



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.

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

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.

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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.

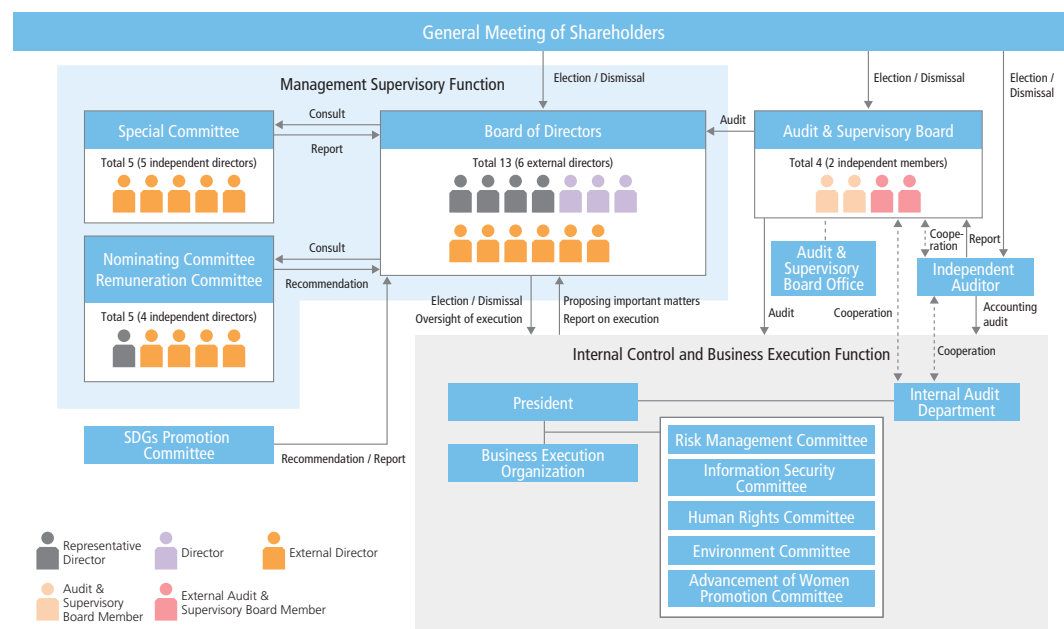
Final comment from the moderator

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.

Corporate Governance

Overview of Corporate Governance System

Corporate governance system



Special Committee

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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

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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

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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

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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

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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

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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

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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.

