Section 1

Who we are

While providing high-quality telecommunications services centered on smartphones, SoftBank has been further expanding its business fields going beyond just being a telecommunications carrier and has grown to include a number of Japan's top-class ICT (information and communication technology) services. We will further our efforts to solve various social issues with the power of advanced technology, and work for our long-term vision of aiming to be "a company that provides next-generation social infrastructure essential for development of a digital society."

Expansion beyond just being a telecommunications carrier into the information and technology field

Mobile / Fixed-line

With Beyond Carrier as our growth strategy, we aim to maximize our corporate value by pursuing sustainable growth in our core telecommunications business while going beyond just being a telecommunications carrier to actively roll out new businesses in the information and technology fields (P25). We were listed on the First Section of the Tokyo Stock Exchange (now the Prime Market) in 2018. Since then, we have acquired Z Holdings (formerly Yahoo Japan), ZOZO, LINE, and PayPay as subsidiaries, and evolved into a top-class Japanese corporate group providing ICT services.





Distribution

Enterprises

2019.6

2022.10

2021.3

Merged the business of

LINE

Acquired PayPay as a subsidiary

PayPay

- *1 2022 Japan Mobile Service Customer Satisfaction Study by J.D. Power. Based on responses from 3,900 for value carrier and 2,300 for online dedicated brand, japan, jdpower.com/awards
- *2 2022 Network Service Customer Satisfaction Survey by J.D. Power. Based on 796 responses from companies with 1,000 or more employees. japan.jdpower.com/awards
- *3 FY2022 result. Total transaction values of domestic shopping business, reuse business, other (merchandise), ASKUL Corporation's BtoB-related revenue via Internet (closing date: 20th of every month), domestic services, domestic digital content and overseas e-commerce
- *4 Nielsen, TOPS OF 2020: DIGITAL IN JAPAN
- *5 Percentage of PayPay was calculated from the disclosed data of the Japan Cashless Payment Promotion Council (Results of Survey on QR Code Payment Usage Trends in Japan in FY2021), based on PayPay Corporation research
- *6 Nielsen, TOPS OF 2022: DIGITAL IN JAPAN

We have Japan's top-class ICT service providers under our umbrella

With the strategic investment company SoftBank Group Corp. as Strategic investment company Operating company engaging in telecom and (TSE: 9984) our parent company, we are independently and flexibly expanding IT businesses (TSE: 9434) 40.5%*1 our business fields as a core operating company tackling the SoftBank SoftBank information revolution while maximizing Group synergies. **Consumer segment Enterprise segment** Ratio of voting rights held 100% 50% 100% **Provision of IT-related products** Payment processing service Holding company and services provider = SB **C&S** 50% A HOLDINGS **SB Payment Service Financial segment** Media & EC segment 64.5% (our economic interest is 32.3%) Holding company Holding company 50% Z HOLDINGS* **B HOLDINGS Financial segment** Media & EC segment (percentage of voting rights held by the Group: 69.8%*2 (Note) This is a simplified representation of the Group's structure. The economic interest: 46.2%) 100% 100% 45% 51% percentages of voting rights are as of March 31, 2023. *1 The Company is directly owned by SoftBank Group Japan Corporation, a wholly owned subsidiary of SoftBank Group Corp. The stated Cashless payment **Core Internet** Communication app Sales of office-related **Fashion EC** 40.5% is the percentage of the total number of shares issued by the services products Company (excluding treasury stock). company *2 With regard to the Group holdings of PayPay Corporation, in addition to the 57.9% held by B Holdings Corporation, the Company directly zozo ★ASKUL PavPav holds 5.9% and Z Holdings Corporation holds 5.9% *3 On October 1, 2023, a group reorganization centered on Z Holdings Corporation, LINE Corporation, and Yahoo Japan Corporation was completed. The trade name of Z Holdings Corporation has been Media & EC segment Financial segment changed to LY Corporation on the same day.

