So any attempt to change something there usually faced stiff resistance. Japan's shrinking population is telling us that the ways of doing things have to be overhauled. But I realized that if things would remain the same in such a uniform organization, it would struggle to see changes in the external environment and its line of thinking would also grow increasingly rigid. At the time, most of the managers were men, and I thought that a broad cross-section of opinions from mainly women and younger people needed to be injected in order for the organization to move forward.

Growth achieved through constant incorporation of many different views

Miyazono: Not only is the world situation undergoing intense changes, but the ICT industry in which SoftBank operates is also experiencing technological evolution and sharp fluctuations in the market environment. Under these circumstances, I believe diversity is absolutely essential if SoftBank is to guide society into the future as a leading corporation. As Ms. Koshi has already mentioned, if an organization is too heavily weighted toward people with the same stereotypical attitude, it will be reluctant to break away from past conventions, but I think the incorporation of diverse points of view, including the active participation of women, will enable it to respond quickly to change and even sow the seeds of different ideas and innovation. SoftBank, by leading the way in the changing times, has been needed by society.

Increasing diversity by promoting women in the workforce helps the Company grow, but it also benefits society. And I believe this is a key frame of reference if we are to realize the SoftBank corporate philosophy of "Information Revolution—Happiness for everyone."

Kido: From a human resources perspective, a company's growth is inseparably linked to the growth of its people. The acceptance of diversity whereby the individuality of every person can be harnessed is key to growth in human capital. Whilst today's topic of discussion is about promoting women in the workforce, naturally there are differences and diversity among women too. In all of this, we are focused on the empowerment of women, which we could say is our first and foremost priority in promoting diversity.

I'm going to change the subject slightly here. If we look back on SoftBank's history, we can see that it started out in the wholesale distribution of computer software before expanding into Internet, mobile communications services, and other businesses outside of telecommunications. I believe SoftBank's transformation and growth have been achieved through the merging of people with broad-ranging business experience, or in other words, the sum of diversity of all

people involved. As this history demonstrates, I believe the incorporation of fresh diversity through efforts to promote the participation of women and DE&I in the workplace will be momentous for SoftBank's further growth.

Koshi: From an external point of view, I believe the empowerment of women in the workplace leads directly to enhancements in corporate value. For example, SoftBank is currently working on creating new businesses outside of telecommunications under the banner of the *Beyond Carrier* strategy, and I believe it can generate something entirely new by making best use of various viewpoints. I expect SoftBank to be able to seed new businesses and "*Beyond Carrier* innovations" by accommodating the needs of women, who make up half of the population in the world.

Inspiring courage to take a step forward and improving workstyles

Kido: In 2021, SoftBank set a concrete numerical target for promoting women in the Company (20% for women in management positions). This percentage was decided on with reference to the overall weighting of female employees.

In aiming to achieve this target, the Committee for the Promotion of Women in the Workforce was established under the ownership of President & CEO Miyakawa and comprising some of the Company's officers and external experts as members. The Committee is currently discussing the ratio of women in management positions that was set as a KPI and is analyzing the current situation, identifying issues, and examining what measures ought to be implemented going forward. Round table-like opportunities are also arranged so that officers can hear directly from female employees and managers within the organization. This enables the Committee to identify issues directly from the source.

A questionnaire survey revealed that the percentage of female employees that want to be appointed to a management position is lower than that of men. The main reasons cited were problems related to working styles and a lack of confidence.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Corporate Governance

Risk Management

> Human Resource Strategy

Environmental Initiatives

Data Section

Human Resource Strategy

Miyazono: In order to resolve the issue of the low number of female employees with management aspirations, as Ms. Kido just pointed out, I think we need to not only improve the workplace environment, but also change the mindset of women. I too lacked the confidence to hold a management position when I was recommended for a promotion. But confidence is not something you can simply wait around for. I think summoning the courage to take the first step is much more important than confidence. Boldly taking that first step and realizing that you have done better than expected is a valuable experience. This also applies to every single work task, not just the scenario of being promoted to manager. I intend to do what I can to support employees taking those first steps and I always talk about topics that might help change the mindset of female employees when I run career seminars for women, and also when I have dialogues with the members in our sales divisions.



Kayoko Miyazono

Worked at an advertising agency before joining J-Phone Co., Ltd. in 2002 as a mid-career hire to work in marketing and advertising. Appointed Head of the Communications Division in 2017, and Vice President, Head of East Area Division since 2020. Also serves as a mentor in the Company's mentoring program for fostering female leaders.

Commitment from the top toward promoting women in the workforce

Koshi: I think SoftBank is thoroughly addressing the four key points that I believe are of most importance if it is to attain a female management ratio of 20%—the Company's KPI for the promotion of women in the workforce.

The first is commitment from the top. As an external director at SoftBank, I attend the meetings of the Committee for the Promotion of Women in the Workforce, and I have

witnessed President & CEO Miyakawa's strong commitment to the advancement of women in many different settings. Owing to his leadership, I have come to realize that the Company's officers and leaders on the ground are tackling this issue in earnest. It is also particularly pleasing to see bottom-up initiatives gaining traction based on the feedback of women in the workplace.

The second key point is thoroughgoing analysis of the situation. A lot of progress is being made on identifying issues from analyzing mainly collected data and the results of surveys, and as a result, even from an objective point of view, I think the Company's approach to achieving its target is progressing steadily.

Thirdly, the Company's systems. In addition to e-learning modules and training sessions designed to deepen an understanding of unconscious bias—which is an unavoidable part of human cognitive behavior—SoftBank offers employees a childcare support system that goes above and beyond what is required by law. The Company's numerous systems, including those pertaining to childcare, apply to not only women, but men as well, which are promotive of a comfortable working environment for all employees.

The fourth and final key point is the problem of awareness, which Ms. Miyazono and Ms. Kido also touched upon. Whilst this is an issue that we must surely address going forward, it is certainly not a problem unique to SoftBank—it is prevalent in Japanese society as a whole. To be more specific, the empowerment of women is not about encouraging women to try their hardest. The awareness of those in positions of seniority needs to change before anything else. And one more thing is the problem of confidence among women. This is an issue that goes right back to Japan's education system, even before women think about joining a company. So, fixing it will take time, but it is something we must go about addressing on a daily basis. For example, places like the co-working space for women (see [page 66](#)) that was established in response to a proposal from a female employee of SoftBank can contribute to a transformation in mindset through open discussions of the joys and troubles of work among female employees.

Aiming to achieve our target at an early stage and spurring growth as a company

Koshi: I believe human resources are the "treasure" of SoftBank. I'm aware that it is the responsibility of Board Directors to create a comfortable workplace environment for employees from all walks of life, whether they be women, men, those caring for children or loved ones, foreigners, sexual minorities in the LGBTQ community, or people with disabilities.

Miyazono: If I'm to be honest, SoftBank is still like a toddler still learning how to walk the path of promoting the active participation of women. On the other hand, it is also a company with the strength to invariably achieve what it sets out to do in due course. Since women's empowerment at SoftBank took off under President & CEO Miyakawa's commitment, we could probably achieve our KPI target in less than 10 years from now, well before the year 2035. To that end, I too intend to help bring about changes in mindset and lend my support to female employees taking their first steps towards furthering their careers.

Kido: Today we mostly talked about promoting women in the workforce, but what we ultimately want to achieve is DE&I and to become a company where each and every employee can be their true selves and be actively involved. I hope we can use the promotion of women's empowerment as a starting point to foster this kind of corporate culture and grow further as a company.



Akari Kido

Joined SB Human Capital Corp. as a new graduate and worked in job advertising. Worked in human resources after joining SoftBank before moving to the HR Strategy Department. Launched initiatives to promote women in the workforce before taking on a role to promote Company-wide diversity, equity, and inclusion (DE&I) in 2017.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Corporate Governance

Risk Management

> **Human Resource Strategy**

Environmental Initiatives

Data Section

Human Resource Strategy

HR strategy and diversity

HR strategy in line with the *Beyond Carrier* strategy

As the *Beyond Carrier* strategy gains momentum and in light of the increasingly diverse values and views of everyday people, SoftBank believes that taking action on diversity, equity, and inclusion in the workplace is key to improving corporate value and achieving a more sustainable society. One aspect of this initiative is our particular focus on promoting the empowerment of women. In addition, we are shifting human resources into new businesses outside of telecommunications, embracing various working styles to enable every individual to reach their full potential, and pressing on with a HR strategy that makes best use of cutting-edge technology in order to boost production efficiency.

Initiatives on diversity, equity, and inclusion

We are working to offer opportunities and develop workplace environments in which every employee in a diverse workforce can demonstrate their individuality and capabilities, regardless of age, gender, nationality, or disability. Appointments and compensation are determined based on fair evaluations according to role, achievements, and qualifications.

The Chief Human Resources Officer, or CHRO, is responsible for promoting and overseeing initiatives regarding diversity. With the aim of tackling issues in each organizational unit, a dedicated Diversity Promotion Section in the Human Resources Division has developed an unconscious bias e-learning program to be completed by all employees and it also organizes diversity management training sessions for those in management positions.

Launch of Committee for the Promotion of Women in the Workforce

For the purpose of promoting the empowerment of women, in 2021 we set a target of roughly doubling the ratio of

women in management positions to 15% by fiscal year ending March 31, 2031 (compared to 7.1% in fiscal year ended March 31, 2022) and more or less tripling it to 20% by fiscal year ending March 31, 2036. In aiming to reach these targets, in July 2021 we established the Committee for the Promotion of Women in the Workforce comprising some of the Company's officers and external experts as members. The committee is chaired by the CEO and the officers in charge of each organization serve as committee members. The committee discusses policies and new measures for promoting and furthering the participation of women and also keeps tabs on the progress of measures implemented. In order to encourage lively discussions from various points of view, External Director Naomi Koshi and other external experts also attend committee meetings as advisors. In addition, the heads of divisions in each organization designated by the committee's members hold meetings to share initiatives, and the progress thereof, implemented in each division, as well information about successful cases, in an effort to roll out initiatives on a Company-wide basis.

At a meeting of the committee held in August 2021, unconscious bias was mooted as one reason why the promotion of women in the workforce was not progressing so smoothly. The committee recognized the importance of having each and every employee gain an understanding of unconscious bias in order to reflect on their own actions, which in turn can lead to changes in mindset and workplace environments throughout the Company.

At a meeting of the committee held in December 2021, a lively discussion took place regarding solutions and the direction of measures going forward after the heads of divisions in each organization took stock of the issues analyzed from the results of an employee survey and initiatives implemented thus far. Many respondents in the employee survey called for measures to rectify the practice of long working hours and the creation of a scheme to cover employee absences arising from childcare and other reasons, while the number one issue highlighted by male employees was the need to further

understanding around their proactive use of the Company's childcare support system. These results certainly demonstrated that the employees themselves have a strong awareness of issues concerning workstyle reforms.

Initiatives for closing the gender pay gap

Not only do we endeavor to pay fair salaries and wages irrespective of gender, but we are also aiming to eliminate the gender pay gap. Guided by this kind of policy, once a year we undertake a comparison of base pay or base pay plus bonuses among all of the Company's officers, managers, and non-supervisory employees. Even though we have adopted the same pay structure for both men and women, total compensation between men and women currently differs mainly because of the Company's ranking structure. In light of these circumstances, we continue to press on with various initiatives for promoting the empowerment of women.

Initiatives for the empowerment of women

Since 2018 we have run a mentoring program for female employees. With female managers as mentors, we provide opportunities for one-on-one mentoring and in groups of three. In addition to this, the recent COVID-19 pandemic made us realize anew how important communication is, which is why in June 2022 we launched on a trial basis a co-working space for women in response to a proposal from a female employee. By leveraging both real and virtual spaces, this space is intended to facilitate new encounters and co-creation among employees, no matter their organization or job description. We also aim to foster a culture in which employees can work with confidence by holding round-table discussions and workshops and we hope that in the future this co-working space can be turned into a place that all employees, regardless of gender, can use to interact with each other.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Corporate Governance

Risk Management

> **Human Resource Strategy**

Environmental Initiatives

Data Section

Human Resource Strategy

Giving everybody the chance to challenge themselves

SoftBank University

Established in September 2010 for the purpose of nurturing human resources that can contribute to realizing our corporate philosophy, SoftBank University is a practical program-based training organization. In respecting the diversity of our employees and to help nurture highly individual human resources, the SoftBank University emphasizes the self-determined efforts of employees to forge their own career. Based on this thinking, SoftBank University provides employees with a framework under which they can proactively decide for themselves what kind of career they want to pursue in order to meet their own personal goals, instead of following a company-led standardized system of career development and training.

In addition to group training, SoftBank University also offers a learning style that epitomizes SoftBank as a company with the full use of ICT to deliver e-learning courses that employees can complete on their computer, smartphone, tablet, or other similar devices, plus online interactive training in real time and even an archive of on-demand videos.

There are three basic programs on offer: a business program for employees to voluntarily learn new skills needed to propel business activities; a technology program through which employees can acquire technology-related knowledge and skills geared towards the development of growth businesses and the expansion of existing ones; and a rank-based program that supports upskilling and growth needed by employees when transitioning to a new position or role. These programs let employees independently undergo the training they need to meet their own career goals and in keeping with the kind of work they undertake in the Company.

Job-posting and free-agent systems

We are providing employees with a system and environment where everyone can take on a new challenge. For example, the job posting system is used to recruit new members when a new business is launched or when a new company is

established. It offers employees self-growth and self-realization opportunities.

Furthermore, the free-agent system is activated once a year as a way of letting ambitious employees take up the challenge of furthering their careers themselves. In fiscal year ended March 31, 2022 the system facilitated the exchange of human resources among 20 Group companies, including Yahoo Japan and LINE.

As of April 2022, 1,920 employees (cumulative) have utilized the system to transfer to another Group company.

SoftBank InnoVenture

SoftBank InnoVenture is our in-house entrepreneurship program that we launched with the aim of realizing a strategic synergy group of 5,000 companies under the SoftBank New 30-Year Vision announced back in 2010. The program invites the submission of ideas (new businesses) brimming with creativity and innovation broadly, from within and outside the company, and provides extensive support from before the creation of ideas right through to the scaling up phase after commercialization. In order to drive the implementation of this initiative, in fiscal year ended March 31, 2017 we launched the InnoVenture Lab, a program through which employees can acquire broad knowledge and know-how of new businesses and the methods used to review business plans. Any employee in the Group can participate in the program and joint proposals with somebody outside of the Group can also be entered.

Through these initiatives, SoftBank advances the fostering of a corporate culture that accepts new challenges by strongly encouraging employees to come up with new business ideas based on the themes of business creation and training personnel who can create businesses. As of the end of March 2022, the SoftBank InnoVenture program received a cumulative total of about 7,300 entries, of which 20 ideas (cumulative) were actually commercialized as businesses.

Examples of commercialized projects



Business producer system

In the Digital Transformation Division, we are currently focused on nurturing digital professionals capable of playing a central role in the *Beyond Carrier* strategy with a system to develop so-called "business producers" charged with the task of leading business development projects geared towards solving issues in society. When launching a new business, a business producer must engage in not only business development (business planning, services development, business administration, etc.), but also project management (leading a project in collaboration with many other parties) and people development (project member training, including for oneself). Under this system, these roles have been defined as the skills required of a business producer.

In addition to a hands-on learning approach involving a mix of both on-the-job and off-the-job training, project managers and team members mutually confirm on a regular basis the role and capacity they are expected to fulfil in a project by meeting on a one-on-one basis every six weeks to set project goals. Moreover, progress on attaining predefined skills is evaluated every six months and the nurturing of digital professionals is being encouraged further by communicating the key points regarding the development of capabilities to project members.

The business producer system is now in its third year after being launched in 2019 and has reached the stage whereby more effective feedback obtained from one-on-one meetings and skill assessments is being put to good use. As a result, the skills of members are improving across the board.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Corporate Governance

Risk Management

> **Human Resource Strategy**

Environmental Initiatives

Data Section

Human Resource Strategy

Workstyle reforms and health & productivity management

Adopting flexible and diverse working styles

We are pushing ahead with a smart working style to boost production efficiency by leveraging cutting-edge technology so employees can work in smart and fun ways under the workstyle slogan of "Smart & Fun!"

We are also freeing up more time for employees with the introduction of a "super flextime system" in an effort to "supercharge" results by enabling employees to work more efficiently and with greater focus without being constrained by traditional working hours. With this system, we want employees to invest in their own personal growth by devoting more time to self-development, interaction with colleagues, and communication with family and friends. By doing so, every individual employee, and the Company as a whole, should become more innovative and creative and rise to even greater heights in terms of achievements. Also, based on the thinking that maximizing the performance of organizations and individual employees leads to improvements in corporate value, we are promoting a working style with the best mix of work locations, which might include the Company's offices, a satellite office, or at home. We have no uniform rules on how often employees should come into the office—it is up to each organization and individual employee to adopt a working style under which they can unleash their full potential, taking into account the unique characteristics of their business.



Promotion of health & productivity management and COVID-19 response

We believe the mental and physical well-being of each and

every employee is the driving force behind the realization of both personal and Company dreams and ambitions. Maintaining and improving the health of employees has therefore been identified as one key management issue in our Health Management Declaration. To assist employees with any mental or physical health issues, we set up a Wellness Center where an occupational physician, a health nurse, and a full-time counsellor are permanently stationed. We also make use of a system called Wellness Eye to periodically check up on the stress levels of all employees. As a result, the adoption of self-care practices can prevent deterioration in one's mental health, while this system is also helping to improve the workplace environment. The results of regular health checkups have indicated there to be a certain percentage of employees with abnormal findings, as well as a percentage of employees that smoke. The health checkup results for fiscal year ended March 31, 2022 showed that the percentage of employees completing particular health guidance had increased by more than 20% compared to three years ago, while the rate of smokers among employees had dropped to the 20% level from the 30% range owing to the gradual adoption of a ban on smoking during working hours.

In responding to the COVID-19 pandemic, SoftBank and its Group companies worked together to offer workplace vaccinations and help arrange a large-scale vaccination program. By the end of May 2022, approximately 240,000 shots had been administered at 12 sites nationwide to Group company employees, their families, business partners, healthcare professionals, and local residents. We are also helping to stop the spread of COVID-19 infections with a healthcare service app called HELPO. The app lets users make bookings for a saliva-based PCR test or a vaccination and manage the results thereof. Owing to these initiatives, SoftBank was recognized in 2022 in the White 500 as an organization having outstanding health and productivity management. We have now been listed as a White 500 enterprise for four consecutive years.



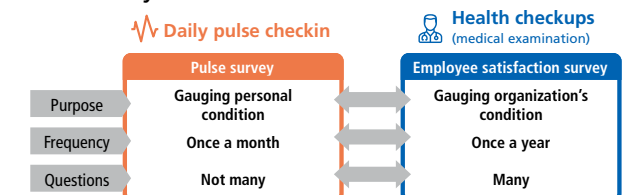
HELPO app

Using technology to secure HR, optimally allocate personnel, and gauge conditions

In order to screen new graduate applicants more objectively and with a unified focal point, in combination with human evaluations, in 2020 we started using an AI system that learns from the assessments of an experienced recruiter and video and other data submitted for the internship selection process, thereby automatically evaluating newly submitted videos. With this technology, we have been able to reduce the time needed to screen video interviews by more than 80%. Furthermore, SoftBank is advancing the shift of human resources into new businesses outside of telecommunications. We are incorporating our proprietary-developed people analytics method into the process of the shift in order to enhance the accuracy of decision making in human resource management. We can place an employee in a position that suits them the best by referencing not only visible information like age and skillset, but also their "personality fit score," which measures how well the person's personality matches each department.

In addition to an employee satisfaction survey conducted every year, we developed and rolled out our very own "pulse survey" in order to measure the day-to-day fulfillment of our employees. By targeting an overall satisfaction score of at least 3.5 in the employee satisfaction survey, we hope to build an even better organization. The monthly pulse survey has been designed to measure changes in the condition of employees by asking them to answer some questions about their work, life, and health. It can be completed on a computer, smartphone, or other personal device and aims to facilitate timely communication between employees and their superiors.

Pulse survey



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Corporate Governance

Risk Management

> Human Resource Strategy

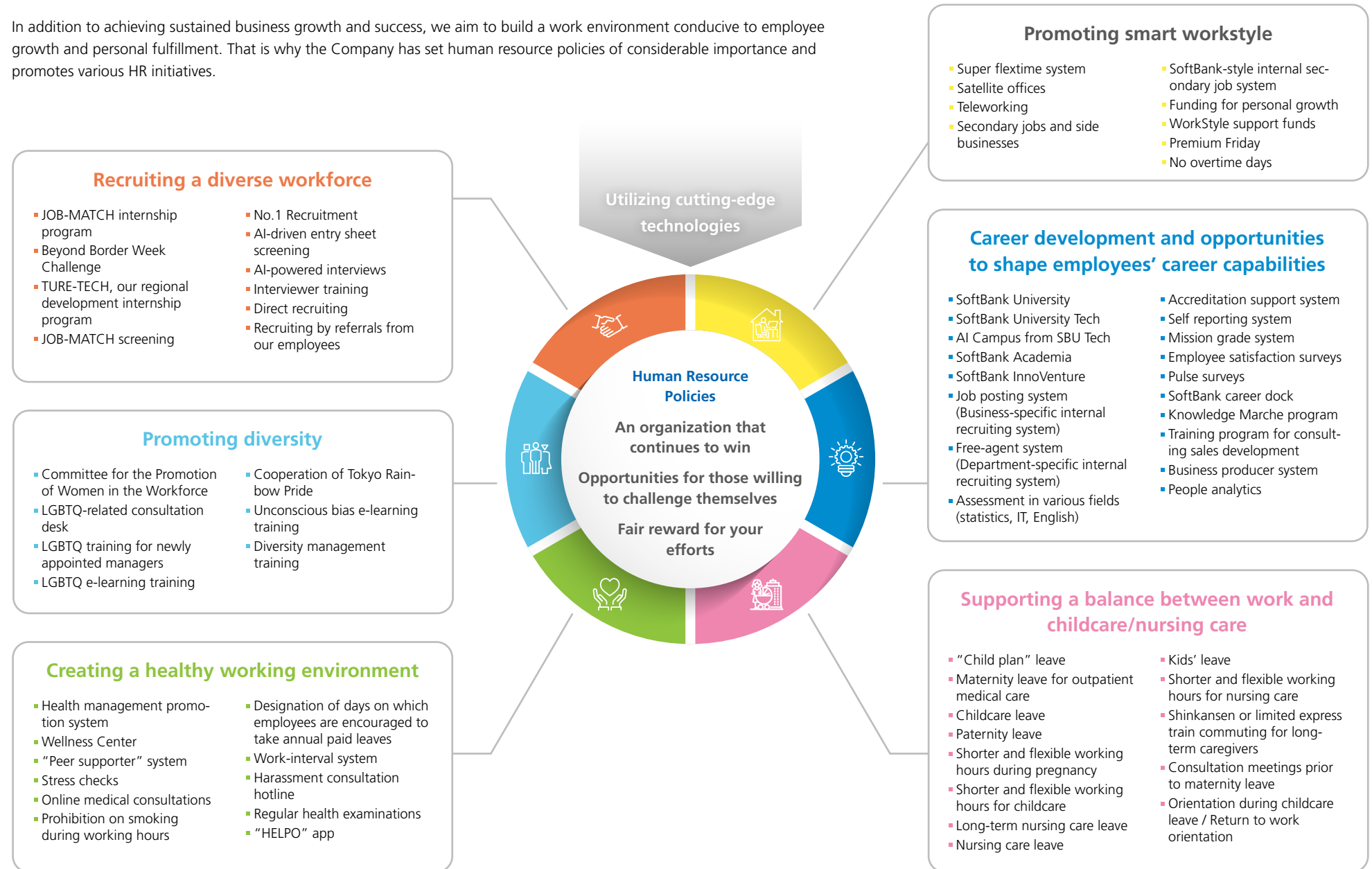
Environmental Initiatives

Data Section

Human Resource Strategy

SoftBank's Human Resource Initiatives

In addition to achieving sustained business growth and success, we aim to build a work environment conducive to employee growth and personal fulfillment. That is why the Company has set human resource policies of considerable importance and promotes various HR initiatives.