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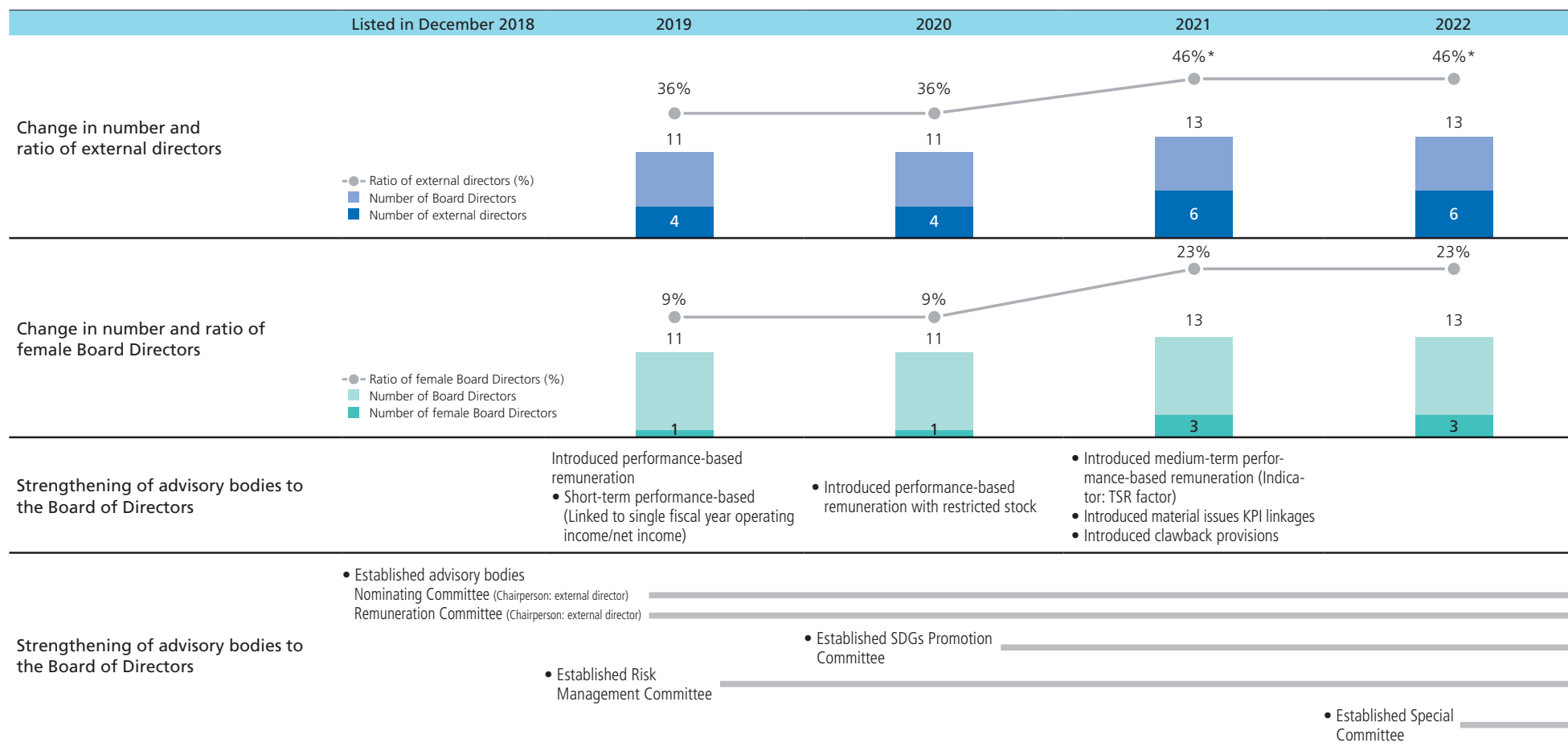
Evolution of Corporate Governance System

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%

Corporate Governance

Establishment of Special Committee

Dealing with conflict of interest transactions with the parent company

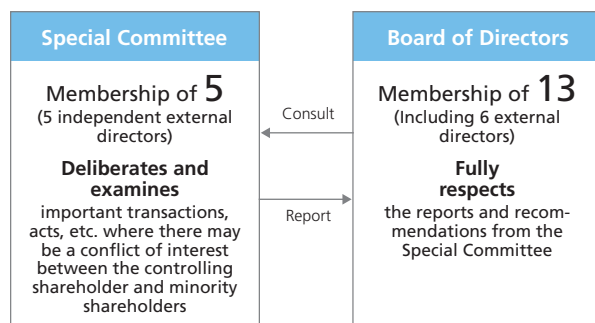
In February 2022, the Company established the Special Committee, which is comprised of Independent External Directors, to further enhance corporate governance. The Committee functions as a voluntary advisory body to the Board of Directors.

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.



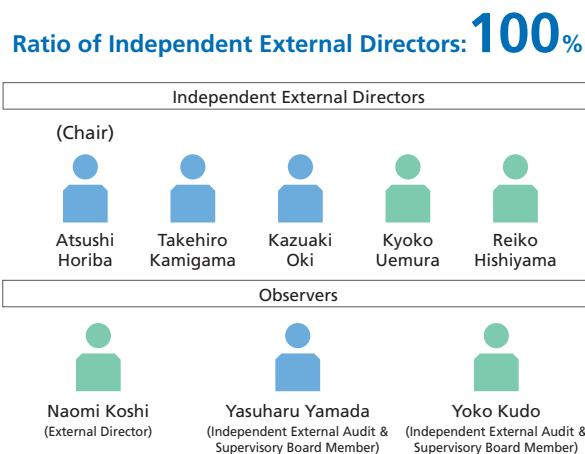
Committee Composition

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.