Developing five business segments related to information and technology

We went public as an operating company with core business in tele-communications focused on the Consumer segment, but today we are developing five business segments: Consumer, Enterprise, Distribution, Media & EC, and Finance. In particular, we are currently diversifying our earnings, and segments besides the Consumer segment now account for over 50% of our revenue.

Financial segment

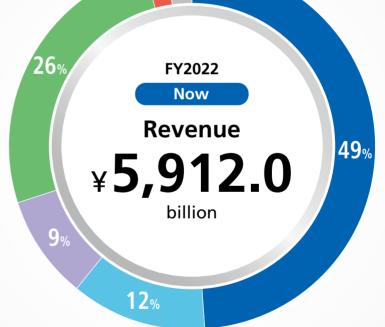
For individuals, we provide cashless payment services such as payments via QR code and credit card, as well as smartphone-based securities services. For enterprise customers, we provide payment processing services offering one-stop payment solutions including credit cards, electronic money, and QR codes.

Consumer segment

We provide mobile communications services, broadband services, and electricity services primarily to individuals in Japan. We also procure mobile devices and sell them to distributors operating SoftBank stores and other establishments, as well as to individuals.

Media & EC segment

We offer services centered on media and commerce. In addition to provision of advertising-related services on its portal site, *Yahoo! JAPAN*, and messenger app, *LINE*, as well as e-commerce services such as *Yahoo! JAPAN Shopping* and *ZOZOTOWN*, we are also expanding into FinTech services.



Other

Enterprise segment 10 % Enterprise segment 16 % FY2018 Time of listing Revenue ¥3,746.3

Other

Distribution

Distribution segment

For enterprise customers, we provide products that utilize advanced technology, including cloud services and Al. For individuals, we plan and provide a wide range of products including software, mobile accessories, and IoT products.

Enterprise segment

In addition to mobile and fixed-line telecommunications services, we provide a variety of solutions for enterprise customers, including data centers, cloud, security, global, AI, IoT, digital marketing, and other services.



Provide next-generation social infrastructure essential for development of a digital society

In May 2023, we announced our aim to be "a company that provides next-generation social infrastructure essential for development of a digital society." With this vision, our intention is to and electricity brought on by the accelerated evolution of AI, and to become an indispensable



Value Creation Process

Maximizing corporate value, centered on the Beyond Carrier strategy

SoftBank works to sustainably grow its communications business while proactively developing businesses across a wide range of information and technology fields, beyond the framework of a communications carrier, to maximize its corporate value. By serving as a catalyst for digitalization across society and solving social issues, we aim to become the Corporate Group needed most by people around the world.

SoftBank Group Corporate Philosophy

Information Revolution—Happiness for everyone



Inputs P9





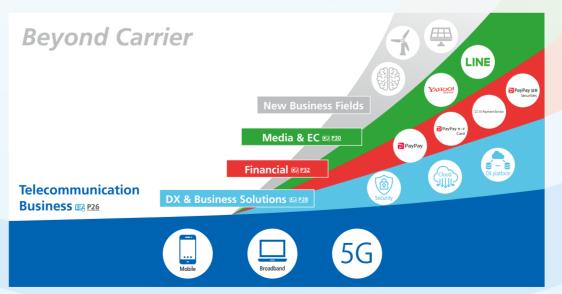




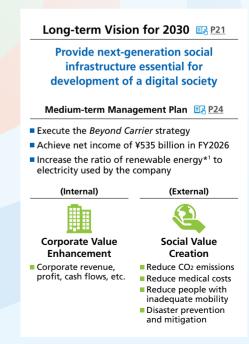




Business Model/Outputs



Outcomes P9



^{*1} Includes the use of non-fossil certificates designated as renewable energy

Sources of Competitive Advantage and Results (Inputs and Outcomes)

The Group has wide-ranging capital, built up through its businesses, that offers competitive advantages. In particular, we boast one of the largest user bases in Japan, a crucial factor for promoting society-wide digitalization. Spanning a wide range of fields, including communications, e-commerce, payments and social media, our enormous domestic customer base will contribute greatly to the Group's future business development and corporate value enhancement. We will continue working to create new social value and, through such efforts, achieve sustainable corporate growth,