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Corporate Governance

Risk Management

> Human Resource Strategy

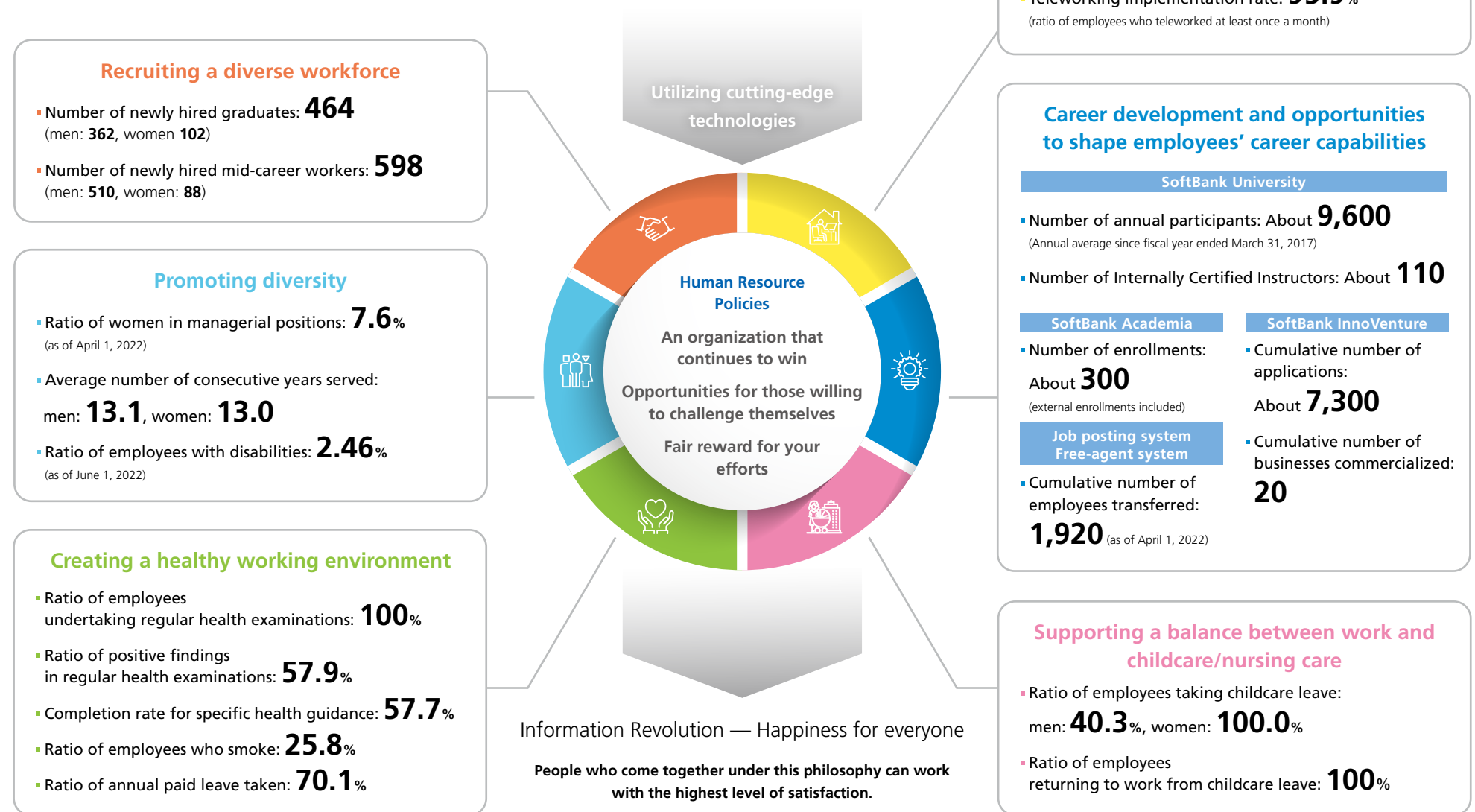
Environmental Initiatives

Data Section

Human Resource Strategy

List of Achievements

By executing HR initiatives unique to SoftBank, we aim to be a company in which employees who implement the *Beyond Carrier* strategy can continue to play active roles.



Note: Figures are as of March 31, 2022 or for the full fiscal year ended March 31, 2022, unless otherwise indicated. Except for "Career development and opportunities to shape employees' career capabilities," figures are for SoftBank Corp. only (standalone basis)

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Corporate Governance

Risk Management

Human Resource Strategy

> Environmental Initiatives

Data Section

Environmental Initiatives



CARBON NEUTRAL 2030

SoftBank is advancing Carbon-Neutral 2030 to reduce greenhouse gas emissions to net zero. Under this initiative, we will switch to the use of virtually renewable energy for 100% of power used in our business activities by 2030, which is the year targeted by international society for the achievement of the Sustainable Development Goals (SDGs), and advance energy conservation efforts that utilize cutting-edge technologies, such as AI and IoT. SoftBank will contribute to the global environment through the spread of renewable energy and the utilization of cutting-edge technology and contribute to the realization of decarbonization across society by realizing carbon-neutral operations. Our reduction targets for greenhouse gas emissions have been verified as science-based by the Science Based Targets initiative (SBTi), an international climate change initiative.

Note: Carbon-Neutral 2030 applies to the Scope 1 and Scope 2 emissions of SoftBank Corp.



Action 1

Shift to Renewable Energy for Power Used at Base Stations

SoftBank's main business is the mobile communications business. The annual greenhouse gas emissions from our business activities total approximately 680,000 tons CO₂ equivalent (Fiscal year ended March 2020 results), more than half of which is attributable to power use at base stations across Japan. Our total annual greenhouse gas emissions are equivalent to those of approximately 250,000 ordinary households. In order to reduce CO₂ emissions, we have decided to switch to electricity from virtually renewable energy supplied by SB Power Corp.* In fiscal year ended March 31, 2022, 50% of base station power came from virtually renewable energy, and we aim to increase this to 70% or more in fiscal year ending March 31, 2023.

We are also steadily switching to virtually renewable energy for facilities and equipment other than base stations to reduce CO₂ emissions.

*Electricity from virtually renewable energy: Electricity from effectively 100% renewable energy, with zero net CO₂ emissions, achieved by combining non-fossil certificates designated as renewable energy.

Action 2

Initiatives at Base Stations and Network Centers

At network centers in Toda City, Saitama Prefecture, and elsewhere, we have installed solar panels with a power generation capacity of approximately 10,000 kWh per year.

Additionally, we have set up wireless base stations equipped with solar panels ("Eco base stations"). Under good weather conditions, these solar panels are capable of producing all the energy needed to operate the stations.

Action 3

Reducing Environmental Load by Developing Next-generation Batteries

SoftBank is working to reduce environmental burden through R&D aimed at the development and practical application of

next-generation batteries. The evolution of devices is driving an increase in power consumption and, in turn, CO₂ emissions. By increasing the capacity and energy density of batteries installed in these devices, it is possible to improve the performance and efficiency of devices, and to reduce environmental burden. The SoftBank Next-generation Battery Lab was established in June 2021 to test and evaluate next-generation batteries from around the world. In October 2021, in collaboration with Empower Greentech Inc. of the United States, the Lab succeeded in demonstrating a lightweight, high-capacity, high mass-energy density lithium metal battery with a mass-energy density more than twice that of conventional batteries (520 Wh/kg class).

By advancing R&D and efforts toward early commercialization, we aim to serve as a platform to promote the development of next-generation batteries.



Mass-energy density 520Wh/kg class battery jointly developed by SoftBank and Enpower Greentech

Action 4

Data Center Initiatives

Our group companies Yahoo Japan and IDC Frontier Inc. are striving to improve the energy efficiency of their data centers. The Kitakyushu Data Center is the first large-scale commercial data center in Japan to implement ambient air cooling. This environmentally friendly data center saves energy by optimizing its air conditioning efficiency. Taking advantage of the surrounding cool climate, the Shirakawa Data Center has installed a building-integrated ambient cooling system that fuses architectural and air conditioning functions, enabling it to cool its buildings by directly pumping in outside air. Cool air from outside covers more than 90% of the data center's annual air conditioning load.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Corporate Governance

Risk Management

Human Resource Strategy

> **Environmental Initiatives**

Data Section

Environmental Initiatives

Support for TCFD Recommendations

In April 2020, SoftBank announced its support for the TCFD Recommendations. Based on the TCFD Recommendations, we are proactively working to implement and enhance disclosure.



Governance

We regard contribution to the achievement of the Sustainable Development Goals (SDGs) set by the United Nations as an important management issue, and have identified material issues to be addressed to this end, one of which is "Contribute to the mitigation of climate change through technology and business." We have established the SDGs Promotion Committee as an advisory body to the Board of Directors to promote measures related to climate change. SoftBank's President and Representative Director assumes the position of Chief SDGs Promotion Officer and, under the supervision of the Board of Directors, has final responsibility for overall sustainability activities, including strategies related to climate change-related risks and opportunities. In addition, to advance internal climate change-related initiatives, we have established the Environment Committee under the direction of the Chief SDGs Promotion Officer and the Executive Officer in Charge of SDGs Promotion. The Environment Committee is chaired by the General Manager of the CSR Division, consists of environmental managers from our business units and group companies, and promotes specific measures to achieve Carbon-Neutral 2030.

Strategy

SoftBank operates a telecommunications business that includes base stations and uses a large volume of electricity. Accordingly, we recognize that our businesses could be subject to significant risks associated with climate change. SoftBank conducts scenario analysis to consider strategies for adapting to possible future events caused by climate change.

We have identified risks that are expected to occur by 2050 and which will have a particularly large financial impact on businesses, including upstream and downstream areas of the value chain.

Climate Change-related Risks and Opportunities

Under a 1.5°C global warming scenario, the scenario analysis identified that while reputational and technological risks are limited, there are potential regulatory risks such as carbon taxes associated with increased electricity use. In the 4°C scenario, while the risks from sea level rise and temperature rise are limited, we identified the risk of more frequent base station outages due to power outages caused by heavy rainfall. In terms of risk countermeasure and opportunities, we have decided upon Carbon-Neutral 2030, in which all electricity and other energy used in our business activities will be renewable energy by fiscal year ending March 31, 2031, established a plan to promote the use of renewable energy for base station power, and set a KPI regarding the provision of electricity from virtually renewable energy sources for one of our material issues. As an interim goal of the Carbon-Neutral 2030 Declaration, we plan to complete the conversion of at least 70% of base station electricity to virtually renewable energy by fiscal year ending March 31, 2024, and to move toward achieving carbon neutrality in fiscal year ending March 31, 2031.

Impact on Business Strategies and Financial Planning

Under the 1.5°C scenario, we assumed that there would be no acute or chronic physical risks from climate change at a level that would affect our business, but that policies, laws and regulations to combat climate change would be strengthened; we estimated the impact of a carbon tax of about ¥16,000 per ton of CO₂ equivalent starting in 2025. In the 4°C scenario, we assumed that there would not be strengthening of policies, laws and regulations, including the strengthening of climate change countermeasures, and that transition risks in the areas of technology, markets and reputation would not materialize. However, under this scenario, we expect to see physical impacts of climate change, such as more severe extreme weather events. For example, we expect that a disaster on par with the July 2020 heavy rainfall and flooding in Kyushu would require a restoration cost of approximately

¥330 million. We have mobile phone base stations in operation nationwide, and based on our analysis of the financial impact of disaster recovery costs, we have secured an appropriate budget and are prepared to respond quickly.

Risk Management

Climate change-related risks are selected and reviewed by the Environment Committee under the supervision of the Executive Officer in Charge of SDGs Promotion. The identified risks are analyzed, taking into consideration various external factors, and evaluated by the Executive Officer in Charge of SDGs Promotion. As a result of the scenario analyses in fiscal year ended March 31, 2022, it was confirmed that there are no significant risks related to changes in strategy.

The Environment Committee monitors and manages progress toward the KPIs related to the identified risks, including regulatory, reputational, market, technological and physical risks, and manages progress. These efforts are reported to the SDGs Promotion Committee, and especially important matters are referred to the Board of Directors.

Integration into the Company-wide Risk Management Process

In order to identify and prevent the manifestation of company-wide risks, we have established a management system that analyzes risks from various angles within the company. Each division includes risks in considerations when proposing measures at the applied business level. In addition, the Risk Management Office periodically identifies company-wide and comprehensive risks, checks the status of countermeasures, and reports the results to the Risk Management Committee. The Risk Management Committee determines the level of importance of risks and the person responsible for dealing with them (risk owner), issues instructions on countermeasures, and reports the status to the Board of Directors. The Internal Audit Department confirms these overall risk management systems and conditions from an independent standpoint.

Climate change risks managed by the Environment Committee are integrated into company-wide risk management, and through regular risk management cycles, we are working to reduce and prevent risks.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Corporate Governance

Risk Management

Human Resource Strategy

> Environmental Initiatives

Data Section

Environmental Initiatives

Identified Risks and Opportunities

	Climate-related Risks	Identified Risks	Scenario	External Scenario	Financial Risks*1, 2			Response Measures/Opportunities
					Short-term	Medium-term	Long-term	
Transition Risk	Policy and Legal	Increased operating costs due to introduction of carbon tax	1.5°C scenario	IEA SDS/NZE	Small	Medium	Medium	<ul style="list-style-type: none"> •Achieve carbon neutrality (fiscal year ending March 31, 2031)
	Technology	Impact on business promotion due to delay in introduction of energy-saving technologies			Small	Small	Small	<ul style="list-style-type: none"> •Switch to energy-saving equipment •Improve efficiency of electricity use through the use of AI and IoT
	Market	Impact on sales due to delays in providing decarbonization services			Small	Small	Small	<ul style="list-style-type: none"> •Promotion of renewable energy power supply •Expansion of remote services and e-commerce markets to reduce travel •Expansion of businesses related to the sharing economy •Expansion of the market for energy-efficient solutions
	Reputation	Damage to brand image and impact on stock price if decarbonization efforts are deemed insufficient			Small	Small	Small	<ul style="list-style-type: none"> •Proactive information publication •Contribution to the reduction of CO₂ emissions in society as a whole •Encourage people to change their behavior through online fundraising, etc.
Physical Risk	Acute	Increased repair costs due to increased base station damage due to heavy rains, typhoons, etc.	1.5°C scenario	IPCC SSP1-1.9	Small	Small	Small	<ul style="list-style-type: none"> •Backbone network redundancy •Securing communications during disasters through a tethered balloon radio relay system •Construction of a high-altitude communication network in the stratosphere
			4°C scenario	IPCC SSP5-8.5	Small	Small	Small	
	Chronic	Increased air conditioning costs due to rising temperatures	1.5°C scenario	IPCC SSP1-1.9	Small	Small	Small	<ul style="list-style-type: none"> •Switch to energy-saving equipment •Improve efficiency of electricity use through the use of AI and IoT
			4°C scenario	IPCC SSP5-8.5	Small	Small	Small	

*1. Financial risk: Impact on consolidated operating income is described in three levels (large, medium and small).

*2. Time horizons: Short-term (-2025), medium-term (-2035), and long-term (-2050)

Metrics and Targets

[P96](#) [P97](#)

To manage the risks and opportunities that climate change poses to the company, we manage environmental impact data, including greenhouse gas emissions (Scope 1, 2, and 3). In fiscal year ended March 31, 2022, Scope 1 and 2 greenhouse gas emissions totaled 708,534 t-CO₂ and Scope 3 emissions totaled 8,685,602 t-CO₂. Please refer to [pages 96 and 97](#) for the Group's Scope 1, 2, and 3 greenhouse gas emissions for the fiscal year ended March 31, 2022.

Targets and Performance

Our main goal is to achieve carbon neutrality by reducing greenhouse gas emissions from electricity used in our business activities to net zero by 2030, the year targeted for the achievement of the SDGs. We used virtually renewable energy for 30% of base station power in fiscal year ended March 31, 2021 and 50% in fiscal year ended March 31, 2022, and we aim to increase this to 70% in fiscal year ending March 31, 2023. In addition, we will promote the reduction of greenhouse gas emissions from all of our other facilities and equipment to achieve net zero greenhouse gas emissions from fiscal year ending March 31, 2031 onward.

The carbon neutrality target covers Scope 1 (direct greenhouse gas emissions by the company itself) and Scope 2 (indirect emissions from the use of electricity, heat and steam supplied by other companies) for SoftBank and its major subsidiaries (representing 93% of consolidated sales).

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information



ata Section

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

> At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

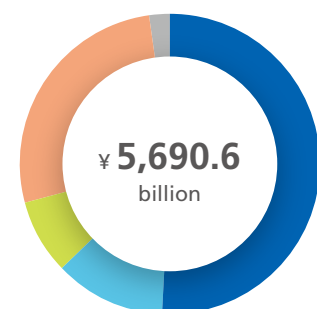
External Evaluation

Corporate Data/Stock Information

At a Glance

Revenue composition*

(Fiscal year ended March 31, 2022)



Consumer Segment

51%

Enterprise Segment

12%

Distribution Segment

8%

Yahoo! JAPAN/LINE segment

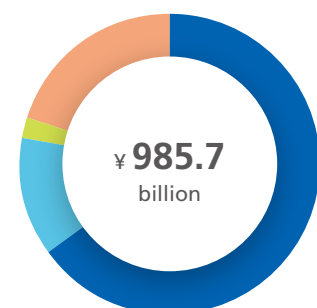
27%

Other

2%

Operating income composition

(Fiscal year ended March 31, 2022)



Consumer Segment

65%

Enterprise Segment

13%

Distribution Segment

2%

Yahoo! JAPAN/LINE segment + Other

20%

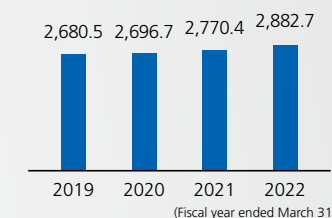
*Revenue ratio for each segment is calculated based on sales to external customers. Percentages are rounded off to the decimal point, and the percentage total for the chart therefore may not add up to 100.

