



Integrated Report 2021

# SoftBank Corp. Integrated Report 2021

## Editorial Policy

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

### ▪ Report Period

From April 1, 2020 to March 31, 2021

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

### ▪ Report Scope

SoftBank Corp. and its subsidiaries and affiliates

### ▪ Monetary and Percentage Amounts in This Report

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

### ▪ Cautionary Statement with Respect to Forward-Looking Statements

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

### ▪ Company Name or Abbreviation in this Report

Company Name or Abbreviation	Meaning
SoftBank/the Company	SoftBank Corp. (standalone basis)
The Group	SoftBank Corp. and its subsidiaries
SoftBank Group Corp.	SoftBank Group Corp. (standalone basis)
SoftBank Group	SoftBank Group Corp. and its subsidiaries
Z Holdings	Z Holdings Corporation (standalone basis)
Z Holdings Group	Z Holdings Corporation and its subsidiaries
Yahoo Japan	Yahoo Japan Corporation
LINE	LINE Corporation

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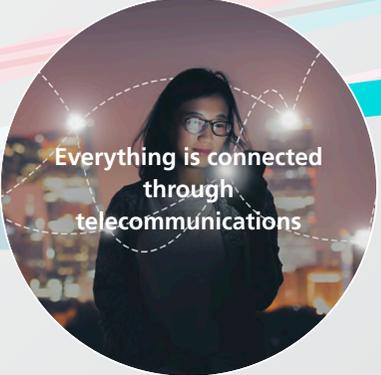
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# The Future Beyond Digitalization

The power of technology is poised to largely transform society over the next 10 years. What we have seen in science fiction will soon become a reality for everyone—a spectacle in which all manner of things are connected to the Internet, people no longer carry cash, and autonomous driving, remote medical care, and mixed reality become the norm.



New modes of travel  
are emerging



Everything is connected  
through  
telecommunications



A world of coexistence  
with robots



How we use money is  
changing



AI creates new  
possibilities

# SoftBank's High-Speed Evolution

— Going beyond mobile communications carrier and diversifying business fields

When its shares were publicly listed in 2018, SoftBank was predominately a mobile phone and fixed-line telecommunications carrier. Since then, we have welcomed leading Internet companies such as Z Holdings, ZOZO, Inc., and LINE into the Group as subsidiaries and diversified our business operations in other fields, like social media, payments, media, and e-commerce. As such, we have now grown into a corporation that delivers top-class ICT services in Japan.



## Providing top-class ICT services in Japan



\*1 Source: Opensignal's Global Mobile Network Experience Awards 2021  
SoftBank Corp. was ranked No.1 in the world in the two categories of "Video Experience" and "Games Experience," and No.2 in the "Voice App Experience" category (No.1 in Japan).  
\*2 Approximate percentage of listed companies with annual revenue of at least ¥100 billion that the SoftBank Corp. has transactional relationships with (as of February 2021)  
\*3 Total value of merchandise transaction volume and services/digital transaction volume (for the fiscal year ended March 31, 2021)  
\*4 Source: Nielsen's Tops of 2020: Digital in Japan

# Helping to Solve Social Issues with the Power of Technology

Based on the concept of “a world where all things, information, and minds are connected,” we have identified six priority issues (materiality) and are endeavoring to solve social issues through our business and corporate activities as we aim to realize our corporate philosophy of “Information Revolution—Happiness for everyone.”

## Solving social issues through business

 <b>ACTION 01</b> Building society and industry through DX	 <b>ACTION 02</b> Connecting people and information to create new excitement	 <b>ACTION 03</b> Creating new business through open innovation
		

### Corporate Philosophy

## Information Revolution — Happiness for everyone

Since our founding, the SoftBank Group has sought to harness the Information Revolution to contribute to the wellbeing of people and society. The Information Revolution has unlimited potential, so it is important to use its power in a way that contributes to the happiness of humanity. This vision is our driving force as we continue to pursue growth.

## Solving social issues through corporate activities

 <b>ACTION 04</b> Contributing to the global environment with the power of technology	 <b>ACTION 05</b> Building high-quality social communication networks	 <b>ACTION 06</b> Developing a resilient management foundation
		

### Vision

## Becoming a Corporate Group needed most by people around the world

The aim of our corporate group is to contribute to people’s happiness through the Information Revolution, and become the corporate group needed most by people around the world. To achieve our vision, SoftBank strives to build an ideal society where anyone can live a comfortable life with the power of digitalization.

**Section 1**

# What Value We Create

In a super-smart digital society where all sorts of things have been digitalized, we will look to create services that make people's lives more convenient and fulfilling as a comprehensive platformer driving the uptake of digital technology in society, thereby contributing to solving issues in society as a whole with the power of technology.

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## Message from the CEO

# *Standing at the Frontier in Implementation of Digital Technologies in Society, Aiming to Increase Corporate Value*

### Junichi Miyakawa

Mr. Miyakawa founded an Internet service provider (ISP) in 1991, serving as president for about 10 years. He joined what is now SoftBank Corp. in 2001 and was appointed Director & Executive Vice President (CTO) in April 2006. He contributed to the growth of SoftBank primarily as head of the Technology Unit. He was appointed Representative Director & CTO of SoftBank in April 2018. More recently, Miyakawa served as president of multiple group companies, as well as directing the AI business partnership jointly promoted by SoftBank and the University of Tokyo. He has served as President & CEO of SoftBank since April 2021.

**Junichi Miyakawa**  
President & CEO



## Message from the CEO

I started my role as President & CEO of SoftBank in April 2021. First of all, I would like to express my sincere condolences to the victims of the outbreak of COVID-19 and my heartfelt sympathy to those who have been affected by it.

In the spirit of our corporate philosophy, “Information Revolution — Happiness for everyone,” we at SoftBank strive to envision what is coming, and use technology to provide people convenient lives and rich experiences with our services. This is how we have always enhanced corporate value. Looking back, we offered fast, low-cost broadband services sooner than anyone else in the early 2000s and have contributed to the popular adoption of broadband in Japan ever since. Then in 2008, we were the first to start offering iPhones in Japan, and by providing a high-quality mobile Internet infrastructure, SoftBank set the stage and became the leader in spreading smartphones in Japan. In anticipation of the future of digitalization, we are actively developing and expanding the latest technologies. More recently, SoftBank launched the smartphone payment service *PayPay* in 2018, and in addition to focusing on making cashless payments widely available in Japan, we are also taking initiatives in IoT, AI and autonomous driving.

The global scale of the outbreak of COVID-19 created higher demand for telework and e-commerce as digitalization in society accelerates. Now more than ever, there is a great opportunity for SoftBank, the company that moved in the direction of digitalization sooner than anyone, to show our significant presence as a company by contributing to society. Amidst such significant shifts towards digitalization, as President & CEO, I am determined to further enhance our corporate value using power of technology, leveraging experience as CTO for SoftBank for over 10 years. A company will change over time, but we will always progress without forgetting our starting point: “Information Revolution — Happiness for everyone.”

I'd now like to transition to a Q&A format so that I can answer some common questions received from investors, such as queries about our management vision and strategy, progress towards medium-term performance targets, future outlooks in each business, and thoughts on shareholder returns.



## Message from the CEO

### Assuming the Role of President & CEO

#### Q. Tell us about the vision you have as the new President & CEO.

Our corporate vision is to become “the corporate group needed most by people around the world.” When I was appointed as President & CEO, I took some time to think again about what I need to do to make this vision happen.

In the next 10 years, I think we’re going to witness the arrival of a hyper-digitalized society, in which everything in the society will be digitalized. The progress toward a digitalized society will be even more accelerated post COVID-19 which has driven the progress unexpectedly. Going forward, all industries will move toward digital transformation. There’s a demand in the market for someone to lead the implementation of digital technologies in society, a role for which SoftBank is perfectly positioned. The reason is that our Company’s strength is both in the offline arena including 4G/5G communications infrastructure and sales channels for consumers and enterprise and in the online arena including B2C platforms like *Yahoo! JAPAN*, *LINE* and *PayPay* with a user population of tens of millions, and thereby enables us to play the central role of implementing digital technologies in society. I believe we can revitalize industries while solving social issues and contribute to job creation. And I’m certain that facilitating society’s adoption of digital technologies will lead to continuing increase in corporate value.

#### Q. Could you tell us about your strategy to make this vision a reality?

SoftBank will further promote the *Beyond Carrier* strategy that’s been in place since the fiscal year ended March 31, 2018. *Beyond Carrier* is a strategy that aims to expand business fields other than telecommunications, while further growing our core telecommunications business. As part of the strategy, former President & CEO Miyauchi launched the smartphone payment service *PayPay*, added *Yahoo Japan* (now Z Holdings) as a subsidiary, which runs *Yahoo! JAPAN*, one of the largest portal sites in Japan, and integrated Z Holdings and *LINE*, Japan’s largest-scale social communication service provider. These initiatives brought to our Group huge user bases: 55 million telecommunications service users\*<sup>1</sup>, 80 million *Yahoo! JAPAN* users\*<sup>2</sup>, 41 million *PayPay* users\*<sup>3</sup>, and 89 million *LINE* users\*<sup>4</sup>, and make us the largest scale telecommunications and IT group in Japan. Building on the success, I will move the *Beyond Carrier* strategy to Phase 2. As of March 31, 2021, our Company has 335 subsidiaries and affiliate companies\*<sup>5</sup>, many of which operate platforms that provide online services and deploy a variety of businesses. At present, each company is optimizing their own platform individually, but in Phase 2, we want to create new value by connecting these platforms with the power of cutting-edge technologies to achieve total optimization and make services even more convenient and richer for users.

\*1 Sum of cumulative number of mobile communications services subscribers (47.285 million) and cumulative number of broadband subscribers (8.139 million) (as of March 2021)

\*2 Annual number of logged-in user IDs (as of March 2020)

\*3 Cumulative number of registered users (as of August 2021)

\*4 Number of monthly active users (as of June 2021)

\*5 Total consolidated subsidiaries, equity method affiliates and other affiliates (as of March 2021)

### Progress on Medium-term Targets

#### Q. How far along are you on the road to achieving ¥1 trillion in operating income in the fiscal year ending March 31, 2023?

Operating income for the fiscal year ended March 31, 2021 was ¥970.8 billion, and we’re on track to our ¥1 trillion goal. The first time that SoftBank announced the ¥1 trillion target for operating income to our investors was in May 2019. After that, our business environment changed drastically as competitors announced new brands and new price plans and competed by reducing mobile service prices. We plan to mitigate this impact through the growth in the Enterprise segment and *Yahoo! JAPAN/LINE* segment as we work together as one to achieve our target.

### Consumer Segment

#### Q. What is the future outlook for the Consumer segment?

Due to the March 2021 reductions in mobile service prices, we forecast a negative impact of about ¥70 billion on operating income in the Consumer segment for the fiscal year ending March 31, 2022. Therefore, we forecast a decrease year on year in Consumer segment income for the fiscal year ending March 2022, but we feel that we’ll make up for this headwind with increase in smartphone subscribers and cost reductions. In addition, SoftBank will seek to expand revenues outside mobile communications charge, such as by offering electricity services and broadband services to consumers and providing optional services like device warranties and security.

## Message from the CEO

There is no doubt that lowering mobile service prices is a headwind in the short term, but I believe that growth in the Consumer segment is still possible in the medium- to long-term. The conventional mobile market in Japan is centered on person-to-person communication, and as the number of smartphone subscribers approaches that of the Japanese population, it will be difficult for the whole market to grow. However, with the spread of 5G, which features “simultaneous massive machine connections,” an environment for the explosive spread of IoT devices is almost ready in terms of technology. Going forward, IoT modules will be installed in a variety of home appliances and other devices, and a wide variety of data will be exchanged. I believe that IoT modules that let you communicate using only button cells will be installed in things that were previously unimaginable, such as shoes and bags. Within the next 10 years, there will be hundreds of millions of devices connected to the Internet, and that will be creating revenue-generating opportunities.

In addition, as society as a whole becomes more digitalized and various convenient digital services become widespread, the frequency of smartphone use and the amount of data used in people's daily lives will also increase. I am convinced that the Company's leading role in promoting the digitalization of society will generate a positive impact on the Consumer segment.

### Enterprise Segment

#### Q. What is the future outlook for the Enterprise segment?

For the Enterprise segment, our forecast for operating income is ¥128.0 billion in the fiscal year ending March 31, 2022, and we have announced a target of ¥150.0 billion in operating income for the fiscal year ending March 31, 2023. This is an ambitious target considering that the operating income for the fiscal year ended March 31, 2021 was ¥107.7 billion. It

assumes annual growth between 15% and 20%.

However, I believe that there is still a lot of room for growth in the Enterprise segment. Earlier I mentioned that for SoftBank to increase its corporate value, it needs to become a leader in implementing digital technologies in society. The Enterprise segment is going to take that role.

Most of the companies and local governments that we do business with in the Enterprise segment have not done enough for digitalization. In the fiscal year ended March 2021, demand for telework spiked and mobiles services and solutions like cloud services and security that support workplace reform drove our performance. And we anticipate that digitalization won't stop with workplace reform—a huge wave of digitalizing corporate activity and general government services is on its way. Enterprises that use telework and experience the benefits of going digital firsthand will want to use RPA and AI to automate various kinds of work. Once they go automated, their needs will grow more sophisticated. They will want to integrate the information isolated in each department to streamline management, and they will want to create new digital services. This represents massive need and a growth opportunity ready to be seized by the Enterprise segment, and the rapid growth is just now starting. Eventually, I want to make the Enterprise segment a pillar of SoftBank like the Consumer segment, generating profits at the level of hundreds of billions of yen.

### Z Holdings

#### Q. What is the future outlook for Z Holdings?

Z Holdings does business in the commerce, media, and strategy fields, but what I am really excited about and what our entire Group is working on is the commerce field. Z Holdings has set a target to become No.1 in e-commerce transaction value (merchandise)\*6 in Japan in the early 2020s. The fiscal year ended March 31, 2021 saw high growth in e-commerce

transaction value due to increased demand from the outbreak of COVID-19, but I see synergy with the whole Group, such as further collaboration with *LINE*, closer partnerships with *PayPay*, and utilization of SoftBank's telecommunications business customer base, improving e-commerce transaction value. Z Holdings' strategic FinTech field is still in the upfront investment phase, but it has a lot of potential and I expect that it will be spurred by the partnership with *PayPay* to reach a scale next to media and commerce.

\*6 E-commerce transaction value related to merchandise



## Message from the CEO

### Q. What does the business integration of Z Holdings and LINE mean for SoftBank?

First of all, the business integration of LINE and Z Holdings will create significant synergies in the commerce and media fields we just talked about. Also, the fact that LINE has become a part of the Group means that we now have the last piece of Phase 1 of the *Beyond Carrier* strategy; the impact of this integration is huge. And I think we'll see synergy not only between LINE and Z Holdings, but between LINE and our Consumer and Enterprise segments as well.

The Consumer segment released *LINEMO*, a LINE-affiliated brand available exclusively online, in March 2021. *LINEMO* offers *LINE Giga Free*, a service in which LINE can be used without consuming monthly data allowance that is proving popular and has led to gains in subscribers.

The Enterprise segment has the advantage of being able to propose LINE-based solutions that competitors cannot imitate. For example, when a client company develops a new digital service, SoftBank's Enterprise team can now be the contact point and propose an entire system that contains everything they need, from cloud services to devices. The client could instantly deliver new digital services to consumers on a proven platform used by tens of millions of LINE users.

A Holdings Corporation, a strategic holdings company in which SoftBank and NAVER each invested 50% capital, owns the new Z Holdings that has integrated the businesses of LINE and Z Holdings. These changes further strengthened the relationship between NAVER and SoftBank. NAVER is a company that operates the largest search engine portal in South Korea, but beyond that, it is a very technologically advanced company that develops cutting-edge technologies such as shopping, AI, autonomous driving and robotics. SoftBank established a steering committees with NAVER in the fields of advertising,

commerce, positioning and maps, cloud, and overseas business to work towards maintaining speedy collaboration and creating synergy among both companies.

### Q. How do you respond to concerns that the progress of generating synergies from the integration of Z Holdings and LINE is slow?

I'm very aware that investors have this concern. However, since LINE underwent administrative guidance related to handling of personal information immediately after the business integration, Z Holdings has made the improvement of data governance and security their highest-priority issue. Z Holdings is a listed company and while SoftBank respects this independence, we have requested Z Holdings to accelerate their effort to generate synergies with our support on all fronts, because we have a track record of rapidly generating synergies when we acquire many different companies.

Synergy among the businesses is gradually materializing during the first quarter of the fiscal year ending March 31, 2022 as LINE's individual performance is becoming profitable on a quarterly basis, excluding temporary factors. Going forward, we expect further growth through synergies based on business selection and centralization and advanced data linkage associated with the business integration of Z Holdings and LINE.

## PayPay

### Q. Please talk about PayPay's growth and profitability going forward.

PayPay serves as a platform for popularizing electronic payments, which is recommended as part of a new lifestyle during the ongoing outbreak of COVID-19, and is growing rapidly by providing merchants with various services to digitalize their sales promotion activities. The gross merchandise value of PayPay in the fiscal year ended March 31, 2021 was ¥3.2 trillion, 2.6 times the previous year. Even though we achieved significant growth, personal consumption in Japan is estimated to be about ¥300 trillion, which makes PayPay's share still no more than roughly 1%. SoftBank is confident that this gross merchandise value is nowhere near being finished growing. Without stopping at simply payments, PayPay offers a wide range of features that make daily life easier and is promoting expanded services in what could become a "Super App" for use in every aspect of daily life.

To speak of profitability going forward, the payment service fee that until now had been offered at no charge to small- and medium-sized businesses will be offered for a fee starting in October 2021. But PayPay doesn't intend to make money from these payment service fees alone. The service's close link to many types of consumer activity through the settling of payments could be the origin of many opportunities for revenue. For example, users can select Buy Now, Pay Later function when settling a payment, or make a virtual investment using their PayPay account balance, or purchase insurance. We're looking into further expanding financial services centered on the payment platform as well as future profitability opportunities.

## Message from the CEO

### 5G

#### Q. How will things change with widespread use of 5G?

SoftBank began offering 5G service in 2020 and people may be tempted to think that an increase in communication speeds alone is not really a significant change. The reason that's not true is that the current 5G service, called a "non-standalone mode" service, is provided by linking existing 4G core networks with 5G base stations. There are three major features of 5G: "ultra-high speed and large capacity," "massive machine connections," and "ultra-low latency," but in "non-standalone mode," only "ultra-high speed and large capacity" are viable. However, in the "standalone mode" scheduled to be released in the fiscal year ending March 31, 2022, fully independent 5G-dedicated core networks will link to 5G base stations, bringing the 5G features I mentioned above to their maximum capacity. The feature I look forward to most is "ultra-low latency," in which people will be able to use information in real time without feeling any sense of lag even from remote locations. In other words, even when you are far away, things will appear as though they're right in front of your eyes and you will be able to operate construction machines and medical devices. When "standalone mode" is completely implemented in 2022, within five years the world will change as dramatically as after the switch from feature phones to smartphones. Envisioning a time when "standalone 5G" becomes widespread, SoftBank established a "5G Consortium" in June 2021. The 5G Consortium is an organization comprised of experts and companies from many fields, communications device vendors, suppliers and solutions partners who meet to review and discuss specific ways to solve issues by industry or field and openly carry out proofs of concept (PoC). In this way, we will co-create revolutionary products and services that leverage the features of 5G with all kinds of partners and lay the groundwork for future growth. Please look forward to progress in this area.

### Overseas Strategy

#### Q. What is your basic policy on overseas expansion in the future?

When it comes to overseas expansion, we have put in a lot of hours at SoftBank for a long time now as we considered medium- to long-term growth strategies. What must be kept in mind is that Japan has the highest percentage of population aged 65 or older in the world, and is the first country in the world to cope with the numerous social issues that come with the aging of society. I believe that solutions which work well for social issues in Japan will mostly apply to countries overseas that will face aging populations in the future. However, even if we find innovative solutions to social issues, I am not currently thinking about acquiring overseas telecommunications carriers to implement these solutions. This is because I have learned from past experience not to use this kind of approach. In 2013, our parent company SoftBank Group Corp. acquired management rights to the U.S. telecommunications company Sprint Corporation. I moved to the U.S. and began serving in 2014 as Technical Chief Operating Officer, supporting efforts to improve the company's performance on the technical front. However, I learned that it is very difficult to get the desired return with this method when there is both high investment and large assets. That is why I define *Beyond Japan* as a strategy to expand the business established in Japan to overseas in partnership with excellent overseas companies while controlling risks and costs.

The first successful implementation of this *Beyond Japan* concept was a capital investment in Axiata Digital Advertising Sdn.Bhd. (ADA) that SoftBank announced in May 2021. ADA is a group company of Southeast Asia's largest telecommunications group, Axiata Group Berhad, and operates its digital marketing business to 10 Asian countries. Through capital investment in ADA, we can control risk and cost as we expand SoftBank's digital marketing business in Asia.

### Shareholder Returns

#### Q. Could you tell us the reason the outlook on dividends of ¥86 per share for the fiscal year ended March 31, 2022 was left unchanged, and comment on shareholder return policy going forward?

Though dividends remain unchanged, we have added the implementation of flexible share buybacks, to keep the "total shareholder return ratio of approximately 85%\*7 for the period from the fiscal year ended March 31, 2021 through the fiscal year ending March 31, 2023" policy unchanged. Our policy to pursue both growth and shareholder returns will not change, but we will make firm investments in growth to capture the vast opportunities alongside the digitalization of society and the Company intends to reward our shareholders with an increase in corporate value. We have no intention at this time of lowering the amount of dividend per share in the future, assuming there are no extreme changes in the business environment. The Company will continue to actively issue shareholder returns on the assumption of profit growth.

\*7 Total amount of dividends paid and treasury stock retired during the three years from the fiscal year ended March 31, 2021 through the fiscal year ending March 31, 2023/total amount of net income attributable to owners of the Company during the same three years

## Message from the CEO

### Group Structure

#### Q. Since Z Holdings is also a listed company, why should investors invest in SoftBank shares?

First, let's review the positioning of both companies. Z Holdings is a company primarily competing in the online market. On the other hand, SoftBank has 4G/5G communications infrastructure and sales channels for consumers and enterprise that allow us to reach deeply into the offline market. Also, by executing the *Beyond Carrier* strategy, we are able to use *Yahoo! JAPAN*, *LINE* and other online platforms under the Z Holdings umbrella, and we are able to reach deeply into the online market as well. If



we leverage the advantages of being able to reach deeply into both the online and offline markets, SoftBank will be in a position to comprehensively implement digital technology in society even in larger markets. For example, when working on the autonomous driving business, which is expected to expand rapidly in the future, it is very important that we have a 5G communication infrastructure that is essential for autonomous driving and have strong ties with automobile companies. In providing autonomous driving as a service, *Yahoo! JAPAN* and *LINE*'s existing and established B2C platform used by tens of millions of people works immensely to our advantage. We pride ourselves on the fact that SoftBank is an enterprise capable of comprehensively fitting society with digital technology in this kind of market and can reach deeply into both the online and offline markets to meet investor expectations. In addition, as I just mentioned, SoftBank is known for issuing a high standard of shareholder returns. The Company rewards shareholders in both growth and shareholder returns.

### Governance

#### Q. What is your take on SoftBank Group Corp. and SoftBank's parent-subsidiary listing situation?

There is a clear difference between our parent company, SoftBank Group Corp., which is a strategic holding company that invests on a global scale, and SoftBank, an operating company targeting expansion in non-communications fields as it further grows its core telecommunications business. Having SoftBank Group Corp., whose business area differs from ours, listed together with SoftBank allows for a more diverse response to investor needs.

I believe that SoftBank's status as a SoftBank Group Corp. subsidiary is a great advantage for us as an operating company. SoftBank Group Corp. is invested in unicorn companies around

the world directly or through funds. So for us, being able to partner through SoftBank Group Corp. with global unicorn companies that have premier business models and technologies means that we can commercialize excellent business models and technology in Japan while minimizing risk. Of course, we make all decisions on which companies to partner with based on their compatibility with the Japanese market, and we are not forced by our parent company to collaborate with companies that SoftBank Group Corp. invests in. Management decisions are made carefully to ensure that the interests of minority shareholders are not compromised.

#### Q. How are responsibilities divided between Chairman Miyauchi and President & CEO Miyakawa?

As President & CEO, I assume full responsibility for business execution. Chairman Miyauchi is responsible for the partnership with Z Holdings and partnering with AI unicorn companies around the world in which SoftBank Group Corp. invests directly or through funds, and improving internal collaboration within the Group to create even more synergies.

#### Q. How is your relationship with Chairman & CEO Son of SoftBank Group Corp.?

Mr. Son and I have a bond from fighting many battles together since the early 2000s when we began an aggressive entry into broadband. At the time of my appointment as President & CEO, he has given me a lot of advice. He has encouraged me to "let technology lead the company."

Mr. Son remains on our Board as Board Director, Founder, but he hasn't attended any internal management meetings for many years now and only attends Board meetings. He provides wonderful insight and shrewd critiques at Board meetings that add greatly to the improvement of corporate value. One example is the multifaceted advice concerning partnering with AI

## Message from the CEO

unicorn companies around the world, which largely benefits our business strategy. Another aspect is the solid line Mr. Son draws between SoftBank Group Corp. and SoftBank as they are both listed companies, so there is never any disadvantage to minority shareholders of SoftBank as a result of Mr. Son's ideas as president of our parent company.

### Enhancement of Disclosure

#### Q. Why did SoftBank disclose operating income forecasts by segment and the KPI of major subsidiaries and affiliate companies?

Right now, investors and analysts rate our Company in one bundle as a "telecommunications company." But SoftBank's business has been diversified, with the percentage of mobile communications charges that make up our consolidated revenue fall to 28% in the fiscal year ended March 31, 2021. SoftBank is already more than just a telecommunications company and participates in many cross-sector businesses. For example, in the Enterprise segment, SoftBank provides IT solutions to companies, maintaining two-digit growth in operating income; Z Holdings does business in the commerce and media fields, and *PayPay* increased gross merchandise value by 160% year on year and reached ¥3.2 trillion in the fiscal year ended March 31, 2021. Thus I anticipate that by executing the *Beyond Carrier* strategy and continuing to diversify businesses going forward, investors can value our businesses in multiple sectors using the Sum-of-the-Parts valuation method. To that end, the desire to provide more and more

materials for Sum-of-the-Parts valuation is behind the enhanced disclosures we are currently making. SoftBank believes in making both positive and negative performance thoroughly transparent and facing the capital market fairly, and that's why we'll continue to enhance our disclosure to every degree possible going forward.

### Medium-term Management Risk

#### Q. What position do you take on medium-term management risk?

In the short-term, the risk is the impact of mobile price reductions, but I don't see it as a significant risk because the Enterprise segment, Yahoo! JAPAN/LINE segments, and new business fields such as IoT are growing, so it looks like we'll be even less dependent in several years on revenue from mobile communications charge.

The growing Enterprise segment is getting inquiries from client companies nearly every day. Rather, we face a problem of securing enough sales and engineering personnel to respond to client expectations and deciding which companies to partner with. These are challenges to maintaining high growth and for which we're pressed to find an answer.

Hiring AI engineers has become an important management issue, and we are competing human resources with overseas Internet companies. I actually directly handled hiring myself in some cases. The Company is going to overcome challenges and be on equal footing with these companies in hiring.

SoftBank also knows the importance of working to improve

governance of appropriate processing of personal information throughout the Group. In light of LINE undergoing administrative guidance for personal information handling, the Company is creating stronger internal control systems to process personal information properly throughout the Group.