Financial Capital

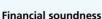
(equity attributable to owners of the parent) ¥2,224.9 billion (FY2022)

Adjusted free cash flow (excluding Z Holdings, etc.)*1

¥618.6 hillion (FY2022)

Long-term ratings (as of August 23, 2023)

R&I: **A+**: JCR: **AA-***2



SoftBank focuses on adjusted free cash flow (FCF), which is calculated as operating cash flow less capital expenditures and growth investment. To maintain high shareholder returns while investing in growth, we will continue to generate a stable annual adjusted FCF and strive to maintain a sound financial standing.



Human Capital

Consolidated Group employees:

54,986

Group sales and technological abilities

The Group boasts a large force of sales personnel, primarily in the Enterprise seqment, who engage in sales of solutions (consulting), going beyond sales of products alone. Furthermore, our numerous engineers back up the Group's diverse businesses.



Social and Relationship Capital

■ User base*5 Smartphone subscribers:

29.26 million (as of March 31, 2023)

Yahoo! JAPAN users:

85.00 million

LINE users: 95.00 million

PavPav users: over **56.00** million

Unrivaled business foundation

SoftBank has one of the largest user bases in Japan, which is a major strength in its businesses. As we aim for society-wide digitalization that leaves no one behind, we will leverage the customer contact points we have developed through our businesses and utilize the Group's business platforms to the fullest to create new value.



FY2022

Capital expenditures

¥407.5 hillion*3 ■ Growth investment

¥15.8 billion

Investment in growth

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



Natural Capital

Electricity use

2,278,902 MWh (FY2022)

Working toward Net Zero*6

Under its Carbon-Neutral 2030 Declaration, SoftBank aims to reduce greenhouse gas emissions from its own business processes and energy consumption to zero by FY2030. On top of this, the Group is working toward our "Net Zero" goal of reducing greenhouse gas emissions associated with all business activities (supply chain emissions) to net zero by FY2050.

■ P68

Corporate Value

Enhancement

FY2022

Operating income:

¥1.060.2 billion

Inputs

Outcomes

■ Net income*·

¥531.4 billion

■ Employee satisfaction: **3.62** out of **5**

* Net income attributable to owners of the Company



Social Value

Dividends: ¥405.6 billion returned to shareholders

• Taxes: ¥265.7 billion returned to society

• Personnel costs: ¥501.1 billion returned to employees

Note: Dividends and taxes paid are presented on a consolidated cash flow basis. Personnel costs are wages and benefits for employees and officers (on the basis of the Consolidated Statement of Income breakdown of expenses by nature).

- *1 Adjusted free cash flow = Free cash flow + (proceeds from the securitization of installment sales receivables - repayments thereof): Excludes free cash flow of the Z Holdings Group, PayPay, etc., as well as loans to Board Directors, etc.; includes dividend payments received from A Holdings Corporation. PayPay, etc. includes A Holdings Corporation, B Holdings Corporation, PayPay Corporation and PavPav Card Corporation.
- *2 R&I: Japan Rating & Investment Center; JCR: Japan Credit Rating Agency
- *3 Capital expenditures of the Consumer and Enterprise segments Acceptance basis. Excludes investments in devices for rental services, shared equipment (contributions by other operators), and the impact of adopting IFRS 16 "Leases."
- *4 Brand value calculated by Interbrand Japan
- *5 The figure for Yahoo! JAPAN is average monthly users from January to October 2022, based on Nielsen's "TOPS OF 2022: DIGITAL IN JAPAN, Top 10 by Total Digital Reach in Japan." Does not include overlap of smartphone and personal computer users.

The figure for LINE is active monthly users (MAU in Japan) (as of March 2023)

The figure for PayPay is registered users (as of March

*6 Carbon-Neutral 2030 Declaration applies to Scope 1 and 2: "Net Zero" applies to Scope 1, 2 and 3: Each scope continues to expand from SoftBank Corp. to its Group companies (consolidated subsidiaries).