Consumer Segment

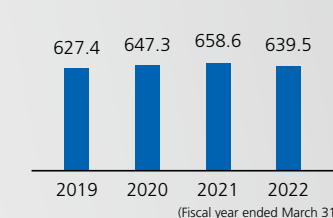
For Individual Customers

- Offering of three brands of mobile communications services: *SoftBank*, *Y!mobile*, and *LINEMO*
- Offering of broadband services such as *SoftBank Hikari*
- Trading and supply of electric power and provision of electric power trading agency services
- Sales of mobile devices

Revenue (Billions of yen)



Segment income (Billions of yen)

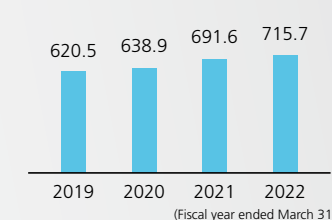


Enterprise Segment

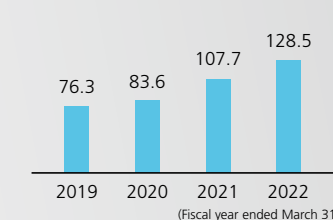
For Enterprise Customers

- Offering of mobile communications and mobile services such as device rental
- Offering of fixed-line communications services such as fixed-line telephones and data communications
- Offering of business solutions and other services, including data centers, cloud services, security, global, AI, IoT, and digital marketing

Revenue (Billions of yen)



Segment income (Billions of yen)



Distribution Segment

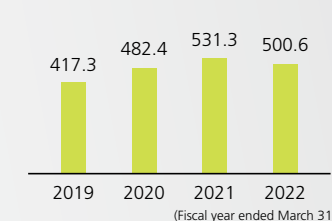
For Enterprise Customers

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

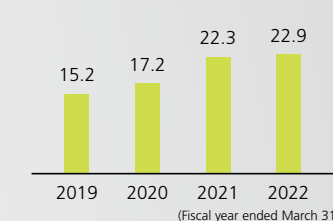
For Individual Customers

- Design and provision of mobile and PC peripherals, including accessories, as well as software, IoT products and other items

Revenue (Billions of yen)



Segment income (Billions of yen)



Yahoo! JAPAN/LINE segment

Media Field

- Provision of media-related services such as media and advertising, search, marketing solutions, vertical, content, and stamps

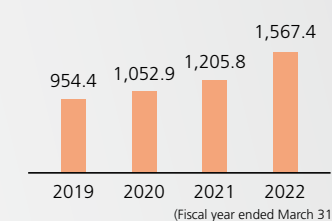
Commerce Field

- Provision of commerce-related services such as shopping services, including *Yahoo! JAPAN Shopping*, *PayPay Mall*, and *ZOZOTOWN*; reuse services including *YAHUOKU!*; and O2O services
- Provision of membership services such as *Yahoo! JAPAN Premium*

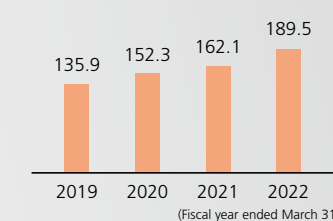
Strategy Field

- Provision of payment, finance, AI, healthcare, and other services

Revenue (Billions of yen)



Segment income (Billions of yen)



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

> Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

ESG Data Book

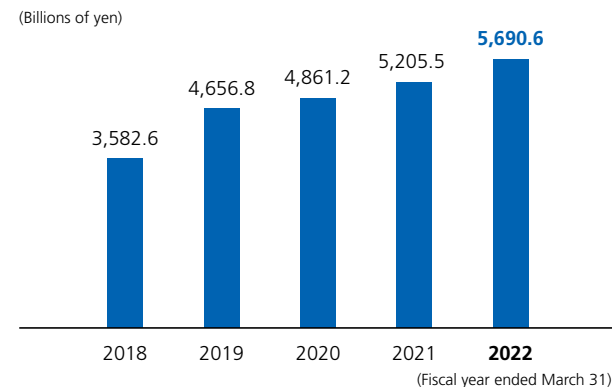
Group Structure

External Evaluation

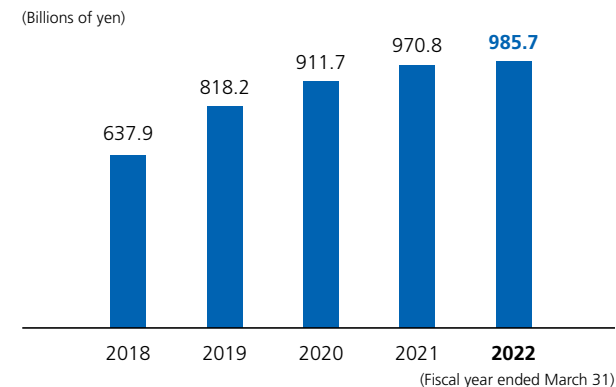
Corporate Data/Stock Information

Performance Highlights (Financial)

Revenue **¥ 5,690.6 billion**

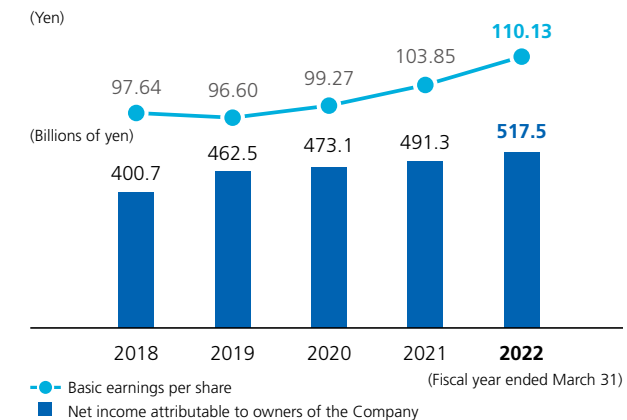


Operating income **¥ 985.7 billion**

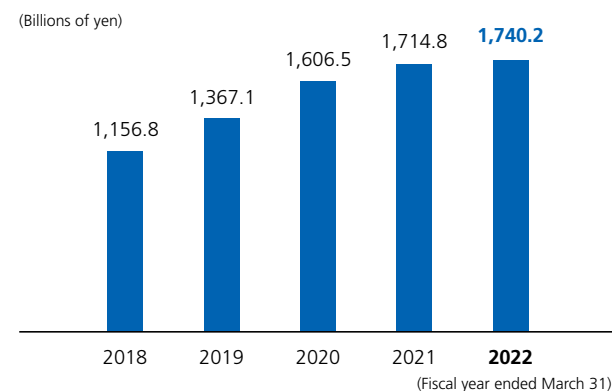


Net income attributable to owners of the Company **¥ 517.5 billion**

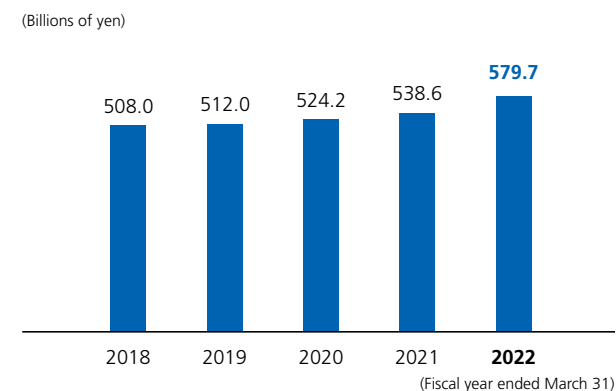
Basic earnings per share*1 **¥ 110.13**



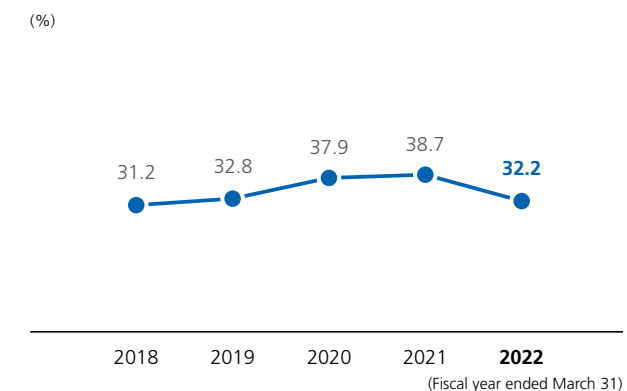
Adjusted EBITDA*2 **¥ 1,740.2 billion**



Adjusted free cash flow (SoftBank)*3 **¥ 579.7 billion**



ROE*4 **32.2%**
(Ratio of net income to equity attributable to owners of the Company)



*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) + stock compensation expenses ± other adjustments

The definition of Adjusted EBITDA has been revised to include stock compensation expenses from the fiscal year ended March 31, 2022, figure of the fiscal year ended March 31, 2021 is restated accordingly

*3 Adjusted free cash flow = free cash flow + (proceeds from the securitization of installment sales receivables – repayments thereof)

Excludes free cash flow of A Holdings Corporation and Z Holdings Corporation and its subsidiaries, net payments for obtaining the control of subsidiaries associated with the business integration with LINE Corporation, and loans to Board Directors. Includes dividend payments from A Holdings Corporation and Z Holdings Corporation

*4 Net income attributable to owners of the Company ratio (ROE) = Net income attributable to owners of the Company / Average of total equity attributable to owners of the Company at the beginning and end of the relevant period
The figure for the fiscal year ended March 31, 2021 has been adjusted retrospectively to reflect the completion of provisional accounting treatment for business integration of Z Holdings Corporation with LINE Corporation

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Section 2
How We Create Value

Section 3
How We Sustain Value

Data Section

At a Glance

> Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

ESG Data Book

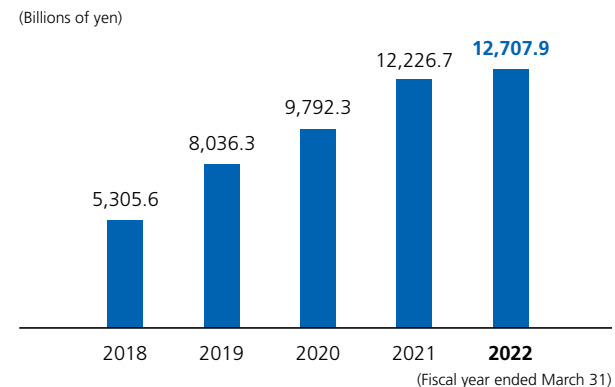
Group Structure

External Evaluation

Corporate Data/Stock Information

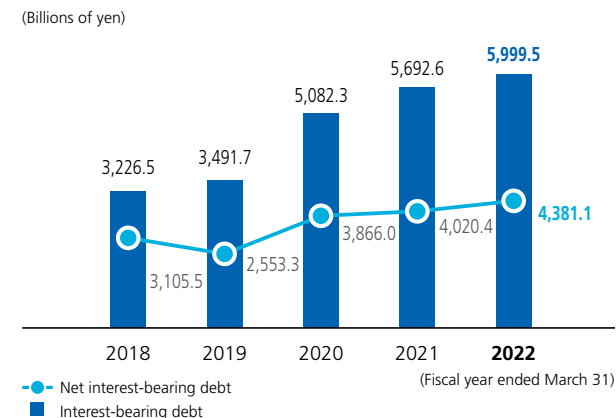
Performance Highlights (Financial)

Total assets ¥ 12,707.9 billion

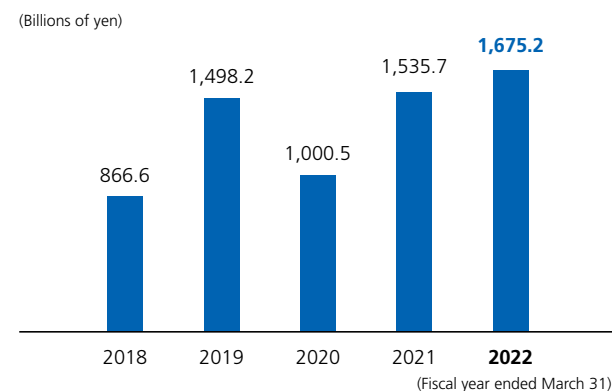


Interest-bearing debt ¥ 5,999.5 billion

Net interest-bearing debt*5 ¥ 4,381.1 billion

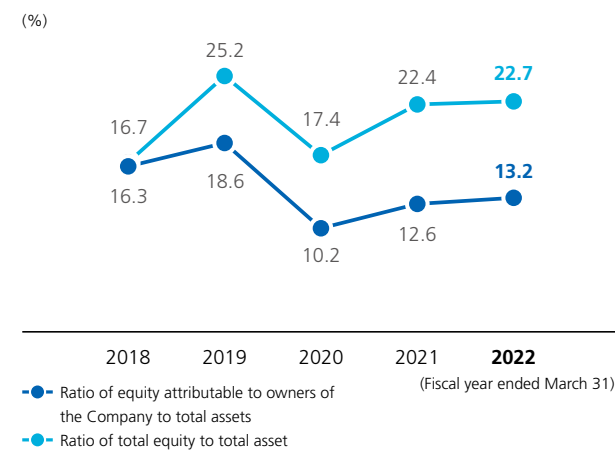


Total equity attributable to owners of the Company ¥ 1,675.2 billion



Ratio of equity attributable to owners of the Company to total assets*7 13.2%

Ratio of total equity to total asset 22.7%



Credit ratings*6

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

A+
(stable)

Japan Credit Rating Agency, Ltd. (JCR)

AA-
(stable)

*5 Net interest-bearing debt = Interest-bearing debt – Cash and cash equivalents – Cash reserve for securitization of sales receivables
Cash reserve for securitization of sales receivables is included in net interest-bearing debt from the fiscal year ended March 31, 2021, figure of the fiscal year ended March 31, 2020 is restated accordingly
Until the fiscal year ended March 31, 2019, Net interest-bearing debt = Interest-bearing debt – Cash and cash equivalents

*6 In regard to issuer credit ratings, the Company has obtained ratings from Rating and Investment Information, Inc. (R&I) on August 18 and Japan Credit Rating Agency, Ltd. (JCR) on September 10, 2021, and maintained the same ratings respectively.

*7 Ratio of equity attributable to owners of the Company to total assets = total equity attributable to owners of the Company ÷ total assets

Note: The Company has adopted IFRS 15 from the fiscal year ended March 31, 2019. IFRS 15 has been retroactively applied to 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. Figures for the fiscal year ended March 31, 2019 and earlier have not been restated because a method to recognize the cumulative effect from the day of adoption has been employed in accordance with IFRS 16 transitional measures. 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.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

> Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

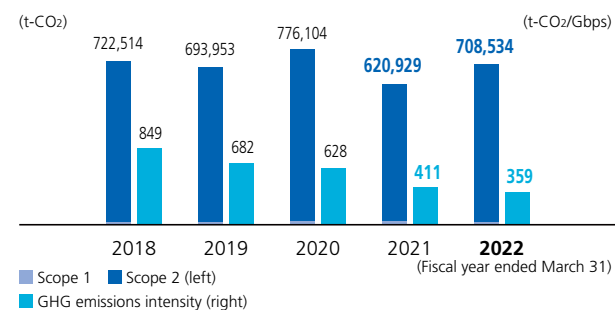
Performance Highlights (Non-Financial)

Environment-related (E)

In May 2021 we announced our Carbon Neutral 2030 Declaration and established targets for reducing greenhouse gas emissions.

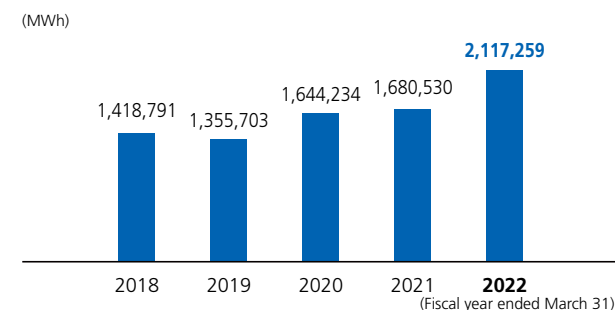
Greenhouse gas emissions (total)*1 **708,534** t-CO₂

GHG emissions intensity*2 **359** t-CO₂/Gbps



*1 The increase in fiscal year ended March 31, 2022 is due to the change in the boundaries. Third-party verified.
*2 Greenhouse gas emissions at 1 Gbps.

Energy consumption (electric power)*3 **2,117,259** MWh

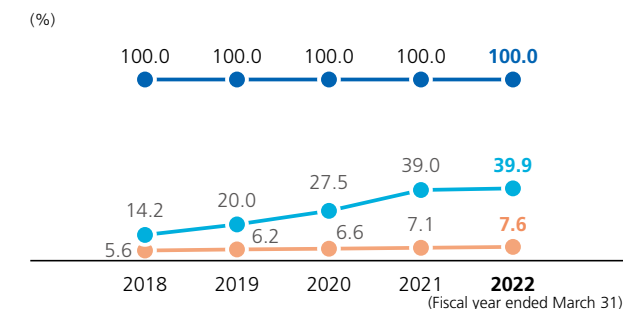


* The increase in fiscal year ended March 31, 2022 is due to the change in the boundaries.
*3 For the fiscal year ending March 2031, the electric power consumption is estimated to rise to 2,500,000MWh, due to the traffic growth through the provision of 5G, etc. We set the goal of using virtually 100% renewable energy for total electric power consumption. Third-party verified.

Society-related (S)

In June 2021 we established a target for the ratio of women in management positions and set up the Advancement of Women Promotion Committee so that we can work towards achieving this goal. We are also encouraging male employees to take paternity leave, and the ratio of paternity leave is increasing year by year.

Ratio of employees taking childcare leave (women) **100.0%**
Ratio of employees taking childcare leave (men) **39.9%**
Ratio of women in management positions*4 (SoftBank only) **7.6%**



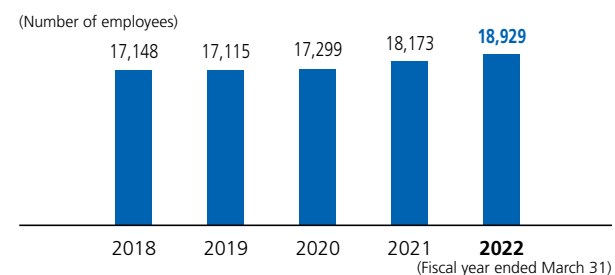
● Ratio of employees taking childcare leave (women) (SoftBank + major subsidiaries)
● Ratio of employees taking childcare leave (men) (SoftBank + major subsidiaries)
● Ratio of women in management positions (SoftBank only)
*4 As of April 1 for each fiscal year. Third-party verified.

Society-related (S)

Since the fiscal year ended March 31, 2021, employees have utilized telework with various IT tools such as online conferencing systems and business chat software.

Number of employees (SoftBank only) **18,929**

Ratio of telework*5 (SoftBank only) **95.9%**



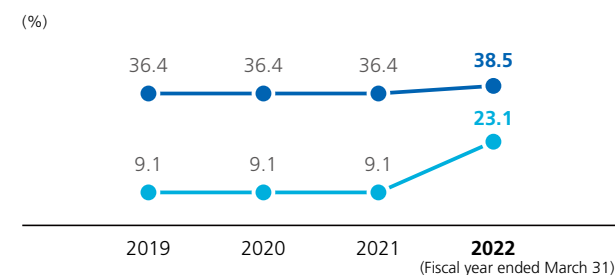
■ Number of employees (SoftBank only)
*5 Ratio of employees who engaged in telework at least once a month. Third-party verified.

Governance-related (G)

In June 2021 we elected two additional external directors in an effort to further strengthen corporate governance. Six of the 13 directors are now external directors. We also strive to strengthen information security and aim to achieve zero serious information security or privacy incidents every year.

Ratio of independent external directors **38.5%**

Ratio of female directors **23.1%**



● Ratio of independent external directors
● Ratio of female directors

Number of information security incidents*6 (Fiscal year ended March 31)

2018	2019	2020	2021	2022
0	1	0	0	0

*6 Disclosed in accordance with the Company's information security policy.

Cases of leakage of personal information, theft or loss of data*7 (Fiscal year ended March 31)

2018	2019	2020	2021	2022
0	0	0	0	0

*7 Disclosed based on guidance from regulatory authorities and violations of laws and regulations.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

> Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Market Data

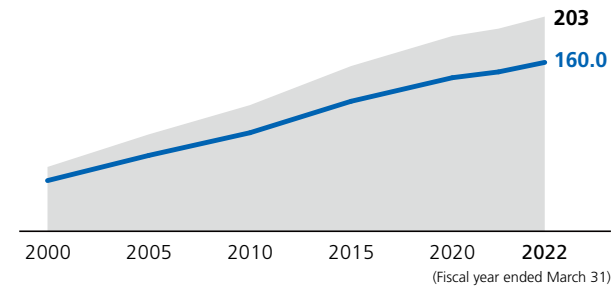
Japan's Telecom Market

Number of mobile phone subscribers in Japan

203.41 million

Mobile phone penetration rate as share of the population in Japan

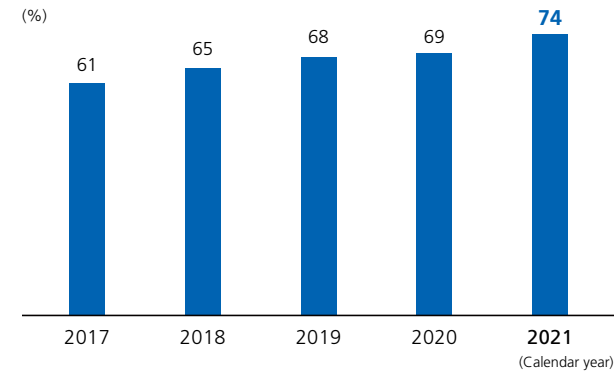
160.0%



Legend: ■ Number of mobile phone subscribers (Millions of subscribers), ■ Penetration rate as share of population (%)
Source: Compiled by the Company based on the Ministry of Internal Affairs and Communications, "Announcement of Quarterly Data on the Number of Telecommunications Service Contracts and Market Share" and "Counts of population, vital events and households derived from the Basic Resident Registration"

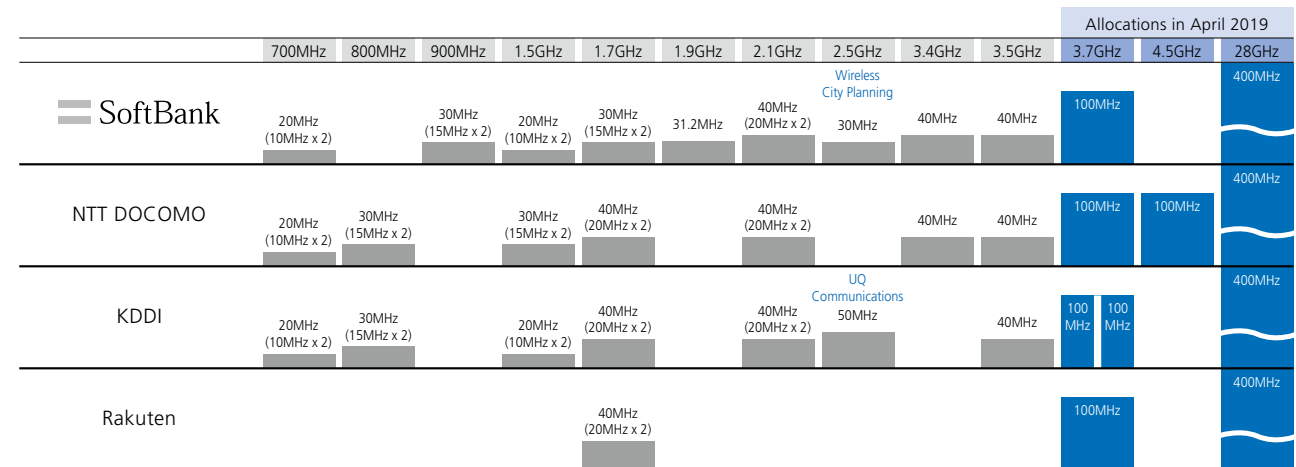
Smartphone penetration rate (individual)

74%



Source: Ministry of Internal Affairs and Communications, "Communication Usage Trend Survey"

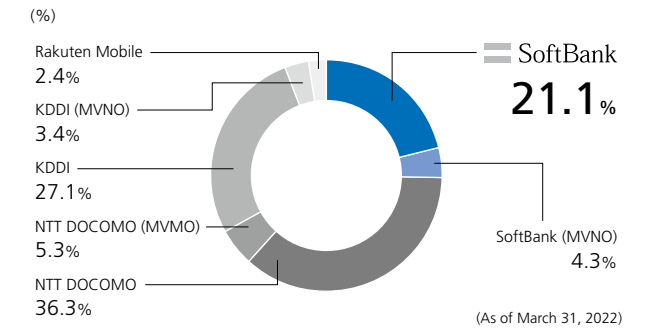
Status of Frequency Allocation**



*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*1

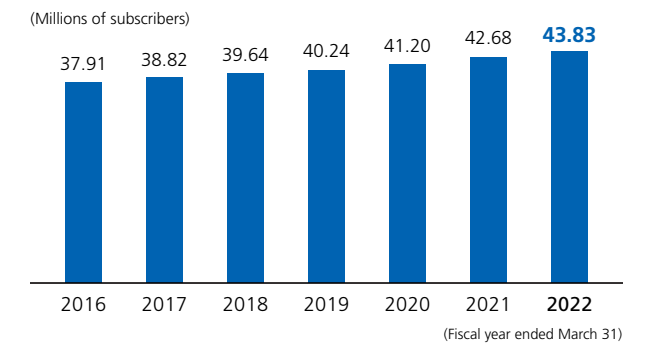


*1 Total number of mobile phone, PHS and BWA subscribers
Source: Ministry of Internal Affairs and Communications, "Announcement of Quarterly Data on the Number of Telecommunications Service Contracts and Market Share (FY2021 Q4 (End of March))"

Broadband

Number of fixed broadband service subscribers in Japan*3

43.83 Million



*3 Total of FTTH, DSL, CATV Internet and FWA subscribers
Source: Ministry of Internal Affairs and Communications, "Announcement of Quarterly Data on the Number of Telecommunications Service Contracts and Market Share (FY2021 Q4 (End of March))"

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

> Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Review and Analysis of the Fiscal Year Ended March 31, 2022

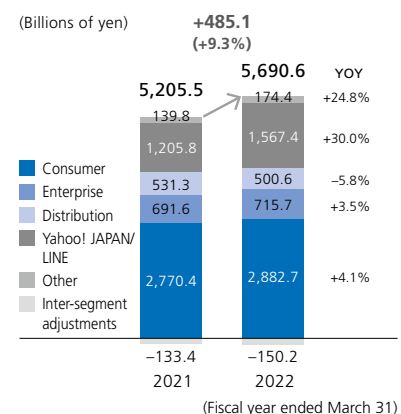
Management Environment

The management environment remains uncertain and unstable, compounded by inflation concerns and tense global geopolitical conditions. At the same time, due to the COVID-19 outbreak which has been continuing since 2020, the shift to new lifestyles such as teleworking, online shopping, and contactless payment methods is almost forcibly underway, and the use of a wide range of digital technologies is urgently needed. In addition, serious threats such as climate change risk and cybersecurity risk are drawing renewed attention. In this environment, the full-scale spread of 5G and the development of digital technologies such as AI are expected to enable all kinds of things to be connected to the Internet and, using the vast amount of data obtained and analyzed, solve various social issues by preventing risks and optimizing daily life and corporate activities.