### Anticipating future changes and find the best way to contribute to society

In an era of rapid change, the winners may not always be the same players. As management, I think it is important to anticipate future changes and find the Company's place and role in society. I believe our place in society is to make people's lives more convenient and richer with the power of technology under the guidance of our corporate philosophy, "Information Revolution — Happiness for everyone." SoftBank has evolved to operate businesses over many sectors, but we will continuously strive to increase our corporate value in line with this philosophy. I would like to thank our shareholders, investors, and all other stakeholders for appreciating the medium- to long-term value of the Company and for their continued support and understanding.

## A Message from the CFO



***Playing the role of “compass”  
for maintaining both growth  
in revenue and income and  
high shareholder returns***

**Kazuhiko Fujihara**

Board Director  
Executive Vice President  
& CFO

### Performance Overview and Earnings Forecast

#### **Q. Please summarize earnings results for the fiscal year ended March 31, 2021.**

For the fiscal year ended March 31, 2021, revenue increased by 7.1% year on year to ¥5,205.5 billion, operating income grew 6.5% year on year to ¥970.8 billion, and net income attributable to owners of the Company rose 3.8% year on year to ¥491.3 billion. With the entire world completely caught up in the outbreak of COVID-19, we initially projected a rather harsh scenario for earnings and thus tried to come up with a contingency plan to maintain growth of revenue and income. Ultimately, we raised our earnings forecasts during the fiscal year, and all business segments recorded increases in revenue and operating income for three consecutive fiscal years.

I believe this result comes from not only steady progress made on the *Beyond Carrier* strategy as the digitalization of society continues to accelerate its pace, but also from our constant effort in forecasting challenging scenarios and re-examining our productivity and cost cutting measures.

#### **Q. Are you able to continue to achieve increases in revenue and income for the fiscal year ending March 31, 2022?**

For the fiscal year ending March 31, 2022, we have set our sights on four consecutive fiscal years of revenue and income growth and a consolidated operating income target of ¥975 billion. We aim to achieve this by offsetting the negative impact from mobile service plan reduction with thoroughgoing cost cuts, including the ones achieved by group synergies, in addition to growth in the Enterprise and the Yahoo! JAPAN/ LINE segments. With the trend we have seen until now, it would be unsurprising if we were to achieve our operating income target of ¥1 trillion for the fiscal year ending March 31, 2023 one year ahead of schedule, but for the fiscal year

## A Message from the CFO

ending March 31, 2022, we have already started out with the negative impact of more than ¥100 billion owing to mobile service price plan reduction of ¥70 billion and amortization of intangible assets associated with the business integration with LINE of ¥30 billion. We think the headwinds in the Consumer segment are pushing us in the direction of accelerated growth in non-telecom businesses. We will therefore navigate our way towards four consecutive fiscal years of revenue and income growth.

### Cost Strategy

#### Q. What kind of approach do you intend to take to realize your policy “keep the costs flat”?

Whilst we intend to aggressively invest in 5G base stations, we are also developing new business fields one after the other. If we launch a new business, it will naturally require management resources, but rather than procuring the necessary resources externally, our basic policy is to first find a way of

raising them within the Group so that we might keep fixed costs to a certain level. Because it is logical that we will achieve growth in revenue and income if we keep fixed costs flat while driving up revenue continuously.

Keeping costs flat is not through laying off employees or making performance based adjustment. In order to raise internal management or financial resources, for instance, we are pushing ahead with efforts to reassign personnel to improve operational efficiency, reduce costs through joint procurement, and bring operations in-house with the effective utilization of the Group resources. Instead of curtailing costs, we are more focused on generating internal funds for growth.

Also, in the fiscal year ended March 31, 2021 we moved our corporate headquarters to Takeshiba. The benefits from the fixed cost reductions stemming from this move will start to materialize from next fiscal year. Given the rapid adoption of teleworking, we chose to roughly halve our office space with the relocation of our corporate headquarters, and the state-of-the-art smart building also serves as a testing ground for digital solutions. We expect the new headquarters to not only reduce costs, but also positively impact the topline growth.

#### Forecasts for the consolidated results for the fiscal year ending March 31, 2022

(¥ bn)	Fiscal year ended March 31, 2021 (Actual)	Fiscal year ending March 31, 2022 (Forecast)	Change	Change (%)
Revenue	5,205.5	5,500.0	+294.5	+5.7%
Adjusted EBITDA* <sup>1</sup> (of which, stock compensation expenses)	1,714.8 (4.3)	1,730.0 (14.5)	+15.2	+0.9%
Operating income	970.8	975.0	+4.2	+0.4%
Net income* <sup>2</sup>	491.3	500.0	+8.7	+1.8%
Dividend per share (¥)	86	86		

Change in definition of adjusted EBITDA starting from forecasts for the fiscal year ending March 31, 2022

Note: stock compensation expenses added to actual results for the fiscal year ended March 31, 2021



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

\*2 Net income attributable to owners of the Company

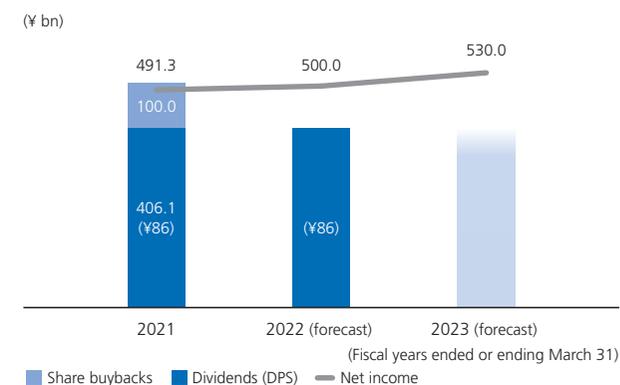
### Shareholder Returns

#### Q. Have you made any changes to SoftBank’s high shareholder return policy?

Our policy of achieving both growth and shareholder returns ever since the Company’s listing remains the same. For the fiscal year ended March 31, 2021 we paid an annual dividend per share of ¥86, an increase of ¥1 year on year. Total dividend payments came to ¥406.1 billion. We also carried out share buybacks of ¥100.0 billion. From the fiscal year ended March 31, 2021 to the fiscal year ending March 31, 2023 we aim to maintain a total shareholder return ratio of approximately 85% (three-year weighted average) without reducing dividends and plan to continually implement flexible share buybacks.

Being able to undertake business development with high investment efficiency and minimal funds thanks to collaborative efforts with our parent company, SoftBank Group Corp., and its investee companies enable us to achieve both high shareholder returns and investments for growth. However, I do not believe the growth potential of our diverse businesses has been fully

#### Net income and total shareholder returns



## A Message from the CFO

reflected in the Company's share price. So I think we need to strengthen initiatives that focus on total shareholder return (TSR) as a measure of management performance that also reflects share price, in addition to dividends. To that end, starting in the fiscal year ending March 31, 2022, some components of officer remuneration will be linked to TSR.

### Cash Allocation

#### Q. What are the indicators that you focus on in order to achieve both growth and shareholder returns?

We focus on adjusted free cash flow (FCF), which is calculated by operating cash flow, less capital expenditures and investments for growth. In particular, because we have made it publicly open that we do not intend to reduce dividends, we consider our baseline to be FCF of ¥100 billion after dividend payments—in other words, the baseline to be adjusted FCF less the scheduled dividend payments. We calculate backwards from there to establish an adjusted FCF target and also control annual expenditures.

For the fiscal year ended March 31, 2021 we set an adjusted FCF target of ¥670.0 billion, which we achieved 107%. As a result, FCF after dividend payments recorded ¥183.9 billion which was higher than ¥100 billion. We used the remaining free cash to carry out the share acquisition of LINE and the share buybacks. Following the Company's listing, we made some big investments, including the consolidation of Yahoo Japan and the share acquisition of LINE. In terms of investments for growth other than these large-scale strategic investments, we have a budget of around ¥50–¥70 billion each fiscal year to draw on to seed new businesses.

When we execute investments, we focus on the internal rate of return (IRR) as the hurdle rate. Our weighted average cost of capital (WACC) for the fiscal year ended March 31, 2021 was roughly 5%, and we have set the hurdle rate well

above the WACC and execute investments on the condition of clearing that rate.

### Financial Soundness

#### Q. Raising capital is a key to investments for growth. How do you approach the fund-raising and what indicator do you emphasize in ensuring financial soundness?

Considering that we are blessed with growth opportunities, if we are to continue high shareholder returns whilst actively investing in businesses, I believe we must make use of debt,

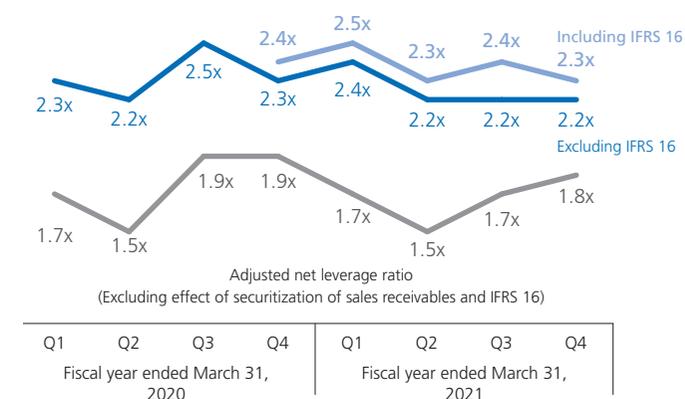


cost of which is lower than equity, to manage business operations with a certain amount of financial leverage.

That is why we emphasize on the net leverage ratio—the ratio of net interest-bearing debt to adjusted EBITDA—as an indicator for monitoring financial soundness in light of a balance with our earnings capacity, and we control it in 2.0x–3.0x range. Our net leverage ratio at the end of March 2021 was 2.3x. We currently have long-term debt ratings of A+ and AA– with Rating and Investment Information, Inc. (R&I) and Japan Credit Rating Agency, Ltd. (JCR), respectively. The average net leverage ratio at companies that have the same ratings as ours is around 2.6x. Considering that our shareholders' equity ratio is relatively low, we consider a net leverage ratio of 2.4x or less to be an appropriate level. Going forward, we will aim to bring it closer to 2.0x level.

As for the fund-raising, at the time of our public listing we primarily relied on indirect financing such as bank loans. Since going public we have increased direct financing mainly through bond issuances, which helps stabilize our financial base and improve financing costs. We intend to increase our total bond

#### Net leverage ratio\*1,2,3



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

\*2 LTM EBITDA of ZOZO retrospectively adjusted for FY19Q3, FY19Q4, FY20Q1 and FY20Q2

\*3 LTM EBITDA of LINE retrospectively adjusted for FY20Q4

## A Message from the CFO

issuance by more than ¥100 billion every year. As we have made company-wide efforts to contribute to the Sustainable Development Goals (SDGs) since the fiscal year ended March 31, 2020, we want to issue ESG bonds.

### Group Governance

#### Q. SoftBank's parent company is also a listed company, as are multiple group companies. What is your view on the parent company and its subsidiary both listed on the stock exchange?

I think publicly listed companies have the advantage of being able to strengthen themselves as a result of engaging in independent management and bearing more responsibility. We

took the bold decision to consolidate Yahoo Japan (currently Z Holdings) in June 2019 and established PayPay Corporation together with Z Holdings for the purpose of building mainstay businesses for the future after discussing the best way to grow the Company after our listing. I think the fact that PayPay Corporation has grown so much since its establishment owes not just to its position as a fellow subsidiary under the umbrella of the same parent company (SoftBank Group Corp.) but to the fact that we made it our very own project.

As for my view on listed subsidiaries, SoftBank emphasizes on service neutrality. In other words, whether it be *Yahoo! JAPAN* or *LINE* under the management of Z Holdings, or *PayPay*, we want to transform them into universal services that the entire population of Japan would use, not just as services only for users of SoftBank smartphones. From this point of view, it may be better off for our subsidiaries not to be wholly-owned subsidiaries of SoftBank. Our basic premise is not to

damage the interests of minority shareholders of the listed group subsidiaries. Based on this premise, I think we can mutually achieve considerable growth by leveraging the synergies between SoftBank and the listed subsidiaries that provide industry-leading services, and thereby forging win-win relationships for all parties.

#### Q. SoftBank's capital structure is getting more complex as the Company diversifies its business operations and adds more group companies. Are there any issues with the governance?

In 2015 there were 27 group companies (subsidiaries and affiliates), and in only five years, this number rose to 335. Each company is in a different situation; some of them are publicly listed, such as Z Holdings and SB Technology Corp., while others are still at the startup stage, and some are posting strong earnings, while others need to improve performance. Instead of centrally managing all of them side by side, it is getting important to decentralize control with the use of core group companies like Z Holdings to function as hubs. Accordingly, during the fiscal year ended March 31, 2021, we set about task to organize and structure as to which companies should be hubs that directly manage others and what level of hierarchy should be applied to each group companies. We continue to carry out this task with the aim of enhancing the effectiveness of the group governance from the fiscal year ending March 31, 2022 under this organized management structure.

#### Forecasts for the operating income by segment for the fiscal year ending March 31, 2022

(¥ bn)	Fiscal year ended March 31, 2021 (Actual)	Fiscal year ending March 31, 2022 (Forecast)	Change	Change (%)	YoY factors
Consumer segment	658.6	642.0	-16.6	-2.5%	Subscriber growth, cost reductions Impact of mobile service plan reductions
Enterprise segment	107.7	128.0	+20.3	+18.8%	Promotion of DX Growth driven by business solution and others
Distribution segment	22.3	22.5	+0.2	+0.9%	Promotion of recurring business
Yahoo! JAPAN/LINE segment + other	182.2	182.5	+0.3	+0.2%	Expansion of Yahoo! JAPAN/LINE segmen Amortization of intangible assets associated with the business integration of LINE
Total	970.8	975.0	+4.2	+0.4%	

## A Message from the CFO

### Showing Business Value

**Q. Some are saying that the overall picture of the Group has become unclear because of the diversified business lines such as Z Holdings and PayPay Corporation. What do you think of the impact on the share price?**

The Company boasts a lineup of prominent subsidiaries and affiliates with an overwhelming presence and is enhancing its ability to create and monetize new businesses in various fields. Meanwhile, Some people suggest that the overall picture of the Group has become difficult to understand compared with what it was when we were predominately a telecommunications carrier as we continue to drive forward our *Beyond Carrier* strategy. We are responding to this suggestion in a serious manner. I know that the overall value of the Group is unlikely to be reflected in our share price unless the market has a proper understanding of it.

The Company's shares are often valued with an EV/ EBITDA multiple and P/E ratio, common stock valuation methods for telecommunications carriers, or with an indicator such as dividend yield. However, we boast an immense variety of growth opportunities because we possess growth drivers such as Yahoo Japan, LINE, and PayPay Corporation. For that reason, I would like a valuation with the SOTP (sum-of-the-parts) method, a valuation model that combines the value of each business as a whole that harbors enormous growth potential, instead of a valuation based on the consolidated financial data of the Company just as a telecommunications carrier.

Accordingly, information disclosure is a key for the aggregate value of our diverse businesses to be accurately reflected in the share price, and it is important for us to engage in

dialogue with the capital markets to find out whether the potential values of our businesses is being factored into valuation models. Discussions based on concrete figures are beneficial to the facilitation of substantive dialogue. For example, for the fiscal year ended March 31, 2021 we ventured to disclose the gross merchandise value (GMV) for PayPay Corporation, which was still in the upfront investment stage. Information on the annual GMV of ¥3.2 trillion provided an indication of the size of the business, and, considering that the annual personal consumption in Japan amounts to around ¥300 trillion, the disclosure conveyed the message that the business still has plenty of room for growth. Even though PayPay Corporation does not seek for a business that makes profits solely from payment fees, I would like the market to recognize that, at the very least, turning into profit is achievable.

We strongly hope that the market evaluates what we consider to be our true corporate value and that it will be accurately reflected in the share price. That is why we decided to disclose operating income forecasts by segment for the first time along with figures for PayPay Corporation and other leading subsidiaries. Going forward, our policy is to further enhance the information disclosure.

### Role of the CFO

**Q. Finally, what do you think of your role as CFO?**

I believe the CFO plays a role as a compass for the company that accurately navigates the way forward. Accordingly, first, I will decide on the mountain to climb, in other words, a company-wide goal. After deciding on the mountain to climb, instead of making a mad dash for its summit, I will shed light on where

we are currently standing, in other words, gaps between our standing point and that goal. Then I will discuss with others whether our preparations have been enough to climb on the top of the mountain and what our next move should be in order to advance. Sometimes, I play the role as an guardian angel to ensure that the Company does not go down an overly risky path. As CFO, I strongly hope to work continually towards meeting the expectations of our stakeholders.



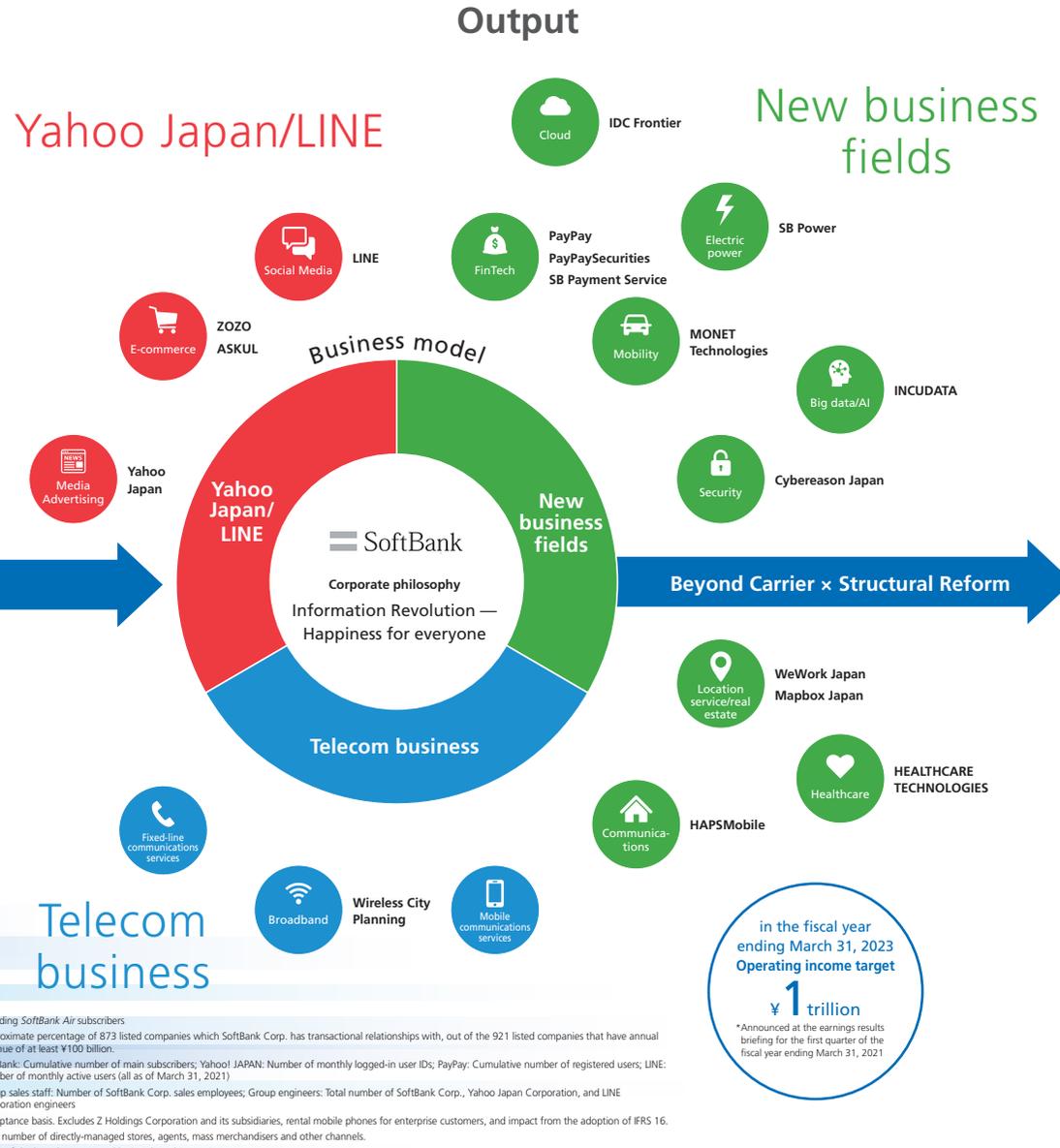
# Value Creation Process

## Toward Phase 2 of the *Beyond Carrier* strategy

We will strive to maximize corporate value by solving social issues with the power of technology and aim to be the corporate group needed most by people around the world.

### Input (source of competitive advantage)

- Social and relationship capital**
  - Smartphone subscribers: **25.93** million (as of March 31, 2021)
  - SoftBank Hikari subscribers: **6.92** million\*1 (as of March 31, 2021)
  - Business relationships with **95%**\*2 of major corporations
  - Number of users\*3
    - SoftBank: **38.0** million; Yahoo! JAPAN: **53.0** million; PayPay: **38.0** million; LINE (Japan): **88.0** million
- Human capital**
  - Consolidated Group employees: **47,313**
  - Group sales staff\*4: **15,000**
  - Group engineers\*4: Roughly **10,000** (as of March 31, 2021)
- Manufacturing capital**
  - Capital expenditures: Approx. **¥400** billion/year\*5
  - Growth investments: **¥50–70** billion/year
  - Shops: Approx. **6,100**\*6 (as of March 31, 2021)
- Social and relationship capital and intellectual capital**
  - Cutting-edge technologies and business models of the SoftBank Group's portfolio companies
  - Co-creation with corporate partners, represented by 5G x IoT Studio
- Intellectual capital**
  - Best Japan Brands 2021\*7: **USD4,958** million
- Financial capital**
  - Rating and Investment Information (R&I) Long-term debt rating: **A+**
  - Japan Credit Rating Agency (JCR) Long-term debt rating: **AA-** (as of March 25, 2021)
- Natural capital**
  - Electricity used: **1,680,530** thousand kWh (recorded usage in the fiscal year ended March 31, 2021)



### Outcome

- Building society and industry through digital transformation (DX)**
  - [Relevant SDGs]
- Connecting people and information to create new excitement**
  - [Relevant SDGs]
- Creating new business through open innovation**
  - [Relevant SDGs]
- Contributing to the global environment with the power of technology**
  - [Relevant SDGs]
- Building high-quality social communication networks**
  - [Relevant SDGs]
- Developing a resilient management foundation**
  - [Relevant SDGs]

\*1 Including SoftBank Air subscribers  
 \*2 Approximate percentage of 873 listed companies which SoftBank Corp. has transactional relationships with, out of the 921 listed companies that have annual revenue of at least ¥100 billion.  
 \*3 SoftBank: Cumulative number of main subscribers; Yahoo! JAPAN: Number of monthly logged-in user IDs; PayPay: Cumulative number of registered users; LINE: Number of monthly active users (all as of March 31, 2021)  
 \*4 Group sales staff: Number of SoftBank Corp. sales employees; Group engineers: Total number of SoftBank Corp., Yahoo Japan Corporation, and LINE Corporation engineers  
 \*5 Acceptance basis. Excludes Z Holdings Corporation and its subsidiaries, rental mobile phones for enterprise customers, and impact from the adoption of IFRS 16.  
 \*6 Total number of directly-managed stores, agents, mass merchandisers and other channels.  
 \*7 Value of the brand as measured by Interbrand Japan, Inc.

# SoftBank’s Materiality (Priority Issues)

With the objective of realizing sustainable growth, we identified six priority issues (materiality) under the concept of a world where all things, information, and minds are connected.

We think the achievement of the Sustainable Development Goals (SDGs) by 2030 will be a key driver of our growth. We therefore identified priority issues envisioning the next 10 years in order to contribute to realizing a sustainable society.