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	Gender	Management 	Finance 	Legal / Risk 	Digital / Technology 	Sales / Marketing 	Global 
		Major career / credentials of External Officers	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.

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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.

Remuneration for Board Directors

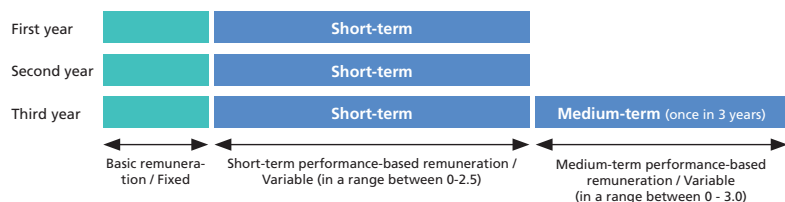
Outline of the policy and the method for determining the remuneration of Officers

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

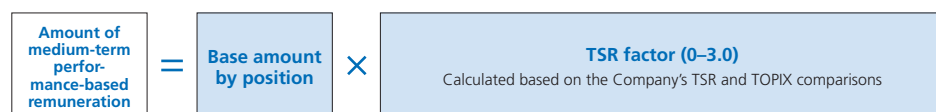
*2 In calculating the amount to be paid, the Company uses the figure determined as of the Company's predetermined record date.

Corporate Governance

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

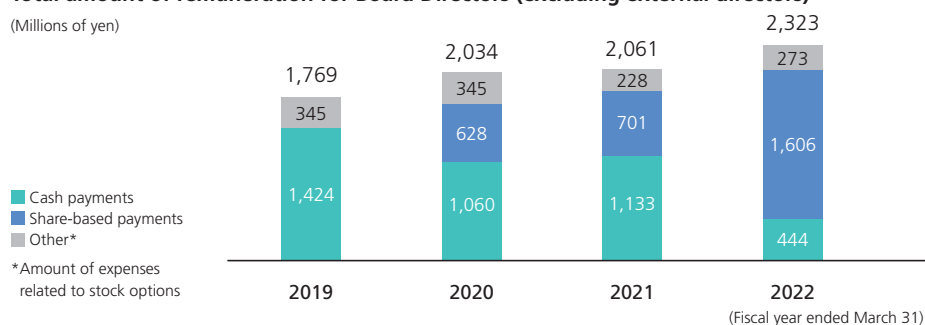
Medium-term performance-based remuneration is paid once every three years in a certain period of time after the end of each fiscal year to eligible Board Directors in the form of restricted shares that are subject to transfer restrictions until their retirement. Under the basic policy of the Company, 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

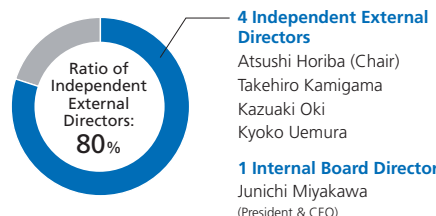
Structure of the Board of Directors, election of Board Directors, nomination of Representative Directors, skill matrix of Board Directors

Remuneration Committee

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

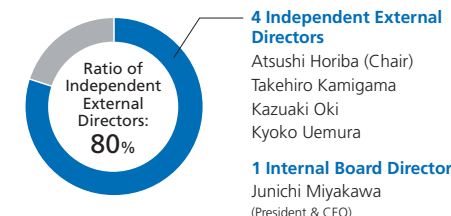
Composition of Nominating Committee

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



Composition of Remuneration Committee

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



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

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 style="width: 100%; border: none;"> <tr> <td style="width: 50%;">1. Strategies and implementation thereof</td> <td style="width: 50%;">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