Overview of Consolidated Results of Operations and Results by Segment

Revenue

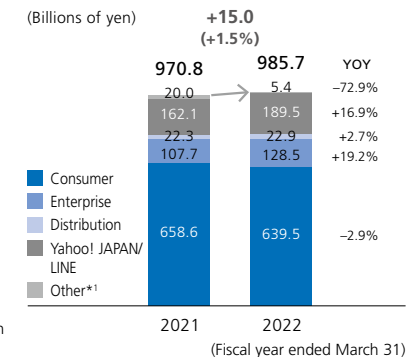
For the fiscal year ended March 31, 2022, revenue increased by ¥485.1 billion (9.3%) year on year to ¥5,690.6 billion. Revenue increased by ¥361.6 billion in the Yahoo! JAPAN/LINE segment, mainly due to increased revenue in connection with consolidation of LINE, by ¥112.3 billion in the Consumer segment, mainly due to increases in electricity revenue and revenues from sales of goods and others, despite the impact of a decline in ARPU due to mobile service price reduction, and by ¥24.1 billion in the Enterprise segment, mainly due to an increase in demand for solutions associated with digitalization. On the other hand, revenue decreased by ¥30.7 billion in the Distribution segment, mainly due to absence of revenue for large-scale project orders from municipalities recorded in the previous fiscal year, while there was a solid increase in revenue from subscription services.



Operating income

For the fiscal year ended March 31, 2022, operating income increased by ¥15.0 billion (1.5%) year on year to ¥985.7 billion. Operating income increased by ¥27.4 billion in the Yahoo! JAPAN/LINE segment, owing to the consolidation of LINE and growth in the advertising business, and by ¥20.7 billion in the Enterprise segment, mainly due to an increase in demand for solutions associated with digitalization. In the Distribution segment, operating income increased by ¥0.6 billion due to a solid increase in income from subscription services. On the other hand, operating

income decreased by ¥19.2 billion in the Consumer segment mainly due to the impact of the switch from the *SoftBank* brand to the *Y!mobile* and *LINEMO* brands and the introduction of new price plans. In Other, not included in the above segments, operating income decreased by ¥10.7 billion year on year mainly due to aggressive investments by subsidiaries of the Company to gain market shares.

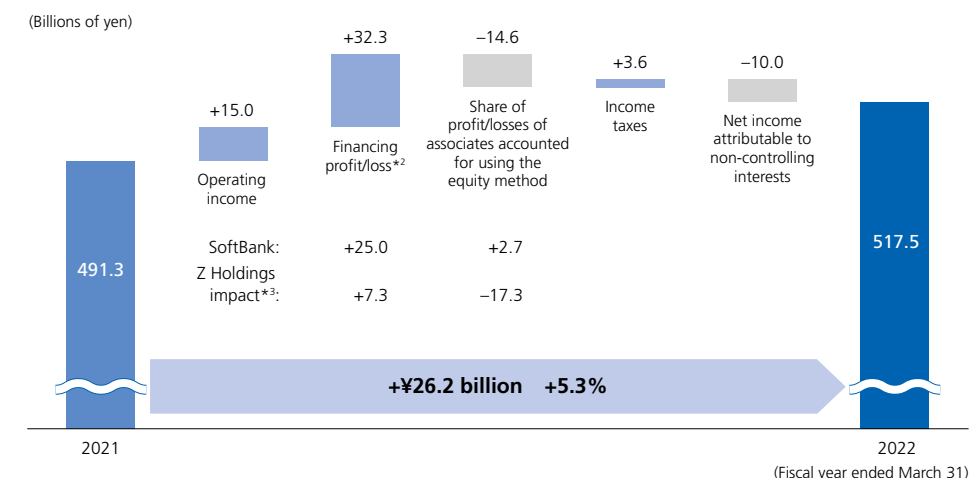


*1 "Other" includes inter-segment adjustments (+¥0.5bn in FYE March 31, 2021; -¥3.4bn in FYE March 31, 2022)

Net income attributable to owners of the Company

For the fiscal year ended March 31, 2022, net income attributable to owners of the Company increased by ¥26.2 billion (5.3%) year on year to ¥517.5 billion. This increase mainly reflects an increase in operating income of ¥15.0 billion and an increase in financing income of ¥33.7 billion due to gains on valuation of investment securities held, while there was an increase in share of losses of associates accounted for using the equity method of ¥14.6 billion due to the impact of Demae-can Co., Ltd and LINE's overseas associates accounted for using the equity method. Net income attributable to non-controlling interests increased by ¥10.0 billion (17.7%) year on year to ¥66.4 billion mainly due to the impact of a decrease in the Company's percentage of voting rights in Z Holdings in connection with the business integration of Z Holdings and LINE.

Analysis of variance in net income attributable to owners of the Company



*2 Financing profit/loss includes financing income and costs, gain and loss on sales of equity method investments, and impairment losses on equity method investments

*3 Calculated based on SoftBank's financial statements

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

> Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Review and Analysis of the Fiscal Year Ended March 31, 2022

Adjusted EBITDA

For the fiscal year ended March 31, 2022, adjusted EBITDA increased by ¥25.4 billion (1.5%) year on year to ¥1,740.2 billion. The main components of this change were an increase in operating income, along with an increase in stock compensation expenses in relation to stock options issued by Z Holdings in connection with the business integration of Z Holdings and LINE, and an increase in depreciation and amortization associated with the business integration. The Group believes that adjusted EBITDA, which excludes the impact of non-cash transactions, is a useful and necessary indicator for evaluating its business performance.

Consumer segment

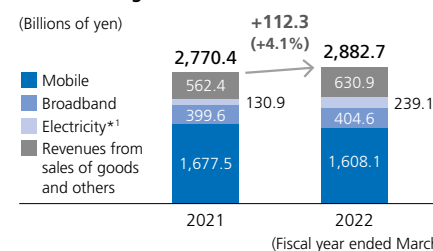
In the Consumer segment, the Company provides services, such as mobile services, broadband services and electricity services, including the *Ouchi Denki* (Home Electricity) service, to individual customers in Japan. The Company procures mobile devices from mobile device manufacturers and sells the mobile devices to distributors operating SoftBank shops, etc. and individual customers.

Revenue for the fiscal year ended March 31, 2022 increased 4.1% year on year. Mobile revenue, however, decreased 4.1% year on year. The decrease reflects a decline in ARPU due to mobile service price reduction and reversal of contract liabilities related to *Half-Price Support* of ¥11.0 billion as a one-time increase in revenue in the previous fiscal year, while there was an increase in subscribers led by the *Y!mobile* brand, in addition to an improvement in the amount of *Otokuwari* discounts* offered by the *SoftBank* brand. The decline in ARPU due to mobile service price reduction was mainly due to the effects of an increase in subscribers switching from the *SoftBank* brand to the *Y!mobile* and *LINEMO* brands and introduction of new price plans under the *SoftBank* and *Y!mobile* brands.

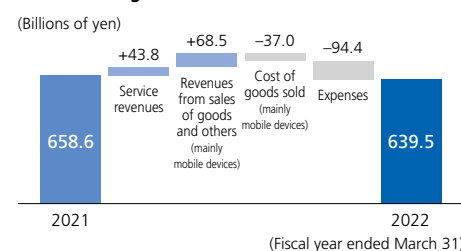
Broadband revenue increased 1.3% year on year. This increase was due to an increase in subscribers of the *SoftBank Hikari* fiber-optic service. Moreover, electricity revenue increased 82.6% year on year. This increase was mainly due to an increase in subscribers of the *Ouchi Denki* (Home Electricity) service and fluctuation of transaction volume and price in the market.

Sales of goods and others revenue increased 12.2% year on year. This increase was mainly

Consumer segment revenue

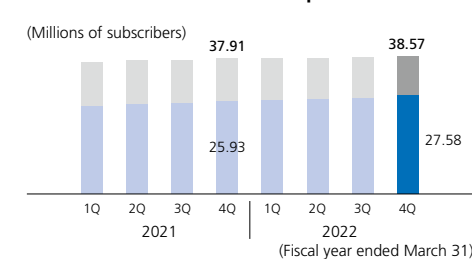


Consumer segment income



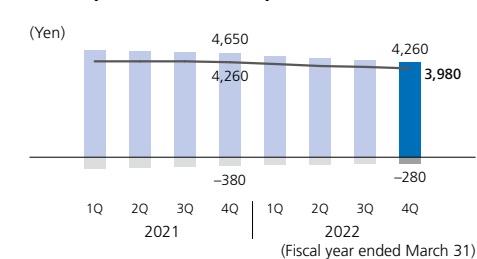
*1 From the fiscal year ended March 31, 2022, the amount of transactions related to the renewable energy power generation promotion levy are no longer included in Electricity revenue. If the same standard were applied to the fiscal year ended March 31, 2021, revenue would be ¥118.1 billion (variance is ¥12.9 billion, same amount deducted from costs).

Cumulative number of mobile phone subscribers



*2 Main subscribers: smartphones, feature phones, tablets, mobile data communication devices, *Wireless Home Phone*, and others

ARPU (main subscribers)*3



*3 ARPU: Average Revenue Per User per month (rounded to the nearest ¥10)

due to an increase in unit price of mobile devices associated with the rise in the composition of high-priced mobile devices.

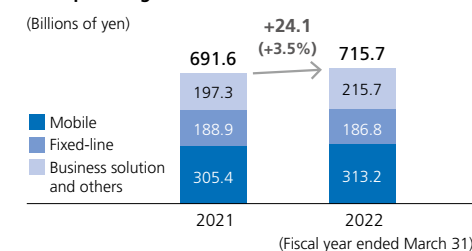
The total of operating expenses (cost of sales and selling, general and administrative expenses) and other operating income and loss (other operating income and other operating expenses), hereinafter referred to as "total operating expenses," increased 6.2% year on year. This increase was mainly due to an increase in the cost of products related to the *Ouchi Denki* service, an increase in the cost of products pertaining to an increase in unit purchase price associated with the abovementioned rise in the composition of high-priced mobile devices, and an increase in telecommunication network charges due to an increase in subscribers of the *SoftBank Hikari*. As a result, segment income decreased by ¥19.2 billion (2.9%) year on year to ¥639.5 billion.

* The *Otokuwari* discounts include *First Year Discount*, *First Year Discount+*, and *Half-year Discount*.

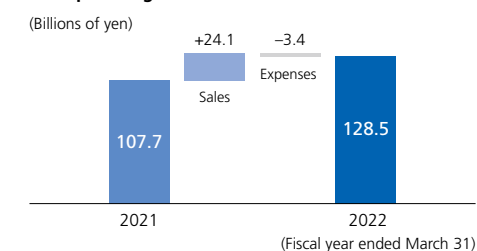
Enterprise segment

In the Enterprise segment, the Group provides a wide range of solutions for enterprise customers. These include mobile services such as mobile lines and mobile device rental, fixed-line

Enterprise segment revenue



Enterprise segment income



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

> Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Review and Analysis of the Fiscal Year Ended March 31, 2022

communications services such as fixed-line telephones and data communications, as well as various solutions for enterprises such as data center, cloud, security, global, AI, IoT, and digital marketing services.

Revenue for the fiscal year ended March 31, 2022 increased 3.5% year on year. Within Enterprise segment revenue, mobile revenue increased 2.6% year on year due to an increase in the number of smartphone subscribers following growing demand for telework. Fixed-line revenue decreased 1.1% year on year, mainly due to a decrease in the number of subscribers to telephone services. Business solution and others revenue increased 9.3% year on year mainly from increased revenue from cloud services, digital marketing advertising services, and security solutions as a result of capturing enterprise customers' demand for digitalization arising from the COVID-19 outbreak.

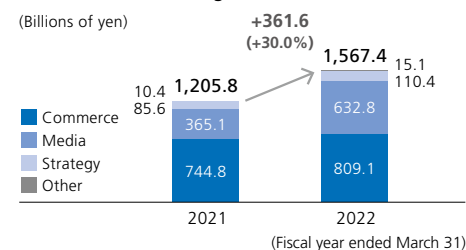
Total operating expenses increased 0.6% year on year. This increase mainly reflects an increase in costs following the abovementioned increase in business solution and others revenue. As a result, segment income increased by ¥20.7 billion (19.2%) year on year to ¥128.5 billion.

■ Yahoo! JAPAN/LINE segment

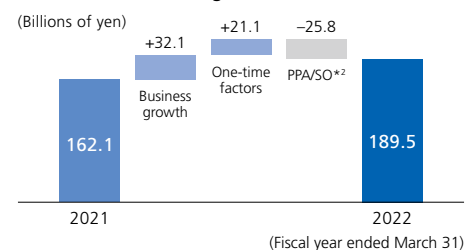
In the Yahoo! JAPAN/LINE segment, the Group offers services that center on media, commerce, finance, and payment-related businesses, covering online to offline services in a comprehensive manner. In the media field, the Group provides advertising-related services on the Internet and LINE. In the commerce field, the Group provides e-commerce services such as *Yahoo! JAPAN Shopping*, *PayPay Mall* and *ZOZOTOWN*, and reuse services such as *YAHUOKU!*. In the strategy field, the Group provides finance, payment and similar services centered on FinTech, which the Group is working to develop into new drivers of earnings alongside media and commerce.

Revenue for the fiscal year ended March 31, 2022 revenue increased 30.0% year on year. Within Yahoo! JAPAN/LINE segment revenue, media revenue increased 73.3% year on year,

Yahoo! JAPAN/LINE segment revenue*1



Yahoo! JAPAN/LINE segment income



*1 Z Holdings Corporation revised its business management classification, following the integration with LINE Corporation in March 2021. From the first quarter of fiscal year ended March 31, 2022, "Strategy" has been added to the breakdown of revenues, and each breakdown has been revised with respect to certain services. Revenues for fiscal year ended March 31, 2021 has been restated accordingly.

*2 PPA = Amortization of intangible assets recognized related to LINE Corporation consolidation; SO = Stock-based compensation expenses related to stock options issued by Z Holdings Corporation related to the consolidation of LINE Corporation.

mainly reflected the recovery of advertising demand and the product improvement initiatives, in addition to the consolidation of LINE. Commerce revenue increased 8.6% year on year, mainly due to an increase in revenue of the ZOZO Group and the ASKUL Group, in addition to the consolidation of LINE. Strategy revenue increased 29.0% year on year, mainly reflected an increase in revenue in the FinTech field, in addition to the consolidation of LINE.

Total operating expenses increased 32.0% year on year. This increase mainly reflected an increase in expenses accompanying the consolidation of LINE and an increase in sales promotion expenses at Yahoo Japan. As a result, segment income increased by ¥27.4 billion (16.9%) year on year to ¥189.5 billion.

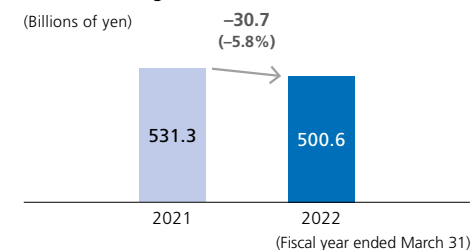
■ Distribution segment

In the Distribution segment, the Group provides cutting-edge products and services that quickly capture the ever-changing market environment. For enterprise customers, the Group offers products and services primarily addressing cloud services and advanced technologies including AI. For individual customers, the Group undertakes the planning and provision of products and services across a wide range of areas such as software, mobile accessories, and IoT products, as a manufacturer and distributor.

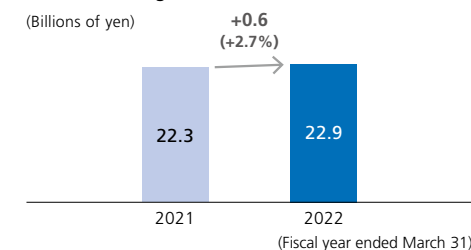
Revenue for the fiscal year ended March 31, 2022 decreased 5.8% year on year. This decrease was mainly due to absence of revenue for large-scale project orders from municipalities recorded in the previous fiscal year, while there was solid growth in subscription services such as cloud and SaaS, which have been strategic areas of focus.

Total operating expenses decreased 6.2% year on year. This decrease was mainly due to a decrease in costs of products in connection with the decrease in revenue. As a result, segment income increased by ¥0.6 billion (2.7%) year on year to ¥22.9 billion.

Distribution segment revenue



Distribution segment income



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

> Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Review and Analysis of the Fiscal Year Ended March 31, 2022

Overview of Consolidated Financial Position

■ Assets

Total assets amounted to ¥12,707.9 billion as of March 31, 2022, an increase of ¥500.2 billion (4.1%) from the previous fiscal year-end. This mainly reflected an increase of ¥157.7 billion in intangible assets mainly associated with the acquisition of the trademarks by Yahoo Japan, an increase of ¥155.5 billion in other financial assets, which primarily reflected an increase in the housing loan balance in the banking business, and an increase of ¥147.9 billion in investment securities.

■ Liabilities

Total liabilities amounted to ¥9,819.6 billion as of March 31, 2022, an increase of ¥349.0 billion (3.7%) from the previous fiscal year-end. This increase was mainly due to an increase of ¥306.9 billion in interest-bearing debt and an increase of ¥240.6 billion in deposits for banking business, while there was a decrease of ¥161.4 billion in trade and other payables. The increase

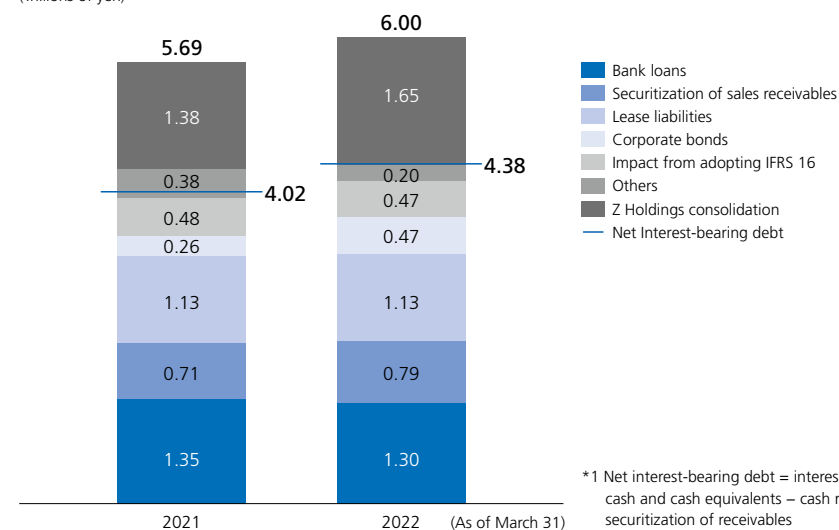
in interest-bearing debt was mainly due to the issuance of ¥210.0 billion and ¥100.0 billion in unsecured bonds by the Company and Z Holdings, respectively, and the raising of borrowings of ¥200.0 billion for the purpose of securing operating funds at the Company, while there was a decrease due to progress in scheduled payment of a long-term loan. The decrease in trade and other payables was mainly due to the payment of accrued liabilities related to the purchase of shares of LINE (currently A Holdings Corporation) that were less than one unit as a result of the reverse share split.

■ Equity

Total equity amounted to ¥2,888.3 billion as of March 31, 2022, an increase of ¥151.2 billion (5.5%) from the previous fiscal year-end. This was mainly due to an increase of ¥584.0 billion due to the recording of net income, which was partially offset by a decrease of ¥467.9 billion due to cash dividends.

Interest-bearing debt/Net Interest-bearing debt*1

(Trillions of yen)



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

Consolidated statement of financial position*2

(Billions of yen)

(As of March 31)	2021	2022	Variance	Main factors behind change
Cash and cash equivalents	1,584.9	1,546.8	-38.1	Decreased due to the purchase of LINE (currently A Holdings Corporation) shares less than one unit, though there were increases in PayPay Card Corporation and PayPay Bank Corporation.
Trade and other receivables	2,082.2	2,128.9	+46.7	
PP&E/intangible assets/right-of-use assets	5,681.6	5,827.9	+146.3	Increase in property, plant and equipment due to increase in telecommunication facilities. Increase in intangible assets due to acquisition of trademarks related to Yahoo Japan. Amortization of right-of-use assets; decrease from depreciation, lease-ups, etc.
Other assets	2,859.0	3,204.3	+345.3	Increase in investment securities from investing in PayPay and increase in other financial assets from increase in housing loan balance of PayPay Bank Corporation.
Total assets	12,207.7	12,707.9	+500.2	
Interest-bearing debt	5,692.6	5,999.5	+306.9	Increase due to bonds issued by the Company and bonds issued by Z Holdings, borrowings for the purpose of securing operating funds at the Company, despite the decrease in the contracted repayment of long-term borrowings.
Other liabilities	3,778.0	3,820.0	+42.0	
Total liabilities	9,470.6	9,819.6	+349.0	
Total equity	2,737.1	2,888.3	+151.2	

*2 The figures as of Mar 31, 2021 have been adjusted retrospectively due to the finalization of provisional accounting treatment for business combinations.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

> Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Review and Analysis of the Fiscal Year Ended March 31, 2022

Overview of Consolidated Cash Flows

■ Cash flows from operating activities

In the fiscal year ended March 31, 2022, net cash inflow from operating activities was ¥1,215.9 billion, a decrease of ¥123.0 billion year on year. This decrease mainly reflected a decrease in income taxes refunded due to the absence in the fiscal year ended March 31, 2022 of the income tax refunded related to dividends paid among the Z Holdings Group recorded in the previous fiscal year, a decrease in inflows related to an increase in trade and other payables, and a decrease in inflows related to deposits in banking business, while there was a decrease in outflows related to loans in banking business.