	Materiality	Risks	Opportunities	KPIs	FYE March 31, 2021 (actual)	Related pages
Solving social issues through business	 <p><b>ACTION 01</b> Building society and industry through DX</p> <p>Create new industries and provide solutions for transforming various businesses in society by utilizing 5G, AI, and other cutting-edge technologies.</p>	<ul style="list-style-type: none"> <li>Declines in profitability due to intensified competition caused by a series of new entries into the enterprise solutions market</li> </ul>	<ul style="list-style-type: none"> <li>Expansion of solutions business for implementing digital technologies to society</li> <li>Growing opportunities to provide solutions for regional revitalization</li> </ul>	<p>Revenue from business solution and others</p> <ul style="list-style-type: none"> <li>Compound annual growth rate (CAGR) of 10%</li> </ul>	CAGR: 17%	At a glance <a href="#">P28</a>
	 <p><b>ACTION 02</b> Connecting people and information to create new excitement</p> <p>Provide new experiences and enrich the lifestyles of our customers by promoting the adoption of smart devices. Concurrently, create value for both consumers and enterprises by providing partners with attractive platforms that connect people to information.</p>	<ul style="list-style-type: none"> <li>Declines in profitability due to new entrants in existing telecommunications services and intensifying competition</li> <li>Declines in profitability due to intensifying competition or discontinuation of market growth in the e-commerce and finance/payment businesses</li> </ul>	<ul style="list-style-type: none"> <li>Growth in smartphone subscribers and increase of large volume data users</li> <li>Expansion of business to non-telecommunication areas through provision of super apps</li> <li>Increased profit opportunities via deeper data-driven marketing</li> </ul>	<p>PayPay registered users</p> <ul style="list-style-type: none"> <li>50 million</li> </ul>	38.03 million (as of end of FYE March 31, 2021)	At a glance <a href="#">P23</a>
	 <p><b>ACTION 03</b> Creating new business through open innovation</p> <p>Develop cutting-edge technologies and innovative business models in Japan by leveraging our relationships with leading global companies. Concurrently, promote the development of a highly-skilled workforce and the establishment of an organization that supports the expansion and penetration of new businesses.</p>	<ul style="list-style-type: none"> <li>Delay of business development and/or loss of business opportunities due to shortages of required human resources and knowledge</li> <li>Inability to recoup invested funds or incur impairment losses due to failure in achieving expected results</li> </ul>	<ul style="list-style-type: none"> <li>Acquisition of human resources and knowledge and speedy business development through collaboration with partners</li> <li>Advancement and deepening of innovation through co-creation and expansion of the scale of markets and operations the Group participates</li> </ul>	<p>Advancement of efforts toward practical utilization of HAPS (FYE March 31, 2024)</p>	Successful stratosphere flight test and LTE connection during the flight	PayPay <a href="#">P36</a>
Solving social issues through corporate activities	 <p><b>ACTION 04</b> Contributing to the global environment with the power of technology</p> <p>Contribute to mitigating climate change, promoting a circular economy, and the adoption of renewable energy by utilizing cutting-edge technologies to pass on a sustainable global environment to the next generation.</p>	<ul style="list-style-type: none"> <li>Infrastructure disruption and communication blackout due to disasters caused by climate change</li> <li>Difficulty in securing non-fossil fuel electricity and increase in cost for long-term electricity procurement</li> <li>Impact on financing due to lack of global environmental efforts</li> </ul>	<ul style="list-style-type: none"> <li>Expanding the market for highly-energy-efficient solutions that utilize IoT, etc.</li> <li>Expansion of businesses related to the sharing economy</li> <li>Expansion of businesses related to renewable energy</li> </ul>	<p>Ratio of renewable energy for base stations</p> <ul style="list-style-type: none"> <li>50% or higher (FYE March 31, 2022)</li> <li>70% or higher (FYE March 31, 2023)</li> </ul>	30% achieved	Support for TCFD recommendations <a href="#">P60</a>
	 <p><b>ACTION 05</b> Building high-quality social communication networks</p> <p>Commit to maintaining a constantly-connected and stable network and to protecting our customers’ important data based on the thinking that communication networks are a lifeline in society.</p>	<ul style="list-style-type: none"> <li>Loss of new business opportunities while utilizing 5G</li> <li>Deterioration of reputation and/or loss of subscriber due to communication failures and/or delays in disaster recovery</li> <li>Deterioration of reputation due to the improper use of personal information and/or leakage of personal information</li> </ul>	<ul style="list-style-type: none"> <li>Capacity increase and multi-connectivity of communications and revenue increase by nationwide deployment of 5G coverage</li> <li>Development of new industries and services that use 5G</li> </ul>	<p>5G deployment plan</p> <ul style="list-style-type: none"> <li>More than 50,000 base stations (2022)</li> <li>Population coverage over 90% (2022)</li> </ul>	10,000 base stations completed (May 21, 2021)	Information security <a href="#">P52</a>
	 <p><b>ACTION 06</b> Developing a resilient management foundation</p> <p>Conduct corporate governance with integrity to earn the trust of society through ongoing dialogue with stakeholders. In addition, foster innovation and improve the well-being of our employees by developing a progressive workplace environment where diverse human resources can thrive utilizing cutting-edge technologies.</p>	<ul style="list-style-type: none"> <li>Loss of trust due to violation of laws or regulations</li> <li>Loss of trust as a corporation due to absence of corporate governance</li> <li>Deterioration of reputation due to human rights violations or inadequate response on environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>Investors’ acceptance of corporate governance and supply-chain management</li> <li>Improvement of motivation and emergence of innovation through workstyle reforms and promotion of diversity</li> <li>Improvement of productivity through advanced workstyles and commercialization of expertise</li> </ul>	<p>Ratio of women in management positions</p> <ul style="list-style-type: none"> <li>Over 20% (FYE March 31, 2036)</li> <li>Achieve more than 15% by the fiscal year ending March 31, 2031 (two-fold increase vs. FYE March 31, 2022)</li> </ul>	338 (as of end of FYE March 31, 2021)	Corporate governance, HR development <a href="#">P38</a>

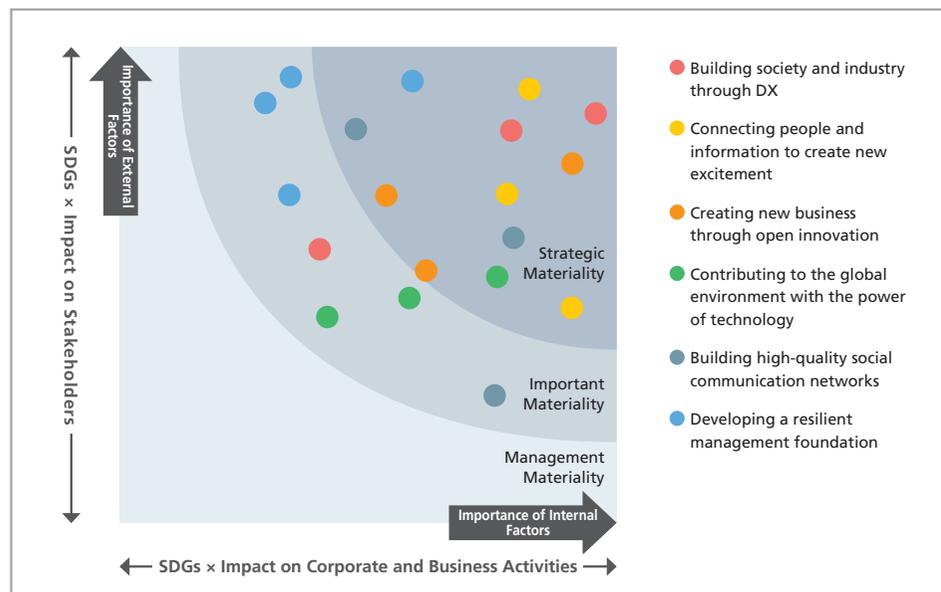
# Materiality (Priority Issues) Identification Process and Sustainability Promotion Structure

## Process for Identifying Materiality (Priority Issues)

As part of the materiality identification process, we selected a number of issues in light of the 17 SDGs and their 169 targets. We then evaluated those issues from two points of view: the importance for mainly ESG investors and other external stakeholders and the importance for the Company based on discussions within administration and group companies. Finally, the priority issues were decided on by the Board of Directors after seeking the opinions of experts.



### Dialogue with society and stakeholders



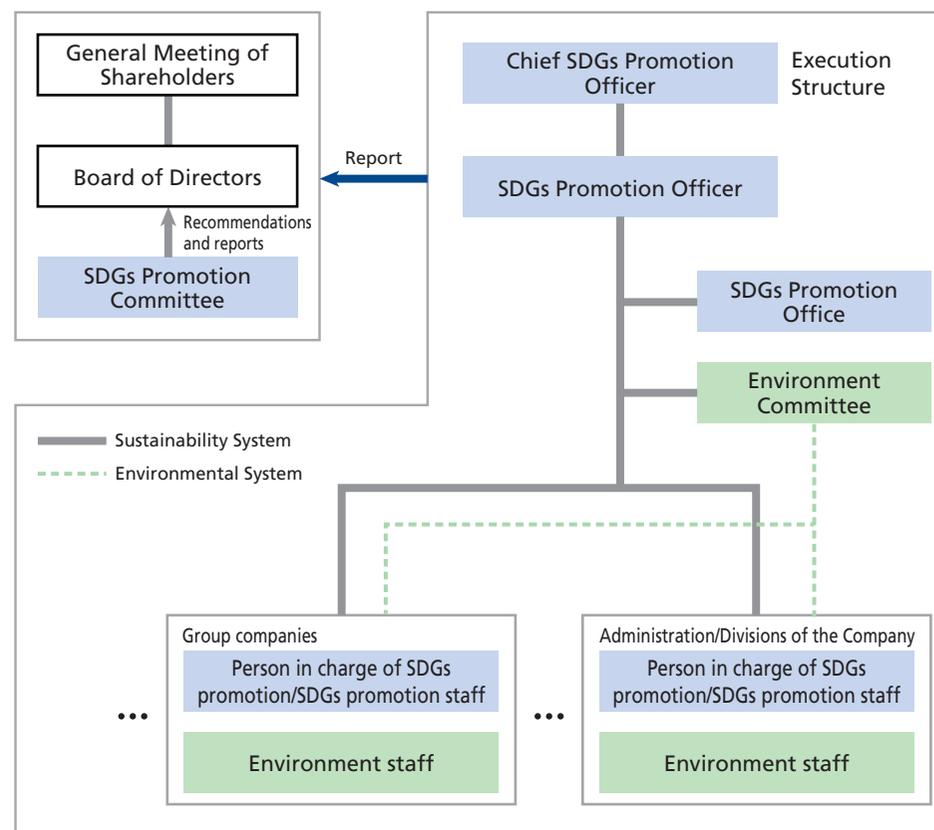
Note: Materiality was reviewed in March and April 2021, and as a result, it was determined that no change is necessary from the fiscal year ending March 31, 2021.

## Sustainability Promotion Structure

In order to promote the Company's growth strategy in conjunction with sustainability, we established the SDGs Promotion Committee (Chair: Junichi Miyakawa) as an advisory body to the Board of Directors. This committee offers recommendations and reports to the Board of Directors concerning sustainability activities.

In terms of the Company's execution structure for sustainability activities, the President & CEO has been appointed Chief SDGs Promotion Officer. We have also designated an SDGs Promotion Officer, as well as a person in charge of SDGs promotion and SDGs promotion staff in each of our departments and Group companies.

(As of March 31, 2021)



## Section 2

# How We Create Value

Based on our telecommunications business, in addition to synergies with *Yahoo! JAPAN*, *PayPay*, *LINE*, and other services that boast some of the largest users in Japan, we aim to create value that is unique to the Group by combining these services with our ability to propose solutions to various industries.

- 22 *Beyond Carrier Strategy*
- 23 Consumer Segment
- 28 Enterprise Segment
- 33 Yahoo Segment
- 35 New Business Fields

AMJ	17,221	12,347,000	
EDX	3,456	2,345,000	
HP-L	1,042	85,678,000	
KEE	488	8,349,000	1,822
NAH	8,549	189,301,000	HBC 1.4
QOP	6,402	102,698,000	3,605 9,542
TIK	890	24,697,000	(-278) (-128)
WIG	6,280	76,002,000	108 846
AHO	2,436	57,610,000	1,354 5,211
			(-128) 712

## Beyond Carrier Strategy

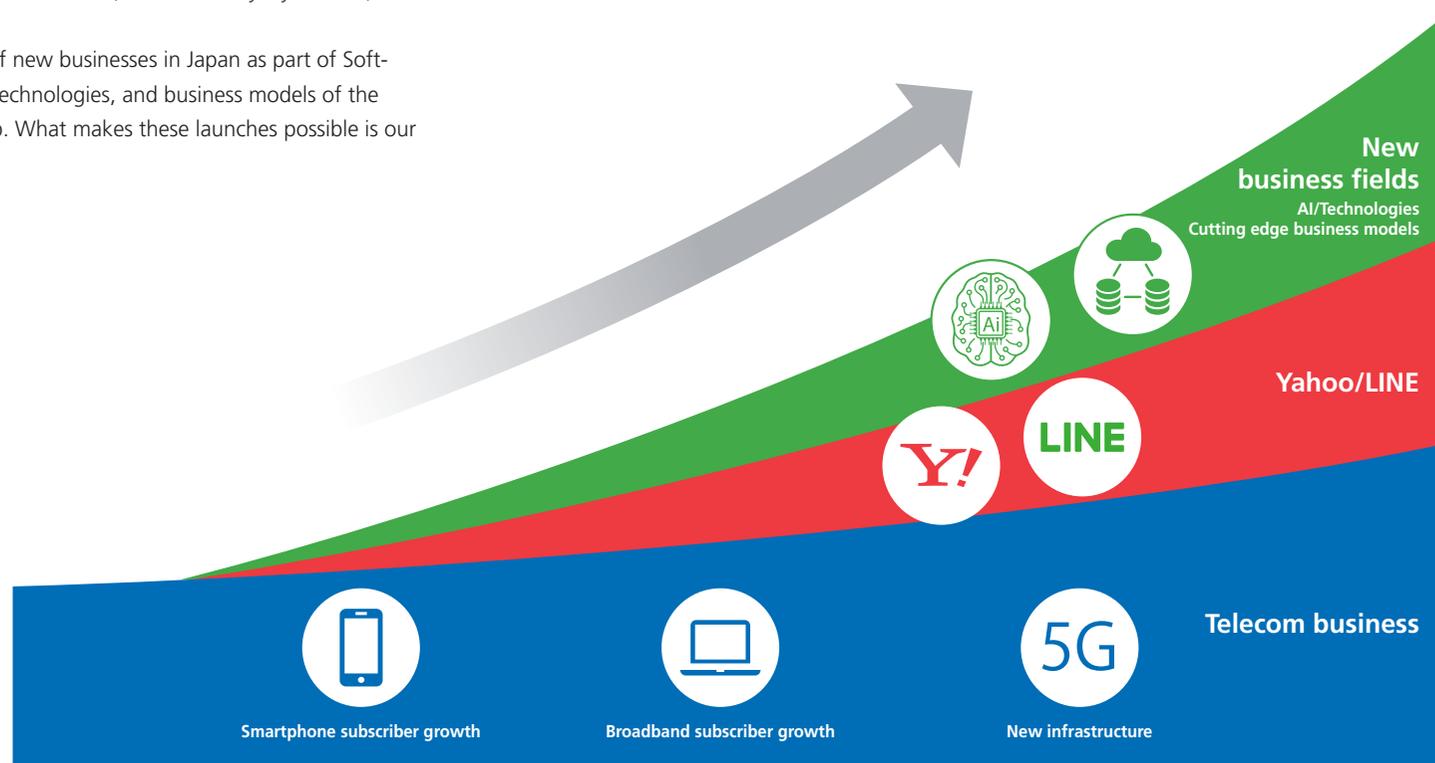
SoftBank has established *Beyond Carrier* as our growth strategy since the fiscal year ended March 31, 2018. The aim of this strategy is to expand into other businesses while further growing the Company's core telecom business by expanding our number of smartphone and broadband subscribers and through new 5G telecommunications infrastructure initiatives.

Under this strategy, we launched the smartphone payment service *PayPay* in September 2018 by leveraging the technology of Paytm (a major Indian smartphone payment company), an investee of the SoftBank Vision Fund 1\*1. Further, we made Yahoo Japan (now Z Holdings), which operates *Yahoo! JAPAN*, one of the largest Internet portals in Japan, our subsidiary in June 2019. In addition, in March 2021 we completed the business integration of Z Holdings and LINE, which provides one of the largest communication services in Japan. As a result, the Group has become the country's largest scale telecommunications and IT group with approximately 55 million telecommunications services users\*2, 80 million *Yahoo! JAPAN* users\*3, 41 million *PayPay* users\*4, and 89 million *LINE* users\*5.

Moreover, we are working toward the rapid liftoff of new businesses in Japan as part of SoftBank's own initiatives by utilizing the cutting-edge AI, technologies, and business models of the investees of our parent company, SoftBank Group Corp. What makes these launches possible is our

strong sales force that has transactional relationships with 95% of large enterprises\*6, approximately 6,100 stores\*7 and 15,000 sales employees\*8 nationwide, as well as the highly skilled technological capabilities of roughly 10,000 engineers\*9 within the Group. Additionally, becoming the country's largest scale telecommunications and IT group possessing a formidable number of customer contact points allows us to deliver the services of these newly launched businesses to all the more users.

Going forward, in addition to our telecommunications services that serve as an indispensable lifeline in society, we will engage in solving even more social issues through the provision of new services making use of state-of-the-art technologies. By solving social issues through the power of technology, SoftBank aims to maximize corporate value and become the corporate group needed most by people around the world.



\*1 Fund managed by SB Investment Advisers (UK) Limited (SBIA), a wholly owned subsidiary of SoftBank Group Corp.

\*2 Sum of cumulative number of mobile communications services subscribers and cumulative number of broadband subscribers (as of March 2021)

\*3 Annual number of user IDs logged-in (as of March 2020)

\*4 Cumulative number of registered users (as of August 2021)

\*5 Number of monthly active users (as of June 2021)

\*6 Approximate percentage of listed companies with annual revenues of at least ¥100 billion that SoftBank Corp. has transactional relationships with (as of February 2021)

\*7 Total number of *SoftBank* and *Y!mobile* directly-managed stores, agents, mass merchandisers and other retail channels (as of March 2021)

\*8 SoftBank Corp. sales employees (as of March 2021)

\*9 Total number of SoftBank Corp., Yahoo Japan Corporation, and LINE Corporation engineers (as of March 2021)



# Consumer Segment

## At a Glance



The Consumer segment primarily provides mobile services, broadband services, and electricity power services to individual customers in Japan. The Company is expanding the total number of smartphone subscribers by promoting its multi-brand strategy that meets the needs of all types of users.

### Medium-Term Goals

Total number of smartphone subscribers

**30 million**

Fiscal year ending March 31, 2024  
(includes number of subscribers in Enterprise segment)

### Revenue composition ratio

Revenues from sales of goods and others

20%

Electricity

5%

Broadband

14%



Mobile

61%

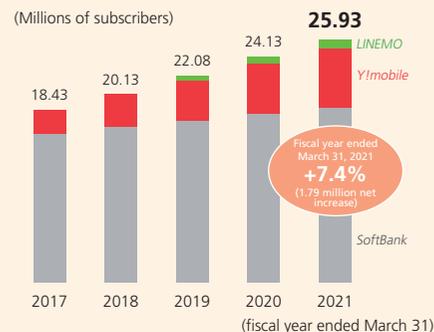
## Mobile

The Company provides mobile communications services under its three brands of *SoftBank*, *Y!mobile*, and *LINEMO* to meet the diverse needs of its users. Along with deploying three brands, the Company aims to boost user convenience by linking services in the Group and deploying 5G as it aims for a total of 30 million smartphone subscribers.



### Cumulative number of smartphone subscribers

(Millions of subscribers)



## Broadband

In addition to *SoftBank Hikari*, the high-speed and large-capacity Internet communications connection service for households that uses an optical fiber network, the Company provides *SoftBank Air*, a broadband service in which users can use Wi-Fi immediately since no installation work is needed. The Company is able to retain smartphone subscribers because discounts are applied on telecommunications service charges for users who combine the service along with *SoftBank* or *Y!mobile* smartphones.

### Cumulative number of broadband subscribers (in service)

(Millions of subscribers)



## Electricity

From April 2016, the Company has been providing purchase and sale, supply and intermediation of electricity, including *Ouchi Denki (Home Electricity)*. As with broadband, the Company is able to retain smartphone subscribers by providing discounts for users who bundle the service with *SoftBank* or *Y!mobile* smartphones.

### Cumulative number of subscribers for electricity services

(Millions of subscribers)



### Revenues from sales of goods and others

Mainly selling mobile devices to distributors and individual customers.

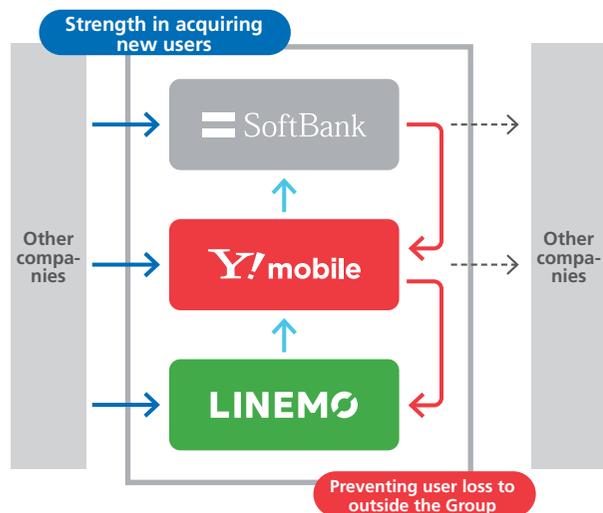


# Consumer Segment

## Competitive Advantages

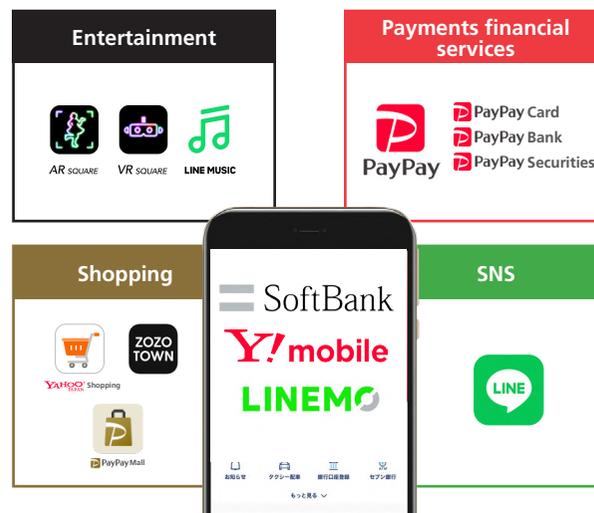
### Strength 1 Providing diverse options with multi-brand strategy

The Company provides three brands with differentiated characteristics: *SoftBank*, where users can use the newest cutting-edge smartphones with unlimited data plans, *Y!mobile*, which has lower monthly costs for medium to low data usage, and *LINEMO*, complete with functions for users to carry out all types of procedures and receive support online. By responding to changing user needs, the Company aims to drive user transition among brands within the Group, expand acquisition of new subscriptions, and prevent users from moving outside the Group.



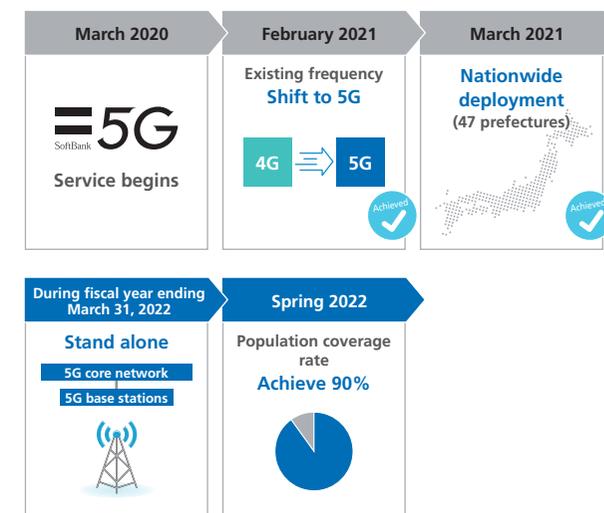
### Strength 2 Differentiation through non-telecommunications services with overwhelming customer contacts

The Company possesses group companies that have overwhelming customer contacts in Japan, such as *Yahoo! JAPAN*, *LINE*, and *PayPay*. This increases benefits for users in services other than telecommunications, such as entertainment, shopping, payments/financial, and social media. For example, the Company provides SoftBank users with points when they use *Yahoo! JAPAN*'s e-commerce sites, special value offers for *Yahoo! JAPAN Premium*, and *PayPay* bonuses rewarded for using SoftBank for a long period. These various services unique to the Company lead to acquisition of new subscribers and promotion of continued usage of Company services.



### Strength 3 Constructing a world-class resilient network

It is important to increase communication quality to boost user experience. As a result of focusing on base station installation, the Company has been praised as industry-leading, among international telecommunications carriers. Utilizing the advantage of having many more base station sites than competitors, the Company will focus on building a 5G network that can realize ultra-high speed, large capacity, massive machine connections, and ultra-low latency. In March 2021, the deployment of 5G in all prefectures was completed. By spring of 2022, the Company plans to have a population coverage rate of 90%.





## Consumer Segment

### Executive Interview

Build a relationship of trust with customers and win them over by staying close to their needs and boldly taking on new challenges

**Jun Shimba**

Representative Director & COO



### SoftBank's Strength: Organizational Capability

As COO, I oversee the Consumer segment. I joined SoftBank as a university graduate in 1985, and have spent the last 36 years with it. The Company employed around 100 people at the time I joined. In true startup fashion, we learned everything by trial and error. In the 2000s, I was involved in the startup of the broadband and mobile businesses, which are now at the heart of the Consumer segment. Later, when I managed marketing for the Consumer segment, I accepted the challenge of running revolutionary promotions that had never been attempted before, and after earning my wings in the Enterprise segment,

I was promoted to Representative Director & COO in 2017 and still serve in that capacity today.

First-hand experience in several business units has shown me that one of SoftBank's strengths is its organizational capability. From the managers to each individual employee, people at SoftBank all share a single philosophy, vision, and strategy. When everyone eyes the same goal, we can work backwards from that to take actions, which is the secret to the Company's strength. That's why when I took charge of the Consumer Business Unit I gave a lot of thought to what vision I should share with the employees. SoftBank's corporate philosophy is "Information Revolution — Happiness for everyone." In the

Consumer segment, what matters is what the customers who are using our service want, and what needs they will have in the next several years. We always put the customer first. But at the same time, we are running a business and thus we cannot afford to lose to our competitors. With these ideas in mind, I invented the slogan "Trust Game Winner," meaning that an enterprise will win out in a highly competitive arena when it boldly continues the fight to earn the deepest customer trust.

### If We Deliver Customer-First Services, the Results will Surely Follow

The Consumer segment is SoftBank's core business and is a stable generator of over ¥600 billion in operating income annually. In SoftBank's efforts to launch and expand new businesses one after another in our *Beyond Carrier* strategy, the stable profit generated by the Consumer segment is an indispensable driving force for growth. The operating income of that same Consumer segment was ¥71.8 billion at the time SoftBank acquired Vodafone (Japanese subsidiary) in our full-fledged entrance to the mobile business in 2006.\*1 Behind the fact that we achieved a nine-fold increase in operating income in just 15 years is the history of employees working together in one force to make the Company the "Trust Game Winner."

First, we announced the *White Plan* in 2007. In the mobile market at that time, there were a lot of complaints because existing telecom carriers were putting out complicated price plans that were hard to understand, so SoftBank focused on this issue. Our simple, reasonably-priced *White Plan* garnered the support of many of our customers and massively increased our subscriber base. Next, we once again put the customer first when we became the Japan's exclusive distributor of iPhone in 2008. In the early days of the launch, the iPhone lacked some features which users in Japan needed, so



## Consumer Segment

SoftBank approached Apple Inc. to have improvements made, and the iPhone remains a product that Japanese customers still love today.

The “Trust Game Winner” slogan also served the Company on the pricing front, where SoftBank continues to remain a leader. For example, at the time that the competitors were primarily promoting 3 GB and 5 GB monthly data plans, we preempted them by rolling out larger 20 GB and 50 GB data plans. We believed that the number of customers who want stress-free use of videos, gaming and other content that consumes a lot of data on their smartphones was only going to increase. Both of the data plans ended up becoming huge hits for SoftBank. Also, we are the first to introduce multi-brand strategy in which one carrier offers multiple brands with differentiated features. Now the strategy has become a standard in the industry. In 2014, as MVNOs\*<sup>2</sup> that offered medium- and low-volume data plans for low prices entered the market one after another, we launched the new brand *Y!mobile* with high-quality MNO\*<sup>3</sup> communications at price points near MVNO’s. There was a lot of argument inside the Company about whether such unusual price cutting might lead to lower financial performance, but we still ultimately decided that customer needs had to win out. Deployment of *Y!mobile* definitively caused average revenue per user (ARPU) to fall, but branding the large-capacity *SoftBank* and low- to medium-capacity *Y!mobile* each with its own distinct characteristics grew subscribers in both brands on such a steady basis that in 6 years the numbers reached 25.93 million, or 1.8 times the number of smartphone subscribers. This caused mobile revenue to fall for a short time, bottoming out in the fiscal year ended March 31, 2018, when it reversed and has continued to rebound with revenue increases each year since.

SoftBank continues to play offense in ascertaining what is best for the customer and offering services that meet their needs. ARPU does go down when the Company releases an aggressive price plan, but if we build a relationship of trust with our customers, there is no doubt the results will follow.

These results mean subscriber growth. Revenue is ARPU multiplied by number of subscribers, so if we can grow the number of subscribers, it leads to higher revenue. Based on this belief, everyone in the Consumer segment is working together on reaching the high target of 30 million smartphone subscribers set for the fiscal year ending March 31, 2024.

\*1 Figures for the fiscal year ended March 31, 2006 are the aggregate of Vodafone K.K. and the Broadband Infrastructure and Fixed-line Telecommunications segments of SoftBank Group Corp. (SoftBank Corp. at the time) and are based on JGAAP.

\*2 Mobile Virtual Network Operators

\*3 Mobile Network Operators



### Revenue and Profit Increased, but Competition Intensified in the Fiscal Year Ended March 31, 2021

For the fiscal year ended March 31, 2021, revenue from the Consumer segment was ¥2,770.4 billion, a 2.7% increase year on year, while operating income was 1.8% higher over the previous year at ¥658.6 billion, representing both revenue and profit growth. ARPU fell due to the penetration of so-called “unbundled plans” that separate handset payments and service fees and the increasing proportional share of our relatively low priced *Y!mobile* brand. On the other hand, smartphone subscribers increased by 1.79 million over the previous year to 25.93 million subscribers. In addition, the growth in telework drove an increase in the number of broadband and electricity service subscribers. Broadband service sales were brisk, especially for *SoftBank Air*, which does not require fiber-optic installation work. Since time that consumers spent at home increased due to stay at home policy during the outbreak of COVID-19, concern for electric bills increased and boosted our electricity service, which increased its subscribers by 51% year on year to 1.74 million subscribers.