- 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

Corporate Governance

Status of Audit

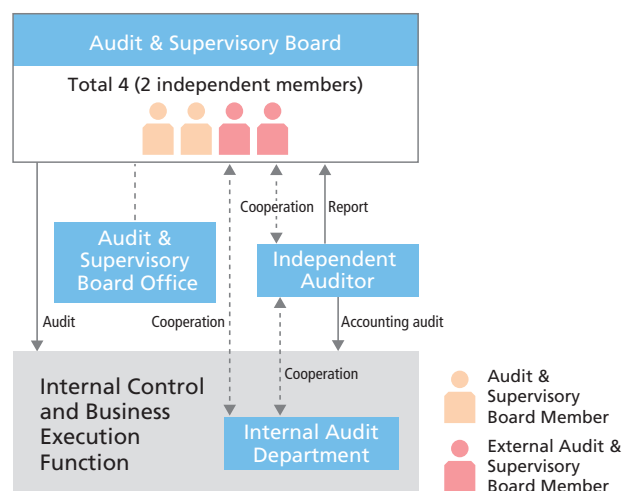
Audit & Supervisory Board

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

Structure and cooperation framework of auditing



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.

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
Miyachi**

Representative
Director &
Chairman



After a stint with the Japan Management Association that started in February 1977, Mr. Miyachi 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. Miyachi 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.

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.

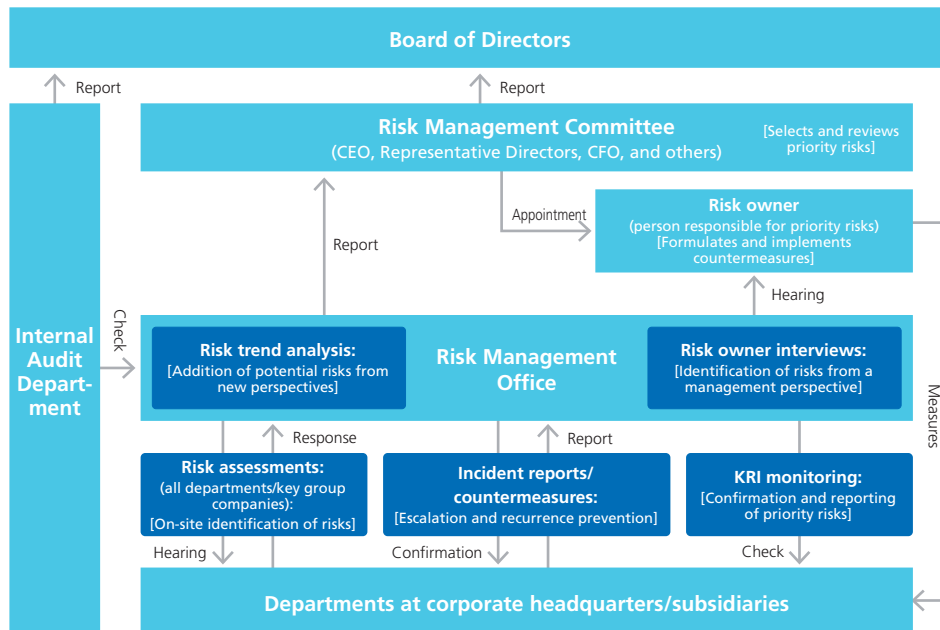
Risk Management

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

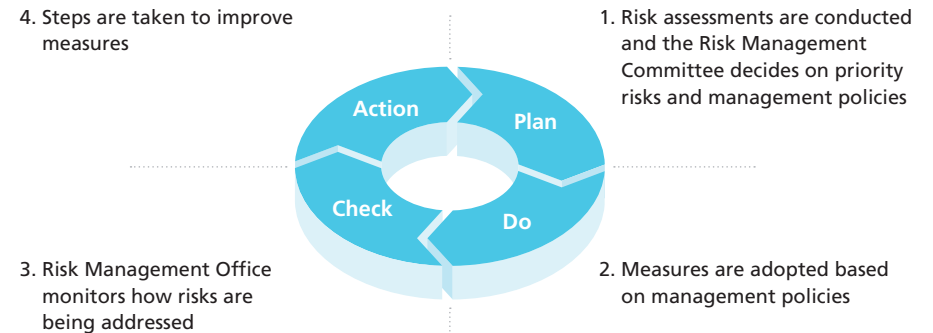
In order to identify Company-wide risks from various angles and prevent them from materializing, each division undertakes risk examinations on-site when formulating measures, whilst the Risk Management Office gauges Company-wide and all-encompassing risks and regularly checks how they are being addressed. 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