■ Cash flows from investing activities

In the fiscal year ended March 31, 2022, net cash outflow from investing activities was ¥957.7 billion, an increase of ¥446.4 billion year on year. This mainly reflected payments for purchases of property, plant and equipment and intangible assets associated with the acquisition of the trademarks and other assets for ¥178.5 billion by Yahoo Japan in connection with the license agreement and payments for acquisition of investments including the purchase of shares of LINE (currently A Holdings Corporation) that were less than one unit for ¥115.2 billion as a result of the reverse share split, in the fiscal year ended March 31, 2022. Another factor was the absence of a cash inflow of ¥312.8 billion from the acceptance of the balance of cash and cash equivalents resulting from the consolidation of LINE through a stock exchange and a net cash outflow of ¥175.3 billion associated with the joint tender offer for shares of LINE, both of which were recorded in the fiscal year ended March 31, 2021.

■ Cash flows from financing activities

In the fiscal year ended March 31, 2022, net cash outflow from financing activities was ¥305.1 billion. While the cash inflow was ¥2,085.3 billion including the issuance of ¥210.0 billion and ¥100.0 billion in unsecured bonds by the Company and Z Holdings, respectively, the raising of borrowings of ¥200.0 billion for the purpose of securing operating funds at the Company, and the issuance of commercial paper by the subsidiaries, the total cash outflow was ¥2,390.4 billion mainly due to scheduled payment of a long-term loan and payment of cash dividends.

■ Adjusted free cash flow

In the fiscal year ended March 31, 2022, adjusted free cash flow was positive ¥352.0 billion, a decrease of ¥478.8 billion year on year. This reflects the effects of the abovementioned decrease in net cash inflow from operating activities, the increase in net cash outflow from investing activities, and the securitization of installment sales receivables. Adjusted free cash flow (excluding Z Holdings and others*) was positive ¥579.7 billion.

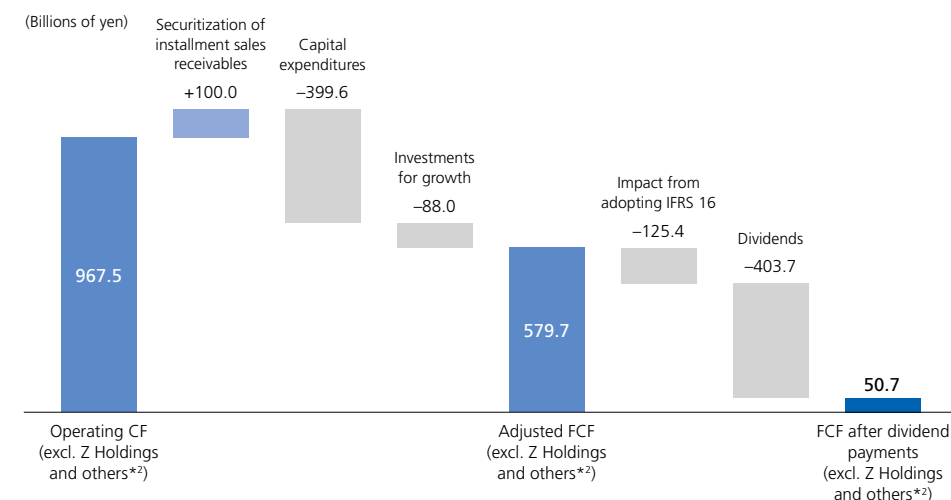
■ Capital expenditures

In the fiscal year ended March 31, 2022, capital expenditures (acceptance basis, including the Z Holdings Group) were ¥647.3 billion, a decrease of ¥33.0 billion year on year. This decrease was mainly due to the absence of the impact of an increase in the right-of-use assets associated with the new lease contract for the new Takeshiba Headquarters in the previous fiscal year, while there was an increase in the capital expenditures of the Company in 5G equipment and the Z Holdings Group.

■ Research and development expenses

The Group aims to provide various services centered around telecommunications and is therefore undertaking research and development of such cutting-edge technologies as AI, IoT, robotics, 6G, HAPS, autonomous driving, and quantum technology. In addition to the aforementioned fields, the Group stepped up its R&D spending mainly in the areas of AI and FinTech following the management integration with LINE. As a result, research and development expenses in the fiscal year ended March 31, 2022 came to ¥42.8 billion, compared to ¥16.5 billion a year earlier. The Group's goal is to provide customers with a stable supply of advanced products and services, and to develop a medium- to long-term roadmap for information and communication technology within the Group. In line with this goal, the Group is actively pursuing research and development and commercialization opportunities.

Adjusted free cash flow*1 (excl. Z Holdings and others*2)



*1 Adjusted FCF = free cash flow + (proceeds from the securitization of installment sales receivables – repayments thereof).

*2 Excludes free cash flow of A Holdings Corporation and Z Holdings Corporation and its subsidiaries, loans to Board Directors, and impact of PayPay Corporation consolidation in the year ending March 31, 2023. Includes dividend payments from A Holdings Corporation.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

> Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Consolidated Financial Statements

Consolidated Statement of Financial Position

SoftBank Corp. and its consolidated subsidiaries
Fiscal years ended March 31, 2021 and 2022

	(Millions of yen)	
ASSETS	2021*	2022
Current assets		
Cash and cash equivalents	¥1,584,892	¥1,546,792
Trade and other receivables	2,082,223	2,128,934
Other financial assets	144,935	194,031
Inventories	119,411	136,247
Other current assets	102,384	125,072
Total current assets	4,033,845	4,131,076
Non-current assets		
Property, plant and equipment	1,248,901	1,491,842
Right-of-use assets	1,081,559	824,090
Goodwill	1,254,727	1,257,889
Intangible assets	2,096,401	2,254,070
Contract costs	248,194	332,197
Investments accounted for using the equity method	239,754	251,924
Investment securities	321,300	469,220
Investment securities in banking business	392,260	309,225
Other financial assets	1,129,858	1,236,240
Deferred tax assets	55,224	48,763
Other non-current assets	105,697	101,377
Total non-current assets	8,173,875	8,576,837
Total assets	¥12,207,720	¥12,707,913

	(Millions of yen)	
LIABILITIES AND EQUITY	2021*	2022
Current liabilities		
Interest-bearing debt	¥2,000,479	¥2,036,579
Trade and other payables	1,624,048	1,462,619
Contract liabilities	107,633	104,293
Deposits for banking business	1,165,577	1,406,205
Other financial liabilities	4,924	3,440
Income taxes payable	195,874	125,050
Provisions	17,710	26,304
Other current liabilities	177,391	178,263
Total current liabilities	5,293,636	5,342,753
Non-current liabilities		
Interest-bearing debt	3,692,113	3,962,946
Other financial liabilities	33,966	29,790
Provisions	106,093	99,541
Deferred tax liabilities	297,926	319,313
Other non-current liabilities	46,874	65,224
Total non-current liabilities	4,176,972	4,476,814
Total liabilities	9,470,608	9,819,567
Equity		
Equity attributable to owners of the Company		
Common stock	204,309	204,309
Capital surplus	363,773	366,098
Retained earnings	1,066,228	1,167,903
Treasury stock	-134,218	-106,462
Accumulated other comprehensive income	35,631	43,352
Total equity attributable to owners of the Company	1,535,723	1,675,200
Non-controlling interests	1,201,389	1,213,146
Total equity	2,737,112	2,888,346
Total liabilities and equity	¥12,207,720	¥12,707,913

* Provisional accounting treatment for the business combination has been completed and the consolidated financial statements are retrospectively amended accordingly.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

> Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Consolidated Financial Statements

Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

SoftBank Corp. and its consolidated subsidiaries
Fiscal years ended March 31, 2021 and 2022

	(Millions of yen)	
	2021	2022
Revenue	¥ 5,205,537	¥ 5,690,606
Cost of sales	-2,701,790	-2,889,116
Gross profit	2,503,747	2,801,490
Selling, general and administrative expenses	-1,522,975	-1,836,843
Other operating income	—	23,547
Other operating expenses	-10,002	-2,448
Operating income	970,770	985,746
Share of losses of associates accounted for using the equity method	-45,490	-60,094
Financing income	5,806	39,471
Financing costs	-73,369	-66,442
Gain on sales of equity method investments	3,902	8,925
Impairment loss on equity method investments	-13,920	-27,243
Profit before income taxes	847,699	880,363
Income taxes	-299,979	-296,411
Net income*	547,720	583,952
Net income attributable to		
Owners of the Company	491,287	517,517
Non-controlling interests	56,433	66,435
	¥ 547,720	¥ 583,952

(Yen)

Earnings per share attributable to owners of the Company		
Basic earnings per share	103.85	110.13
Diluted earnings per share	102.66	108.27

* All net income of SoftBank Corp. and its subsidiaries for the fiscal years ended March 31, 2021 and 2022 were generated from continuing operations

	(Millions of yen)	
	2021	2022
Net income	¥ 547,720	¥ 583,952
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	-713	-114
Changes in the fair value of equity instruments at FVTOCI	56,034	10,887
Share of other comprehensive income (loss) of associates accounted for using the equity method	-22	-89
Total items that will not be reclassified to profit or loss	55,299	10,684
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	700	-1,378
Cash flow hedges	53	1,313
Exchange differences on translation of foreign operations	2,937	11,642
Share of other comprehensive income (loss) of associates accounted for using the equity method	776	5,318
Total items that may be reclassified subsequently to profit or loss	4,466	16,895
Total other comprehensive income (loss), net of tax	59,765	27,579
Total comprehensive income	607,485	611,531
Total comprehensive income attributable to		
Owners of the Company	529,890	526,204
Non-controlling interests	77,595	85,327
	¥ 607,485	¥ 611,531

Consolidated Statement of Changes in Equity

SoftBank Corp. and its consolidated subsidiaries
Fiscal years ended March 31, 2021 and 2022

(Millions of yen)

	Equity attributable to owners of the Company						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)	Total		
As of April 1, 2020	204,309	-133,915	1,003,554	-68,709	-4,693	1,000,546	707,018	1,707,564
Comprehensive income								
Net income	—	—	491,287	—	—	491,287	56,433	547,720
Other comprehensive income (loss)	—	—	—	—	38,603	38,603	21,162	59,765
Total comprehensive income	—	—	491,287	—	38,603	529,890	77,595	607,485
Transactions with owners and other transactions								
Cash dividends	—	—	-406,119	—	—	-406,119	-30,796	-436,915
Purchase of treasury stock	—	—	—	-100,000	—	-100,000	—	-100,000
Disposal of treasury stock	—	-17,439	—	34,491	—	17,052	—	17,052
Changes from business combinations	—	—	—	—	—	—	264,636	264,636
Changes from loss of control	—	—	—	—	—	—	—	—
Changes in interests in existing subsidiaries	—	497,414	—	—	—	497,414	182,017	679,431
Share-based payment transactions	—	761	—	—	—	761	—	761
Transfer from retained earnings to capital surplus	—	17,370	-17,370	—	—	—	—	—
Transfer from accumulated other comprehensive income to retained earnings	—	—	-1,721	—	1,721	—	—	—
Other	—	-418	-3,403	—	—	-3,821	919	-2,902
Total transactions with owners and other transactions	—	497,688	-428,613	-65,509	1,721	5,287	416,776	422,063
As of March 31, 2021	204,309	363,773	1,066,228	-134,218	35,631	1,535,723	1,201,389	2,737,112
As of April 1, 2021	204,309	363,773	1,066,228	-134,218	35,631	1,535,723	1,201,389	2,737,112
Comprehensive income								
Net income	—	—	517,517	—	—	517,517	66,435	583,952
Other comprehensive income	—	—	—	—	8,687	8,687	18,892	27,579
Total comprehensive income	—	—	517,517	—	8,687	526,204	85,327	611,531
Transactions with owners and other transactions								
Cash dividends	—	—	-403,708	—	—	-403,708	-64,200	-467,908
Purchase of treasury stock	—	—	—	-0	—	-0	—	-0
Disposal of treasury stock	—	-12,556	—	27,756	—	15,200	—	15,200
Changes from business combinations	—	—	—	—	—	—	1,554	1,554
Changes from loss of control	—	—	—	—	—	—	-3,401	-3,401
Changes in interests in existing subsidiaries	—	-288	—	—	—	-288	-6,563	-6,851
Share-based payment transactions	—	2,654	—	—	—	2,654	—	2,654
Transfer from retained earnings to capital surplus	—	12,602	-12,602	—	—	—	—	—
Transfer from accumulated other comprehensive income to retained earnings	—	—	966	—	-966	—	—	—
Other	—	-87	-498	—	—	-585	-960	-1,545
Total transactions with owners and other transactions	—	2,325	-415,842	27,756	-966	-386,727	-73,570	-460,297
As of March 31, 2022	204,309	366,098	1,167,903	-106,462	43,352	1,675,200	1,213,146	2,888,346

* Provisional accounting treatment for the business combination has been completed and the consolidated statement of changes in equity for the year ended March 31, 2021, is retrospectively amended accordingly.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

> Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

> Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Consolidated Statement of Cash Flows

SoftBank Corp. and its consolidated subsidiaries
Fiscal years ended March 31, 2021 and 2022

	(Millions of yen)	
	2021	2022
Cash flows from operating activities		
Net income	¥ 547,720	¥ 583,952
Depreciation and amortization	696,342	723,444
Loss on disposal of property, plant and equipment and intangible assets	33,356	19,179
Gain relating to loss of control over subsidiaries	—	-21,216
Financing income	-5,806	-39,471
Financing costs	73,369	66,442
Share of losses of associates accounted for using the equity method	45,490	60,094
Gain on sales of equity method investments	-3,902	-8,925
Impairment loss on equity method investments	13,920	27,243
Income taxes	299,979	296,411
(Increase) decrease in trade and other receivables	-204,101	-169,276
(Increase) decrease in inventories	-19,272	-16,537
Purchases of mobile devices leased to enterprise customers	-34,662	-38,637
Increase (decrease) in trade and other payables	137,586	71,533
Increase (decrease) in consumption taxes payable	-1,852	-21,336
Increase (decrease) in deposits in banking business	284,730	240,628
(Increase) decrease in loans in banking business	-142,751	-86,768
Other	-54,060	-57,065
Subtotal	1,666,086	1,629,695
Interest and dividends received	5,638	7,105
Interest paid	-59,215	-63,394
Income taxes paid	-390,726	-385,434
Income taxes refunded	117,166	27,946
Net cash inflow from operating activities	¥ 1,338,949	¥ 1,215,918

	(Millions of yen)	
	2021	2022
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	¥ -479,522	¥ -709,092
Proceeds from sales of property, plant and equipment and intangible assets	9,074	2,041
Payments for acquisition of investments	-1,114,385	-328,690
Proceeds from sales/redemption of investments	850,965	39,302
Purchase of investment securities in banking business	-309,685	-177,032
Proceeds from sales/redemption of investment securities in banking business	244,159	233,744
Proceeds (payments) from (for) obtaining control of subsidiaries	303,153	-1,298
Other	-15,054	-16,668
Net cash outflow from investing activities	-511,295	-957,693
Cash flows from financing activities		
Increase (decrease) in short-term interest-bearing debt, net	314,991	-16,914
Proceeds from interest-bearing debt	2,429,231	2,075,450
Repayment of interest-bearing debt	-2,600,491	-1,905,637
Proceeds from stock issuance to non-controlling interests	7,176	7,122
Purchase of treasury stock	-100,000	-0
Cash dividends paid	-405,497	-403,609
Cash dividends paid to non-controlling interests	-30,786	-64,198
Other	-3,086	2,714
Net cash outflow from financing activities	-388,462	-305,072
Effect of exchange rate changes on cash and cash equivalents	1,892	8,747
Increase (decrease) in cash and cash equivalents	441,084	-38,100
Cash and cash equivalents at the beginning of the period	1,143,808	1,584,892
Cash and cash equivalents at the end of the period	¥ 1,584,892	¥ 1,546,792

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

> Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Material Issues

Material Issue	Building society and industry through digital transformation (DX)			
Social Issues	<ul style="list-style-type: none"> • Advance the foundation of industry and renew aging infrastructure • Resolve labor shortages caused by population decline • Reduce economic disparities between regions 			
Key Risks and Opportunities	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Risks</div> <ul style="list-style-type: none"> • Loss of promising markets due to lack of digital strategy or vision, decline in corporate appetite for innovation, or stagnation in digitalization due to delay in loosening regulations • Declines in profitability due to intensified competition from numerous new entrants into the enterprise solutions market • Loss of business opportunities due to shortage of digital talent 	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Opportunities</div> <ul style="list-style-type: none"> • Realization of the corporate philosophy, "Information Revolution — Happiness for everyone," support for our corporate activities from customers and investors • Expansion of solutions business for implementing digital technologies in society • Growing opportunities to provide solutions for demographic aging issues and regional revitalization 		
SoftBank Initiatives	SDGs Value Creation	Main Businesses and Initiatives	Target KPIs	Results of the fiscal year ended March 31, 2022
	<p>Expand and enhance the efficiency of the industrial base through cutting-edge technologies</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"> • Leverage 5G, big data, AI, IoT and other technologies to contribute to the vitality of customer businesses • Streamline industry through AI, RPA, big data and IoT (RPA: Robotic Process Automation) 	<p>1) Revenue from business solution and others: 10% CAGR (CAGR: Compound annual growth rate)</p>	<p>1) 9.3%*¹</p>
	<p>Create new industries through DX</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"> • Create start-ups and new businesses in various industries, using DX (main fields: logistics, infrastructure, distribution, real estate / construction, healthcare, insurance / finance) • Promote co-creation through DX (ONE SHIP, etc.) • Realize smart cities 	<p>1) Projects undertaken through co-creation with customers: 24 projects in progress Updated</p> <p>2) Create at least one example of social implementation in each of the seven business areas New</p> <p>(Seven business areas: retail / distribution, logistics, insurance / finance, social infrastructure, healthcare, super cities / smart cities, and other industries)</p>	<p>1) Launched 19 projects^{*2}</p>
	<p>Revitalize local communities (regional revitalization)</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"> • Solve social issues by providing DX solutions to local communities and governments (cooperative agreements, pilot tests, dispatch of digital talent, etc.) 	<p>1) Initiatives to address the material issues in partnership with local governments: 75 or more Updated</p>	<p>1) Cumulative total of 76 local governments^{*3}</p>

Target KPIs New Newly established target for the fiscal year ending March 31, 2023 Updated Updated target for the fiscal year ending March 31, 2023 from the one from the previous fiscal year

Reference Results of the fiscal year ended March 31, 2021 (Supplemental Explanation) *1 Recurring revenue within the revenue from business solution and others, our focal point, increased by 17.7% from the previous fiscal year.

Target KPIs for the fiscal year ended March 31, 2022 *2 Projects undertaken through co-creation with customers: 17 projects in progress

*3 Expanding partnership agreements and personnel exchanges with local governments: Cumulative total of 70 local governments (fiscal year ending March 31, 2024)

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Section 2
How We Create Value

Section 3
How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

> Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Material Issues

Material Issue	Connecting people and information to create new excitement			
Social Issues	<ul style="list-style-type: none"> Realization of enriched daily life by spreading and using smart devices Bridge the digital divide, matching users and suppliers of information and services 			
Key Risks and Opportunities	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Risks</div> <ul style="list-style-type: none"> Decline in profitability and intensifying price competition due to commoditization of the existing telecommunications services Decline in profitability due to intensifying competition and mismatch with customer needs in e-commerce and finance/payment businesses 		<div style="border: 1px solid black; padding: 2px; display: inline-block;">Opportunities</div> <ul style="list-style-type: none"> Growth in smartphone subscribers and increase in large volume data users Expansion of business to non-telecommunication areas through provision of super apps Increased profit opportunities via deeper data-driven marketing 	
SoftBank Initiatives	SDGs Value Creation	Main Businesses and Initiatives	Target KPIs	Results of the fiscal year ended March 31, 2022
	<p>Realize attractive customer value through the spread of smart devices</p> <p>Provide unprecedented new experiences and excitement through a wide range of technologically innovative services.</p>	<ul style="list-style-type: none"> Provide wide-ranging customer value, price plans and services through the spread of smart devices and multiple brands Provide new experiences using 5G (VR, sports viewing, etc.) 	<ol style="list-style-type: none"> Smartphone cumulative subscribers: 30 million (fiscal year ending March 31, 2024) Survey for NPS improvement: Ascertaining survey result (NPS = Net Promoter Score, a metric used to assess customer loyalty) 	<ol style="list-style-type: none"> 27.58 million Customer satisfaction survey responses: 5.42 million
	<p>Provide an environment in which everyone can access information</p> <p>Contribute to the realization of a society in which everyone can obtain the latest information fairly without any inconvenience.</p>	<ul style="list-style-type: none"> Provide news and information and increase accessibility through <i>Yahoo! JAPAN</i> and provide services through the <i>LINE</i> communication app, etc. Hold smartphone classes in stores nationwide 	<ol style="list-style-type: none"> <i>Yahoo! News</i> DAU: 45 million (DAU: Daily active users) Expanding the HAPS Alliance to broaden Internet communications across the world: Promoting initiatives Smartphone classes: 800,000 classes Updated 	<ol style="list-style-type: none"> 43.50 million Issued a white paper 800,000 classes*1
	<p>Leverage ICT to create new lifestyles and enhance the foundations for daily life</p> <p>Contribute to the enhancement of lifestyles by expanding online shopping and improving the convenience of services closely related to daily life such as education, medical care, and finance through ICT.</p>	<ul style="list-style-type: none"> Contribute to education, healthcare and finance using ICT (<i>Yahoo! JAPAN</i>, <i>PayPay</i>, <i>LINE</i>, <i>LOHACO</i>, <i>HELPO</i>, etc.) Evolve retail through new BtoC and CtoC platforms (<i>PayPay Mall</i>, <i>ZOZOTOWN</i>, <i>ASKUL</i>, etc.) 	<ol style="list-style-type: none"> Cumulative registered users of <i>PayPay</i>: 60 million Updated E-commerce domestic merchandise transaction value: ¥3.8 trillion (fiscal year ending March 31, 2025) Updated 	<ol style="list-style-type: none"> 46.79 million*2 E-commerce merchandise transaction value: ¥2.8 trillion*3