At the same time, the fiscal year ended March 31, 2021 was also a year of intense competition in the mobile market. The spur for this was announcement of the results of a Ministry of Internal Affairs and Communications survey that concluded: “For a monthly data plan of 20 GB, Japan’s telecommunications service charges are the highest in the world.”\*<sup>4</sup> Partly due to this announcement, there was an increase in demand for more variety of services at lower costs, and all of the major telecommunications carriers launched new 20 GB data plans available exclusively online while lowering telecommunications service charges for existing brands. We also started in March 2021 to offer *LINEMO*, a 20 GB data plan at ¥2,480 per month (excluding tax), available exclusively online. The Company also lowered prices for *SoftBank* and *Y!mobile* at the same time.

\*4 “Survey on Differences in Telecommunications Service Charge between Domestic and Overseas Markets,” the Ministry of Internal Affairs and Communications



## Consumer Segment

### Lower Profit Anticipated in the Fiscal Year Ending March 31, 2022 due to Mobile Service Price Reduction

For the fiscal year ending March 31, 2022 we anticipate a negative impact of about ¥70 billion due to the ARPU decline caused by mobile service price reduction. Such impacts include not only acquisition of new subscribers in new, lower-cost plans, but existing users transitioning to lower price plans. To overcome this negative impact, we will continue our effort to increase the number of smartphone subscribers, as well as expand the sales of broadband and electricity services, and reduce costs. Despite these efforts, in the fiscal year ending March 31, 2022, we expect operating income in the Consumer segment to decrease by more than ¥10 billion from the previous fiscal year.

### Key to Future Growth: Group Synergy

As I said at the beginning, SoftBank's goal is to be the "Trust Game Winner." SoftBank's mobile strategy is to build trust with customers with innovative services that match their needs and achieve growth by expanding the number of subscribers. As reduced prices have made all providers comparable on the cost front, the crucial element to increasing subscribers going forward will be the degree to which we can offer services that make people choose us. That's where group synergy comes in. Our group includes services like *Yahoo! JAPAN*, *LINE*, and *PayPay*, all of which have the largest user bases in Japan. By strengthening collaboration between these services and mobile telecommunications services, we can offer our customers benefits available from utilizing the synergies only SoftBank can provide. For example, we began collaborating with Yahoo Japan's e-commerce in 2017 to offer discounts to our mobile

users, which led to acquiring new mobile users and customer retention. *LINEMO*, a new brand launched in March 2021, is well received for service providing unlimited use of *LINE*, Japan's No.1 messaging app with 89 million domestic users\*<sup>5</sup>, without consuming monthly data allowance, and steadily growing in subscribers. Then in July 2021, *LINEMO* added a Mini Plan of 3 GB data allowance for ¥900/month (excluding tax). Central to debate in 2020 was the 20 GB plan, but in a user survey we conducted independently, many customers indicated they wanted a smaller data plan, so the Company set out right away to respond to this need. In addition to the Company's aim to prevent churn to competitors', *LINEMO* led to acquisition of new users. Here again, SoftBank's aggressive stance that puts customers first achieved results. I think that meeting needs in this way works to differentiate ourselves from our competitors so that we become the provider which customers choose.

It is true that over the short term, the mobile service price reduction is predicted to negatively affect performance. However, I'm confident that by aligning with the needs of our customers, refining our multi-brand strategy, which is our strength, and pursuing group synergy, we will surely be able to increase the number of subscribers and, in turn, put the Consumer segment on a growth trajectory again.

\*5 Monthly Active Users (as of June 2021)

### One SoftBank: Executing the *Beyond Carrier* Strategy

Finally, I'd like to explain a bit about the role the Consumer segment needs to fulfill within our corporate strategy. *Beyond Carrier* is SoftBank's game plan to launch and grow new businesses one after another in areas outside of

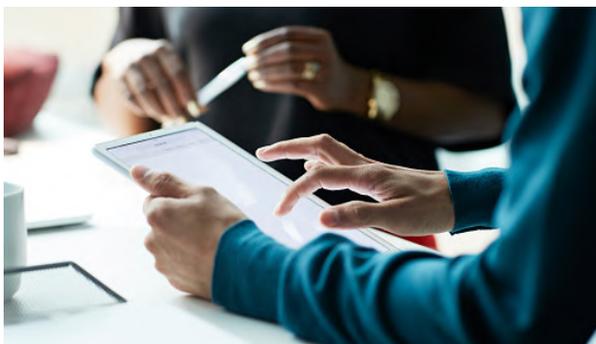
telecommunications in order to further increase corporate value. For new businesses, there's a tendency to focus on the revolutionary nature of the product, but what becomes necessary when you are trying to get that product widely established as a service are dedicated sales efforts. To speak of a specific case, for example, the service *PayPay* that started in October 2018 now dominates the market for smartphone payment services in Japan, and the people who actually helped it get there were in our Consumer segment. During the *PayPay* launch, our Consumer segment sent over 200 people including an executive officer to PayPay Corporation. Building on the sales skills that led them to success after launching broadband services from the ground up, they built up a sales organization swiftly, trained several thousand staff and went from store to store one at a time across the country to develop merchants one after the other.

Today, all kinds of companies are attempting to launch new businesses, but few of them are capable of rolling out a large-scale sales effort like ours. It was possible for SoftBank because we have an elite sales force in the Consumer segment. I said that our strength was in our organization, but as you see with the *PayPay* case, it's even more apparent that all employees have to band together across segments to work for a common cause to succeed. SoftBank wants to create a second, a third and more new businesses following *PayPay*. To make that happen, the Consumer segment will continue to do what we can, including sending in our top sales talent.



# Enterprise Segment

## At a Glance



The Enterprise segment provides a wide range of solutions for companies and municipalities including cloud services, security, digital marketing, and IoT, in addition to telecommunications services such as mobile communications services and fixed-line telephone services. In the 2010s, we set out to transform the business model. Breaking away from stand-alone telecommunications sales selling fixed-line telephone services, mobile communications services, and other services separately, we established a solution-based business which resolves issues faced by companies and municipalities with a combination of technologies.

### Medium-Term Goals

Segment income  
**¥150 billion**  
 Fiscal year ending  
 March 31, 2023

Business solution and  
 others revenue  
**More than 10%**  
**Annual growth**

### Revenue composition



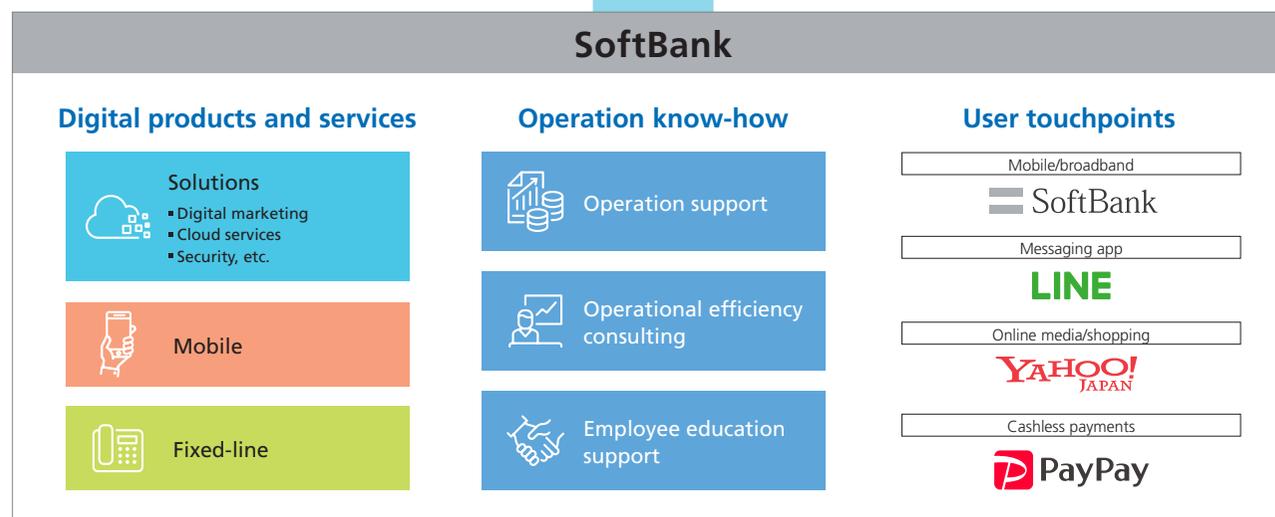
## Enterprise Business Model

In our Enterprise segment's solution-based business, digital professionals who have undergone consulting and other training programs uncover the individual issues faced by companies and municipalities and propose solutions with a combination of cutting-edge digital products and services including cloud services, security, and IoT along with operation know-how.



Source: 2020 Harvey Nash/KPMG CIO Survey

## Total solutions





# Enterprise Segment

## Competitive Advantages

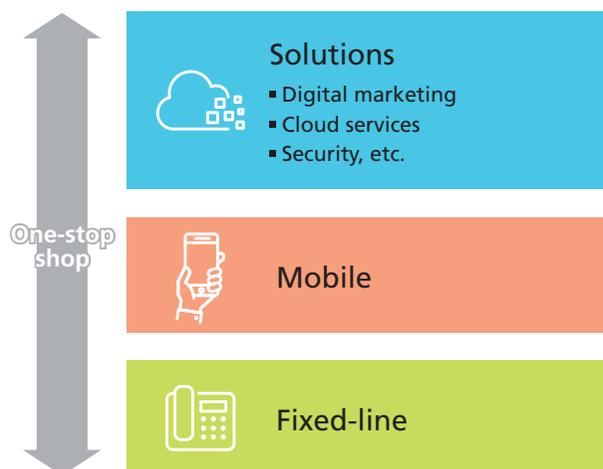
**Strength 1** One of the largest suites of B2C platforms in Japan, boasting a formidable number of users

As the digitalization of society progresses, many companies and municipalities are facing issues in expanding their services online. Significant time and costs are needed for companies and municipalities to launch and promote their own applications. Then B2C platforms become important for connecting companies and municipalities with consumers. SoftBank possesses one of the largest suites of B2C platforms in Japan with tens of millions of users across a wide range of fields including telecommunications, e-commerce, payment services, and SNS. By collaborating with us, companies and municipalities aiming for expanding their services online will be able to reach a wide range of users in a short period of time. This leads to streamlining the time and costs for marketing.



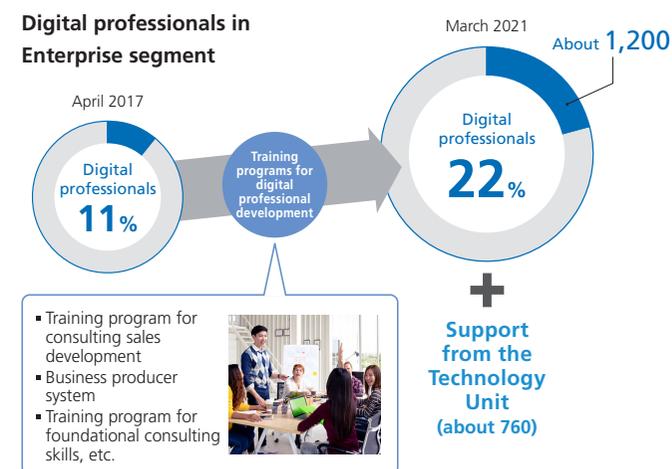
**Strength 2** One-stop shop system, from networks to solutions

Our extensive service lineup enables our solution-based business, which is SoftBank's strength. In addition to mobile and fixed-line communication networks and devices, SoftBank also handles a wide range of more than 100 digital products and services including cloud services, security, IoT, AI, and digital marketing. Japanese companies and municipalities are said to be lagging behind other countries in digitalization. They often require a full suite of support ranging from network building, introduction of online tools, operation consulting for digitalizing analog tasks, and post-operation support. SoftBank's one-stop shop system providing everything from networks to solutions leads to our significant advantage.



**Strength 3** Abundance of digital professionals enabling our solution-based business

Indispensable to our solution-based business are digital professionals. In the Enterprise segment, we have prepared training programs to nurture operation consultants and business producers in order to promote the development of human resources capable of drafting and planning digitalization solutions. In addition to comprehensive training programs for the development of digital professionals, we are strengthening industry-specific training programs to take a deeper approach toward the management issues that are different from industry by industry. As a result, currently approximately 1,200 employees or 22% of the Enterprise segment, are digital professionals. Furthermore, about 760 system engineers and data scientists in the Technology Unit support the Enterprise segment in providing technical assistance depending on the needs of the enterprise customers.





## Enterprise Segment

### Executive Interview

Companies can count on us to solve their “pain points” with the power of technology

**Yasuyuki Imai**  
Representative Director & COO



### A High-Growth Business to be Created by a Bold Shift in Business Model

SoftBank’s Enterprise segment continues to be a high-growth business that has posted nearly 10% growth every year since its initial public offering. For the fiscal year ended March 31, 2021, we achieved 29% profit growth year on year. The Enterprise segment has become one of the core businesses driving the Company’s overall performance, but it wasn’t always smooth sailing. SoftBank’s Enterprise segment started in 2004, the year we acquired JAPAN TELECOM CO., LTD. At the time JAPAN TELECOM CO., LTD. was acquired, the company was in the red. Working with my team, we turned the business back on its feet. Before joining SoftBank in 2000, I had worked for

KAJIMA CORPORATION, a major construction company, for about 18 years. When I joined KAJIMA CORPORATION, I spent several years working on-site before changing roles to focus exclusively on corporate sales, so it was naturally the sharpest of the skills I had in my skill set.

Let me talk about how we brought our Enterprise segment from an unprofitable business to a high growth business today. Our first priority was sales reform. SoftBank is an information revolution company, so what we sell are cutting-edge technologies. But it’s not easy to sell products that have never existed before. I had to advise the team, “Don’t sell anything that you’ve never used.” When there is new technology, we need to use it ourselves. In addition, we do not only experience it, but also improve it from our experience so that we deliver the

refined service to customers. As we have such hands-on experience, we can provide also operation know-how such as “why do I need this tool?” or “how can I use it more efficiently?” Let me give you an example of this approach; we handed iPhones to all Enterprise segment employees in 2008. Following that, we introduced tablets and cloud services, therefore promoting a full-fledged migration to a paperless office. This enabled our employees to work anywhere in the world, and the consideration of environmental resources also took root in their minds. Now every enterprise is pursuing SDGs and building telework environment, but we have taken such initiatives for more than 10 years, because we anticipated the arrival of such an era.

Furthermore, what we have worked on for the past 10 years is a breakaway from simply selling goods—in other words, a complete shift of the business model. Simply selling smartphones would be tough to differentiate ourselves from competitors. We realized that going forward SoftBank would not survive unless it became a service provider. Today we do not tell our customers to use SoftBank smartphones only. We diagnose the most challenging issue that our customers face—the “pain point,” and where the customers are willing to spend money to solve. And then we provide the fully thought out solutions using our technologies to solve their “pain point.” This is SoftBank’s solution-based business model.

### Significant Increase in Profit for the Fiscal Year Ended March 31, 2021

For the fiscal year ended March 31, 2021, the Enterprise segment posted a significant growth with 11% increase in mobile revenue and 17% increase in business solutions and others revenue year on year. The segment income increased by 29% year on year. While the rapid increase in demand for telework by companies in the outbreak of COVID-19 has certainly been a tailwind, I think the fact that we have been practicing telework in-house for more than 10 years and that



## Enterprise Segment

we are seasoned in the optimal tools to use and the operation know-how are the reasons customers chose SoftBank. Some have voiced concern that the significant increase in business solutions and others revenue may only be a fleeting result of the unique demand for telework. But in fact, 70% or more of business solutions and others revenue are recurring revenue that will contribute to a stable growth going forward.

### Greatest Strength: Our Dominant Business-to-Consumer (B2C) Platform

I'm also confident of the growth of the Enterprise segment. The global outbreak of COVID-19 has accelerated society's migration to digitalization. We are approaching the "age of hyper-digitalization" in which all aspects of a person's daily life will be digitalized. SoftBank's Enterprise segment is competitive mainly in two areas: one is that we can propose solutions that resolve the "pain point" an enterprise faces, and the other is that we have the dominant B2C platforms. Yahoo Japan's portal site and e-commerce service, LINE's messaging service, and PayPay's payment service each have tens of millions of user base. SoftBank is the only enterprise in Japan that holds both strengths.

Then, why is a B2C platform so important for the Enterprise segment? The advent of a hyper-digitalized society means that as people's daily lives are digitalized, enterprises will need to provide online services. Even if an enterprise gets to the point of creating a service, quite a few of them face the problem of how to deliver that service to mass users. Most enterprises launch an application in-house and then face unaffordable costs in order to make it widely available to the public. SoftBank is the company that can resolve this pain point. If a service is deployed on our established platforms such as Yahoo Japan and LINE, the service can easily and instantly reach tens

of millions of users. But this does not mean that all an enterprise needs to do is to partner directly with Yahoo Japan and LINE. Placing SoftBank as intermediary between the enterprise and the platformers allows us to provide all the systems necessary to operate the service, from the cloud to the device as one-key solution. The important thing lies not just in creating a service but in operating it competently. SoftBank's capacity to simultaneously provide service platforms with massive user bases and the systems to operate the services leads to our dominant market position that outpaces the ability of other consulting firms and system integrators.

### Huge Opportunity in IoT and Digital Marketing

As we seek the future growth in the Enterprise segment, we are paying attention particularly to IoT. Soon after 5G becomes widely available and communications among things become mature, how the data generated can be utilized will become a key matter for each industry. Actually, last year, we entirely made our new headquarters a smart building, in keeping with our motto of selling things after using them ourselves. Over 1,000 sensors were installed, and the data captured is analyzed by AI to support office optimization and is also provided to surrounding commercial facilities and their customers. The idea is to make our new headquarters as a model case for a smart building and to expand the smart building and smart office business. Sometimes we are asked exactly how the smart building business can gain profit, but if data utilization becomes the norm in society, we believe that user fees can be charged for data platforms as utility fees like those for water and electricity.

IoT will spread beyond the office to all kinds of places like factories, retail outlets and stores. All enterprises in Japan will start to think about how they can make use of data. When

that happens, SoftBank will be ready, waiting with open arms.

The Company anticipates huge opportunities in the digital marketing area as well. In practice, digital marketing refers to the digital advertisements that enterprise customers place on our Yahoo Japan and LINE services. However, the backbone of marketing lies in the analysis of the many kinds of data that can be obtained through advertising and the next action plan that can be linked effectively to such analysis. SoftBank engages in consulting for such data analysis and utilization. We are training employees to improve their skills in making proposals and are pro-actively seeking partnerships with enterprises that have track records in digital marketing. The Enterprise segment has taken responsibility for the highly value-added consulting portion of the business, and we anticipate a significant growth to continue in the digital marketing sector.

The Enterprise segment is also promoting *Beyond Japan* initiatives to expand established businesses in Japan to overseas markets. As a first step, we invested in Axiata Digital Advertising Sdn. Bhd., a digital marketing company that does business in 10 Asian countries. Our aim is an "asset-light" efficient expansion of our services overseas with minimal costs by collaborating with standout overseas enterprises.

### Issues to Tackle: Information Security and Human Resource Training

SoftBank is expanding its businesses significantly and simultaneously taking every measure available to manage risks. Among risk factors, information security is extremely important to the Enterprise segment in delivering cloud, IoT and digital marketing services. The importance of data management is ever-increasing particularly in B2B2C businesses because they involve handling of the personal information of individual customers. At SoftBank, our Chief Data Officer (CDO) oversees the CDO



## Enterprise Segment

Office that establishes strict rules to carefully control the data handling. As information security can never be 100%, we work day to day with constant consciousness of information security and strive to improve and strengthen it.

Another area we're taking initiative to move our business to the next level is human resource training. In a solution-based business model, the key for success lies in how accurately we can find the "pain point" an enterprise faces. When we used to use the so-called telecommunications sales approach, we simply sold items to the information technology department in an enterprise, but that's not enough in the solutions business. You have to gain deeper access. Unless you read and digest



everything from the financial statements to the mid-term plan to understand what the management are thinking, it's impossible to design a solution. That's why the Enterprise segment makes a variety of training programs available from finance to consulting, so that each sales person can benefit from daily training that teaches them to see things from the management's perspective. Although I say solution, the business environment differs significantly industry by industry. That's why we build industry-specific teams which focus on further deepening their expertise in the industry. Right now, we face an urgent need to retain human resources who can become immersed in an enterprise to restructure the business process itself, so we're speeding up the pace of internal training and looking for outside talent. Development and retention of digital talent is essential to the growth of the Enterprise segment going forward, so we continue to pursue this as a top-priority.

### SDGs and the Enterprise Segment

SoftBank's corporate philosophy is "Information Revolution — Happiness for everyone." As the world engages in initiatives to reach the Sustainable Development Goals (SDGs) set forth by the United Nations, SoftBank needs to constantly think about what solutions we can provide to enterprises and municipalities in Japan.

For example, we sometimes receive requests to learn how to use 5G to automate factories and to operate more efficiently. Combination of 5G communications and AI visual analysis could certainly be a relatively simple way to automate the tasks now performed by employees. However, when heavy data like a video is just randomly uploaded to the cloud, a massive amount of electricity is required. This process totally goes against the global efforts to achieve carbon neutral. SoftBank is a company that pursues SDGs through our business. For this kind of problem, SoftBank would combine the

edge computing and the cloud, take into account the need for automation and reduction of environmental impact, and propose an optimal solution. I think this solution would lead to sustainability of our enterprise customers.

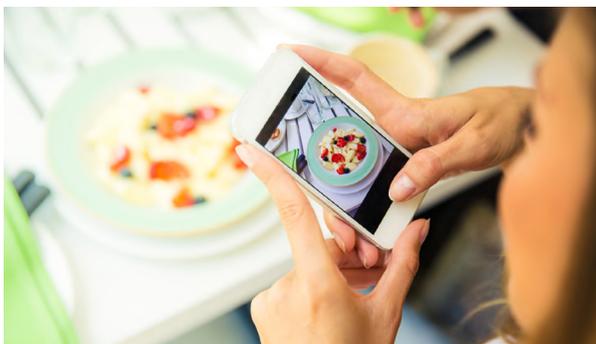
### Enterprise Segment Income Target for Fiscal Year Ending March 31, 2023: ¥150 Billion

To achieve ¥150 billion segment income target for the fiscal year ending March 31, 2023, we need to continue an annual growth of nearly 20%. It's definitely not an easy goal to attain, but we believe the growth in business solution and others as well as mobile could make it possible. With respect to business solution and others, I already noted that the percentage of recurring revenue is high. Similarly, mobile communications services for enterprise is in fact an excellent, cost-effective business with high profitability. But, since our sales has already shifted to a completely solution-based model, we don't offer clients to adopt mobile service alone. Our total solution including cloud, security, VPN, IoT, and many other services tends to create a flow in which the client naturally comes to SoftBank for smartphones and tablets. The more we expand the solution business and others, the more mobile contracts increase. I think this is the result of the successful shift of our business model. I'm confident that SoftBank's Enterprise segment can grow further even after the ¥150 billion target is reached.



# Yahoo Segment

## At a Glance



In the Yahoo segment, we offer over 200 services that center on media, commerce, and finance and payment-related businesses covering online to offline services in a comprehensive manner.

### Business integration of Z Holdings and LINE

In March 2021, our subsidiary Z Holdings completed the business integration with LINE, creating a new Z Holdings. Through the integration, Z Holdings now covers “information,” “payments,” and “communication,” three sources of action that are indispensable to people’s daily lives, and has become one of Japan’s largest corporate groups providing Internet services, offering over 200 services.



#### New Z Holdings Group business scale

Revenue **¥1.284 trillion** Simple sum of both companies for fiscal year ended March 31, 2020

No. of users	Status of usage	No. of services provided in Japan
Yahoo! JAPAN Annual no. of logged-in user IDs*1 <b>80 million</b>	Yahoo! JAPAN Daily hours of use by logged-in users*3 <b>32.58 million hours</b>	Over <b>200</b>
LINE No. of monthly active users*2 <b>89 million</b>	LINE Daily average no. of messages sent and received*4 <b>27.4 billion messages</b>	Countries and regions About <b>230</b>
		Group employees*5 About <b>23,000</b>

\*1 Annual number of logged-in user IDs (as of March 2020)  
 \*2 Number of monthly active users (as of June 2021)  
 \*3 Daily hours of use by logged-in users in calendar year 2020

\*4 Global average number of messages sent and received daily in calendar year 2020  
 \*5 Sum of number of Z Holdings Corporation consolidated employees at the end of March 2020 and LINE Corporation consolidated employees at the end of October 2020

### Medium-Term Goals

**No.1 in Japan**  
 for e-commerce transaction value (merchandise)  
 within the early 2020s

### Media

In the media field, we attract a large number of users by providing a wide range of media services that are essential to people’s daily lives, and record earnings through advertising revenue. We are promoting the further enhancement of the media side and the expansion of integrated marketing solutions.



### Commerce

In the commerce field, we provide services related to e-commerce, membership services, and finance and payment-related services, aiming for the sustained growth of e-commerce transaction values, online and offline integration, and expansion of the financial business.



### Revenue composition ratio



### Changes to business field categories

Along with the consolidation of LINE in connection with the completion of the business integration of LINE and Z Holdings in March 2021, the reportable segment name has been changed from “Yahoo” to “Yahoo! JAPAN/ LINE” from the fiscal year ending March 31, 2022. The business field categories have also been changed, adding “strategy” alongside “media” and “commerce” together with an update to the classification of some services and subsidiaries.

	Z Holdings	LINE
Media	Media/advertising, search, marketing solutions, vertical services	Media/advertising, content, stamps
Commerce	Shopping, reuse, O2O	Shopping, O2O, character business
Strategy	Payments, financial services	Payments, financial services, AI, healthcare



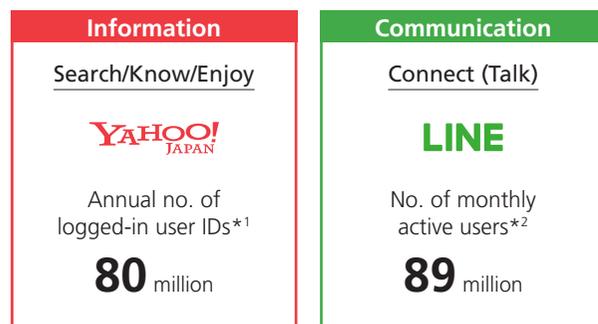
# Yahoo Segment

## Competitive Advantages

Strength  
**1**

### One of the largest numbers of customer contact points in Japan

Linking information is important for businesses like Z Holdings that provide a diverse array of services through the Internet, such as search, news, advertisements and commerce, so the number of users businesses have touchpoints with becomes their source of competitiveness. Adding 89 million users\*2 of the communication app *LINE* to the 80 million *Yahoo! JAPAN* Internet portal users\*1 has enabled us to approach nearly the entire Internet population of Japan. Moreover, combined with 55 million mobile and broadband subscribers\*3 and 41 million *PayPay* users\*4, SoftBank has become a corporate group with a dominant number of customer contact points.



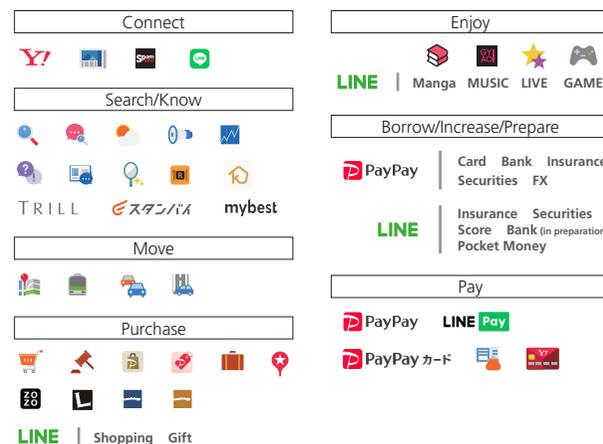
\*1 Annual number of logged-in user IDs (as of March 2020)  
 \*2 Number of monthly active users (as of June 2021)  
 \*3 Sum of cumulative number of mobile communications services subscribers and cumulative number of broadband subscribers (as of March 2021)  
 \*4 Cumulative number of registered users (as of August 2021)

Strength  
**2**

### A wide range of services

Z Holdings provides a wide range of services that make the user actions of “encountering,” “exploring,” “purchasing,” “paying” and “enjoying” more convenient. Supporting these are approximately 6,500\*5 engineers who develop and operate the services using huge amounts of data obtained from user touchpoints. In addition, through the acquisition of the fashion e-commerce business ZOZO, Inc. and the business integration with *LINE*, we are working to enhance the lineup of services. Following the business integration of Z Holdings and *LINE*, the number of services offered in Japan has crossed 200. Going forward, we aim to continue improving the level of convenience for users throughout all aspects by providing services that utilize information technology.