Intellectual Capital

- Cutting-edge technologies and business models of the SoftBank Group's portfolio companies
- Value of the SoftBank brand Best Japan Brands 2023: USD 5,295 million*4

Collaboration and synergy within the SoftBank Group

As a member of the SoftBank Group, SoftBank Corp. collaborates with the SoftBank Group's global unicorns, including the portfolio companies of the parent, to incorporate cutting-edge technologies and business models with relatively low up-front investment.

Material Issues

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

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

	Material issues			Opportunities	Value creation	Target KPIs (Note)	FY2022 results	Related pages
Solving socia	₫.	ACTION 01 Building society and industry through digital transformation (DX)	Create new industries and provide solutions for transforming various businesses in society by utilizing Cutting-edge technologies such as 5G and Al.	Realization of the corporate philosophy, "Information Revolution—Happiness for everyone," support for our corporate activities from customers and investors Expansion of solution businesses for implementing digital technologies in society Growing opportunities to provide solutions for aging society issues and regional revitalization Business expansion through the development and implementation of solutions leveraging generative AI	(1) Expand and enhance the efficiency of the industrial base through cutting-edge technologies (2) Create new industries through DX (3) Revitalize local communities (regional revitalization)	Revenue from business solution and others • CAGR*10%	CAGR: Positive 15.0%	Enterprise segment ER P28
l issues throug		ACTION 02 Connecting people and information to create new excitement	Provide new experiences and enrich the lifestyles of our customers by promoting the adoption of smart devices. Concurrently, create value for both consumers and enterprises by providing partners with attractive platforms that connect people to information.	Growth of smartphone subscribers and increase in large-volume data users such as finance and payment services Increased profit opportunities via deeper data-driven marketing	(1) Realize attractive customer value through the spread of smart devices (2) Provide an environment in which everyone can access information (3) Leverage ICT to create new lifestyles and enhance the foundations for daily life	1) Smartphone cumulative subscribers 30 million (FY2023) 2) Cumulative registered <i>PayPay</i> users*2 60 million	1) 29.26 million 2) 56.64 million	Financial segment
Solving social issues through business activities		ACTION 03 Creating new business through open innovation	Develop new businesses, cutting-edge technologies and innovative business models in Japan by leveraging our relationships with global leading innovative companies. Concurrently, promote the development of a highly skilled workforce and the establishment of an organization that supports the expansion and penetration of new businesses.	Quickly secure market share through collaboration with partners, which enables the acquisition of human resources and knowledge and speedy business development Advancement and deepening of innovation and expansion of the scale of businesses and markets by co-creation	(1) Develop new business models with cutting-edge technologies (2) Incubate and spiral-up cutting-edge overseas businesses (3) Build systems to recruit and develop human resources to lead growth and create new businesses	Promote initiatives for HAPS commercialization • Development of foundational technologies for realization of HAPS • Commercialization of high-performance lightweight battery (FY2025) • Practical application of highly efficient lightweight motors for stratosphere (FY2027) • Development of stratosphere-ready radio equipment for telecommunication services (FY2027)	Initiatives for commercialization • Communication technology: Successfully tested a cylindrical antenna that realizes footprint stabilization • Batteries: Developed and successfully tested lithium-metal battery cell in the stratosphere • Other: Developed radiowave propagation simulator for HAPS, implementing the ITU-R global standard model	Technology strategy E及 P39
Solving social issues through corporate activities		ACTION 04 Contributing to the global environment with the power of technology	Contribute to mitigating climate change, promoting a circular economy and spreading renewable energy by utilizing cutting-edge technologies to pass on a sustainable global environment to the next generation.	Expansion of the market for highly energy-efficient solutions that utilize loT, etc. Expansion of businesses related to the sharing economy and renewable energy Stabilization of business operations by using geographically distributed data centers and super-distributed computing infrastructure (xIPF) Securing affordable and continuous supply of non-fossil fuel electricity	(1) Contribute to the mitigation of climate change through technology and business (2) Promote a recycling-based society (circular economy) (3) Realize a prosperous society through the spread of renewable energy	Net zero emissions (Scope 1, 2, 3**) (FY2050) [New] Carbon neutrality (Scope 1, 2**) (FY2030)	Promoted switch to renewable energy Examined energy-saving measures, utilizing technology and introduction of renewable energy with additionality	Support for TCFD recommendations
		ACTION 05 Building High-quality social communication networks	Commit to maintaining a constantly connected and stable network and to protecting our customers' important data, based on the thought that communication networks serve as a lifeline.	Increased revenue through increased ARPU which reflects increased communications speed and capacity associated with the nationwide expansion of 5G coverage Development of new industries and services that utilize 5G, such as autonomous driving and telemedicine Increased customer satisfaction through high communications quality and dependable security	(1) Prepare sustainable life infrastructure (2) Construct robust communications infrastructure to contribute to disaster prevention and mitigation (3) Promote data security and privacy protection initiatives	5G deployment plan • Expansion of 5G standalone (SA) coverage: Smartphone SA in key areas of all prefectures (FY2026) (Updated)*5	Number of base stations: Over 50,000 90.6% population coverage	Information security 타장 P67
porate activities		ACTION 06 Developing a resilient management foundation	Conduct corporate governance with integrity to earn the trust of society through ongoing dialogue with stakeholders. In addition, foster innovation and improve the well-being of our employees by developing a progressive workplace environment in which diverse human resources can thrive, utilizing cutting-edge technologies and by advancing health and productivity management to maintain and improve the health of employees and their families.	Investor confidence in corporate governance and supply chain management Improvement of motivation and emergence of innovation through workstyle reforms and diversity, equity and inclusion (DE&I) promotion Improvement of productivity, securing and retaining the necessary human resources, reformation of work processes and commercialization of expertise, through advanced workstyles	(1) Enhance corporate governance and ensure its effectiveness (2) Sustainable growth through cooperation with stakeholiders (3) Enhance employee happiness with diversity and inclusion (4) Enhance productivity with advanced workplace environments	Ratio of women in management positions • 20% or more (FY2035) 15% or more by FY2030 (double the ratio of FY2021)	8.6%	Human resource strategy Fig. P42 Corporate governance Fig. P49