P Plan D Do C Check A Action

FY	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			D Devise/Implement measures for priority risk								A Devise/Implement additional measures to address priority risk	
Risk Management Division					D Checks on the status of measures (first half)			C Checks on the status of measures (second half)				
Department of Head Office/Affiliates			C KPI monitoring (monthly)									
			P Risk assessment									

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/>

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	■ 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	■ Conduct periodic audits of outsourced companies' work
(b) Use of other companies' facilities ■ Other companies' management resources	■ Risk of becoming unable to continue using communication line facilities owned by other operators	■ Use multiple operators' communication line facilities
(c) Procurement of various equipment ■ Supply disruptions ■ Delivery delays	■ Risk of supply disruptions, delivery delays, etc. in the procurement of telecommunication equipment, etc.	■ Build networks by procuring equipment from multiple suppliers
g. Use of the <i>SoftBank</i> brand		
■ Brand use	■ 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	■ 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	■ 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	■ Add redundancy to the network and clarify recovery procedures in case of failure or other accidents
i. Training and securing human resources		
■ Human resources (hiring, job changes, training) ■ Labor management (overwork, etc.) ■ Human rights ■ Diversity	■ 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	■ 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	■ 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	■ 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/>

Risk Management

Information Security

Message from CISO

Constantly monitoring increasingly diversified and advanced threats

Tadashi Iida
Chief Information Security Officer



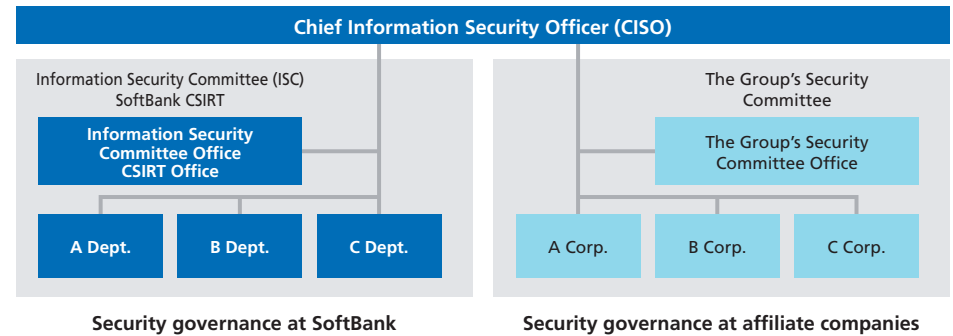
Policy

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/>

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

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.

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.

Dialogue Theme

Special Feature

Women in the Workforce

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.

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.

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.

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.

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.



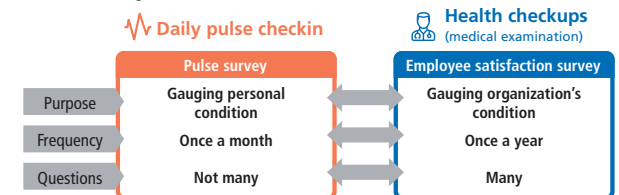
HELPO app

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.