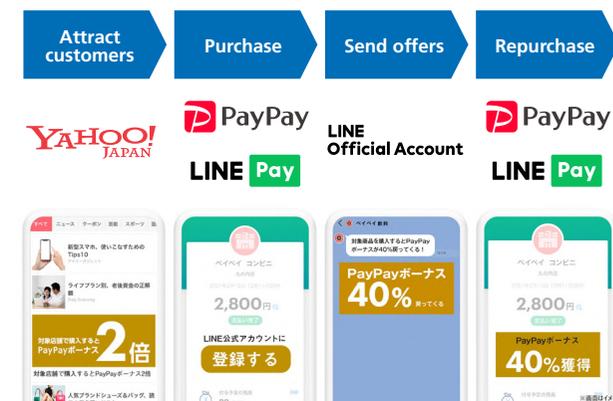
\*5 Sum of full-time employed engineers of Z Holdings Corporation and its subsidiaries (prior to integration with *LINE* Corporation) and engineers (full-time, contract, and part-time employees [excluding temporary staff]) of *LINE* Corporation and its subsidiaries (as of January 2021)



Strength  
**3**

### Linkage of services based around “information,” “payment,” and “communication”

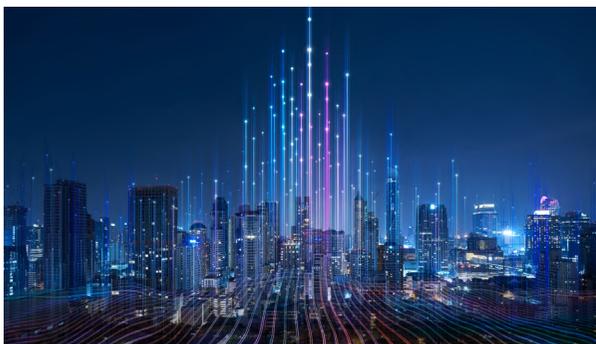
The business integration of Z Holdings and *LINE* has enabled us to link various types of services based around the fields of “information,” “payment,” and “communication,” which are indispensable in people’s daily lives. For example, we can distribute coupons on *Yahoo! JAPAN*, offer payment incentives through *PayPay* and *LINE Pay*, and encourage repurchase by sharing information on deals through official *LINE* accounts afterward. This allows for efficient marketing for businesses and the delivery of valuable information to users without noise. In such way, we will work to provide value through initiatives leveraging Z Holdings’ unique strengths.





# New Business Fields

## At a Glance



SoftBank is expanding its new businesses by collaborating with leading companies both inside and outside of Japan and through the establishment of joint ventures, taking full advantage of its suite of services boasting one of Japan's largest number of users, its extensive business partner base, its outstanding sales and technological capabilities, and its membership in the SoftBank Group.

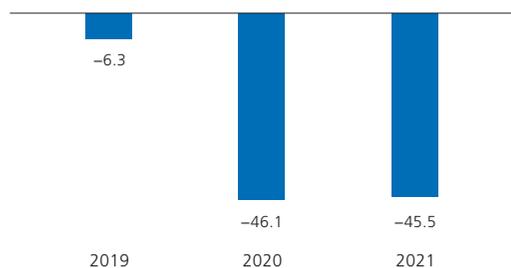
### Medium-Term Goals

## Reduce losses on equity method investments

Goals for fiscal year ending March 31, 2023

### Share of losses of associates accounted for using the equity method

(Billions of yen)



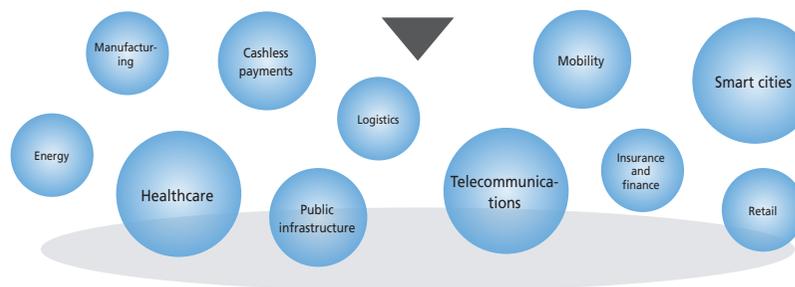
(Fiscal year ended March 31)

## SoftBank Group investees Leading companies inside and outside of Japan



### Group business assets

<b>User base</b>	55 million users	80 million users
	41 million users	89 million users
<b>Sales channels</b>	<b>No. of stores</b> <b>6,100</b> stores nationwide	<b>Dealings with</b> <b>95%</b> of large enterprises
	<b>Human resources</b>	<b>No. of Group sales employees</b> About <b>15,000</b>



## Competitive Advantages

### Strength 1 Dominant number of customer contact points

The Group possesses one of the largest user bases in Japan across a wide range of fields, including telecommunications, e-commerce, payment services, and social media. Moreover, it has mobile phone shops across the country serving as a touchpoint with consumers, and has also worked with nearly all of the large enterprises in Japan. Through customer contact points across multiple fronts, with both individuals and enterprises, in-person and online, our new businesses are able to reach an extensive range of consumers and companies from the early phases of launch.

### Strength 2 Cooperation with SoftBank Group investees and other companies

Our parent company, SoftBank Group Corp. invests in unicorn companies worldwide through funds and other means. As a member of the SoftBank Group, we are able to collaborate with such unicorn companies and develop cutting-edge technologies and business models into new businesses.

### Strength 3 Powerful sales and technological capabilities

Our human resources strength is our sales force, known for having explosively popularized ADSL in Japan through an innovative sales approach in the early half of the 2000s. When it comes to new business fields, hundreds of elite SoftBank sales employees were dispatched during the 2018 launch of PayPay, establishing over 20 bases across the country, expanding the number of merchants at an incredible speed. On the other hand, we have also put effort into securing technological personnel, with IT or AI engineers making up about 8,000 of the Group's 10,000 engineers.

## New Business Fields



Smartphone  
payment service



*PayPay*, launched in 2018 by bringing together SoftBank's sales force and Yahoo Japan's development capabilities along with technical support from Paytm, a global mobile payment service and an investee of a fund managed by SoftBank Group Corp., has acquired a dominant share of Japan's smartphone payments market and continues to grow tremendously.

### PayPay's competitive advantages

#### 1. Product development capability

PayPay Corporation focuses on in-house UI development, continuing to update the app about once a week. *PayPay* instantly catches up with changing user needs, all while continuously strengthening security.

#### 2. Sales capability

PayPay Corporation has set up 22 sales bases across the country where thousands of salespersons visit stores directly and carry out their sales activities with care, from merchant development through to post-sales service. PayPay Corporation has built a dominant network of merchants leapfrogging our competitors, consisting not only of convenience stores and major chains, but small- to medium-sized private business as well.

#### 3. Marketing capability

PayPay Corporation deploys unique promotions, exemplified by our "10 Billion Yen Giveaway Campaign." Our marketing is done efficiently in line with the business phase, with clear objectives set for our campaigns such as raising awareness or making *PayPay* part of people's daily routines.

### Business overview for fiscal year ended March 31, 2021

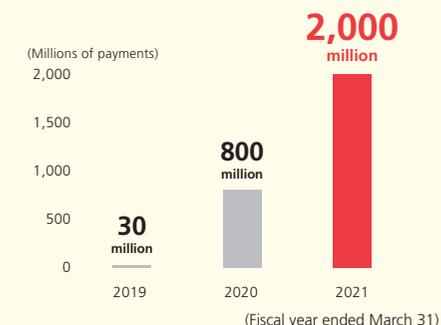
Providing convenient mini apps and conducting numerous special campaigns, *PayPay* grew to 38.03 million cumulative registered users at the end of March 2021. The number of payments grew 2.5-fold year on year to 2 billion payments with the gross merchandise value also reaching ¥3.2 trillion, a 2.6-fold increase year on year. We've expanded to 3.16 million merchants nationwide, and with online shopping opportunities in particular increasing during the outbreak of COVID-19, we've strengthened our merchant development for online shops, increasing merchants by about 2.5-fold from the end of the previous fiscal year.

### Future strategy towards profitability

PayPay Corporation aims to increase revenue by developing a variety of services based on its cashless payments service, which has achieved a dominant share of the market. We've already begun individual loan and investment services aimed at users, and moving forward we will continue to work towards enhancing our service lineup centered around finance. For merchants, we've started charging a payment system fee to small- to medium-sized business from October 2021, which had previously been offered for free. With the lowest level rates in the industry and characteristic campaigns as our strengths, we aim to continue expanding our merchant base. In addition, we're also engaged in monetizing our service for enterprise customers (PaaS\*). This is a service through which PayPay's payment platform is offered on a partner company's app, and in the first round of collaboration with the major convenience store Seven-Eleven Japan Co., Ltd., over 3.5 million users linked their *PayPay* account on Seven-Eleven's app within the first month of launch. Furthermore, we're also steadily advancing collaboration with overseas businesses, looking to capture inbound demand in the post-COVID age. Users of China's Alipay and South Korea's KakaoPay are already able to pay through their respective apps using *PayPay* merchants' QR codes.

\*PaaS: Payment as a service

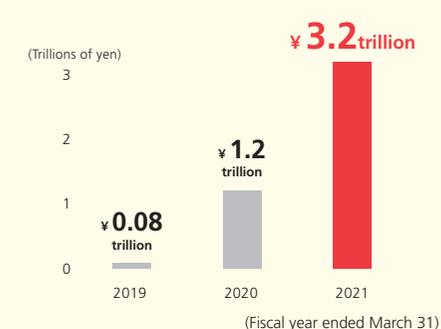
### Number of payments\*<sup>1</sup>



### Number of registered users\*<sup>2</sup>



### Gross merchandise value\*<sup>3</sup>



\*<sup>1</sup> Does not include the number of P2P transactions that users use the "send/receive" function for *PayPay* balances, or the number of payments users made through Alipay application. Figures for fiscal year ended March 31, 2019 represents the cumulative total from service launch in October 2018 to March 2019

\*<sup>2</sup> Number of registered users: number of accounts registered, from October 5, 2018 to August 31, 2021

\*<sup>3</sup> Gross merchandise value: gross merchandise value through *PayPay*, excluding P2P transactions. Figures for fiscal year ended March 31, 2019 represents the cumulative total from service launch in October 2018 to March 2019

**Section 3**

# How We Sustain Value

Under a governance system that focuses on sustainable growth, SoftBank is building a progressive work environment where diverse human resources can thrive to foster innovation and improve the well-being of our employees. In addition, we are leveraging cutting-edge technologies to respond to global environmental issues for achieving a sustainable society.

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## Corporate Governance

Interview with Atsushi Horiba, Chair of the Nominating Committee and the Remuneration Committee

### Why was Junichi Miyakawa selected as President & CEO?



#### Mr. Atsushi Horiba

External Director  
Chair of the Nominating Committee  
Chair of the Remuneration Committee

#### Q. Tell us the reasons why Mr. Miyakawa was appointed as President & CEO.

The key point in appointing the President & CEO this time was technology. Chairman Miyauchi (our former President & CEO) launched the *Beyond Carrier* strategy at SoftBank in order to build a growth model that would go beyond the framework of conventional telecommunications carriers. Then his unique and outstanding execution power fueled the strategy and created a business infrastructure with overwhelming customer touch-points that could be applied beyond telecommunications business to any other businesses. For the Company, the next 10

years will be a stage in which technical prowess goes on to change that business infrastructure into so many different sources of value. We therefore concluded that the next President & CEO would have to be thoroughly versed in AI and other cutting-edge technologies, in addition to leadership.

There were other candidates with high managerial skill, but in reflecting on our future vision at SoftBank and the outcome of discussions made among members of the Nominating Committee with different expertise as a lawyer, an accountant, or a corporate manager, the Committee settled on “technology” as the deciding factor which led ultimately to a unanimous appointment. President & CEO Miyakawa has gained a wealth of technological expertise as he served for a long term since he was appointed as Chief Technology Officer (CTO) at a relatively young age. He is an up-and-coming talent who has worked his way up and gone through a lot of difficulties as well. He also has a wide range of management perspective, including finance and investment. These qualities are what make him the ideal person to take the helm of SoftBank and are the reasons he was appointed as President & CEO.

#### Q. In addition to his career history, what have you learned about President & CEO Miyakawa as you interact with him?

I see that he has got the kind of personality that naturally inspires the support of the people around him. For a large-scale enterprise in general, you need a set of managers in each business that a President & CEO can fully trust and without whose aid nothing will move forward. This applies to Chairman Miyauchi when he was in charge as President & CEO. It’s even more critical to have a set of such managers when you are leading a company with trillions of yen in revenue at

extraordinary speed among people who are confident and take a lot of pride in their work. While SoftBank is a major enterprise, its strength lies in its open-minded culture, which is more like the one in a small- or medium-sized startup. And I believe President & CEO Miyakawa’s personality that naturally attracts people around to support him is actually extremely important in drawing out the strengths of SoftBank’s organization.

But even as I say we have an open-minded culture, I want to emphasize that we’re not some kind of social club comprised of “buddies.” In fact, at the Board of Directors meetings, Board Director, Founder Masayoshi Son always asks questions that pierce to the core of the matter, and our discussions often get heated. This is the proof of healthy debate and the opposite of a conflict-free “rubber stamp” board of directors. In recent years, the need for a succession plan has often been raised. I believe that if we treated the plan as a formality that simply follows a manual or checks a box on some requirements list, it would end up with making a wrong personnel selection. In addition, while a scheme that chooses a person who wins out against competitors may seem fair at first glance, it has a possibility to let important characteristics like human nature fall through the cracks. It is necessary to evaluate candidates based on that kind of scheme, but ultimately, we have got to look at their heart, in other words, their qualities like the spirit of dedication and passion to SoftBank, whether they can gain the full cooperation of others, and then decide on how skilled they are as leaders. President & CEO Miyakawa is more than qualified in all respects.

#### Q. If you could give President & CEO Miyakawa any more advice, what would it be?

Probably it would be to make sure he doesn’t put too much on himself at the beginning. Because it is a long way to go, and even for someone as capable as President & CEO Miyakawa, there are things that can be done and cannot be done alone. In my case, when I took the baton from the founder, I was under pressure that was different from what the founder had

## Corporate Governance

faced. However, I know that it helps nothing to take all the pressure on yourself and hurrying to actions. President & CEO Miyakawa needs to acknowledge that assigning priority to what needs to get done and focusing on those things one by one with full faith and confidence in his people are his jobs as a corporate manager. I would like to remind him of the importance of not feeling pressure from people around him and not putting too much on himself.

### Q. Two external directors were added around the same time that President & CEO Miyakawa was appointed. Tell us about that decision.

The addition of the two women external directors made the composition of male and female equal for a more balanced diversity. Director Hishiyama possesses deep knowledge of the latest technologies including AI and IoT and is someone the Company can rely on to provide support from an external perspective for the “Technology Company” that President & CEO Miyakawa envisions. Director Koshi is a lawyer well-versed in domestic and overseas legal matters as well as in supporting the active participation of women in society. We are sure that she can draw on her wealth of experience obtained at the local municipality level to provide us critical advice on the social front as well.

### Q. The remuneration system for Board Directors has also been changed. As the Chair of the Remuneration Committee, what would you think of the new remuneration system for Board Directors?

If I had to point out one key item in the remuneration system for Board Directors at SoftBank, it would be “ownership.” Remuneration for Board Directors at SoftBank comes in two forms: basic remuneration which is paid monthly in cash and performance-based remuneration. What the Company has changed in the system this time is that performance-based

remuneration could be as much as 2 - 3 times the amount of basic remuneration. Also, all performance-based remuneration would be share-based payment. In other words, the new remuneration system features a high percentage of share-based payment in the form of restricted stock. When Board Directors hold a certain number of shares in their own company, they manage with the same view as long-term shareholders and investors rather than paying lip service, and this leads to their motivation to improve corporate value over the long-term. In fact, this is a solid system that also suppresses irresponsible behavior that would damage corporate value or otherwise undermine corporate soundness. Since SoftBank is concentrating its efforts on *Beyond Japan* initiatives going forward, it'll be increasingly important to consider a remuneration system at the scale of global standards in order to attract the best talent overseas.

Beyond what I've already mentioned earlier, when SoftBank was changing the remuneration system for Board Directors this time, the Remuneration Committee discussed and recommended adding KPIs and other sustainability factors linked to priority issues (materiality) and creating a new medium-term performance-based remuneration linked to a total shareholder return (TSR) coefficient determined by correlation to TOPIX. In particular, we should not make the discussion on sustainability and ESG issues a mere formality. It's important in the discussion to flesh out what is essential to the Company and its businesses from our own perspectives. From this perspective, I believe SoftBank businesses provide socially essential services and contribute to sustainability issues as a matter of course.

### Q. Speaking of ownership, President & CEO Miyakawa personally borrowed ¥20.0 billion from SoftBank to acquire the Company's own shares. What's your opinion on this?

I think his action shows his confidence in the future of SoftBank and determination to bear more responsibility than anyone else

for running the Company. This decision has prompted a lot of argument, but I believe it raises questions in a good way. I can say that SoftBank is the most independent and purely growth-oriented among many large corporations in Japan.

### Q. Lastly, what could you tell us about governance at SoftBank?

In the end, it is important to listen sincerely to the voices of external stakeholders, to ensure that governance is substantive, not a formality, and to always maintain the flexibility to change. Systems in a corporation are introduced in a format that corresponds to the situation at a given time, so as years go by, there are always some parts of them that go stale. We should not continue to do something forever once we have decided on it. At times, we need to decisively disrupt a system to make sure it functions well. After all, the things we check are what someone else has selected and highlighted, and there is no guarantee that's all there is. Of course, building a solid system can be the foundation, but nothing could be perfect if human beings are involved. That is, checks on governance are also an issue that ultimately goes back to trust between people. In that sense, SoftBank is a large corporation with an open-minded culture in which we can speak freely to anyone. I think that is especially notable.

And one more thing: we have Board Directors with an ownership or startup spirit, and that heightens corporate value as a whole. That is where SoftBank's strength lies and we'll want to keep our eyes on the regime of President & CEO Miyakawa to make sure it fully leverages the comprehensive strength of SoftBank.

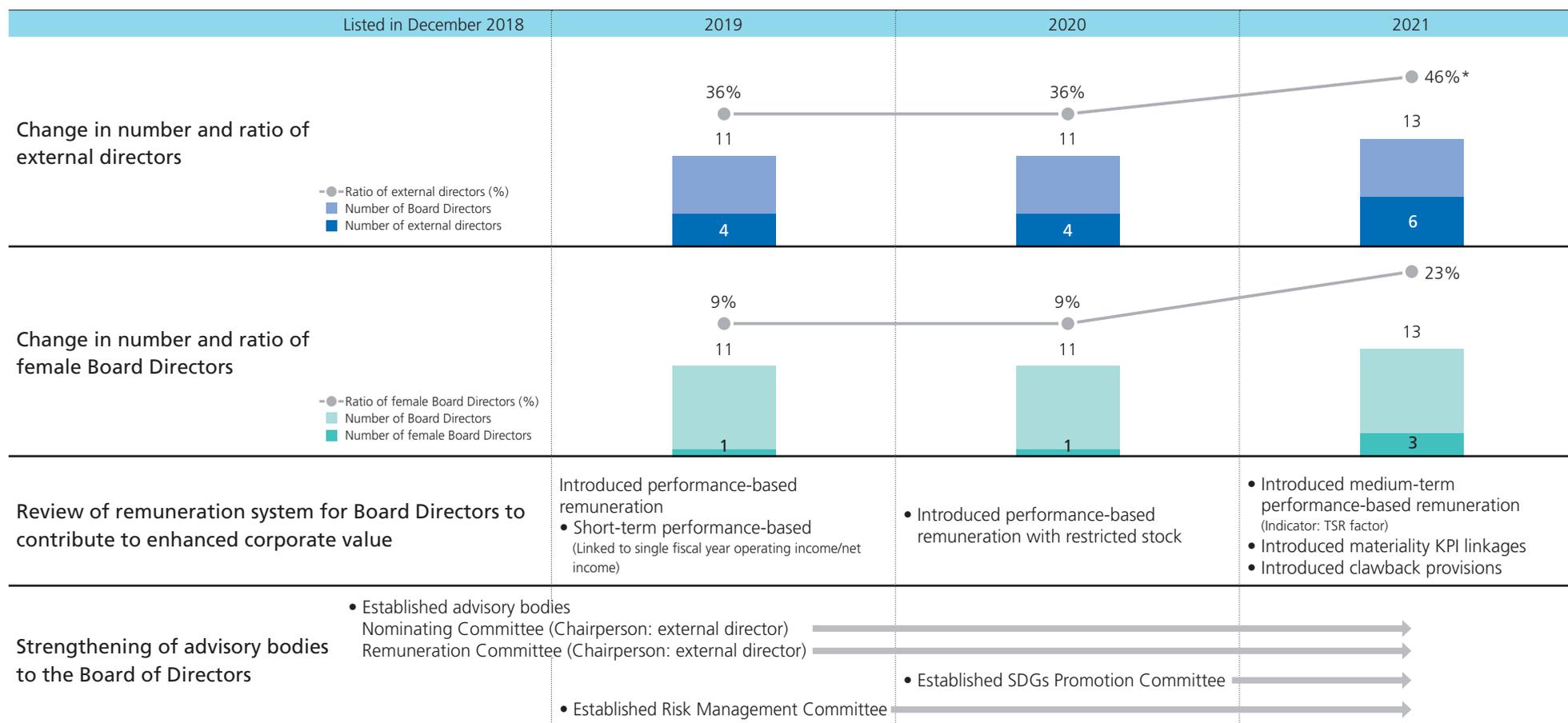
# Corporate Governance

## Evolution of Corporate Governance System

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

On the other hand, 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 between Board Directors and shareholders. In 2021, we further adopted total shareholder return (TSR) as an indicator to determine medium-term performance-based remuneration and additionally incorporated materiality targets (targets adopted from the six priority issues identified for the Company's sustainable growth) into our index for determining short-term performance-based remuneration.



(Note) Five members are independent external directors, ratio of independent external directors is 38%

# Corporate Governance

## Overview of Corporate Governance System

### Board of Directors

P46

SoftBank's Board of Directors is a decision-making body for important matters and an oversight body for the status of business execution. The Board of Directors also plays a role in steering management to improve long-term corporate value. At present, the Board of Directors consists of 13 Board Directors (six of whom are external directors), each of whom possesses rich knowledge and experiences in different areas of expertise, and makes management decisions following "appropriate investigation" and "thorough consideration."

### Advisory bodies to the Board of Directors: Nominating Committee and Remuneration Committee

P47

### SDGs Promotion Committee

P20

SoftBank has voluntarily established the Nominating Committee, Remuneration Committee, and SDGs Promotion Committee as advisory bodies to the Board of Directors. The Nominating Committee and Remuneration Committee are comprised of the President & CEO and four of the independent external directors (selected by resolution of the Board of Directors), ensuring the committees' independence. The Nominating Committee determines the content of proposals to be submitted to the General Meeting of Shareholders for the election and dismissal of Board Directors and the nomination of Representative Directors upon having deliberated the content of the proposal. The Remuneration Committee deliberates and determines the content of proposals regarding remuneration for Board Directors. The SDGs Promotion Committee is headed by the President & CEO as Chief SDGs Promotion Officer.

### Audit & Supervisory Board

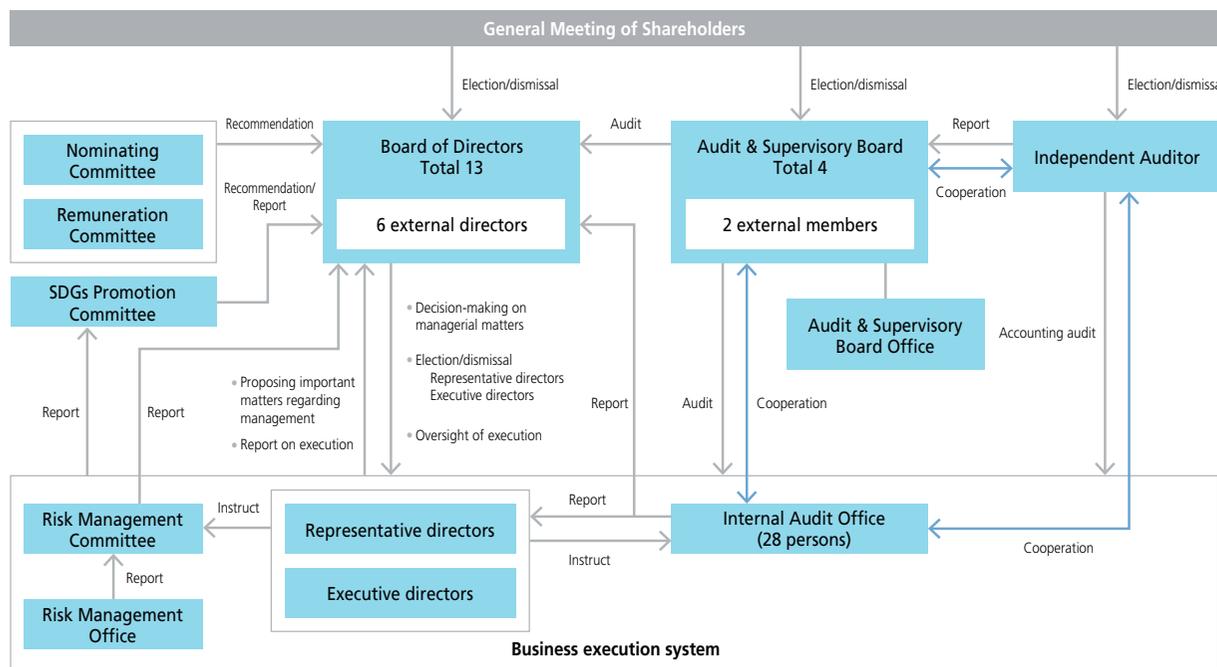
The Company has established an Audit & Supervisory Board to conduct efficient and effective audits regarding the status of execution of duties by Board Directors. The Audit & Supervisory Board consists of four expert Audit & Supervisory Board Members rich in knowledge and expertise, including two external

Audit & Supervisory Board Members, and establishes an "audit policy," "priority audit items," and "audit plan" 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 confirm the status of the execution of duties by Board Directors, and confirms the appropriateness of business execution. It also receives explanations of individual matters from Board Directors and others as necessary. In addition, the Audit & Supervisory Board receives quarterly reports on the progress and results, etc. of audits from the Independent Auditor and works to exchange information and opinions with them.

### Internal Audit Office

The Company has established the Internal Audit Office as an independent organization directly under the President & CEO. In addition to conducting internal audits of the overall duties of the Company, the Internal Audit Office conducts primarily audits of subsidiaries as a parent company. It evaluates business compliance with laws and regulations and effectiveness of internal control and reports the results to the President & CEO and the Board of Directors while explaining them to the Audit & Supervisory Board Members. In addition, it strives to further strengthen the governance of the entire Group, conducting internal and external quality evaluations as an initiative aimed at improving audit quality.