Note: Unless otherwise specified, the KPI metrics and targets, as well as results, are for SoftBank Corp. on a standalone basis.

^{*1.} CAGR: compound annual growth rate, calculated by the Group *2 Figure for *PayPay* only *3 Scope 1: direct greenhouse gas emissions by the company itself; Scope 2: indirect emissions from the use of electricity, heat and steam supplied by other companies; Scope 3: Indirect emissions other than Scope 1 and 2 (emissions from supply chain associated with the activities of the company) *4 Examined measures to contribute to the expansion of new renewable energy sources, in addition to the utilization of conventional renewable energy sources *5 Target KPIs for FY2022: Number of base stations: Over 50,000 (2022); Population coverage: Over 90.6% (FY2022)

Sustainability promotion structure and material issue identification process

Sustainability promotion structure

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

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



^{*1 &}quot;Unit" refers to SoftBank Corp.'s Consumer Business Unit, Enterprise Business Unit, Technology Unit, IT Unit, Finance Unit and Corporate Unit. A Division ESG Promotion Officer is additionally assigned for divisions not under a unit.

Note: As of April 1, 2023

Process for identifying material issues

Material issues are identified based on evaluations from two perspectives: their external importance (to stakeholders) and internal importance (to SoftBank). External importance is determined with consideration given to international guidelines such as the GRI Standards and SDGs, discussions at international conferences, investor opinions and the views of experts representing external stakeholders, while internal importance is determined with reference to discussions within the business units, divisions and subsidiaries. In addition, we review the material issues each fiscal year in light of the changing expectations of external stakeholders and societal trends with regard to ensuring the effectiveness of ESG promotion.