Target KPIs for the fiscal year ended March 31, 2022 *1 Smartphone classes: 430,000 classes *2 Cumulative registered users of *PayPay*: 50 million *3 E-commerce merchandise transaction value: ¥4 trillion

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

> Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Material Issues

Material Issue	Creating new business through open innovation			
Social Issues	<ul style="list-style-type: none"> Advance innovation using ICT platforms: Promoting the widespread adoption of cashless settlement, securing means of transportation amid the difficulties posed by an aging population and low birthrate, facilitating online healthcare, and enabling access to communications in developing countries 			
Key Risks and Opportunities	Risks <ul style="list-style-type: none"> Loss of business opportunities due to delay of business development resulting from shortages of required human resources and knowledge Inability to recoup invested funds or impairment losses due to failure to achieve expected results 		Opportunities <ul style="list-style-type: none"> Quickly secure market share through the acquisition of human resources and knowledge and speedy business development through collaboration with partners Advancement and deepening of innovation through co-creation and expansion of the scale of businesses and markets in which the group participates 	
	SoftBank Initiatives	SDGs Value Creation Develop new business models with cutting-edge technologies Together with our partners, create new businesses for the future by utilizing the most advanced technology.	Main Businesses and Initiatives <ul style="list-style-type: none"> Develop new businesses to promote the social implementation of digital technologies (mobility × AI: MONET Technologies Inc.; stratosphere-based high-altitude platform station: HAPSMobile Inc.; autonomous mobility: BOLDLY Inc.) 	Target KPIs 1) Promote initiatives for HAPS commercialization (fiscal year ending March 31, 2028) Updated 2) Promote business for solving social issues, using unique electronic reference points/ <i>ichimill</i> high-precision positioning service <ul style="list-style-type: none"> Form industry-academia consortium (fiscal year ending March 31, 2023) Release infrastructure monitoring solution service (fiscal year ending March 31, 2023) New (Electronic reference points: unique reference points established by SoftBank as fixed stations for receiving signals from GNSS) (GNSS (Global Navigation Satellite System); a general term that includes quasi-zenith satellite systems, GPS, GLONASS and Galileo) (<i>ichimill</i> : A service that enables positioning with a margin of error of only a few centimeters via RTK positioning (a method of high-precision positioning by sending signals between a fixed station and a mobile station in real time) using signals from a GNSS, such as the Michibiki quasi-zenith satellite system)
	Incubate and spiral-up cutting-edge businesses overseas Aim to develop cutting-edge business in Japan through joint ventures and partnerships with companies that develop cutting-edge business overseas.	<ul style="list-style-type: none"> Roll out successful SoftBank Vision Fund projects in Japan and overseas through global partnerships (WeWork Japan, PayPay, DiDi Mobility Japan Corp., etc.) 	1) Promote business start-up and development in new business areas Updated	1) Value up support: 5 companies New Business / Investment prospects considered: 8 companies*2
	Build systems to recruit and develop human resources to lead growth and create new businesses Hire personnel who have advanced professional skills and build an organization that become key drivers of new business creation in response to next-generation needs.	<ul style="list-style-type: none"> Job posting system to shift human resources to new and growing businesses Allocate personnel to new businesses through improvements in operational efficiency Human resource recruitment, development, systems and compensation necessary to create and promote new businesses Promote R&D for cutting-edge technologies 	1) Promote SoftBank InnoVenture commercialization	1) Considered commercialization of themes in line with the <i>Beyond Carrier</i> strategy: 4 projects (171 applications)

Reference Target KPIs for the fiscal year ended March 31, 2022 *1 Advancement of efforts toward practical utilization of HAPS (fiscal year ending March 31, 2024) *2 Promotion of business operations in Japan

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

> Material Issues

ESG Data Book


Group Structure

External Evaluation

Corporate Data/Stock Information

Material Issues

Material Issue	Contributing to the global environment with the power of technology			
Social Issues	<ul style="list-style-type: none"> Response to natural disasters caused by global warming and climate change Transition to an energy-saving, circular economy that recycles and reuses limited resources 			
Key Risks and Opportunities	Risks <ul style="list-style-type: none"> Increase in restoration and prevention costs related to more frequent infrastructure disruption and communication blackouts due to natural disasters Difficulty in securing non-fossil fuel electricity and long-term increase in electricity procurement costs Impact on financing due to insufficient environmental efforts 		Opportunities <ul style="list-style-type: none"> Expansion of the market for highly energy-efficient solutions that utilize IoT, etc. Expansion of businesses related to the sharing economy Expansion of businesses related to renewable energy 	
	SoftBank Initiatives	SDGs Value Creation Contribute to the mitigation of climate change through technology and business Use renewable energy to reduce CO ₂ emissions and promote energy conservation through ICT as measures to combat climate change.	Main Businesses and Initiatives <ul style="list-style-type: none"> Switch electricity used for base stations and other business activities to electricity from virtually renewable energy (To be achieved primarily by using non-fossil certificates designated as renewable energy) Utilize AI, IoT and other technologies to improve power use efficiency (develop next-generation batteries, etc.) Utilize IoT to improve energy efficiency and promote environmental awareness Implement initiatives aimed at achieving carbon neutrality 	Target KPIs <ol style="list-style-type: none"> Ratio of renewable energy for base stations: 70% or more (fiscal year ending March 31, 2023) Contribution to CO₂ reduction across society: Spread and expand household energy-saving services through electricity management apps, etc. Updated Carbon Neutrality (fiscal year ending March 31, 2031) (Based on SoftBank's total emissions in Scope 1 (direct greenhouse gas emissions by the company itself) and Scope 2 (indirect emissions from the use of electricity, heat and steam supplied by other companies))
	Promote a recycling-based society (circular economy) Limit the amount of resources used and promote recycling and reuse.	<ul style="list-style-type: none"> Promote paperless operations through the spread and use of IoT Promote recycling (mobile phone recycling, etc.) Reduce waste and use of water resource in business activities Implement initiatives to conserve biodiversity 	<ol style="list-style-type: none"> Mobile phones collected for reuse or recycling: 10 million (total from the fiscal year ended March 31, 2021 to the fiscal year ending March 31, 2026) Percentage of decommissioned base stations going to landfill: 1% or less (annually) Promote initiatives related to conserving biodiversity (natural capital) New 	<ol style="list-style-type: none"> 5.07 million phones (from the fiscal year ended March 31, 2021 to the fiscal year ended March 31, 2022) 0.2%
	Realize a prosperous society through the spread of renewable energy Work to spread and expand the use of renewable energy projects and services to create an environmentally friendly society.	<ul style="list-style-type: none"> Promote the use of clean energy, mainly through SB Power/SoftBank Denki 	<ol style="list-style-type: none"> Renewable energy power provision: Expand provision of renewable energy power plans 	<ol style="list-style-type: none"> CO₂ emissions reduced by providing Shizen Denki: 19,000 tons-CO₂ (Shizen Denki: Service that provides 100% virtually renewable energy source through the use of non-fossil certificates)

 Target KPIs for the fiscal year ended March 31, 2022 *1 Ratio of renewable energy for base stations: 50% or more in the fiscal year ending March 31, 2022 and 70% or more in the fiscal year ending March 31, 2023
*2 Contribution to overall CO₂ reduction of society: Promoting initiatives

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

> Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Material Issues

Material Issue	Building high-quality social communication networks			
Social Issues	<ul style="list-style-type: none"> Maintenance and management of high quality networks Prevention and rapid restoration of infrastructure disruption by natural disasters Response to sophisticated cyberattacks 			
Key Risks and Opportunities	Risks <ul style="list-style-type: none"> Loss of new business opportunities requiring 5G with high-speed, large-capacity and massive device connectivity Increased costs, deterioration of customer trust or loss of subscribers due to network outages or delays in disaster recovery Deterioration of customer trust or loss of subscribers due to the improper use or leakage of personal information 		Opportunities <ul style="list-style-type: none"> Increased ARPU and revenue reflecting communications speed and capacity increases, through the nationwide expansion of 5G coverage Development of new industries and services that use 5G, such as autonomous driving and telemedicine Increased customer satisfaction through high network quality and dependable security 	
	SoftBank Initiatives	SDGs Value Creation Prepare sustainable life infrastructure Provide communications services with stable connectivity by maintaining a highly reliable network.	Main Businesses and Initiatives <ul style="list-style-type: none"> Broad rollout of 5G Participate in submarine cable projects Eliminate regional communications disparities by expanding networks Advance initiatives to prevent network accidents 	Target KPIs <ol style="list-style-type: none"> 5G deployment plan: Number of base stations: Over 50,000 (end of 2022) Population coverage: Over 90.6% (March 31, 2023) Updated Number of major network accidents: Zero High-capacity optical submarine cable "Asia Direct Cable (ADC)": Start of operation (fiscal year ending March 31, 2024) Updated
	Construct robust communications infrastructure to contribute to disaster prevention and mitigation 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"> Secure communications service environments in the event of a disaster (using mobile base stations, portable satellite antennas, drones, etc.) Build frameworks for quickly restoring communications environments after disasters Disaster recovery countermeasures including creating three-route backbone networks 	<ol style="list-style-type: none"> Tohoku Route: Optical cable construction (end of 2022) Commercial operation start (March 31, 2023) Updated Maintain and enhance equipment and materials for disaster response and recovery: <ul style="list-style-type: none"> Maintain at least 200 mobile base station vehicles / portable mobile base stations Maintain at least 80 mobile power supply vehicles Maintain at least 200 portable satellite antennas Strengthen cooperation with external organizations involved in disaster recovery Updated 	<ol style="list-style-type: none"> Okinawa route: Commercial launch Tohoku route: Redesigned*3 Maintained and enhanced*4
	Promote data security and privacy protection initiatives 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"> Support network monitoring and operation with AI Thoroughly educate employees and build secure environments and facilities Operation and management using advanced security systems and tools Promote the protection and appropriate use of personal information 	<ol style="list-style-type: none"> Number of major accidents involving information security: Zero (annually) Number of major accidents involving privacy issues: Zero (annually) Helping customers understand how their personal information is handled: Addition of a privacy dashboard setting function Updated 	<ol style="list-style-type: none"> Zero major accidents Zero major accidents Released Privacy Center Privacy Dashboard opened*5

Reference Target KPIs for the fiscal year ended March 31, 2022 *1 Number of base stations: over 50,000 (end of 2022), population coverage: over 90% (fiscal year ending March 31, 2023) *2 High-capacity optical submarine cable "Asia Direct Cable (ADC)": Start of operation (fiscal year ending March 31, 2023) *3 Establishment of three main routes (for Okinawa / Tohoku): Completion (fiscal year ending March 31, 2022) *4 Maintain at least 200 mobile base station vehicles / portable mobile base stations, maintain at least 80 mobile power supply vehicles, maintain at least 200 portable satellite antennas *5 Implementing initiatives that help customers understand how to handle their personal information

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Section 2
How We Create Value

Section 3
How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

> Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Material Issues

Material Issue	Developing a resilient management foundation			
Social Issues	<ul style="list-style-type: none"> Corporate governance enhancement Consideration for social and environmental aspects throughout supply chains Workstyle reforms, promotion of diversity and inclusion 			
Key Risks and Opportunities	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Risks</div> <ul style="list-style-type: none"> Loss of trust as a corporation due to violation of laws or regulations or to absence of corporate governance Deterioration of reputation due to human rights violations or inadequate response to environmental issues 		<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Opportunities</div> <ul style="list-style-type: none"> Investor confidence in corporate governance and supply chain management Improvement of motivation and emergence of innovation through workstyle reforms and diversity promotion Improvement of productivity through advanced workstyles, transformation of established work processes and commercialization of expertise 	
SoftBank Initiatives	SDGs Value Creation	Main Businesses and Initiatives	Target KPIs	Results of the fiscal year ended March 31, 2022
	<p>Enhance corporate governance and ensure its effectiveness</p> <p>Build a sophisticated governance system, increase management transparency, and ensure to conduct corporate governance with integrity and fairness.</p>	<ul style="list-style-type: none"> Reinforce compliance Eliminate anti-social forces and prevent corruption and unethical behavior Build a sophisticated internal control system Increase the sophistication of the Board of Directors Enhance risk assessment 	<ol style="list-style-type: none"> Number of compliance violations: Performance monitoring (annually) Employees' attendance rate of compliance training sessions: 99% or more (annually) Updated Awareness of Compliance Hotline among full-time employees: 99% or more New Ensure effectiveness of the Board of Directors: Conduct evaluation Average attendance rate of all Board Directors at Board of Directors meetings: 75% or higher 	<ol style="list-style-type: none"> Number of disciplinary actions: 40 Compliance Exam-taking rate: 100%*¹ Evaluation conducted in the fiscal year ended March 31, 2022 97.37%
	<p>Sustainable growth through cooperation with stakeholders</p> <p>Pursue the creation of strong relationships of trust and mutually sustainable development through timely and appropriate information disclosure and ongoing dialogues with stakeholders.</p>	<ul style="list-style-type: none"> Enhance supply chain management Sound and transparent disclosure Coordination with organizations and regional communities 	<ol style="list-style-type: none"> Sustainability procurement survey collection: 90% or greater (annually) Support for improvement activities at high-risk suppliers: 100% implementation Supplier inspection/CSR audits: 10 or more companies Updated Number of partnerships with NPOs: 1,000 organizations (fiscal year ending March 31, 2024) 	<ol style="list-style-type: none"> Survey collection rate: 93% 100% 5 companies*² 791 organizations

Reference Target KPIs for the fiscal year ended March 31, 2022 *1 Exam-taking rate in compliance training: Performance monitoring (annually) *2 Supplier inspection/CSR audits: 2 or more companies

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

> Material Issues

ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Material Issues

Material Issue	Developing a resilient management foundation			
SoftBank Initiatives	SDGs Value Creation	Main Businesses and Initiatives	Target KPIs	Results of the fiscal year ended March 31, 2022
	<p>Enhance employee happiness with diversity and inclusion</p> <p>Work to build an environment in which all employees can fully demonstrate their unique abilities and enjoy personal satisfaction.</p>	<ul style="list-style-type: none"> Support for employee growth and career realization (Free-agent system, job posting system, SoftBank University, SB Career Dock) Fair evaluation and remuneration system Promote the participation of diverse talent (professional participation of women, recruitment and retention of persons with disabilities, and initiatives related to LGBTQ persons) Harassment prevention 	<ol style="list-style-type: none"> Ratio of women in management positions: Over 20% (fiscal year ending March 31, 2036) During this process, achieve a ratio of over 15% by the fiscal year ending March 31, 2031 (double the ratio of fiscal year ended March 31, 2022) Ratio of employees with disabilities: At or above the legally mandated level (annually) Ratio of annual paid leave taken: Keep at 70% or above (annually) Serious accidents involving employees or at construction sites: Zero Updated Return rate from childcare leave: 100% New Ratio of male employees taking childcare leave: 30% (fiscal year ending March 31, 2024), 50% (fiscal year ending March 31, 2027) New Number of employees who retire due to nursing care responsibilities: 0 New 	<ol style="list-style-type: none"> 7.6% 2.34% 70.1% Number of fatal accidents: Zero*1
	<p>Enhance productivity with advanced workplace environments</p> <p>Use technology to promote workstyle reform and health and productivity management.</p>	<ul style="list-style-type: none"> Promote workstyle reforms (Smart & Fun!) (Super flextime system, teleworking, operational improvements using AI and RPA, permitting employees to take side jobs) Offer diverse and flexible workstyles (Smart offices, teleworking, co-working spaces, etc.) Promote health and productivity management 	<ol style="list-style-type: none"> Promotion of workstyles for the post-COVID-19 environment Provide office environments that encourage diverse working styles: Performance monitoring (annually) Ratio of telework (ratio of employees who engaged in telework at least once a month): 90% or more (annually) Updated Ratio of employees who smoke: Decrease of 1% or more YoY, less than 20% (fiscal year ending March 31, 2031) High ranking in Japan surveys: Highly ranked among the major surveys (annually) 	<ol style="list-style-type: none"> Renovated and transitioned to a free address system at 12 offices Utilized shared office space in 5 of our own satellite locations, 33 WeWork locations, and over 250 other locations nationwide 95.9%*2 25.8% 5 stars in the Nikkei SDGs Management Survey, 5 stars in the 5th Nikkei Smart Work Management Survey Innovation Award in the Nikkei Smart Work Awards 2022 Certification in the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program in the large enterprise ("White 500") category

Reference Target KPIs for the fiscal year ended March 31, 2022 *1 Accidents at work sites involving injury or death: Zero (annually) *2 Ratio of telework: 70% or greater (annually)

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

ESG Data Book

Boundary (Scope of this Data Book)

There are two boundaries: "SB" and "SB + Major Subsidiaries."

- NOTES
- SB stands for SoftBank Corp.
 - The major subsidiaries within "SB + Major Subsidiaries" vary among items.
 - Coverage is the ratios of sales of group companies that constitute SoftBank Corp. and its subsidiaries.
 - In case "—" is indicated in "Coverage," it refers to data of SoftBank Corp. (stand-alone).

Environment

★ : Third-party verified

Climate Change												
Category	Boundary* ¹	Coverage	Unit	Results					Target	Achievement Rate (%)	Reduction Compared to the Base Year (Fiscal year ended March 31, 2020)	
				Fiscal year ended March 31								
				2018	2019	2020	2021	2022				
Greenhouse Gas (GHG) Emissions (Scope 1, 2)	Total ★	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 77%	t-CO ₂	722,514	693,953	776,104	620,929	708,534	736,000	103.9	8.7
	GHG Scope 1 ★		t-CO ₂	11,386	11,456	15,803	15,416	10,709	15,000	140.0	32.2	
	GHG Scope 2 ★		fiscal year ended March 31, 2022: 93%	t-CO ₂	711,128	682,497	760,301	605,513	697,825	721,000	103.3	8.2
	GHG Emissions Intensity* ²	SB	—	t-CO ₂ /Gbps	849	682	628	411	359	350	97.0	42.8
Greenhouse Gas (Breakdown of Scope 1)	Carbon Dioxide (CO ₂) ★	SB + Major Subsidiaries	fiscal year ended March 31, 2022: 93%	t	—	—	—	14,962	10,134	—	—	—
	Methane (CH ₄) ★		t-CO ₂	—	—	—	293	25	—	—	—	
	Dinitrogen Monoxide (N ₂ O) ★		t-CO ₂	—	—	—	0.03	3	—	—	—	
	Hydrofluorocarbons (HFCs) ★		t-CO ₂	—	—	—	162	547	—	—	—	
	Perfluorocarbons (PFCs) ★		t-CO ₂	—	—	—	0	0	—	—	—	
	Sulfur Hexafluoride (SF ₆) ★		t-CO ₂	—	—	—	0	0	—	—	—	
	Nitrogen Trifluoride (NF ₃) ★		t-CO ₂	—	—	—	0	0	—	—	—	

*1 The increase in fiscal year ended March 31, 2022 is due to the change of the boundaries.

*2 Greenhouse gas emissions at 1 Gbps

* The greenhouse gas emissions (Scope 1, 2, and 3), energy consumption, industrial waste (SB) and water consumption (SB) in fiscal year ended March 31, 2022 were examined by Japan Quality Assurance Organization as a third party (Limited guarantee level in accordance with ISO 14064-3 and ISAE 3000).

Environment

★ : Third-party verified

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Climate Change						
Category	Boundary	Coverage	Unit	Fiscal year ended March 31, 2022	Rate (%)	Scope 3 Description of calculation
Scope 1: Direct Emission ★	SB + Major Subsidiaries	fiscal year ended March 31, 2022: 93%	t-CO ₂	10,709	0.1	—
Scope 2: Indirect Emission of Energy Sources ★				697,825	7.4	—
Scope 3: Other Indirect Emission ★				8,685,602	92.5	—
Category 1: Purchased Goods and Services				2,715,644	28.9	Calculated by multiplying the purchase price of products and services by the CO ₂ emission factor, including the procurement and transportation processes
Category 2: Capital Goods				1,211,839	12.9	Calculated by multiplying the capital investment amount by the CO ₂ emission factor of capital goods
Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2				991,026	10.5	Calculated by multiplying fuel/electric power consumption by the CO ₂ emission factor for fuel procurement in manufacturing processes and, for electric power procured for sale from external sources, calculated by multiplying the amount of electric power by the CO ₂ emission factor upon fuel procurement
Category 4: Upstream Transportation and Distribution				192,923	2.1	Calculated by multiplying transportation costs by the CO ₂ emission factor for transportation between bases and shipping (Procurement transportation is included in Category 1)
Category 5: Waste Generated in Operations				2,702	0.0	Calculated by multiplying the weight of industrial waste by the CO ₂ emission factor for each kind of waste disposal method
Category 6: Business Travel				6,149	0.1	Calculated by multiplying the amount paid for transportation allowances by the CO ₂ emission factor for each transportation category, by multiplying the number of days of accommodation by the CO ₂ emission factor per day of accommodation, and by multiplying the total travel distance of rental cars by the CO ₂ emission factor for each fuel type and maximum loading capacity
Category 7: Employee Commuting				15,980	0.2	Calculated by multiplying the total commuting distance of employees by the CO ₂ emission factor per km of travelers for each transportation category and multiplying the power consumption during telework by the CO ₂ emission factor of electric power
Category 8: Upstream Leased Assets				376,440	4.0	Calculated by multiplying the total floor area of warehouses and rental offices by the CO ₂ emission factor per area for each building use and by multiplying the electric power consumption of telecommunications equipment installed and operated at rental properties by the CO ₂ emission factor for electric power
Category 9: Downstream Transportation and Distribution				716,763	7.6	For shipping, it is calculated by multiplying transportation costs by the CO ₂ emission factor
Category 10: Processing of Sold Products				0	0.0	(Not to be calculated)
Category 11: Use of Sold Products				2,275,537	24.2	Calculated by multiplying the number of products sold/rented by lifelong power consumption of each product and the CO ₂ emission factor of electric power
Category 12: End-of-Life Treatment of Sold Products				148,668	1.6	Calculated by multiplying the total weight of products sold by the CO ₂ emission factor for each kind of waste
Category 13: Downstream Leased Assets	48	0.0	Calculated by multiplying the number of units rented by electric power consumption and the CO ₂ emission factor for electric power			
Category 14: Franchises	31,883	0.3	Calculated by multiplying the total floor area of franchise shops by the CO ₂ emission factor per area for each building use			
Category 15: Investments	0	0.0	(Not to be calculated)			
Total				9,394,136	100.0	

Environment

★ : Third-party verified

Contents

Purpose of Issuing this Integrated Report
Corporate Philosophy
Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Section 2
How We Create Value

Section 3
How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Climate Change											
				Results					Target	Achievement Rate (%)	
Category	Boundary	Coverage	Unit	Fiscal year ended March 31					2022		
				2018	2019	2020	2021	2022			
Energy	Electric Power Consumption*1 ★	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 77% fiscal year ended March 31, 2022: 93%	MWh	1,418,791	1,355,703	1,644,234	1,680,530	2,117,259	2,130,000	101
	Of which, Renewable Energy Consumption ★			MWh	44	44	32,516	324,766	631,248	637,000	99
	City Gas ★			m³	4,731,000	4,554,000	4,508,000	4,914,000	3,256,578	—	—
	Heavy Oil A ★			kL	144	190	160	198	213	—	—
	Energy Consumption Intensity*2	SB	—	MWh/Gbps	1,667	1,332	1,296	1,124	1,084	—	—
	Electric Power Consumption in Data Centers*1 ★	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 77% fiscal year ended March 31, 2022: 93%	MWh	77,428	73,670	263,620	271,711	534,275	524,000	98
	Renewable Energy Rate			%	—	—	7.9	8.6	25.1	25.0	103
Power Usage Effectiveness	—			1.71	1.74	1.57	1.50	1.42	1.50	106	

Plan											
				Fiscal year ending March 31							
Category	Boundary	Coverage	Unit	2023	2024	2025	2026	2027	2031		
				Mid/long-term Plan for Reducing Greenhouse Gas Emissions	Sum of Scope 1 and 2	93%	t-CO ₂	505,000	480,000	450,000	435,000

• For the fiscal year ending March 2031 (FY30), the electric power consumption is estimated to rise to 2,500,000MWh, due to the traffic growth through the provision of 5G, etc. We set the goal of using virtually 100% renewable energy for total electric power consumption.