Corporate governance system



## Corporate Governance

### Board Directors and Audit & Supervisory Board Members (as of June 25, 2021)

- Nominating Committee Member
- Chair of Nominating Committee
- △ Remuneration Committee Member
- ▲ Chair of Remuneration Committee

#### Ken Miyauchi

Representative Director & Chairman



Mr. Miyauchi joined SOFTBANK Corp. (currently SoftBank Group Corp.) in 1984, and 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 telecommunications businesses, and was appointed President & CEO of the Company in April 2015.

Based on the *Beyond Carrier* strategy, Mr. Miyauchi not only grew the domestic telecommunications business, but also spearheaded business expansion into new fields centered on the Internet.

#### Junichi Miyakawa

President & CEO  
○△



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



Mr. Imai joined SOFTBANK Corp. (currently SoftBank Group Corp.) in 2000 and was appointed as Corporate Officer in October 2007.

He 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



Mr. Fujihara joined SOFTBANK Corp. (currently SoftBank Group Corp.) in 2001. Since his appointment as Managing Executive Officer (CFO) of Vodafone K.K. (currently the Company) in April 2006, he has continuously been overseeing the governance field with a focus on management planning, finance, accounting, and purchasing.

#### Masayoshi Son

Board Director, Founder



Mr. Son founded SOFTBANK Corp. (currently SoftBank Group Corp.) in 1981. He became Chairman of the Board, President & CEO of Vodafone K.K. (currently the Company) in 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



Mr. Kawabe joined Yahoo Japan Corporation (currently Z Holdings) in 2000. Since his appointment as Chief Operating Officer (COO) of Yahoo Japan Corporation (currently Z Holdings) 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 25, 2021)

- Nominating Committee Member
- Chair of Nominating Committee
- △ Remuneration Committee Member
- ▲ Chair of Remuneration Committee

### Atsushi Horiba



External Director Independent Officer



Having served as Representative Director of HORIBA, Ltd. for 29 years from 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 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.

### Kenichiro Abe

External Audit & Supervisory Board Member Independent Officer



Mr. Abe has extensive knowledge and experience as a certified public accountant. The Company expects him to conduct audits based on his professional knowledge and experience, as well as from a more independent standpoint.

# Corporate Governance

## Skill Matrix of Board Directors and Audit & Supervisory Board Members

◎ Primary Skills  
○ Supplementary Skills

Name	Position and Title in the Company	Career Summary Career Summary and Background of External Directors	Gender Male : M Female: F	Management	Finance	Legal/Risk	Digital/Technology	Sales/Marketing	Global
				●Corporate Management	●Finance ●Accounting ●Banking ●Investment	●Legal ●Risk ●Labor Management ●Compliance	●Information and Communication Technology ●Cutting-Edge Technologies	●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	CPA	M		◎				○
Kyoko Uemura	External Director	Attorney	F		○	◎			
Reiko Hishiyama	External Director	Professor, Waseda University	F				◎		
Naomi Koshi	External Director	Attorney and Mayor (2 terms)	F			◎			○
Eiji Shimagami	Full-time Audit & Supervisory Board Member		M			◎			
Yasuharu Yamada	Full-time External Audit & Supervisory Board Member	Executive Managing Director, Mizuho Asset Management Co., Ltd.	M		○	◎			○
Kazuko Kimiwada	Audit & Supervisory Board Member		F		◎				○
Kenichiro Abe	External Audit & Supervisory Board Member	CPA	M		◎				○

\*This table does not show all of the skills possessed by each Board Director/Audit & Supervisory Board Member.

## Corporate Governance

### Activities of External Directors and External Audit & Supervisory Board Members

The activities of each external director and external Audit & Supervisory Board Member for the fiscal year ended March 31, 2021 are as follows.

Name	Position in the Company	Attendance at Board of Directors meetings	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	100% (12/12)	100% (12/12)	1,700 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 both committees, and makes comments as appropriate.
Takehiro Kamigama <small>Independent Officer</small>	External Director Nominating and Remuneration 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 both committees, and makes comments as appropriate.
Kazuaki Oki <small>Independent Officer</small>	External Director Nominating and Remuneration 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 both committees, and makes comments as appropriate.
Kyoko Uemura <small>Independent Officer</small>	External Director Nominating and Remuneration 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 both committees, and makes comments as appropriate.
Reiko Hishiyama <small>Independent Officer</small>	External Director <small>Appointed in the fiscal year ending March 31, 2022</small>	—	—	—	Specializes in management systems engineering as a professor of the Faculty of Science and Engineering at Waseda University and possesses deep knowledge and experience in cutting-edge technologies, including AI and IoT. We expect her to supervise the Company's management based on her knowledge and experience and give advice on the Company's overall management.
Naomi Koshi	External Director <small>Appointed in the fiscal year ending March 31, 2022</small>	—	—	—	Involved in a variety of activities including municipal government initiatives and support measures for the promotion of women's career advancement, in addition to her deep knowledge and experience as a lawyer both in Japan and overseas. We expect her to supervise the Company's management based on her knowledge and experience and give advice on the Company's overall management.

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% (17/17)	—	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 <small>Independent Officer</small>	External Audit & Supervisory Board Member	100% (12/12)	100% (17/17)	—	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.

(Note) In the event that Board Directors and Audit & Supervisory Board Members of the Company concurrently serve as officers of other listed companies, the number of the companies is limited to three or less, and care is taken to ensure that there is no hindrance in fulfilling their responsibilities. An attendance rate of 75% or above at the Board of Directors meetings is also required.

## Corporate Governance

### Board of Directors

The Board of Directors consists of 13 Board Directors, including six external directors, and their terms of office last until the conclusion of the Ordinary General Meeting of Shareholders held with respect to the final fiscal year ending within one year after election.

The Company stipulates the maximum number of Board Directors at 15 in the Articles of Incorporation. 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. At present, there are 13 Board Directors serving, all of whom have a wealth of knowledge and experience regarding corporate management. As of June 2021, six external directors have been elected (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, 2021

- 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

To continuously improve the effectiveness of the Board of Directors, an evaluation of the board's effectiveness has been conducted annually since 2018 with the support of a third-party organization. The evaluation is conducted by commissioning surveys and interviews to a third-party organization. Based on the recognition that the Board of Directors and governance framework is generally in order through the improvement activities implemented after the past two evaluations, the evaluation was conducted from a more substantive perspective this fiscal year.

#### Evaluation process

1. Subjects of evaluation: Three Representative Directors, four external directors, and four Audit & Supervisory Board Members
2. Method of evaluation: Questionnaire-based survey and interview
3. Period of evaluation: From January 2021 to June 2021
4. Key points of evaluation
  - I. Ensuring that an autonomous PDCA cycle has been established at the Board of Directors (clarification of the annual and medium- to long-term targets at the Board of Directors, quality/expertise/diversity of the Board of Directors, validity/adequacy of the themes to be deliberated,

validity/adequacy of the decision-making process regarding executive nominations and remuneration, adequacy of the information provided to the external directors, validity/adequacy of audits as a significant component of the supervisory function, etc.)

- II. Critical themes on both offensive and defensive aspects of the supervision by the Board of Directors (supervision of SDGs/ESG initiatives, monitoring of expectations/requirements for stakeholders, supervision over the status and others of business model transformation, supervision of group governance and group risk management, etc.)
  - III. Adequacy of engagement in tackling the issues identified in the previous fiscal year and the status of improvement
5. Results of evaluation

#### Summary

The Board of Directors confirmed that the vision of corporate governance envisaged by the Company has largely been materialized, with its effectiveness adequately ensured. Good scores were also given to the expertise/skill balance of the Board of Directors and the adequacy of information sharing, such as through pre-meeting briefings to the external directors. Supervision over the status and others of business model transformation particularly received a high evaluation, for the speedy and in-depth discussions being carried out.

#### Issues identified in the previous fiscal year and status of the response

Issues identified in the previous fiscal year	Status of the response
Sharing of information on the deliberation at the Nominating Committee	Achieved a speedy response
Establishment of a system of reporting on the SDGs/ESG initiatives	Achieved a speedy response
Enhancement of risk monitoring across the Group	Further enhancement of risk monitoring needed
Operation of the Board of Directors to generate substantial discussion	Further deepening of operation needed

#### Issues identified in this fiscal year

Group strategies in line with the pace of expansion of the Group
Enhancement of supervision of the status of execution of risk management
Securement of sufficient time for discussion on strategies at the Board of Directors, reflection of opinions of external directors in setting the agenda for Board of Directors meetings and others

With regard to the aforementioned issues, the Board of Directors will remain engaged in initiatives to enhance its effectiveness, in view of the strategic direction of the Company and the business environment it faces.

## Corporate Governance

### Nominating Committee and Remuneration Committee

The Company has voluntarily established the Nominating Committee and the Remuneration Committee. The Nominating Committee and the Remuneration Committee are comprised of the President & CEO and independent external directors, ensure independence of the committees, deliberate proposals for the election and dismissal of Board Directors, the nomination of Representative Directors, and remuneration for Board Directors, and make recommendations to the Board of Directors. The Board of Directors fully respects and discusses recommendations from these committees.

The Company's remuneration policy for Board Directors and Audit & Supervisory Board Members is to confirm and determine that remuneration is at a reasonable level compared to that of corporate executives in Japan 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 remuneration policy for Board Directors aims for steady profit growth, stable cash flow generation, and building of good relationships with stakeholders while enabling sustainable growth and medium- to long-term enhancement of corporate value by increasing motivation of Board Directors and others to contribute to the improvement of the Company's performance not only in the short-term but also in the medium- and long-term, while restraining excessive risk-taking. For external directors who are independent from business execution and internal and external Audit & Supervisory Board Members who audit the Board Directors' business execution, the policy stipulates only fixed remuneration.

#### Main topics discussed at the Nominating Committee and the Remuneration Committee

(From September 2020 to May 2021)

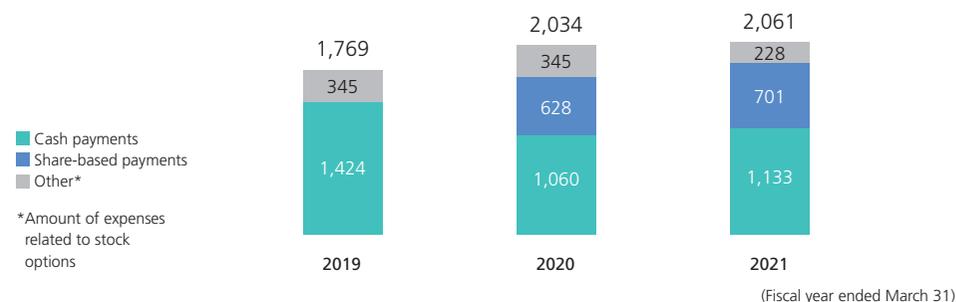
- Various matters related to succession of the President & CEO
- Design of remuneration for Board Directors to achieve sharing of values with shareholders
- Various matters related to structure of Board Directors
- Performance-based remuneration for the fiscal year ended March 31, 2021

#### Determination process of remuneration and others

Meeting body	Remuneration Committee					Board of Directors
Date	February 24, 2021	March 30, 2021	April 19, 2021	April 23, 2021	May 17, 2021	May 21, 2021
Participants	Atsushi Horiba (chair) Takehiro Kamigama Kazuaki Oki Kyoko Uemura Ken Miyauchi (all members in attendance)		Atsushi Horiba (chair) Takehiro Kamigama Kazuaki Oki Kyoko Uemura Junichi Miyakawa (all members in attendance)		Atsushi Horiba (chair) Takehiro Kamigama Kazuaki Oki Kyoko Uemura Junichi Miyakawa (held in writing)	Board Directors and Audit & Supervisory Board Members (held in writing)
Agenda	Consideration of officer remuneration Approval and determination of remuneration by position Confirmation of performance-based remuneration indicators	Consideration of officer remuneration Confirmation of performance-based remuneration indicators	Consideration of officer remuneration Approval and determination of remuneration amount for each officer Confirmation of disclosure documents	Consideration of officer remuneration		Confirmation and determination of recommendations of Remuneration Committee Confirmation of remuneration amount for each officer and re-entrustment of the amount to Ken Miyauchi (currently Representative Director and Chairman)

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

(Millions of yen)



#### Targets and results for performance-based remuneration indicators

The targets and results of performance for the fiscal year ended March 31, 2021 are as follows.

(Millions of yen)

Performance indicator	Target	Result
Net income attributable to owners of the Company	485,000	491,287
Operating income	920,000	970,770

### CEO Succession Plan

With regard to election and dismissal of Board Directors including the CEO, the Company fully respects the proposals deliberated in advance by the Nominating Committee, makes resolutions at the Board of Directors meetings, and consult the resolutions at the General Meeting of Shareholders. Board Director candidates are selected based on their qualities and abilities to contribute to the enhancement of corporate value and their deep knowledge in their respective fields of expertise. In addition, consideration is taken into account regarding the balance of skills and other factors of the Board of Directors as a whole.

For the CEO's successor, the Nominating Committee discusses the qualities and capabilities required of the next CEO such as the ability to build a vision and knowledge of technology and finance, defines the requirements for the candidates based on the corporate strategy, and selects several internal candidates. The Nominating Committee allows the candidates to gain concrete experience through actual corporate management and business operations. While taking account of internal 360-degree evaluations and the content of various internal and external communications, the Committee periodically monitors the candidates and reviews the requirements, processes, and candidates as necessary to be able to nominate the most suitable successor for the business environment at the time.

# Corporate Governance

## Remuneration for Board Directors



### Remuneration structure as of June 2021 and changes in performance-based remuneration

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

**Basic remuneration:**

The annual amount is determined according to position, and a fixed amount is paid in cash on a monthly basis.

**Performance-based remuneration:**

In the fiscal year ended March 31, 2021, performance-based remuneration was paid by multiplying a base amount determined according to position by a payment rate corresponding to the achievement level of performance targets; however, from the fiscal year ending March 31, 2022, it is comprised of short-term performance-based remuneration and medium-term performance-based remuneration paid once every three years.

Short-term performance-based remuneration is paid by multiplying a base amount determined according to position by a payment rate corresponding to the achievement level of performance targets for each fiscal year (0.0–2.5x; target: 1.0x). Medium-term performance-based remuneration is paid by multiplying a base amount determined according to position by a payment rate corresponding to the achievement level of three-year performance targets (0.0–3.0x).

Further, the ratio of cash payments to share-based payments was 1:1 for performance-based remuneration for the fiscal year ended March 31, 2021 with the goal of further promoting sharing of value between the Board of Directors and shareholders. From the fiscal year ending March 31, 2022, all performance-based remuneration shall be share-based payment and paid in the form of restricted stock with transfer restrictions until the date of resignation from any of the officer positions of the Company.

### Method for calculating short-term performance-based remuneration

$$\text{Short-term performance-based remuneration} = \text{Base amount by position} \times \left( \text{Net income factor } \times 50\% + \text{Operating income factor } \times 50\% \right) + \text{Materiality factor } + 0\text{--}5\%$$

The amount of remuneration shall be determined based on the Company's performance in a single fiscal year, etc. After the finalization of performance for each fiscal year, the determined remuneration, etc., shall be paid in full to grantee Board Directors in the form of restricted stock.

In principle, the composition ratio between the basic remuneration and the short-term performance-based remuneration shall be 1:2.3–3.2.

Net income attributable to owners of the Company and operating income (both on a consolidated basis) as well as materiality targets\*1 are adopted as indicators that determine the achievement level of the short-term performance target. The short-term performance-based portion fluctuates within the range of 0–2.5 (with a target of 1.0), depending on the achievement level of the performance indicator. The factor for the achievement level of performance targets is calculated by multiplying 50% for each ratio set based on the achievement level of the performance indicator\*2. The achievement level of materiality targets is added separately within the range of 0–5% to the factors calculated based on the achievement level of net income and operating income targets.

\*1 Materiality targets are those adopted from among the six material issues identified for the sustainable growth of the Company. Targets include the ratio of renewable energy used for the power by base stations as a measure to achieve carbon neutrality by 2030.

\*2 In adopting net income attributable to owners of the Company and operating income as indicators, the factors shall be determined after consultation with the Remuneration Committee if there are particular factors that should be taken into consideration such as special circumstances including impairment loss, major changes in other management indicators (including FCF), and material scandals or accidents.

### Method for calculating medium-term performance-based remuneration

$$\text{Medium-term performance-based remuneration} = \text{Base amount by position} \times \text{TSR (Total Shareholder Return) factor}^*$$

\*The factor is determined in consideration of comparison between TSR performance of the Company and that of TOPIX

The amount of remuneration shall be determined based on the Company's performance over a three-year term. After the finalization of performance for the three-year evaluation period, the determined remuneration, etc., shall be paid in full to grantee Board Directors in the form of restricted stock.

In principle, the composition ratio between the basic remuneration and the medium-term performance-based remuneration shall be 1:1.7–2.1.

Total Shareholder Return (TSR) is adopted as an indicator to determine the achievement level of the medium-term performance target. The medium-term performance-based portion fluctuates within the range of 0–3.0, depending on the index, and its factor is calculated based on comparison between TSR performance of the Company and that of TOPIX.

(Note) In adopting TSR, the factor shall be determined after consultation with the Remuneration Committee if there are special circumstances such as share split and special factors that should be taken into consideration such as material scandal or accidents.

## Corporate Governance

### Views on Listing of Parent and Subsidiary and Our Policy for Protecting Minority Shareholders

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#### Relationship with Parent Company SoftBank Group Corp. and Governance System for Maintaining Independence

The Company listed its shares on the First Section of the Tokyo Stock Exchange in December 2018. Prior to that, the Company was a primary operating company in the telecommunications business field in Japan, as a subsidiary of SoftBank Group Corp. There are two main reasons why we became a public company.

First, through the listing of our shares, we expect the respective roles and values of SoftBank Group Corp. and the Company to be clearly defined. SoftBank Group Corp. is a strategic holding company that aims to maximize the corporate value of the entire SoftBank group through global investment activities including the SoftBank Vision Fund. The Company is responsible for business operations in Japan. The two companies also have different business nature. SoftBank Group Corp. focuses on the effect of AI on the creation of new industries and invests in companies around the world that have superior AI business models and services, while the Company operates a relatively stable telecommunications-based various business mainly in Japan. Therefore, the investment results expected to be obtained by investing in each are also different. The Company believes that listing the Company's shares and making it independent will provide investment opportunities that combine stable and high shareholder returns with growth as an operating company that takes advantage of being a member of the SoftBank group. In addition, the Company believes that the possibility of a conflict of interest between the two companies is low, since SoftBank Group Corp. is an investment company and does not have business operation, while the Company is a business operation company.

Second, due to the difference in business nature between SoftBank Group Corp. and the Company, the two companies need different management resources (people, goods, money, and information), and have different management decision points. Through the listing of our shares, we are able to speed up our decision-making process and maximize our corporate value through greater autonomous and transparent management, while receiving direct market evaluation.

With these reasons, the Company believes that aiming to realize our corporate philosophy and maximize our corporate value while listing our shares on the stock exchange contribute to the interest of many of our stakeholders.

On the other hand, we recognize that since our parent company SoftBank Group Corp. and the Company as its subsidiary are both listed on the stock exchange, it is vital to establish an effective corporate governance system, taking "Corporate Governance Code" into account, to maintain the Company's independence from SoftBank Group Corp., and to protect the minority shareholders of the Company.

As of September 2021, three of the Company's 13 Board Directors are concurrently serving as Board Directors of SoftBank Group Corp., but as this number is exceeded by the six external directors, the Company is in a position to implement its own management decisions. Additionally, to further ensure independence, we have voluntarily established the Nominating Committee and the Remuneration Committee as advisory bodies to the Board of Directors, which are comprised of the President & CEO and independent external directors. External director Mr. Atsushi Horiba serves as the chair of both committees.

#### Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

In implementing related party transactions including transactions with the parent company group, the Company carries out especially important transactions upon approval of the Board of Directors each time by paying particular attention to whether such transactions are rational from a managerial standpoint of the Group and whether the terms and conditions of the transactions are appropriate compared to external transactions, in accordance with the Related Party Regulations and Related Party Transactions Management Manual. Further, from the perspective of protecting minority shareholders, we take measures to ensure fairness and to avoid conflicts of interest. We obtain opinions from the external directors and the external Audit & Supervisory Board members, or other advisors who have no vested interest in the controlling shareholders that the transactions are not disadvantageous to minority shareholders. We also disclose the information.

Even with regard to related party transactions that do not fall under especially important transactions, the Finance and Accounting Division monitors the aggregate amount and details of such transactions once a year in principle.

#### Significance of Having Listed Subsidiaries and Protection of Minority Shareholder Interest

As of March 31, 2021, the Company has 255 subsidiaries including several listed subsidiaries such as Z Holdings which owns Yahoo Japan, one of Japan's largest providers of Internet services. In addition, LINE became a subsidiary of Z Holdings following the completed business integration of the two companies in March 2021. The Company believes that each listed subsidiary should engage in business while being evaluated in the stock market and that autonomous management that takes into consideration the interests of minority shareholders will contribute to the growth of each company.

In principle, the Company dispatches Board Directors and Audit & Supervisory Board Members to each subsidiary (including listed subsidiaries) to establish a group risk management system that includes subsidiaries. In particular, given the risk of conflicts of interest between the Company and the general shareholders of the relevant listed subsidiaries in management decision-making and transactions that fall under the category of transactions with the controlling shareholder, the Company encourages the relevant listed subsidiaries to establish an effective governance system that effectively utilizes independent external directors in order to ensure independent decision-making by the relevant listed subsidiaries.

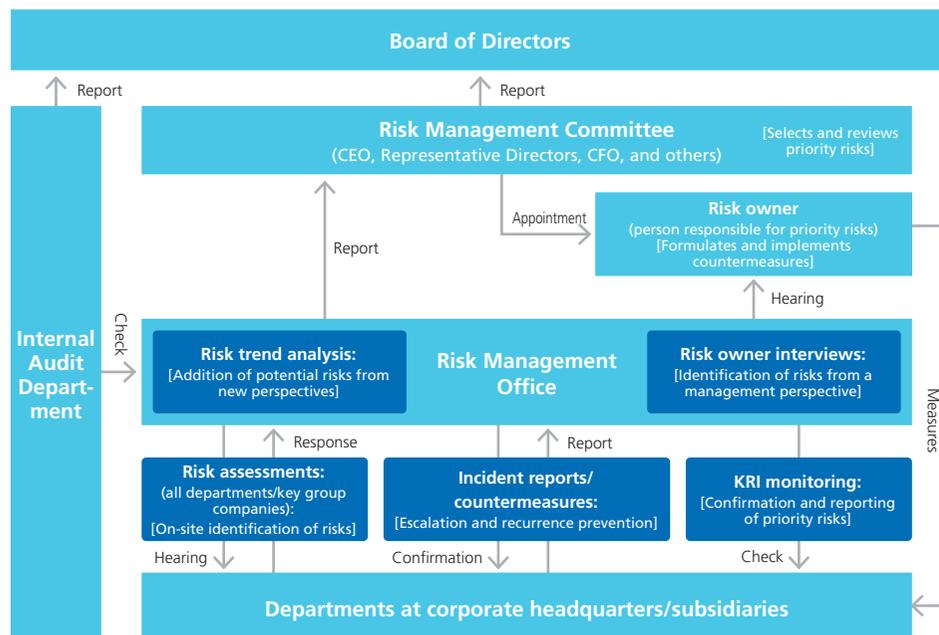
The Company has established the Subsidiaries and Affiliates Management Regulations for the purpose of managing the companies in which the Company invests and requires prior approval of or reporting to the Company regarding important decision-making at subsidiaries. With respect to listed subsidiaries, from the perspective of their independence, the Company limits the items that require such prior approval only to the conclusion of contracts that include clauses that are binding on non-contracting parties such as SoftBank Group Corp. and its subsidiaries and affiliates (including non-compete clauses), so that the Company will not unfairly constrain their decision-making.

# Risk Management

The environment surrounding enterprises is changing constantly, and risks have more complexity and variety. Early detection and taking swift action are effective ways to deal with risk. SoftBank strives to reduce risks and prevent the occurrence of risk events by having the risk management structure to identify risks and take measures against them throughout the Company and implementing a PDCA cycle regularly in order to reduce and prevent the occurrence of risks at an early stage.

## Risk Management Structure

SoftBank has the risk management structure that enables us to analyze risks from various perspectives to identify risks and prevent the occurrence of risk events. Each division creates business plans analyzing risks, and the Risk Management Office regularly identifies comprehensive risks from the whole organization and examines the measures against risks and reports to the Risk Management Committee which is organized with CEO, Representative Directors, CFO, etc. and is participated by the auditors and related directors, etc. The Risk Management Committee decides the importance and the person responsible for each risk (risk owner), issues instructions regarding what measures are to be taken, and reports on the progress to the Board of Directors. The Internal Audit Office audits the progress of the whole risk management structure and its status from an independent perspective.



## Risk Management Methods

SoftBank manages risks based on a PDCA cycle implemented by the Risk Management Office with the following methods: (1) conducting annual risk assessment in order to identify risks and deciding priority risks and a management policy at the Risk Management Committee, (2) taking measures against risks based on the management policy, (3) monitoring the progress of measures against risks by the Risk Management Office, and (4) improvement of measures.