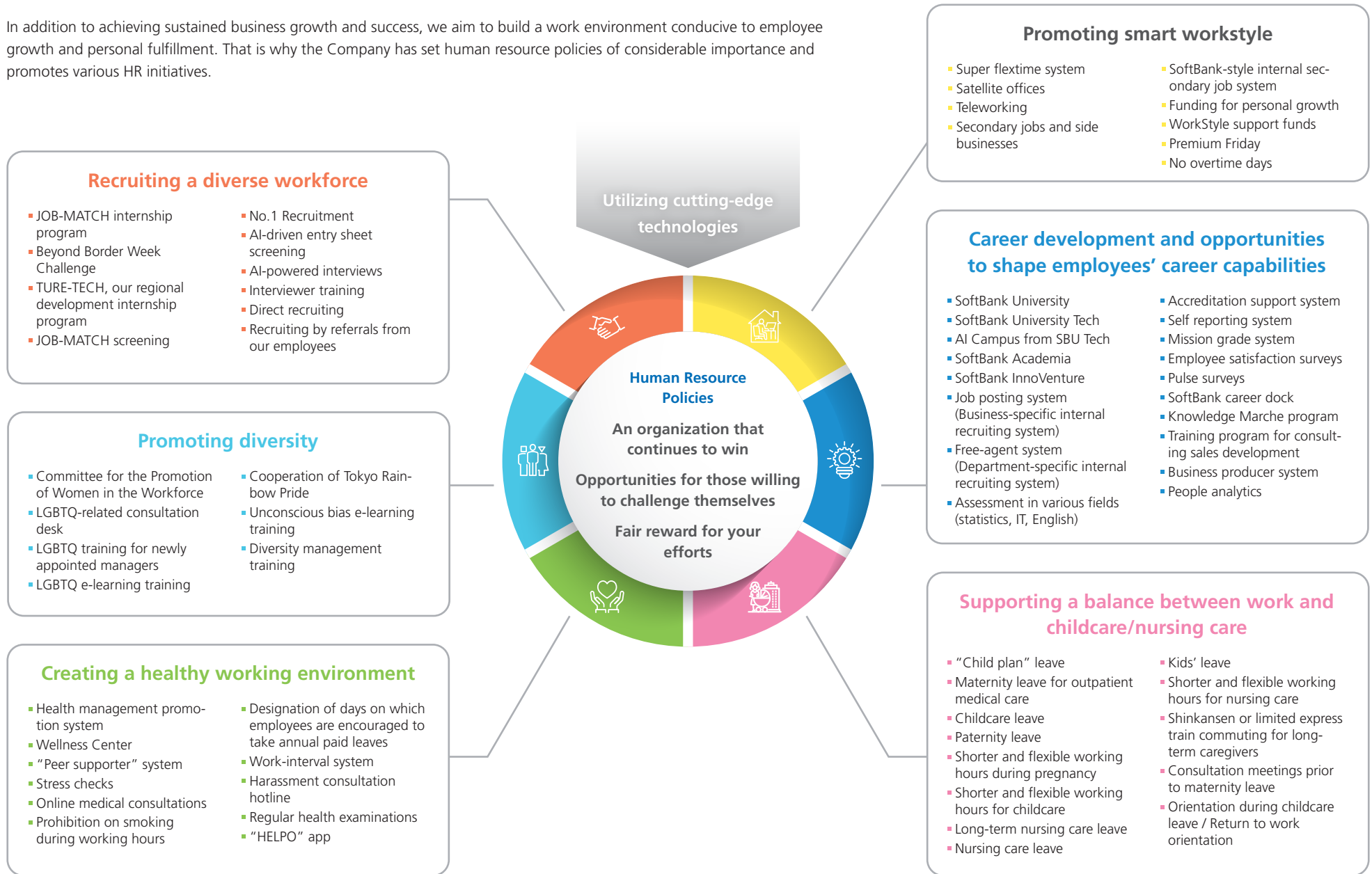
Pulse survey



Human Resource Strategy

SoftBank's Human Resource Initiatives

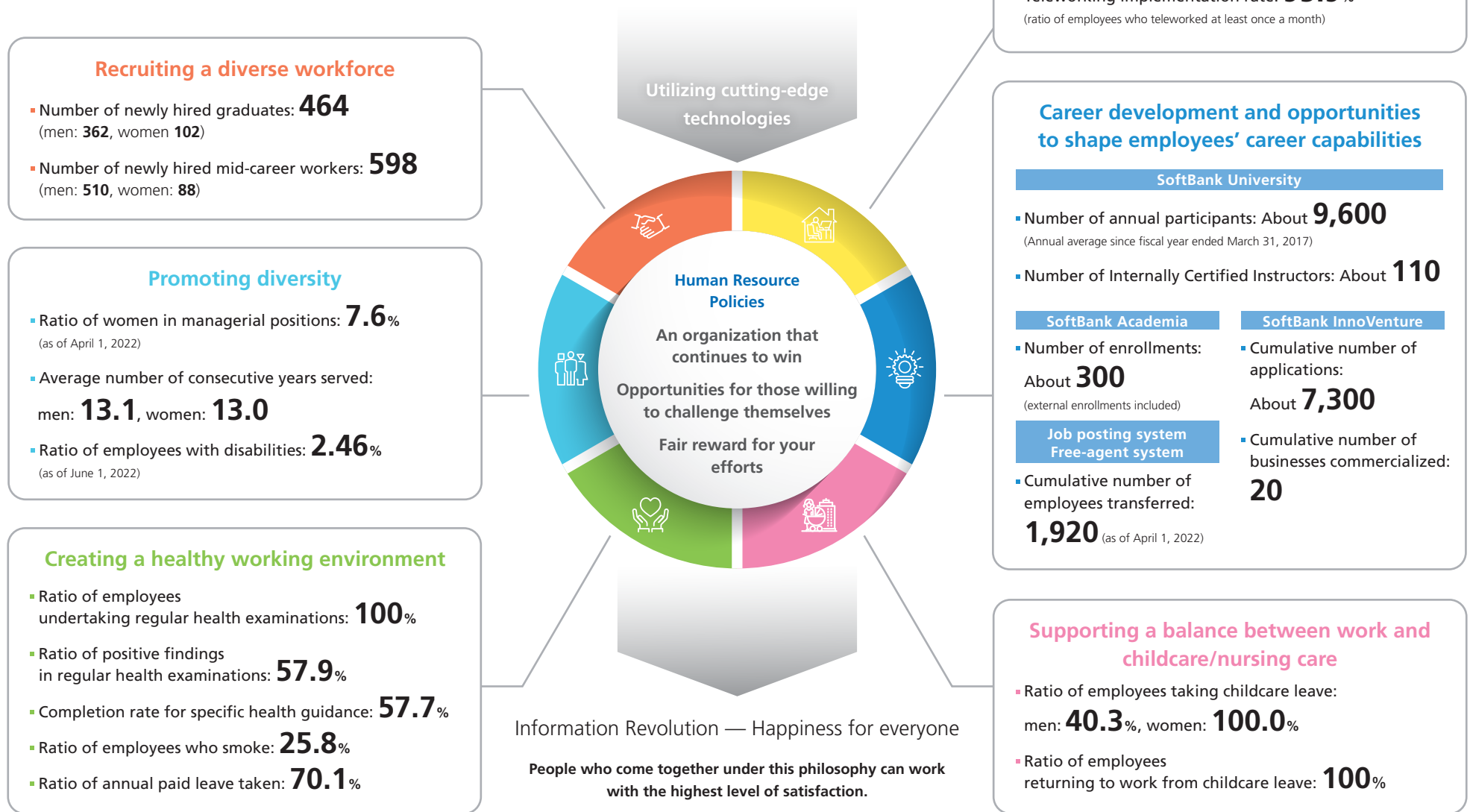
In addition to achieving sustained business growth and success, we aim to build a work environment conducive to employee growth and personal fulfillment. That is why the Company has set human resource policies of considerable importance and promotes various HR initiatives.



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 Career* 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)

Environmental Initiatives



Toward virtually zero greenhouse gas emissions

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 Empower 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.

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.

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	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			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			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			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	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	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

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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).