*1 The increase in fiscal year ended March 31, 2022 is due to the change of the boundaries.

*2 Electric power consumption at 1 Gbps

Environment

★ : Third-party verified

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Resources and Waste											
Category		Boundary	Coverage	Unit	Results					Target	Achievement Rate (%)
					Fiscal year ended March 31						
						2018	2019	2020	2021	2022	
Industrial Waste	Discharge Amount	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 77% fiscal year ended March 31, 2022: 93%	t	1,159	1,092	5,226	6,313	6,196	—	—
	Recycling Amount			t	1,124	1,059	5,073	5,482	5,668	—	—
	Final Disposal Amount*1			t	35	33	153	831	528	427	81
	Discharge Amount ★	SB	—	t	1,159	1,092	1,484	1,748	1,363	—	—
	Recycling Amount ★			t	1,124	1,059	1,439	1,500	1,176	—	—
	Final Disposal Amount*1 ★			t	35	33	45	248	187	—	—
Hazardous Waste (PCB)	Disposal Amount	SB	—	t	—	—	—	0.49	0.18	0.32	178
Communication Equipment of Removed Base Stations	Final Disposal Rate	SB	—	%	0.29	0.85	1.40	0.51	0.20	1.00	500
Used Mobile Phones	Devices to be Reused or Recycled	SB	—	Mobile Phones	—	—	2,425,840	2,541,078	2,532,827	—	—
Use of Water	Water consumption (Water withdrawal) (Total)*2	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 77% fiscal year ended March 31, 2022: 93%	m ³	714,163	738,517	1,191,210	1,330,834	1,394,070	—	—
	Municipal potable water			m ³	714,163	738,517	1,191,210	1,330,596	1,362,425	—	—
	Groundwater			m ³	—	—	—	—	30,660	—	—
	Harvested rainwater*3			m ³	—	—	—	238*5	985	—	—
	Water Discharge Volume*4			m ³	714,163	738,517	1,191,210	1,330,834	1,394,070	—	—
	Consumption Per Area			m ³ /m ²	0.93	0.92	0.73	0.82	0.65	—	—
	Water Consumption and Discharge Volume at Offices	m ³	—	—	917,542	929,588	926,938	920,292	99.3		
	Water Consumption and Discharge Volume at Data Centers	m ³	—	—	273,668	401,246	467,132	—	—		
	Water Consumption and Discharge Volume at the Headquarters' Building ★	SB	—	m ³	—	—	—	1,642*5	11,222	—	—

*1 The calculation method was changed from fiscal year ended March 31, 2021.

*2 For offices not equipped with meters, consumption is estimated based on floor area using data on consumption per unit of floor area for SoftBank Corp. and its subsidiaries.

*3 Harvested rainwater with roof drains at headquarters

*4 Sewage only

*5 Figures for the period from Sep. 2020 to Mar. 2021 after the relocation of the headquarters.

Environment

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Environmental Management System								
				Results				
Category	Boundary	Coverage	Unit	Fiscal year ended March 31				
				2018	2019	2020	2021	2022
ISO 14001 Certified Sites	SB	—	Sites	—	—	—	—	19
ISO 14001 Certification Rate*1	SB	—	%	—	—	—	—	100.0

*1 The percentage of certified sites among all applicable sites (a total of 19 sites designated under the Act on the Rational Use of Energy as type 1 designated energy management factories, etc., or type 2 designated energy management factories, etc.)

Compliance									
				Results					
Category	Boundary	Coverage	Unit	Fiscal year ended March 31					
				2018	2019	2020	2021	2022	
Violations of Environmental Rules	Times	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 77%	Times	0	0	0	0	0
	Penalty Amount		fiscal year ended March 31, 2022: 93%	Thousand yen	0	0	0	0	0

Society

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Employees									
Item	Boundary	Coverage	Unit	Fiscal year ended March 31					
				2018	2019	2020	2021	2022	
Employees*1	Women	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	Persons	5,358	5,356	7,730	8,004	15,300
	Men				13,433	13,468	18,332	19,162	30,276
	Total				18,791	18,824	26,062	27,166	45,576
Average Temporary Employees*1	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 100%	Persons	3,829	3,733	4,449	4,716	21,096	
Average Consecutive Years Served*1	Women	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	Years	10.3	10.9	10.2	10.7	8.3
	Men				12.0	12.2	11.2	11.4	9.6
	Total				11.4	11.9	10.9	11.2	9.2
Average Age of Employees*1	Women	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	Age	35.8	36.3	36.6	37.1	36.1
	Men				40.0	40.1	39.3	39.6	39.0
	Total				38.7	39.1	38.5	38.9	38.1
Age Composition of Employees*1	20s*7	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	Persons	3,434	3,337	5,042	4,882	10,290
	30s*7				7,412	7,276	10,017	10,506	17,323
	40s*7				5,810	5,904	7,863	8,255	13,280
	50s*7				2,113	2,283	2,905	3,265	5,012
	60s*7			22	24	45	43	192	
	Less than 30 Years Old			18.3	17.7	19.5	18.1	22.3	
	30 to 49 Years Old			70.4	70.0	69.1	69.6	66.4	
	50 Years Old or Older			11.3	12.3	11.4	12.3	11.3	
Employees by Management Position*2	Manager Class	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	Persons	3,097	3,139	4,161	4,518	6,845
	Department Head Class or Above				1,192	1,254	1,749	1,840	2,867
	Total				4,289	4,393	5,910	6,358	9,712
Employees Reemployed after Retirement	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	Persons	65	52	105	135	144	
Employees Absent from Work	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	Persons	236	208	303	285	300	

Society

★ : Third-party verified

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Employees								
Item	Boundary	Coverage	Unit	Fiscal year ended March 31				
				2018	2019	2020	2021	2022
Employees Who Took Leave for Nursing Care	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	Persons	15	12	18	13	22
Employee Turnover* ³	Voluntary	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	Persons	620	2,584	2,697	2,307	2,834
	Total			648	2,698	2,795	2,358	2,935
Turnover Rate* ³	Voluntary Turnover Rate	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	%	3.1	6.7	6.3	5.3	6.1
	Total			3.2	7.0	6.6	5.4	6.4
Ratio of Annual Paid Leave Taken* ⁴	SB ★	—	%	76.2	77.7	73.2	62.9	70.1
	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%		76.1	77.6	74.9	62.5	70.2
Ratio of Telework* ⁵ ★	SB	—	%	—	—	—	95.9	95.9
Employees Who Have Taken Days off for Volunteer Activities* ⁶	SB	—	Persons	—	153	179	16	56
Ratio of Employees Who Joined the Labor Union	SB	—	%	—	—	—	25.1	23.8

*1 As of March 31 for each fiscal year

*2 As of April 1 for each fiscal year

*3 Due to a change in boundary in fiscal year ended March 31, 2022, the figures for fiscal year ended March 31, 2019 to fiscal year ended March 31, 2021 have been retroactively adjusted.

*4 Due to a change in definition in fiscal year ended March 31, 2022, the figures for fiscal year ended March 31, 2018 to fiscal year ended March 31, 2021 have been retroactively adjusted.

*5 Ratio of employees who engaged in telework at least once a month

*6 The name of this item was changed in fiscal year ended March 31, 2021.

*7 Excluding seconded employees from other companies for some companies

Recruitment and Diversity								
Item	Boundary	Coverage	Unit	Fiscal year ended March 31				
				2018	2019	2020	2021	2022
Newly Hired Employees (New Graduates)	Women	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	Persons	156	151	233	186	149
	Men			303	321	744	660	565
	Total			459	472	977	846	714
Newly Hired Employees (Mid-career Workers)	Women	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	Persons	45	79	257	256	209
	Men			193	316	651	711	853
	Total			238	395	908	967	1,062
Newly Hired Employees (Employees with Disabilities)	SB	—	Persons	14	21	19	37	32
Ratio of Women to Newly Hired Employees (New Graduates)	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	%	34.0	32.0	23.8	22.0	20.9

Society

★ : Third-party verified

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Section 2
How We Create Value

Section 3
How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Recruitment and Diversity									
Item	Boundary	Coverage	Unit	Fiscal year ended March 31					
				2018	2019	2020	2021	2022	
Foreign Nationals in New Graduates Hired	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	Persons	21	38	64	96	54	
Ratio of Foreign Nationals to Newly Hired Employees (New Graduates)	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	%	4.6	8.1	6.6	11.3	7.6	
Average Employment Cost	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	Thousand yen	1,018	1,104	864	986	1,502	
Internal Hiring Rate*1*2	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 71% fiscal year ended March 31, 2022: 65%	%	88.0	86.2	84.7	81.0	81.4	
Ratio of Female Employees*3	Revenue-generating Sections*4	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	%	31.8	32.6	33.3	33.1	37.4
	STEM Sections*5				14.5	14.4	14.2	13.5	17.8
	Total				28.5	28.5	29.7	29.5	33.6
Women in Management Positions*6	Manager Class	SB	—	Persons	210	235	256	290	322
	Department Head Class or Above				31	37	44	48	56
	Total				241	272	300	338	378
	Manager Class*1	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	Persons	211	237	455	518	1,043
	Department Head Class or Above				31	37	79	87	249
	Total*1				242	274	534	605	1,292
Ratio of Women in Management Positions*6	Manager Class ★	SB	—	%	6.8	7.5	8.0	8.5	9.1
	Department Head Class or Above ★				2.6	3.0	3.4	3.5	4.0
	Total ★				5.6	6.2	6.6	7.1	7.6
	Manager Class*1	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	%	6.8	7.6	10.9	11.5	15.2
	Department Head Class or Above				2.6	3.0	4.5	4.7	8.7
	Total				5.6	6.2	9.0	9.5	13.3
Employees Taking Childcare Leave	Women	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	Persons	334	348	460	423	527
	Men				101	141	269	330	347
Ratio of Employees Taking Childcare Leave	Women	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	%	100.0	100.0	100.0	100.0	100.0
	Men				14.2	20.0	27.5	39.0	39.9

Society

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Recruitment and Diversity									
Item	Boundary	Coverage	Unit	Fiscal year ended March 31					
				2018	2019	2020	2021	2022	
Ratio of Employees by Nationality or Region*3	Japan	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	%	98.31	98.07	97.02	97.00	94.53
	People's Republic of China				0.89	0.96	1.40	1.44	1.76
	Republic of Korea				0.54	0.60	0.93	0.96	1.88
	Other: Asia				0.17	0.27	0.52	0.47	1.30
	North America				0.05	0.05	0.04	0.05	0.19
	Latin America				0.00	0.00	0.00	0.00	0.06
	Middle East				0.00	0.00	0.00	0.00	0.00
	Europe				0.02	0.03	0.05	0.05	0.21
	Oceania				0.00	0.00	0.01	0.01	0.05
	Africa				0.02	0.02	0.03	0.02	0.02
Ratio of Employees in Management Positions by Nationality or Region*6	Japan	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	%	99.40	99.26	99.40	99.26	93.27
	People's Republic of China				0.19	0.23	0.15	0.22	0.34
	Republic of Korea				0.23	0.30	0.27	0.34	3.40
	Other: Asia				0.05	0.05	0.07	0.06	2.63
	North America				0.09	0.09	0.07	0.06	0.19
	Latin America				0.00	0.00	0.00	0.00	0.02
	Middle East				0.00	0.00	0.00	0.00	0.01
	Europe				0.02	0.05	0.02	0.02	0.10
	Oceania				0.00	0.00	0.00	0.02	0.03
	Africa				0.02	0.02	0.02	0.02	0.01
Ratio of Employees with Disabilities*7	SB	—			2.24	2.19	2.30	2.39	2.34
	SB + Major Subsidiaries		fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%		2.22	2.15	2.26	2.39	2.15

*1 Due to a change in definition in fiscal year ended March 31, 2022, the figures for fiscal year ended March 31, 2021 have been retroactively adjusted.

*2 Internal hiring rate is calculated with the equation: (the number of employees transferred) / (the number of employees transferred + the number of new recruits).

*3 As of March 31 for each fiscal year

*4 The revenue-generating section means the sales section.

*5 STEM stands for Science, Technology, Engineering, and Mathematics (Engineering and Planning).

*6 As of April 1 for each fiscal year

*7 As of June 1 for each fiscal year

Society

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Section 2
How We Create Value

Section 3
How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Personnel Development								
Item	Boundary	Coverage	Unit	Fiscal year ended March 31				
				2018	2019	2020	2021	2022
Average Period of Training/Personnel Development* ¹	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 71% fiscal year ended March 31, 2022: 89%	Hours/Person	—	11.0	10.0	14.7	21.5
Average Cost for Training/Personnel Development* ¹	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 71% fiscal year ended March 31, 2022: 89%	Yen/Person	—	195,115	225,673	129,174	134,478

*¹ Due to a change in definition in fiscal year ended March 31, 2022, the figures for fiscal year ended March 31, 2021 have been retroactively adjusted.

Employee Satisfaction Level								
Item	Boundary	Coverage	Unit	Fiscal year ended March 31				
				2018	2019	2020	2021	2022
Survey on the Employee Satisfaction Level: Response Rate	SB	—	%	97.2	98.1	97.4	96.8	96.4
Survey on the Employee Satisfaction Level: Overall Satisfaction Level* ^{1*2}	Women	SB	Points	3.44	3.46	3.49	3.57	3.63
	Men			3.51	3.53	3.55	3.59	3.63
	Total			3.50	3.51	3.53	3.58	3.63
Survey on the Employee Satisfaction Level: Ratio of Employees with High Engagement* ³	SB	—	%	19.2	20.6	21.2	22.3	25.6

*¹ Overall satisfaction level: Aggregated values of results related to work, workplace, boss and company

*² Scored out of 5 (less than 3.00 = Low, 3.00 to 3.49 = Normal, 3.50 to 3.99 = High, 4.00 or higher = Very high)

*³ Employees with high engagement: Employees with a score of 4.00 or above

Occupational Health & Safety								
Item	Boundary	Coverage	Unit	Fiscal year ended March 31				
				2018	2019	2020	2021	2022
Total Working Hours per Year	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	Hours	1,815	1,770	1,793	1,887	1,849
Average Monthly Overtime Hours	SB	—	Hours	—	—	—	—	27.0
Ratio of Employees Who Underwent a Stress Check	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	%	89.4	90.1	90.5	86.6	87.2
Ratio of Positive Findings in the Regular Health Examination	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	%	56.6	59.7	59.7	61.1	59.3

Society

★ : Third-party verified

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Occupational Health & Safety								
Item	Boundary	Coverage	Unit	Fiscal year ended March 31				
				2018	2019	2020	2021	2022
Completion Rate for Specific Health Guidance	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	%	30.3	31.6	34.5	34.6	56.5
Ratio of Employees Who Smoke*1	SB	—	%	30.6	29.9	29.7	26.8	25.8
	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%		30.5	29.8	26.6	23.8	22.8
Total Recordable Incident Rate (TRIR)	SB	—	—	—	—	0.20	0.13	0.13
Lost Time Incident Rate (LTIR)	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 74%	—	—	—	0.11	0.10	0.10
Major Accidents During Mobile Base Station Construction ★	SB	—	Accidents	—	—	—	0	0

*1 As of March 31 for each fiscal year

Community/Society								
Item	Boundary	Coverage	Unit	Fiscal year ended March 31				
				2018	2019	2020	2021	2022
Total Amount of Donations*1	SB	—	Thousand yen	23,003	165,556	140,304	129,067	286,193
Aid for Disaster Victims	SB	—	Thousand yen	368	2,318	713	317	195

*1 Due to a change in definition in fiscal year ended March 31, 2021, the figures for fiscal year ended March 31, 2018 to fiscal year ended March 31, 2020 have been retroactively adjusted.

Network Issues								
Item	Boundary	Coverage	Unit	Fiscal year ended March 31				
				2018	2019	2020	2021	2022
Major Network Incidents*1	SB	—	Incidents	1	2	0	0	0
Network Interruption Frequency per Customer*2	SB	—	Interruptions/ Person-year	—	—	—	—	0.00065927
Network Interruption Duration per Customer*2	SB	—	Hours/ Person-year	—	—	—	—	0.0138

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

*2 Calculated based on the disclosure metrics of the SASB (Sustainability Accounting Standards Board) Standards

Governance

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Corporate Governance						Fiscal year ended March 31					
Item			Boundary	Coverage	Unit	2018	2019	2020	2021	2022	
Board Directors	Internal Board Directors	Women	SB	—	Persons	—	0	0	0	0	
		Men				—	7	7	7	7	
		Total				—	7	7	7	7	
	External Board Directors*1	Women				—	1 (1)	1 (1)	1 (1)	3 (2)	
		Men				—	3 (3)	3 (3)	3 (3)	3 (3)	
		Total				—	4 (4)	4 (4)	4 (4)	6 (5)	
Grand Total					—	11	11	11	13		
Executive Officers on the Board of Directors			SB	—	Persons	—	5	5	5	4	
% of Executive Officers on the Board of Directors			SB	—	%	—	45.5	45.5	45.5	30.8	
% of Independent External Directors on the Board of Directors						—	36.4	36.4	36.4	38.5	
% of Women on the Board of Directors						—	9.1	9.1	9.1	23.1	
Audit & Supervisory Board Members	Internal Audit & Supervisory Board Members	Women	SB	—	Persons	—	1	1	1	1	
		Men				—	1	1	1	1	
		Total				—	2	2	2	2	
	External Audit & Supervisory Board Members	Women				—	0	0	0	0	
		Men				—	2	2	2	2	
		Total				—	2	2	2	2	
Grand Total					—	4	4	4	4		
Average Age of Board Directors*2			SB	—	Age	—	59.3	60.3	61.3	60.6	
Term Limit for Board Directors			SB	—	Years	—	1	1	1	1	
Average Term of Office of Board Directors*2			SB	—	Years	—	6.8	7.8	8.8	8.3	
Board Meetings Held			SB	—	Times	—	16	14	12	12	
Board Directors Attending Less Than 75% of Board Meetings			SB	—	Persons	—	0	0	0	0	
Average Attendance Rate of Board Directors			SB	—	%	—	—	—	100.0	97.4	
Audit and Supervisory Board Meetings Held			SB	—	Times	—	16	17	17	16	
Board Members Attending Less Than 75% of Audit and Supervisory Board Meetings			SB	—	Persons	—	0	0	0	0	
Board Directors and Audit & Supervisory Board Members			SB	—	Persons	1	2	2	2	4	
						Men	13	13	13	13	13
						Total	14	15	15	15	17
% of Women in Board Directors and Audit & Supervisory Board Members			SB	—	%	7.1	13.3	13.3	13.3	23.5	
Nominating and Remuneration Committee Members	Internal Nominating and Remuneration Committee Members	Women	SB	—	Persons	—	0	0	0	0	
		Men				—	1	1	1	1	
		Total				—	1	1	1	1	
	Independent External Nominating and Remuneration Committee Members	Women				—	1	1	1	1	
		Men				—	3	3	3	3	
		Total				—	4	4	4	4	
Grand Total					—	5	5	5	5		

Governance

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Corporate Governance					Fiscal year ended March 31				
Item	Boundary	Coverage	Unit	Fiscal year ended March 31					
				2018	2019	2020	2021	2022	
Nominating Committee Meetings Held*3	SB	—	Times	—	2	2	4	3	
Remuneration Committee Meetings Held*3	SB	—	Times	—	2	3	4	6	
Nominating Committee Meeting Attendance Rate	SB	—	%	—	100.0	100.0	100.0	93.3	
Remuneration Committee Meeting Attendance Rate	SB	—	%	—	100.0	100.0	100.0	96.7	
Special Committee Members	Independent External Members	Women	SB	—	Persons	—	—	—	2
		Men				—	—	—	3
		Total				—	—	—	5
	Grand Total	—				—	—	5	
Special Committee Meetings Held	SB	—	Times	—	—	—	—	1	
Special Committee Meeting Attendance Rate		—	%	—	—	—	—	100.0	

*1 Figures shown in parentheses indicate the number of independent external Board Directors.

*2 Due to a change in definition in fiscal year ended March 31, 2022, the figures for fiscal year ended March 31, 2018, 2019, and 2021 have been retroactively adjusted.

*3 Due to a change in aggregation period in fiscal year ended March 31, 2022, the figures for fiscal year ended March 31, 2019 have been retroactively adjusted.