# Risk Management

## Typical Risks and Risk Reduction Measures

Risk item	Typical risk example	Risk reduction measure
Risks related to the provision of stable networks	The risk that the quality of communications services cannot be maintained because of greater network traffic or the inability to secure the required spectrum; the risk that telecommunications networks or information systems will not operate as normal as a result of natural disasters associated with climate change or the spread of infectious diseases	Increase capacity of telecommunications networks based on predictions of future network traffic; introduce measures to build redundancy into networks and mitigate power outages at network centers and base stations
Risks related to service disruptions or decline in quality due to faults in related systems	The risk of being unable to continually offer services such as systems for customers and the smartphone payment service <i>PayPay</i> due to human error, serious problems with equipment/systems, or cyberattacks, hacking, or other forms of unauthorized access	Build redundancy into networks and clarify restoration procedures in preparation for systems faults and other incidents
Risks related to information leaks, inappropriate use of information, or the inappropriate use of products and services provided by the Group	The risk of information being leaked or lost either intentionally or accidentally by the Group, or due to unauthorized access by a third party in a cyberattack or similar incident; the risk of the Group's credibility being impaired by inadequate safety management measures or explanations concerning personal information obtained from users	Restrict the handling of customer information and other confidential information to specific areas and establish room access management rules; install AI-based detection of signs of internal irregularities (behavior detection); monitor and prevent unauthorized access from cyberattacks from outside of the Company; separate and isolate access authorization and network use according to information security levels
Risks related to changes in political, economic, and social conditions, regulatory and market environments, and competition	The risk of competition for the Group's services stemming from widespread adoption of services offered by start-up companies and new entrants; the risk of revenue decline owing to substantial restrictions placed on price plans as a result of changes in political, economic, or social conditions	Provide services, products, and sales methods that cater to consumer preferences
Risks related to responses to changes in technology and business models	The risk that the Group will be unable to timely and appropriately address changes in the market environment, including the emergence of new technology such as 5G and new business models	Survey the latest technology and market trends, conduct verification trials to introduce services with highly competitive technologies, and consider alliances with other companies
Risks related to acquisitions of other companies, business alliances, and the establishment of joint ventures	The risk that a company the Group invests in is unable to generate the anticipated results; the risk of a business alliances or joint venture businesses failing to deliver the anticipated results	Conduct necessary and sufficient due diligence when considering investments and make investment decisions only after following a prescribed approval process
Risks related to dependence on the management resources of other companies	The risk of subcontractors acquiring Group or customer information without authorization or using such information for unauthorized purposes; the risk of being unable to continuously use the telecommunication lines owned by other service providers; the risk of problems occurring when procuring telecommunications equipment, such as supply interruptions or delivery delays	Conduct regular operation audits on subcontractors; adopt a policy of using the telecommunication lines of several operators; adopt a policy of procuring equipment from multiple suppliers when building networks
Risks related to relationship with the parent company	The possibility of the parent company significantly influencing resolution items at the General Meeting of Shareholders	Ensure independence concerning the appointment of officers and determination of remuneration is guaranteed with the voluntary establishment of the Nominating Committee and the Remuneration Committee, both of which comprise independent external directors and the CEO as members and chaired by an independent external director
Risks related to the development and securing of human resources	The risk of being unable to secure enough engineers required for business operations as initially planned	Institute a remuneration structure for high-market-worth personnel taking into account their level of expertise
Risk related to laws, regulations, and compliance	The risk of breaching laws and regulations; the risk of laws and regulations being introduced or amended that could adversely affect business	Monitor amendments to laws and regulations; consult with lawyers and other external experts as needed
Risks related to finances and accounting	Increases in financing costs caused by higher interest rates; risks stemming from changes in accounting or taxation systems; the recording of impairment losses	Establish a financial base with ample cash holdings by diversifying means of raising capital; consult with advisors, tax accountants, and other external experts as needed

# Risk Management

## Information Security

### Policy

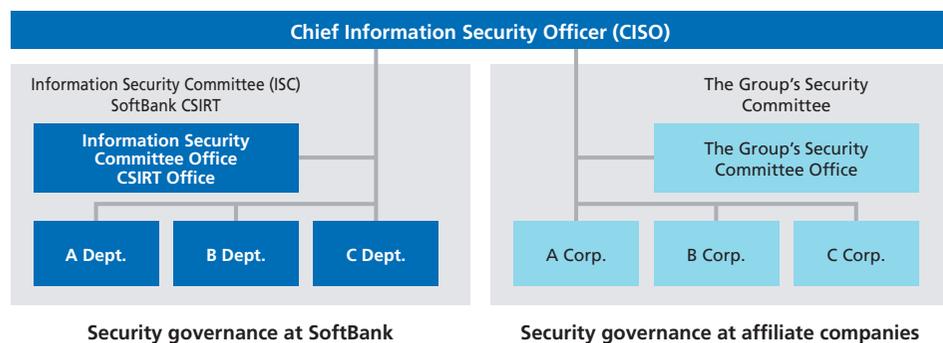
We have formulated and constantly adhere to our Information Security Policy and Privacy Policy so that we can keep the trust of our customers and the wider community by implementing drastic and advanced solutions to counter the risk of information leaks. We aim to maintain information security by appropriately handling our information assets and protecting them from a variety of threats.

Please visit our website for more information about our Information Security Policy and how we handle personal information.  
<https://www.softbank.jp/en/corp/aboutus/governance/security/>

### Governance

SoftBank has put information security management governance in place to make sure we adhere to all laws and regulations regarding information security, safeguard our information assets, and defend against cyberattacks. SoftBank has formulated its Information Security Policy to be followed by employees and established the position of Chief Information Security Officer (CISO). We established the Information Security Committee (ISC) chaired by the CISO, and the SoftBank Computer Security Incident Response Team (SoftBank CSIRT). They both review policies to adapt to changes in the security environment and technological innovation, and share information helpful for planning how to address information security and cybersecurity.

When an information security breach causes a system failure, the head of system operations and the CISO coordinate to assess the situation, evaluate responses, and restore the system. Additionally, in the event of more serious circumstances, we establish an emergency response taskforce headed by the CEO to address the issue, and, in accordance with legal and regulatory requirements, will promptly report to the Ministry of Internal Affairs and Communications and other appropriate authorities.



### Measures

#### Information management and security monitoring

We rigorously manage and monitor security to safeguard customer information from leaks and cyberattacks so that they can use our products and services with peace of mind.

URL: <https://www.softbank.jp/en/corp/aboutus/governance/security/safety/>

- Specific initiatives**
- Restricting the handling of customer information and other confidential information to specific areas and establishing room access management rules.
  - Monitoring and preventing unauthorized access from cyberattacks from outside of the Company 24 hours a day, 365 days a year.
  - Installing AI-based detection of signs of internal irregularities (behavior detection) and monitoring computer use by officers and employees.
  - Providing numerous security measures so that users are comfortable in using our smartphone and Internet services.

#### Collaboration with external entities and organizations

As an operator of telecommunication infrastructure vital to society and as a company providing innovative services by integrating telecommunications with cutting-edge technologies, we work with various external organizations to help improve security across society.

URL: <https://www.softbank.jp/en/corp/aboutus/governance/security/cooperation/>

- Specific initiatives**
- Sharing information with local and overseas CSIRTs to examine effective countermeasures and solutions.
  - Coordinating with CSIRTs of other companies when incidents occur.
  - Regularly conducting joint exercises with CSIRTs of other companies.

#### Continuous security enhancement

In response to the growing popularity of digital devices and increasingly sophisticated cyberattacks, we strive to continuously strengthen security by adopting the latest technologies, improve the security mindset of our Group employees through education, and train specialists in the field of security.

URL: <https://www.softbank.jp/en/corp/aboutus/governance/security/countermeasures/>

- Specific initiatives**
- Continuously upgrading cyberattack detection methods, implementing analysis and solutions, and automating response operations.
  - Providing classroom training and e-learning programs to executives and employees.
  - Training of security experts.

#### Access to personal information granted to Chinese affiliate by LINE

On March 17, 2021, LINE announced that it had granted access to some personal information acquired from customers to its affiliate in China. Given that our security measures and explanations to customers concerning this matter were inadequate, the Group is taking this incident very seriously and is taking steps to address the matter.

#### Illegal acquisition of customer information at a door-to-door sales agency

It has been revealed that 6,347 pieces of information relating to customers that signed a contract for a SoftBank mobile phone service were unlawfully acquired mainly by a door-to-door sales agency between 2015 and 2018. We are treating this incident with utmost seriousness and we intend to double our efforts to strengthen our agency management and oversight responsibility and implement Group-wide measures aimed at preventing a reoccurrence.

## Human Resource Strategy

### Human resource strategy unique to SoftBank and in line with our *Beyond Carrier* strategy



#### Initiatives on supporting women in the workforce and nurturing digital professionals

##### Human Resources Mission in Line with Our Business Strategy

Ever since the Company's founding, we have expanded the scope of our businesses under the corporate philosophy of "Information Revolution — Happiness for everyone." Much like this coherent corporate philosophy, our human resources mission of "connecting 'people' to 'business'" remains unchanged. To achieve both employee growth and business growth, we have developed a wide range of systems and operate them with continuous improvement.

As we ramp up the *Beyond Carrier* strategy and continue to diversify our businesses, the need to hire a diverse workforce is growing increasingly important. To tackle this issue, we newly established a numerical target for the number of women in management positions, which we discuss in more detail below. Also, as we continue to diversify our businesses, we need to change the HR initiatives business by business. One example of this change would be the nurturing of digital professionals. In addition, the key to make maximum use of human resources and expand our businesses is to assess an

environment in which every employee can demonstrate his or her full potential. To that end, we are also actively undertaking initiatives in the area of people analytics, or PA (  P57 ), whereby we analyze personnel-related data and utilize the results in our HR initiatives.

##### Establishment of the Committee for the Promotion of Women in the Workforce

Up until now we have promoted initiatives on diversity. Going forward we will require an even better work environment and breeding ground for our diverse workforce to thrive as we go about creating new businesses. Particularly in the telecommunications industry, the ratios of female employees and female managers have never been very high partly because a large percentage of recruits are engineers and technicians. That is why in July 2021, with the objective of supporting women in the workforce, we set a target of 20% for women in management positions to be achieved by the fiscal year ending March 31, 2036. This percentage represents a roughly three-fold increase compared to that in the fiscal year ending March 31, 2022. To reach this target, we established the Committee for the Promotion of Women in the Workforce chaired by the President & CEO and comprised of committee members including external advisors.

From the perspective of nurturing human resources, actual work experiences lead to growth the most. However, owing to the psychological construct known as unconscious bias, it is said that people tend to unconsciously avoid appointing women to various projects and higher positions. These phenomena are detrimental not only to personal growth but also to the Company's business growth, and I am acutely aware that these circumstances must be improved. For us in the HR Division, we will work further for supporting women in the workforce to develop an environment in which all of our diverse and talented employees are equally entitled to work experiences and growth.

##### Initiatives on Nurturing Digital Professionals

Owing to advancements in digital technology, a wave of digitalization is currently sweeping through corporations and society. Nurturing digital professionals is one of the extremely important tasks in our business strategy.

We define digital professionals as those who can leverage data and technology to bring about significant revolutions in the industry. As such, we are currently pushing ahead with initiatives to develop digital professionals.

With the establishment of SoftBank University Tech, we are creating an environment in which all employees can learn about technology and data.

In the Enterprise Unit, we are also proactively nurturing digital professionals to play a central role in the digital strategy of our Enterprise segment. For example, we have a training program for consulting sales development that seeks to foster employees who can pitch solutions of management issues to enterprise customers that are in the process of embracing digitalization. Another initiative is our business producer system, which nurtures new business development talent who assist the uptake of digitalization in society.

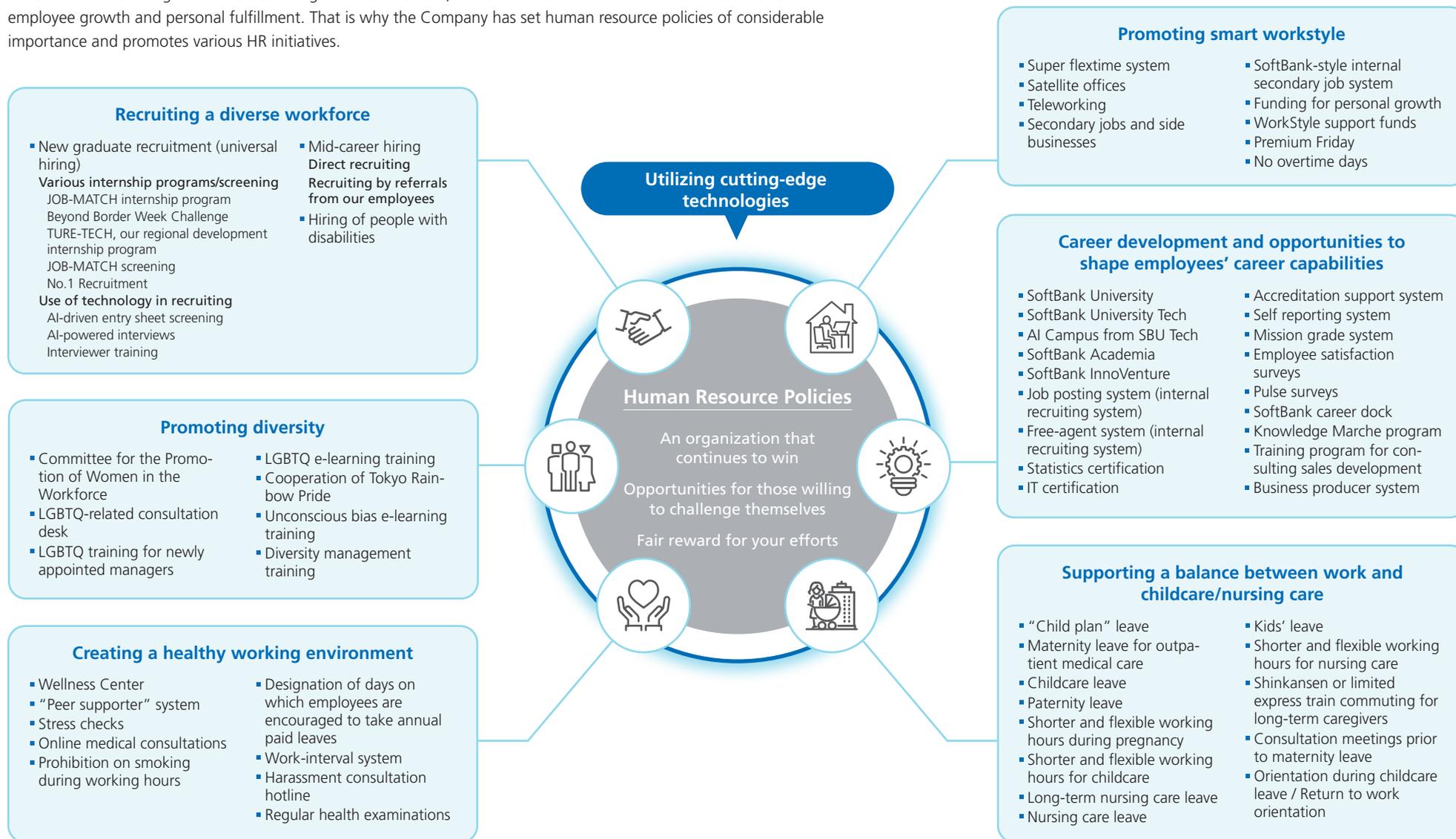
As we continue to drive forward the *Beyond Carrier* strategy, we are also addressing personnel issues concerning performance assessment systems and the utilization of human resources. This includes our approach to evaluating new initiatives in which the results of each individual are harder to visualize in the short term compared to initiatives in our existing businesses and allocating the human resources required for the new initiatives. To develop new businesses in line with our business strategy, I believe it is crucial for the HR division to change and adapt flexibly in addressing personnel issues.

We will continue to propel our human resource strategy whilst keeping in mind the connection between employee growth and business strategy.

# 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

### Business strategy and opportunities for employees' personal growth

#### Job Posting System

##### Providing employees with opportunities to challenge new businesses

At SoftBank we have introduced a job posting system as a way to internally recruit employees as members of new businesses and new Group companies when we establish them. The system offers employees opportunities for self-growth and self-realization, as well as pathways to take on new challenges. As of April 2021, a total of 956 employees have made use of the job posting system to initiate a transfer within the organization. We will continue to encourage the use of the system for the purpose of shifting human resources to new and growing businesses up ahead and as a way of providing our diverse workforce with opportunities to use their skills and play an important role in the Company.

#### SoftBank InnoVenture

##### Supporting employees to create new businesses

At SoftBank we encourage our employees to actively make new business proposals. We therefore help them commercialize their ideas through SoftBank InnoVenture, our in-house entrepreneurship program. Any employee in the Group can submit as many proposals as he or she wishes and, if the proposals actually get the green light for commercialization following an examination process, takes part in the development of the business.

**umami**ll

**Scatch!**

**MICE Platform**

**HELLO CYCLING**

#### Cultivating Digital Professionals to Underpin the *Beyond Carrier* Strategy

##### Nurturing “business producers” to shoulder the digitalization of society

At present we are focusing our efforts on nurturing digital professionals capable of playing a central role in the *Beyond Carrier* strategy. For instance, we have established SoftBank University Tech, a systematized technology and data training program that offers company-wide employees the opportunity to learn about cutting-edge digital technologies. In the Enterprise Unit, we have rolled out a training program for consulting sales development to nurture employees who can pitch solutions to corporations that are in the process of embracing digitalization.

Furthermore, in the Digital Transformation Division that we set up in 2017 within the Enterprise Unit, we launched a program to develop so-called “business producers.” Business producers” are defined as those who have the task of leading business development projects that are geared towards solving issues in society.

Compared to existing businesses, the fruits of launching a new business are not readily visible, and some projects tend to go on for a long period of time. In addition, launching a new business is a tough assignment for project members because many different roles are required during each phase of the project, ranging from business planning to service development and to business operation.

Against this background, the business producer system was established with the objectives of fostering “business

producers” who lead business development and achieve commercialization as soon as possible.

Under the business producer system, we first defined the roles required for employees who undertake business development. Specifically, we stipulated that the key roles of a business producer should include not only business development ranging from business planning to service development and to business operation, etc. but also project management, which is to lead a project in collaboration with many other parties, and people development, which is to train project members including him- or herself. As one of the activities of the business producer system, the project manager holds a one-on-one meeting with project members every six weeks. They mutually confirm on a regular basis the roles each member is expected to play in the project as well as key points concerning the development of capabilities. As a result, we can execute the projects flexibly and speedily, and also achieve active on-site personnel training.

Further, to supplement the necessary skills and knowledge identified as issues during the one-on-one meetings, project members can make use of the extensive lineup of business development training programs of SoftBank University to develop their capabilities in the form of off-the-job training.

#### Key points in nurturing business producers

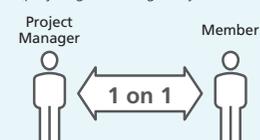
##### Clarification of roles

(definition of the mission of business producers)



##### One-on-one meeting on a regular basis

(project goal setting every 6 weeks)



##### Business development training programs

(SoftBank University)



## Human Resource Strategy

### Creating an environment where all employees can work with aspiration

#### Promoting Diversity

##### Further supporting women in the workplace

At SoftBank, we consider the promotion of diversity to be a key management issue and are focusing especially on further supporting women in our workforce. As of April 2021, women accounted for about 26.9% of all employees with 7.1% of managerial positions held by women.

SoftBank's human resource system allows employees to take childcare leave and work shorter hours beyond what is stipulated by law, which probably explains the reason more than 98% of female employees who take childcare leave return to work. Also, the average number of consecutive years served is 12.8 years for men, only slightly higher than that for women of 12.4 years, and many female employees are able to balance their work and childcare.

We are currently implementing a number of initiatives to support women in the workforce including career development workshops for female employees and a mentoring program run by female managers and others as role models. Moreover, we set a goal of increasing the percentage of managerial positions held by women to 20% by the fiscal year ending March 31, 2036. Also, in July 2021, we established the Committee for the Promotion of Women in the Workforce which is chaired by the President & CEO and comprised of committee members including some external advisors. The committee engages in discussion about the various measures to be implemented.

We are also working hard to create a work environment in which employees can balance their work and childcare or nursing care and at the same time fully demonstrate their capabilities. In addition to funds and various types of leave, we support the work-life balance of employees with orientation sessions, consultation meetings, luncheon meetings, and other events through which employees harboring similar concerns can meet each other to ease their anxiety.

Furthermore, we hold a "diversity week" within the Group to promote understanding of sexual minorities like LGBTQ, employees with disabilities, and other cultures with the aim of building an organization capable of creating innovation in which all employees, regardless of gender, age, nationality, or disability, can leverage each other's strengths and communicate with open-mindedness.



enables employees to work in smart and fun ways and undertake more creative and innovative work by making use of IT.

We are also freeing up more time for employees with the introduction of a "Super Flextime System," which helps maximize results by enabling employees to work more efficiently and with greater focus. By allowing employees to use this time for investment for personal growth, we aim to achieve a situation where work itself has become a truly fun activity.

In addition, from the perspective of preventing the spread of COVID-19, whilst we are practicing social distancing in our offices, we are also making use of teleworking and satellite offices to maximize the productivity of individuals and organizations. We are allowing employees to go directly to outside destinations and back home. Any of these measures can be combined as often as deemed necessary. By adhering to this new workstyle, we have kept the number of employees coming to the office on any given day to 50% or less. We are encouraging an optimal workstyle by positioning the office as a place for team building, collaboration, and innovation and the home as a place for focused work. We have received the highest possible five-star rating for three years in a row in the "Nikkei Smart Work Management Survey" conducted by Nikkei Inc.



#### Promoting Health Management

##### Supporting the health of employees

To ensure our employees are mentally and physically healthy, we encourage them to take regular health examinations and stress checks. In addition, we have established a Wellness Center, introduced online medical consultations, and prohibited smoking during working hours. With the goal of helping employees improve their health, we hold mainly online seminars on such topics as diet improvement, regular exercise, quitting smoking, mental health care, and women's health.

Also, we conduct a health awareness survey once a year to assess the health of employees and review health promotion measures. We are also rolling out an e-learning program for health management to improve the health literacy of employees.

Moreover, for the purpose of providing a safe and secure work environment during the outbreak of COVID-19, all employees are asked to undergo an antibody test and saliva PCR test. In recognition of these initiatives, SoftBank has been recognized by the "Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)" for the third consecutive year since 2019. Also, in an effort to prevent the further spread of COVID-19, from June 2021 we started offering workplace vaccinations to all employees, their families, and employees of affiliated companies.



#### Workstyle Transformation

##### SoftBank's workstyle

Under the internal slogan of "Smart & Fun!," we are promoting workstyle transformation which

# Human Resource Strategy

## Using technology

### Applicant Screening

#### Using AI for evaluating video interviews

We have proactively introduced cutting-edge IT technologies for numerous hiring processes and since May 2020 used AI to evaluate video interviews with the goal of making our recruitment activities more efficient and screening applicants with more objective and uniform criteria.

In screening applicants, we use data of previous videos and recruiter assessments to train a video analysis model that picks out videos similar to those of successful applicants in the past. These videos are given a pass mark. If a video is deemed unsuccessful, a HR officer actually watches the video and makes a final decision on whether the applicant passes or fails. This process guarantees the accuracy of the selection process. With this technology, we have been able to reduce the time needed to screen video interviews roughly by 85%. Using AI, we can also cut down the time required to score entry sheets roughly by 75%. The time freed up with the active adoption of AI tools is then allocated to expanding hands-on internships and initiatives that aim to further optimize candidate matching. For example, we might directly approach somebody who possesses the skills we are looking for. Also, as the use of video interviews does not need face-to-face meetings with applicants, it ultimately ensures the safety of applicants and employees in the midst of the outbreak of COVID-19.

### Personnel Placement

#### Supporting decision making with people analytics

SoftBank focuses on creating new businesses. Our human resource strategy in line with creating new businesses is to shift human resources into new business fields. In promoting this shift, we are harnessing people analytics (PA) to enhance the accuracy of decision making in human resource management. We can make more accurate decisions by referencing not only conventional qualitative information but also quantitative data with the PA method. For instance, we are using an indicator known as a "personality fit score," which represents how well a person matches each department as a support tool when considering initial placements for new recruits or when screening mid-career applicants for digital professionals.

### Project for Improving Operations

#### Enhancing productivity and shifting to high value-added operations

At SoftBank we continue to drive forward a project for improving operations which is known as the Digital Worker 4000 Project. This initiative aims to free up 4,000 man-hours (7.7 million hours a year) by redefining business processes and making full use of digital tools. We collect more than 1,000 pieces of feedback from employees that said that some operations are dependent on certain people and that compiling reports takes up too much time among others. We are improving company-wide productivity by making sure that employees are doing what they are originally supposed to do, that more time is allocated to value-added operations for customers, and that more time is created for employees to take up the challenge to new works. For example, the department that supports sales reps working at mobile phone shops used to spend two hours per day responding to inquiries from shops, but the adoption of a chatbot system has reduced the time spent for searching from 30 minutes to just five seconds. Other than this, we have drastically shortened the time spent for registration and task checks. As a result of this initiative, we have already generated approximately 3,000 man-hours to date.

### Measuring Employee Satisfaction

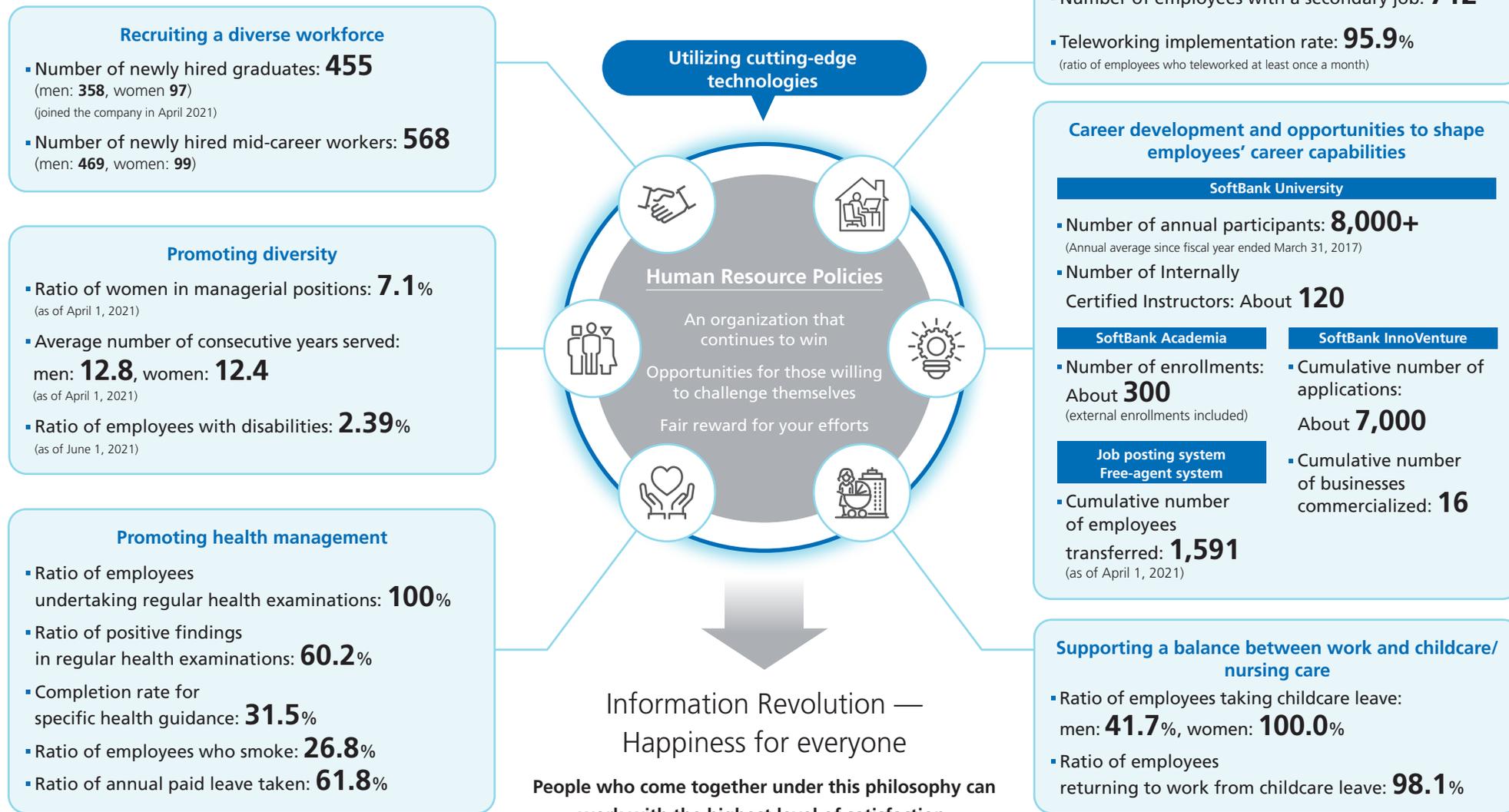
#### Visualizing the "pulse" of employees on a regular basis

In addition to an employee satisfaction survey conducted every year as a way of checking up on the health of the organization, we developed and rolled out our very own "pulse survey" in October 2019 to measure the day-to-day fulfillment of our employees. The pulse survey is an employee survey conducted on a regular basis like checking up a pulse. Our pulse survey incorporates the concept of work-life integration based on the thought that the everyday lifestyles and health of individual employees greatly affect their work performance. For that reason, the survey's questions consist of three categories of work, life, and health. The survey is emailed with a hyperlink to all employees at the end of every month, and can usually be completed in around one or two minutes on either a computer or smartphone. Employees can gauge their own condition by looking at changes in scores and use the survey to facilitate better communication with their superiors in case that they consent to the survey results being shared with them.