In implementing the process of identifying and verifying material issues, the ESG promotion officers of each division and Group company hold several discussions of the materiality assessments based on short-, medium- and long-term plans. The ESG Promotion Committee then discusses the results of these discussions before final approval by the Board of Directors.

In the process of identifying and verifying material issues, in addition to the impact of changes in society and the external environment*2 on our businesses, based on the principle of double materiality as described later, we reflect the positive and negative impacts of the company on society and the environment, along with the outlook, status and importance of our businesses*3, in our material issues and the value we create.

- *2 Refer to the increased importance of climate strategy, biodiversity and natural capital; the impacts of geopolitical issues and international tensions; and the increased importance of information security and the protection of data and personal information, including impacts of and tightening data transfer regulations.
- *3 Refer to the further promotion of the practical implementation of digital technologies and corporate and social DX; the creation of new lifestyle value and pursuit of customer value; global-scale business expansion; energy sector initiatives; and the increased importance of coordination with Group companies and strengthening of synergy.

Note: Obtained third-party assurance for materiality identification process (Japan Quality Assurance Organization).

Principle of double materiality

The principle of double materiality is the concept that importance should be considered from two aspects: the financial impacts of society and the environment on the company, as well as the impacts of corporate activities on society and the environment. The concept is advocated in international guidelines and others.

We identify our material issues based on the principle of double materiality, considering not only the impacts of society and the environment on the Company and the Group but also the impacts of our corporate and business activities on society and the environment. The impacts of the company*4 are considered with respect to both positive and negative impacts on each stakeholder.

^{*4} Please see "Identifying material issues" on our website for details

Materiality map

External importance

Based on international guidelines (GRI, SASB, SDGs, etc.), international reports (WBCSD's "Macrotrends & Disruptions Shaping 2020–2030" Vision 2050 issue brief, etc.), as well as requests related to various issues from such stakeholders as experts (university professors, prominent industry figures, etc.) and investors, and external initiatives such as ESG ratings, we identify material issues considering both the impacts of society and the environment on the Company and Group and, conversely, the impacts of the Company and Group on society and the environment.

Internal importance

Importance is determined considering the impacts of society and the environment on the Company and Group as well as the impacts of the Company and Group on society and the environment based on the Company's and Group's short-, medium- and long-term future plans and their importance; international reports, such as WBCD Vision 2050; and future forecast reports issued by the Japanese Cabinet Office. Based on such considerations, we identify material issues after discussions by the ESG Promotion Committee.

Category

- Building society and industry through digital transformation (DX)
- Contributing to the global environment
- Connecting people and information to create
- Building high-quality social communication
- Creating new business through open innovation
- Developing a resilient management



*Refers to the impacts of the environment and society on the Company and Group and the impacts of the Company and Group on the environment and society.

Current and future impacts on corporate and business activities*

19 Value creation items

- 1 Expand and enhance the efficiency of the industrial base through cutting-edge technologies
- 2 Create new industries through DX
- 3 Revitalize local communities (regional revitalization)
- 4 Realize attractive customer value through the spread of smart devices
- 5 Provide an environment in which everyone can access information
- 6 Leverage ICT to create new lifestyles and enhance the foundations for daily life
- 1 Develop new business models with cutting-edge technologies
- 8 Incubate and spiral-up cutting-edge overseas businesses
- Build systems to recruit and develop human resources to lead growth and create new businesses
- (II) Contribute to the mitigation of climate change through technology and business
- Promote a recycling-based society (circular economy)
- Realize a prosperous society through the spread of renewable energy
- 13 Prepare sustainable life infrastructure
- 4 Construct robust communications infrastructure to contribute to disaster prevention and mitigation
- 15 Promote data security and privacy protection initiatives
- **16** Enhance corporate governance and ensure its effectiveness
- 1 Sustainable growth through cooperation with stakeholders
- 18 Enhance employee happiness with diversity and inclusion
- 19 Enhance productivity with advanced workplace environments