Remuneration					Fiscal year ended March 31				
Item	Boundary	Coverage	Unit	Fiscal year ended March 31					
				2018	2019	2020	2021	2022	
Remuneration of Chief Executive Officer	SB	—	Million yen	Basic Remuneration	60	120	120	120	120
				Stock Options	7	89	89	59	52
				Performance-based Bonus	263	315	200	228	—
				Performance-based Remuneration	—	—	200	228	475
				Total	330	524	608	635	647
Remuneration of Board Directors (Excluding External Board Directors)*1	SB	—	Million yen	Basic Remuneration	456	426	432	432	444
				Stock Options	34	345	345	228	234
				Performance-based Bonus	1,018	998	628	701	—
				Performance-based Remuneration	—	—	628	701	1,606
				Total	1,508	1,769	2,034	2,061	2,323
Remuneration of Audit & Supervisory Board Members (Excluding External Members)	SB	—	Million yen	Basic Remuneration	12	12	14	17	18
				Stock Options	—	—	—	—	—
				Performance-based Bonus	—	—	—	—	—
				Performance-based Remuneration	—	—	—	—	—
				Total	12	12	14	17	18

Governance

★ : Third-party verified

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Remuneration									
Item	Boundary	Coverage	Unit	Fiscal year ended March 31					
				2018	2019	2020	2021	2022	
Remuneration of External Board Directors and External Audit & Supervisory Board Members	Basic Remuneration	SB	—	Million yen	12	49	64	70	104
	Stock Options				—	—	—	—	—
	Performance-based Bonus				—	—	—	—	—
	Performance-based Remuneration				—	—	—	—	—
	Total				12	49	64	70	104
Remuneration of Non-executive Board Members	SB	—	Million yen	7	89	89	59	38	
Average Annual Salary of Employees	Women ★	SB	—	Thousand yen	5,808	5,306	6,110	6,580	6,502
	Men ★				8,636	8,117	8,372	8,728	8,592
	Total ★				7,842	7,331	7,821	8,207	8,084
	Women	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	Thousand yen	5,790	5,289	6,259	6,737	6,329
	Men				8,619	8,091	8,295	8,728	8,430
Total	7,818				7,298	7,782	8,222	7,808	
Average Annual Pay for Executives (Basic Salary Only)*2**3*4	Women ★	SB	—	Thousand yen	—	—	—	—	—
	Men ★				—	—	—	50,232	52,769
	Total ★				—	—	—	50,232	52,769
	Women	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	Thousand yen	—	—	—	—	32,690
	Men				—	—	—	43,031	26,717
Total	—				—	—	41,207	26,901	
Average Annual Pay for Executives (Basic Salary + Bonus)*2**3*4	Women ★	SB	—	Thousand yen	—	—	—	—	—
	Men ★				—	—	—	100,385	116,638
	Total ★				—	—	—	100,385	116,638
	Women	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	Thousand yen	—	—	—	—	45,596
	Men				—	—	—	84,986	42,097
Total	—				—	—	80,335	42,215	
Average Annual Salary of Employees at Management Positions (Basic Salary Only)*3*4	Women ★	SB	—	Thousand yen	—	—	—	6,802	6,782
	Men ★				—	—	—	7,405	7,398
	Total ★				—	—	—	7,367	7,356
	Women	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	Thousand yen	—	—	—	6,327	7,083
	Men				—	—	—	7,274	7,569
Total	—				—	—	7,193	7,499	

Governance

★ : Third-party verified

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Remuneration									
Item	Boundary	Coverage	Unit	Fiscal year ended March 31					
				2018	2019	2020	2021	2022	
Average Annual Salary of Employees at Management Positions (Basic Salary + Bonuses) ^{*3**4}	Women ★	SB	—	Thousand yen	—	—	—	10,847	10,677
	Men ★				—	—	—	11,838	11,669
	Total ★				—	—	—	11,777	11,601
	Women	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	Thousand yen	—	—	—	10,337	10,085
	Men				—	—	—	11,833	11,357
	Total				—	—	—	11,706	11,185
Average Annual Salary of Employees at Non-management Positions (Basic Salary + Bonuses)	Women ★	SB	—	Thousand yen	—	—	—	6,313	6,203
	Men ★				—	—	—	7,391	7,241
	Total ★				—	—	—	7,070	6,933
	Women	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	Thousand yen	—	—	—	6,392	5,873
	Men				—	—	—	7,384	7,081
	Total				—	—	—	7,082	6,655
Bonuses for Employees (Median)	SB	—	Thousand yen	2,662	2,135	2,253	2,252	2,295	
Ratio of CEO's Remuneration to Average Annual Salary of Employees	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 80% fiscal year ended March 31, 2022: 99%	Times	42	72	78	77	84	
Ratio of CEO's Remuneration to Bonuses for Employees (Median)	SB	—	Times	124	245	270	282	282	

*1 Under the SoftBank Corp. group's policy on the payment of executive remuneration, the remuneration of Board Director Masayoshi Son and Board Director Kentaro Kawabe is to be excluded from the scope of actual payment since the remuneration of Directors who concurrently hold posts in SoftBank Corp. group companies is paid from the main company at which they serve, and thus excluded from the figures above accordingly.

*2 Calculated for Executive Directors and Delegated Senior Vice Presidents

*3 Delegated Senior Vice Presidents were classified as employees at management positions in fiscal year ended March 31, 2021 and as executives in fiscal year ended March 31, 2022.

*4 Due to a change in definition in fiscal year ended March 31, 2022, the figures for fiscal year ended March 31, 2021 have been retroactively adjusted.

Remuneration for Comptrollers									
Item	Boundary	Coverage	Unit	Fiscal year ended March 31					
				2018	2019	2020	2021	2022	
Remuneration for Independent Auditors	Audit Fee	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 100% fiscal year ended March 31, 2022: 100%	Million yen	592	805	1,398	1,562	2,053
	Non-audit Fee				68	92	115	247	382
	Total				660	897	1,513	1,809	2,435
Remuneration for Those Who Belong to the Same Network as Auditors, Certified Public Accountants, and Others (excluding the above)	Audit Fee	SB + Major Subsidiaries	fiscal year ended March 31, 2021: 100% fiscal year ended March 31, 2022: 100%	Million yen	—	—	—	5	103
	Non-audit Fee				491	648	343	591	618
	Total				491	648	343	596	721

Governance

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Shareholders' Rights								
Item	Boundary	Coverage	Unit	Fiscal year ended March 31				
				2018	2019	2020	2021	2022
Anti-takeover Measures	SB	—	—	None				

Compliance								
Item	Boundary	Coverage	Unit	Fiscal year ended March 31				
				2018	2019	2020	2021	2022
Consultations/Reports about Compliance Violations				—	—	—	—	228
Breakdown of Consultations/Reports	Labor Affairs	—	Reports	—	—	—	—	71
	Other			—	—	—	—	157
Details of Violation	Improper Sales	—	Breaches	—	—	—	8	11
				—	—	—	3	6
				—	—	—	0	1
				—	—	—	13	9
				—	—	—	38	33
Code of Conduct or Ethics Breaches	Punitive Dismissal	—	Breaches	—	—	—	2	0
				—	—	—	2	6
				—	—	—	4	5
				—	—	—	5	3
				—	—	—	7	8
				—	—	—	4	5
	Total		Breaches	38	33	37	24	27
Details of Violation	Harassment	—	Breaches	8	9	14	12	13
				8	9	14	12	13
Violations, Including Human Rights Infringements and Harassment	Punitive Dismissal	—	Breaches	—	—	—	0	0
				—	—	—	0	2
				—	—	—	3	3
				—	—	—	3	2
				—	—	—	1	4
				—	—	—	5	2
	Total		Breaches	8	9	14	12	13
Trainings on Human Rights	SB	—	Times	—	—	8	10	11

Governance

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

> ESG Data Book

Group Structure

External Evaluation

Corporate Data/Stock Information

Compliance								
Item	Boundary	Coverage	Unit	Fiscal year ended March 31				
				2018	2019	2020	2021	2022
Ratio of Employees Who Have Taken a Compliance Test	SB	—	%	99.2	99.9	99.8	100.0	100.0
Cases of Leakage of Personal Information, Theft or Loss of Data*1	SB	—	Cases	0	0	0	0	0
Total Contributions & Expenditures for Political Influence				0	0	0	0	0
	SB	—	Yen	0	0	0	0	0
Political Contributions				0	0	0	0	0
Lobbying				0	0	0	0	0
Expenses for Trade Associations				0	0	0	0	0
Other Expenses				0	0	0	0	0
Anticompetitive Violation	SB	—	Cases	0	0	0	0	0
Bribery	SB	—	Cases	0	0	0	0	0

*1 Disclosed based on guidance from regulatory authorities and violations of laws and regulations

Information Security								
Item	Boundary	Coverage	Unit	Fiscal year ended March 31				
				2018	2019	2020	2021	2022
Information Security Incidents*1	SB	—	Incidents	0	1	0	0	0
ISO 9001 Certified Sites	SB	—	Sites	—	—	—	—	38
ISO 9001 Certification Rate*2	SB	—	%	—	—	—	—	100.0
ISO 27001 Certified Sites	SB	—	Sites	—	—	—	—	28
ISO 27001 Certification Rate*3	SB	—	%	—	—	—	—	100.0
ISO 20000-1 Certified Sites	SB	—	Sites	—	—	—	—	25
ISO 20000-1 Certification Rate*4	SB	—	%	—	—	—	—	100.0
Routine Information Security Training	SB	—	Times	1	1	1	1	1

*1 Disclosed in accordance with SoftBank Corp.'s information security policy

*2 The percentage of certified sites among all applicable sites (38 sites where SoftBank Corp. has sought ISO 9001 certification)

*3 The percentage of certified sites among all applicable sites (28 sites where SoftBank Corp. has sought ISO 27001 certification)

*4 The percentage of certified sites among all applicable sites (25 sites where SoftBank Corp. has sought ISO 20000-1 certification)

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

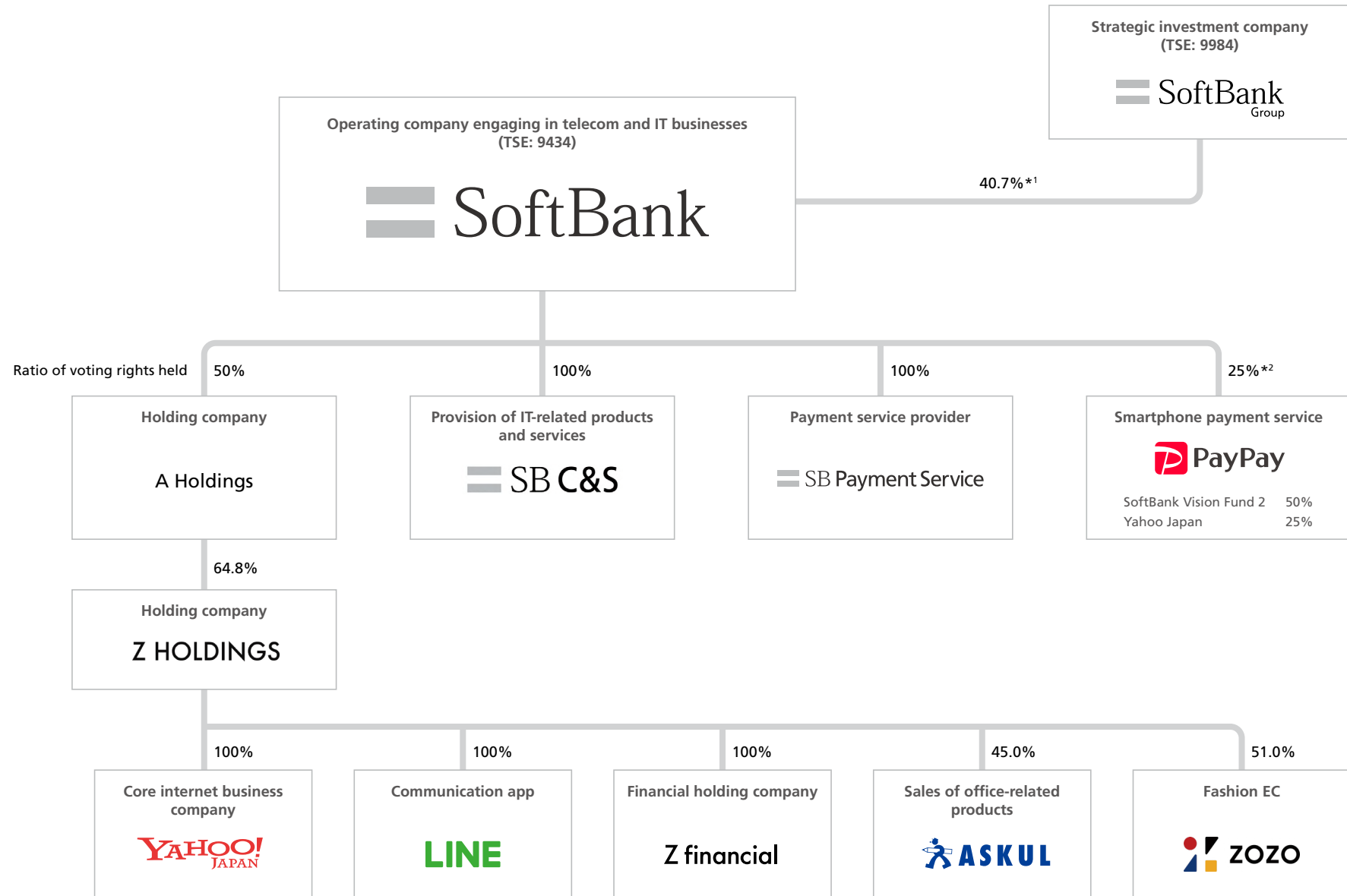
ESG Data Book

> Group Structure

External Evaluation

Corporate Data/Stock Information

Group Structure



*This is a simplified representation of the Group's structure, with percentages based on shareholder voting rights. Figures at the end of March, 2022.

*1 The Company is directly owned by SoftBank Group Japan Corporation, a wholly owned subsidiary of SoftBank Group Corp. The stated 40.7% is the percentage of the total number of shares issued by the Company (excluding treasury stock).

*2 PayPay Corporation will become a consolidated subsidiary of the Company and Z Holdings Corporation in October 2022.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

> External Evaluation

Corporate Data/Stock Information

External Evaluation

ESG Evaluation

DJSI Asia Pacific Index

SoftBank has been selected for the first time as a component of "DJSI Asia Pacific Index" in 2021, which consists of companies in the Asia-Pacific region of "Dow Jones Sustainability Index (DJSI)," the world's leading ESG (Environmental, Social and Governance) investment index.



FTSE4Good Index Series FTSE Blossom Japan Index FTSE Blossom Japan Sector Relative Index

Since 2020, SoftBank has been a component of two Environmental, Social and Governance (ESG) indexes defined by FTSE Russell: the "FTSE BLOSSOM Japan Index" as well as the "FTSE4Good Index Series," one of the world's leading ESG indexes. In 2022, SoftBank became a component of the "FTSE Blossom Japan Sector Relative Index."



S&P/JPX Carbon Efficient Index

SoftBank has been selected as a constituent stock of the "S&P/JPX Carbon Efficient Index," an index that determines the weighting of constituent stocks by focusing on the disclosure of environmental information and the level of carbon efficiency (carbon emissions per unit of sales).



MSCI Japan ESG Select Leaders Index The MSCI Japan Empowering Women Index (WIN)

SoftBank was selected as a constituent for the "MSCI Japan ESG Select Leaders Index," a leading ESG (Environmental, Social and Governance) index that has been adopted as a benchmark by Japan's Government Pension Investment Fund (GPIF)—the world's largest public pension fund—for passive ESG investing.

SoftBank was selected as a component of the "MSCI Japan Empowering Women Index (WIN)," which is constituted by Japanese companies with a high level of gender diversity.



SOMPO Sustainability Index

SoftBank was selected as a member of the "SOMPO Sustainability Index" operated by Sompo Asset Management Co., Ltd. This index is utilized by the company's "SOMPO Sustainable Management" to broadly invest in companies with a high ESG (Environment, Society, and Governance) rating.



CDP 2021 Climate Change

SoftBank received a score of A- in the climate change category from CDP (headquarters: London, U.K.), which is a nonprofit organization carrying out environmental assessment of major companies and cities worldwide.



Nikkei SDGs Management Survey 2021

SoftBank received the highest rating of 5 stars in the "Nikkei SDGs Management Survey 2021." This survey targets in a total of four fields: "SDGs strategy / economic value," "social value," "environmental value" and "governance." SoftBank also received the Social Value Award, one of the three categories established in the Nikkei SDGs Management Survey.



DX Stock 2022

In recognition of its efforts to solve social issues through new businesses, SoftBank was selected as the only company in the information and telecommunications industry to be the "Digital Transformation Stock 2022" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.



An International Climate Change Initiative By SBT

SoftBank announced that the goals detailed in its Carbon Neutral 2030 Declaration to achieve virtually zero greenhouse gas emissions by 2030 were certified by the "Science Based Targets initiative" ("SBTi"), a body enabling businesses to set ambitious emissions reduction targets.



Note: The name and logo of the Dow Jones Sustainability Index are a trademark and a service mark, respectively, of S&P Dow Jones Indices LLC. SoftBank Corp.'s inclusion in the MSCI indexes and the use of MSCI logos, trademarks, service marks or index names do not constitute a sponsorship, recommendation, or promotion of SoftBank Corp. by MSCI nor its affiliates. The MSCI indexes are the exclusive property of MSCI. The names and logos of MSCI and the MSCI indexes are trademarks or service marks of MSCI or its affiliates. FTSE Russell is a trademark of FTSE International Limited and Frank Russell Company.

Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1

What Value We Create

Section 2

How We Create Value

Section 3

How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

> External Evaluation

Corporate Data/Stock Information

External Evaluation

Labor Practices

Next-generation certification mark (Kurumin)

In 2017, SoftBank was granted "Platinum Kurumin" certification by the Ministry of Health, Labor and Welfare, an evaluation of "companies that have already received Kurumin certification and have advanced the introduction and use of systems which support the balance between work and child-rearing to an appreciable extent, implementing the initiatives to a high degree."



Eruboshi

SoftBank has received the "Eruboshi" designation (class 2) from the Minister for Health, Labor and Welfare in recognition of being a company that excels in the empowerment of women. Going forward, we will maintain efforts to promote the success of women, such as holding career training for female employees and implementing mentoring programs.



PRIDE Index Gold Rating

SoftBank has awarded the highest "Gold" ranking in the "PRIDE Index," an evaluation of companies' internal initiatives regarding LGBTQ and other sexual minorities.



Excellence in Corporate Health and Productivity Management Category (White 500)

SoftBank was selected as a "White 500" organization 4 years in a row in the "Health Management Paid Corporation 2022 large enterprise category" by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi for excellence in healthcare management efforts.



NIKKEI Smart Work

The Nikkei Smart Work Survey, a study conducted by Nikkei Inc., gave SoftBank a five star rating, the highest rating. The Japan-based survey ranks all listed companies and companies with over 100 employees based on four aspects: Human Resources, Achieve Innovation, Market Development and Management Fundamentals. A company's strength is comprehensively evaluated based on points drawn from these four survey categories.

SoftBank also received the Innovation Prize of NIKKEI Smart Work Awards 2022 for its innovation-encouraging structure. It successfully spawned venture businesses under SoftBank InnoVenture, an in-house entrepreneurship program. It is also committed to training talent in cutting-edge fields, as highlighted by large proportions of its IT talent and foreign regular employees.

In 2021, SoftBank won the Technology Utilization Award for selecting new graduates using AI (artificial intelligence), streamlining in-house operations with robotic process automation (RPA), and delivering technology-based services such as the cashless payment service PayPay.



Website

2021 Nikko Investor Relations Overall Ranking AAA Website



Gomez IR Website Overall Ranking 2021 Gold Prize



Daiwa IR 2021 Internet IR Best Excellence Award



Contents

Purpose of Issuing this Integrated Report

Corporate Philosophy

Cover Story / SoftBank's Take on Challenge

Section 1
What Value We Create

Section 2
How We Create Value

Section 3
How We Sustain Value

Data Section

At a Glance

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of the Fiscal Year Ended March 31, 2022

Consolidated Financial Statements

Material Issues

ESG Data Book

Group Structure

External Evaluation

> Corporate Data/Stock Information

Corporate Data/Stock Information

Corporate Data

Company name	SoftBank Corp.
Representative	Junichi Miyakawa, President & CEO
Corporate headquarters	1-7-1 Kaigan, Minato-ku, Tokyo 105-7529
Established	December 9, 1986
Number of employees	49,581 (Consolidated basis) 18,929 (Standalone basis) (As of March 31, 2022)
Fiscal year	From April 1 to March 31 of the following year
Annual general meeting of shareholders	Every year in June

Stock Information (As of March 31, 2022)

Common stock	¥204,309 million
Shares authorized	8,010,960,300 shares
Shares issued	4,787,145,170 shares (treasury stock: 79,843,467 shares)
Stock exchange registration	Tokyo Stock Exchange, Prime Market (From April 2022)
Number of shares constituting one trading unit	100 shares
Total number of shareholders with voting rights	886,556

Our Websites

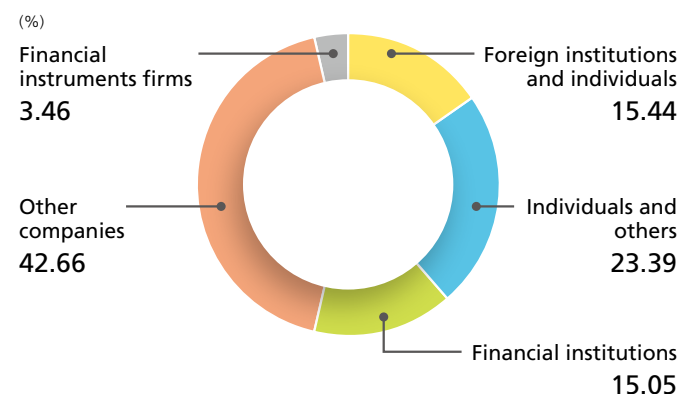
- Investor Relations <https://www.softbank.jp/en/corp/ir/>
- Sustainability & CSR <https://www.softbank.jp/en/corp/sustainability/>

Principal Shareholders (Top 10 Shareholders)

Name	Number of shares held (Thousands)	Shareholding ratio (%)
SoftBank Group Japan Corporation	1,914,858	40.68
The Master Trust Bank of Japan, Ltd. (Trust Account)	481,833	10.24
Custody Bank of Japan, Ltd. (Trust Account)	142,993	3.04
STATE STREET BANK WEST CLIENT - TREATY 505234	58,062	1.23
SMBC Nikko Securities Inc.	47,693	1.01
JP MORGAN CHASE BANK 385632	45,238	0.96
JP MORGAN CHASE BANK 385781	35,374	0.75
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	31,509	0.67
STATE STREET BANK AND TRUST COMPANY 505103	31,421	0.67
JPMorgan Securities Japan Co., Ltd.	30,878	0.66

Note: The Company, which holds a treasury stock of 79,843,467 shares, is excluded from principal shareholders shown above. The shareholding ratio is calculated by subtracting the treasury stock from the total number of shares issued.

Breakdown by Type of Shareholder



Stock Price Chart



SoftBank Corp.