# Human Resource Strategy

## Value Creation

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



Note: Figures are as of March 31, 2021 or for the full fiscal year ended March 31, 2021, unless otherwise indicated. Except for "Career development and opportunities to shape employees' career capabilities," figures are for SoftBank Corp. only (standalone basis)

## Environmental Initiatives

### Carbon Neutral 2030 Declaration



As part of its “Carbon Neutral 2030” initiative, which aims to reduce greenhouse gas emissions to essentially zero through energy conservation efforts using cutting-edge technologies such as AI and IoT, SoftBank will switch to essentially renewable energy for 100% of the electricity used in its business activities by 2030, which is the year targeted for the achievement of the SDGs. In this way, we will contribute to the global environment through the spread of renewable energy and the use of cutting-edge technologies and help realize a carbon-free society by achieving carbon neutrality ourselves.

**International climate change initiatives awarded SBT certification**



In June 2021, our greenhouse gas reduction targets were certified as science-based targets (SBTs) by the Science Based Targets initiative (SBTi), an international climate change initiative.

#### Action 1 Shift to the use of renewable energy to power base stations

The annual amount of greenhouse gas emissions from our business activities is approximately 680,000 tons in terms of CO<sub>2</sub> (actual results for the fiscal year ended March 31, 2020), which is equivalent to approximately 250,000 ordinary households. SoftBank's primary business is in mobile communications, and more than half of the electricity it consumes is used to power its base stations. In order to reduce greenhouse gas emissions, SoftBank has decided to switch to electricity using essentially renewable energy sources\* supplied by SB Power Corp. As of the fiscal year ended March 31, 2021, 30% of the electricity used at base stations has been converted to renewable energy, and our goal is to achieve 50% or more in the fiscal year ending March 31, 2022 and 70% or more in the fiscal year ending March 31, 2023.

With respect to the power consumption of facilities and equipment other than base stations, we will similarly promote the reduction of greenhouse gas emissions by gradually shifting to renewable energy sources.

In addition, the Company is considering directly procuring electricity generated by SoftBank Group Corp. subsidiary SB Energy Corp., which owns 45 power generation facilities including SoftBank Tochigi Motegi Solar Park and operates a renewable energy power generation business.

\*Electricity from essentially 100% renewable energy sources using non-fossil certificates designated as renewable energy.

#### Action 2 Improve power efficiency using AI, IoT, and other advanced technologies

By utilizing cutting-edge technologies such as AI, IoT, and big data, and by using the learning capabilities of AI to analyze vast amounts of environmental data, many believe that it is possible to make predictions about future impacts on the global environment. The application of cutting-edge technologies to environmental issues is gaining prominence globally, as it allows a variety of actions to be taken based on these predictions. We will make maximum use of cutting-edge technologies and synergies with Group companies to improve the power efficiency of our own facilities and equipment, and take measures to reduce our environmental impact.

#### Action 3 Reduce environmental impact through the development of next-generation batteries

We are working to reduce the environmental impact of electronic devices through R&D on the development and practical application of next-generation batteries. The evolution of devices is accompanied by more use of electric power, which leads to an increase in energy consumption and CO<sub>2</sub> emissions. By increasing the capacity and energy density of the batteries installed in devices and equipment, it is possible to improve their performance and efficiency and reduce their burden on the environment.

Since 2018, we have been engaged in R&D on materials technology for batteries and collaborating with various research institutes including NIMS (National Institute for Materials Science), universities, manufacturers, and companies.

We are developing a lightweight lithium-ion battery with a large battery capacity but a high mass energy density. In March 2021, in collaboration with the U.S. company Enpower Greentech, we succeeded in developing a prototype battery with a mass energy density approximately twice that of conventional batteries (approximately 450 Wh/kg).

In addition, in June 2021, we established the SoftBank Next-generation Battery Lab within the Energy Device Environmental Test Center of ESPEC Corp., which is the world's leading manufacturer of environmental testing equipment and has excellent facilities and know-how for safety and environmental evaluation.

In the future, the SoftBank Next-generation Battery Lab will evaluate and compare cells from manufacturers around the world under the same environment to analyze performance differences and identify technical issues at an early stage. We will also provide feedback to manufacturers on the verification results obtained at the SoftBank Next-generation Battery Lab to accelerate the development of next-generation batteries. Furthermore, the lab will verify elemental technologies developed with joint research partners. By sharing the know-how obtained through the verification with the participating manufacturers, we will contribute to improving the base for the development of next-generation batteries.

# Environmental Initiatives

## Support for TCFD Recommendations



In April 2020, SoftBank announced its support for recommendations released by the Task Force on Climate-related Financial Disclosures (TCFD)\*. We will strengthen our governance in accordance with these recommendations and proactively strive to enhance our disclosure in keeping with the framework of “governance, strategy, risk management, and indicators & targets” that the TCFD has prescribed for companies.

\*Task Force on Climate-related Financial Disclosures: An international initiative established by the Financial Stability Board (FSB) in 2015 with the goal of encouraging companies to disclose information regarding the financial impact that risks and opportunities associated with climate change have on their businesses.

## Governance

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

In addition to the SDGs Promotion Committee, we have established the Environment Committee, which supports internal efforts to promote climate change prevention under the direction of the Chief SDGs Promotion Officer and SDGs promotion officers. The Environment Committee is chaired by the director of the CSR Department and appoints an environmental response manager for each department and Group company.

The committee is responsible for the management of risks and numerical values related to climate change; numerical management aimed at limiting waste generation, water consumption, and other environmental impacts; and promoting operations, initiatives, and awareness-raising activities that support these aims.

## Strategy

SoftBank is engaged in the telecommunications business, which consumes a large amount of electricity, including at base station facilities, and recognizes that it may be exposed to significant risks from climate change. In order to consider strategies for adapting to possible future eventualities caused by climate change, we conducted a scenario analysis to identify risks that are expected to occur by 2050 that will have a particularly large financial impact on businesses, including those upstream and downstream in the value chain. Our scenario analysis adopted the RCP2.6/RCP8.5 scenarios from the 5th Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC), the Energy Technology Perspectives 2017 Beyond 2°C Scenario (B2DS) from the International Energy Agency (IEA), and the World Energy Outlook 2018 Sustainable Development Scenario (SDS).

### Scenario Analysis

**4°C scenario** This scenario assumes that the physical effects of climate change, such as intensification of extreme weather events, would occur while the risks of transition in technology, markets, reputation and other areas, as well as the strengthening of policies and regulations, such as climate change countermeasures, would not become apparent. For example, in the case of the torrential rains in Japan in July 2020, we spent about ¥330 million on restoration costs. We can budget for future disasters and prepare to respond quickly to them based on the analysis of the financial impact of recovery costs for damage in previous years.

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

Scenario	Identified risks	Initiatives considered	Period before occurrence of risk
More frequent, large, and intense natural disasters	Rise in recovery costs due to an increase in the amount and severity of facility damage	Strengthen efforts aimed at preventing and mitigating disasters Promote redundancy in backbone networks and secure communications in the event of a disaster through tethered balloon radio relay systems / promote initiatives for practical use of HAPS	Long-term
Rise in frequency of extremely hot days	Increase in cost of electricity used for air conditioning	Strengthen energy conservation efforts Convert to energy-efficient equipment / make more efficient use of electricity through the use of AI and IoT	Long-term

**1.5 to 2°C scenario** This scenario assumes that while there will be no acute or chronic physical risk due to climate change at a level that affects business, if a carbon tax of about ¥6,000 to ¥14,000 per ton of CO<sub>2</sub> were imposed starting in 2025, its cumulative impact up to 2035 would be ¥17.5 billion to ¥40.7 billion.

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

Scenario	Identified risks	Initiatives considered	Period before occurrence of risk
Strengthened decarbonization regulations	Increased tax burden due to carbon tax implementation	Achieve renewable energy and carbon neutrality for base station electricity (by the fiscal year ending March 31, 2031)	Medium-term
	Increase in electricity costs due to a shift to renewable energy	Strengthen energy conservation efforts Convert to energy-efficient equipment / make more efficient use of electricity through the use of AI and IoT	Short-term
Rising environmental awareness	Loss of customers due to reputation risks associated with potential underperformance of environmental initiatives	Implement CO <sub>2</sub> emission reduction efforts and disseminate relevant information Shift to the use of renewable energy to power base stations / achieve carbon neutrality and promote the provision of renewable electricity / contribute to reducing CO <sub>2</sub> emissions for society as a whole	Short-term

## Environmental Initiatives

### Risk Management

Risks and opportunities related to climate change are identified by the Environment Committee and evaluated and analyzed by the SDGs Promotion Committee.

Matters determined to be of high importance are submitted to the Board of Directors for review.

Based on the results of the scenario analysis, we are implementing the initiatives outlined below as part of our efforts to mitigate and adapt to climate change. Our commitment to climate change mitigation and adaptation is intended to cover all our businesses, including new businesses.

### Responding to Larger Natural Disasters

In order to fulfill our responsibilities as a telecommunications carrier that manages infrastructure with respect to the expanding scale of disasters in recent years, we have established the objective of “building a high-quality social communication network” within our materiality to enact measures to maintain telecommunications infrastructure during a disaster on a regular basis.

### Base Stations Powered by Renewable Energy

SoftBank’s primary business is in mobile communications, and approximately 60% of the electricity it consumes is used to power its base stations. In the fiscal year ended March 31, 2021, 30% of electricity used at base stations was converted to renewable energy. We will strive to raise this ratio to 50% in the fiscal year ending March 31, 2022 and to 70% in the fiscal year ending March 31, 2023 as we gradually shift toward renewable energy sources and simultaneously curtail our greenhouse gas emissions.

### Initiative to Achieve Carbon Neutrality

We will reduce greenhouse gas emissions from our business activities to essentially zero by the fiscal year ending March 31, 2031.

### Indicators and Targets

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

Our main goal is “Carbon Neutral 2030,” which aims to reduce greenhouse gas emissions from electricity used in business activities to essentially zero by 2030, which is the year targeted for the achievement of the SDGs.

In the fiscal year ended March 31, 2021, 30% of base station electricity was converted to renewable energy, and we intend to raise this ratio to 50% in the fiscal year ending March 31, 2022 and to 70% in the fiscal year ending March 31, 2023 as we gradually shift toward renewable energy sources. In addition, we will continue to reduce greenhouse gas emissions in all our facilities and equipment other than base stations.

### Actual Greenhouse Gas Emissions

(Fiscal year ended March 31)

Category	Unit	Actual					
		2017	2018	2019	2020	2021	
Greenhouse gas emissions (scope 1, 2)	Total	t-CO <sub>2</sub>	733,515	722,514	693,953	776,104	620,929
GHG emissions Greenhouse Gas	Scope 1	t-CO <sub>2</sub>	11,400	11,386	11,456	15,803	15,416
	Scope 2	t-CO <sub>2</sub>	722,115	711,128	682,497	760,301	605,513

For other environment-related data, see the ESG Data Book  [P83](#)

Note: Values are determined based on the following boundaries:

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

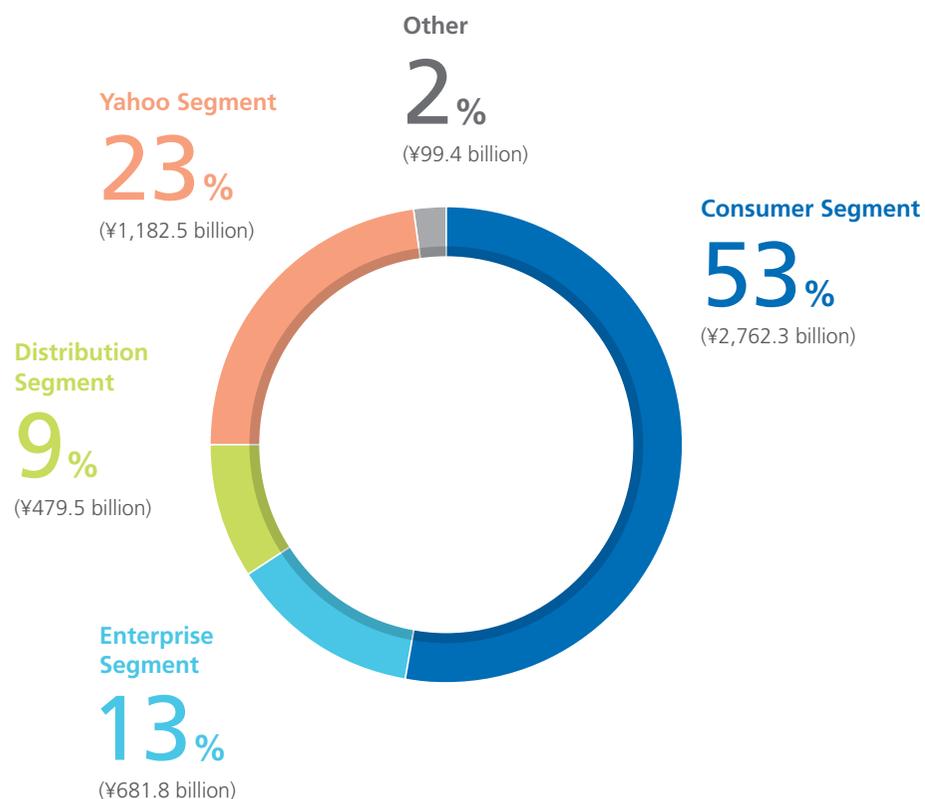
# Data Section

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# Business Overview

Fiscal year ended  
March 31, 2021

Revenue ¥ **5,205.5** billion



## Segment Breakdown by Revenue

Note: Revenue ratio for each segment is calculated based on sales to external customers. Percentages are rounded off to the decimal point, and the percentage total for the chart therefore may not add up to 100. Along with the consolidation of LINE Corporation in connection with the completion of the business integration between Z Holdings Corporation and LINE Corporation in March 2021, from the fiscal year ending March 31, 2022, the name of reportable segment "Yahoo" was changed to "Yahoo! JAPAN/LINE."

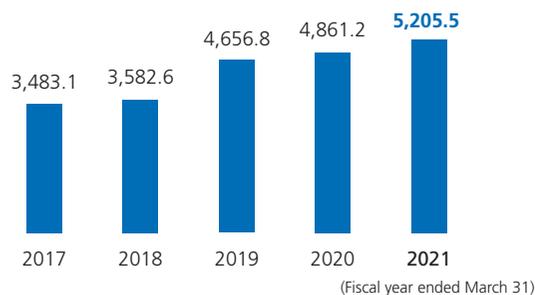
<p><b>Consumer Segment</b></p>	<p><b>For Individual Customers</b></p> <ul style="list-style-type: none"> <li>• Mobile communications services: Offering of three brands: <i>SoftBank</i>, <i>Y!mobile</i>, and <i>LINEMO</i></li> <li>• Broadband services: Offering of such services as <i>SoftBank Hikari</i>, a high-speed Internet connection service for households</li> <li>• Trading and supply of electric power and provision of electric power trading agency services</li> <li>• Sale of mobile devices</li> </ul>		
<p><b>Enterprise Segment</b></p>	<p><b>For Enterprise Customers</b></p> <ul style="list-style-type: none"> <li>• Mobile communications and mobile services such as device rental</li> <li>• Fixed-line communications services such as fixed-line telephones and data communications</li> <li>• Business solutions and other services, including data centers, cloud services, security, global, AI, IoT, and digital marketing</li> </ul>		
<p><b>Distribution Segment</b></p>	<table border="0"> <tr> <td data-bbox="1480 735 1792 983"> <p><b>For Enterprise Customers</b></p> <ul style="list-style-type: none"> <li>• Provision of products and services addressing ICT, cloud services, IoT solutions and other areas</li> </ul> </td> <td data-bbox="1792 735 2085 983"> <p><b>For Individual Customers</b></p> <ul style="list-style-type: none"> <li>• Design and provision of mobile and PC peripherals, including accessories, as well as software, IoT products and other items</li> </ul> </td> </tr> </table>	<p><b>For Enterprise Customers</b></p> <ul style="list-style-type: none"> <li>• Provision of products and services addressing ICT, cloud services, IoT solutions and other areas</li> </ul>	<p><b>For Individual Customers</b></p> <ul style="list-style-type: none"> <li>• Design and provision of mobile and PC peripherals, including accessories, as well as software, IoT products and other items</li> </ul>
<p><b>For Enterprise Customers</b></p> <ul style="list-style-type: none"> <li>• Provision of products and services addressing ICT, cloud services, IoT solutions and other areas</li> </ul>	<p><b>For Individual Customers</b></p> <ul style="list-style-type: none"> <li>• Design and provision of mobile and PC peripherals, including accessories, as well as software, IoT products and other items</li> </ul>		
<p><b>Yahoo Segment</b></p>	<table border="0"> <tr> <td data-bbox="1480 983 1792 1230"> <p><b>Commerce Field</b></p> <ul style="list-style-type: none"> <li>• Provision of e-commerce services such as <i>YAHUOKU!</i>, <i>Yahoo! JAPAN Shopping</i>, <i>PayPay Mall</i>, and <i>ZOZOTOWN</i></li> <li>• Provision of membership services such as <i>Yahoo! JAPAN Premium</i></li> <li>• Provision of financial and payment-related services such as credit cards</li> </ul> </td> <td data-bbox="1792 983 2085 1230"> <p><b>Media Field</b></p> <ul style="list-style-type: none"> <li>• Provision of advertising-related services on the Internet</li> </ul> </td> </tr> </table>	<p><b>Commerce Field</b></p> <ul style="list-style-type: none"> <li>• Provision of e-commerce services such as <i>YAHUOKU!</i>, <i>Yahoo! JAPAN Shopping</i>, <i>PayPay Mall</i>, and <i>ZOZOTOWN</i></li> <li>• Provision of membership services such as <i>Yahoo! JAPAN Premium</i></li> <li>• Provision of financial and payment-related services such as credit cards</li> </ul>	<p><b>Media Field</b></p> <ul style="list-style-type: none"> <li>• Provision of advertising-related services on the Internet</li> </ul>
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<p><b>Other</b></p>	<ul style="list-style-type: none"> <li>• Settlement services; online security trading service for smartphones; online business solutions and services; planning and production of digital media and digital content; sales of download licenses for PC software; advertising sales; R&amp;D and manufacturing of network equipment, business planning, and activities for usage of frequency band related to the HAPS* business.</li> <li>• Investments in cutting-edge technologies and launch of new businesses</li> </ul> <p>*HAPS (High Altitude Platform Station) refers to systems where unmanned objects such as aircraft flying in the stratosphere can be operated like telecommunications base stations to deliver connectivity across wide areas.</p>		

## Performance Highlights (Financial)

### Revenue

¥ **5,205.5** billion

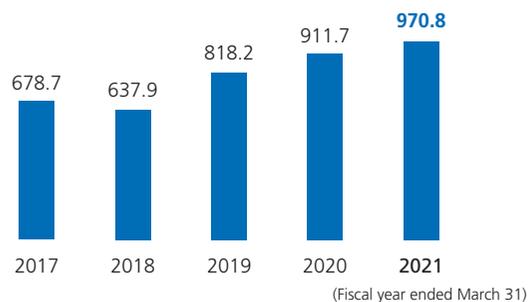
(Billions of yen)



### Operating income

¥ **970.8** billion

(Billions of yen)



### Net income attributable to owners of the Company

¥ **491.3** billion

### Basic earnings per share\*1

¥ **103.85**

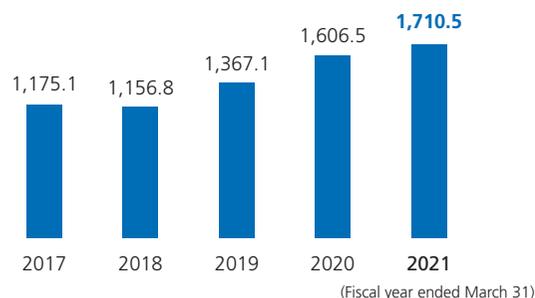
(Yen)



### Adjusted EBITDA\*2

¥ **1,710.5** billion

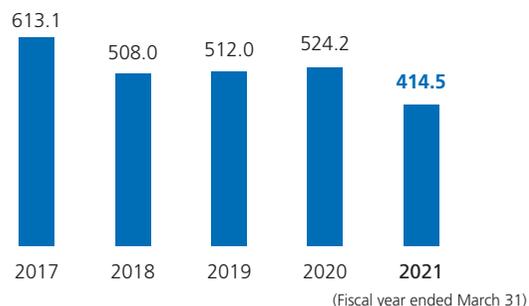
(Billions of yen)



### Adjusted free cash flow\*3

¥ **414.5** billion

(Billions of yen)

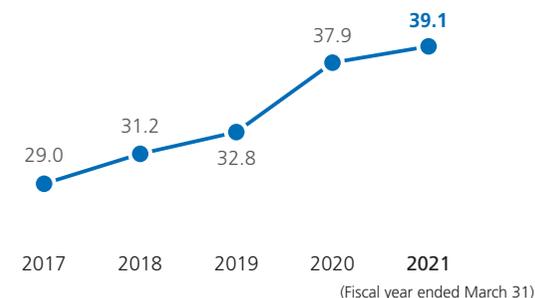


### ROE\*4

(Ratio of net income to equity attributable to owners of the Company)

**39.1** %

(%)



\*1 Earnings per share attributable to owners of the Company.

\*2 Adjusted EBITDA = operating income + depreciation and amortization (including loss on disposal of non-current assets) ± other adjustments

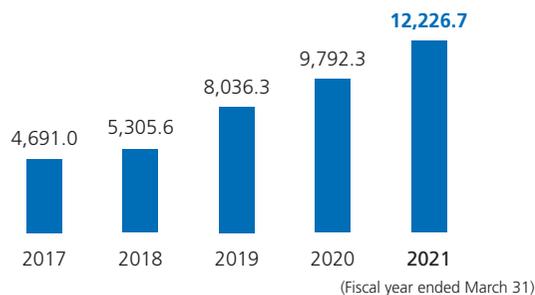
\*3 Adjusted free cash flow = free cash flow ± total cash flows relating to non-recurring transactions with SoftBank Group Corp. + (proceeds from the securitization of installment sales receivables – repayments thereof). Z Holdings Corporation and impact of IFRS 16 adoption excluded in fiscal years ended March 31, 2019 and March 31, 2020. Free cash flow at Z Holdings Corporation and A Holdings Corporation, proceeds from obtaining control of subsidiaries owing to the management integration with LINE Corporation, and the impact of IFRS 16 adoption excluded in the fiscal year ended March 31, 2021. Dividend income from Z Holdings Corporation included in the fiscal year ended March 31, 2021.

\*4 ROE (Ratio of net income to equity attributable to owners of the Company) = net income attributable to owners of the Company/average equity attributable to owners of the Company over the fiscal year

## Performance Highlights (Financial)

**Total assets** ¥ 12,226.7 billion

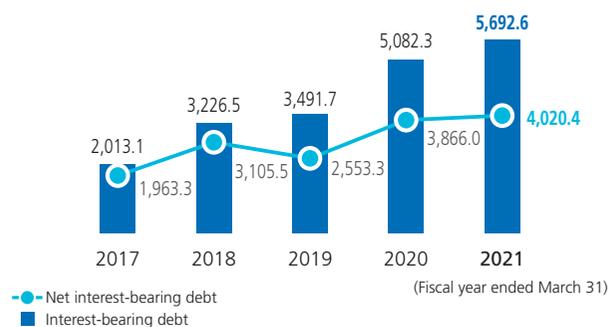
(Billions of yen)



**Interest-bearing debt** ¥ 5,692.6 billion

**Net interest-bearing debt\*5** ¥ 4,020.4 billion

(Billions of yen)



**Credit ratings\*6**

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

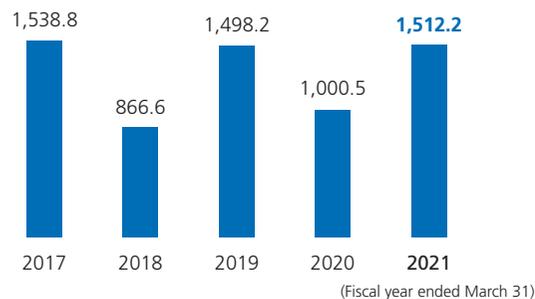
**A+**  
(stable)

**Japan Credit Rating Agency, Ltd. (JCR)**

**AA-**  
(stable)

**Total equity attributable to owners of the Company** ¥ 1,512.2 billion

(Billions of yen)



**Ratio of equity attributable to owners of the Company to total assets\*7** 12.4 %

**Ratio of total equity to total asset** 22.5 %

(%)



\*5 Net interest-bearing debt = interest-bearing debt – cash and cash equivalents – cash reserves for securitization of receivables

From the fiscal year ended March 31, 2021, the definition of net interest-bearing debt was revised and the amount of cash reserves for securitization of receivables was added, therefore figures have been retroactively restated going back to the fiscal year ended March 31, 2020.

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

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

Note: The Company has adopted IFRS 15 from the fiscal year ended March 31, 2019. IFRS 15 has been retroactively applied to figures for the fiscal year ended March 31, 2018. In addition, we have adopted IFRS 16 “Leases” starting from the fiscal year ended March 31, 2020. Figures for the fiscal year ended March 31, 2019 and earlier have not been restated because a method to recognize the cumulative effect from the day of adoption has been employed in accordance with IFRS 16 transitional measures. Transactions under common control are accounted for as if such transactions were executed by SoftBank Corp. and its subsidiaries on the later of the acquisition date of the transferred companies by SoftBank Group Corp. or the opening balance sheet date of the comparative period. As a result, the figures for Z Holdings Corporation, which became a subsidiary in June 2019, have been revised retroactively to be consolidated for the fiscal year ended March 31, 2019.

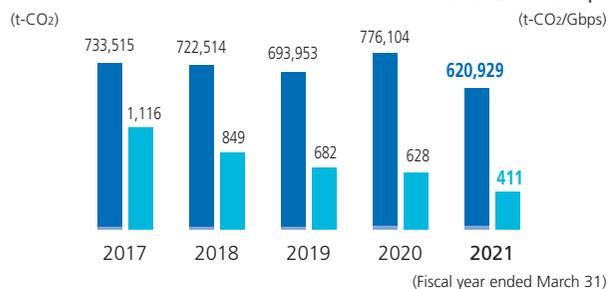
# Performance Highlights (Non-Financial)

## Environment-related (E)

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

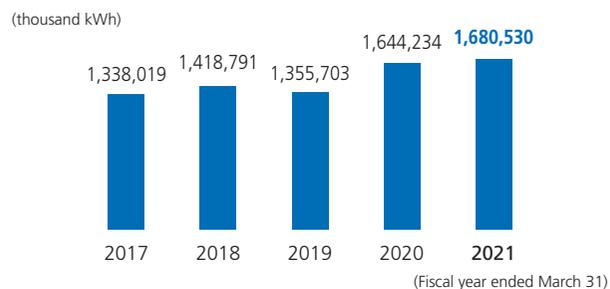
**Greenhouse gas emissions (total)\*1** **620,929** t-CO<sub>2</sub>

**Emissions per communication volume\*\*2** **411** t-CO<sub>2</sub>/Gbps



■ Scope 1 ■ Scope 2 ■ Emissions per communication volume  
 \*1 Values increased in fiscal year ended March 31, 2020 due to a change in boundaries  
 \*1 Target of zero carbon emissions (carbon neutrality) set for Scopes 1 and 2 in the fiscal year ending March 31, 2031 (FY30). Greenhouse gas emissions for the fiscal year ended March 31, 2021 (FY20) were independently verified by the Japan Quality Assurance Organization (limited level of assurance compliant with ISO 14064-3 and ISAE3000).  
 \*2 Greenhouse gas emissions per communication volume

**Energy consumption (electricity)\*3** **1,680,530** thousand kWh

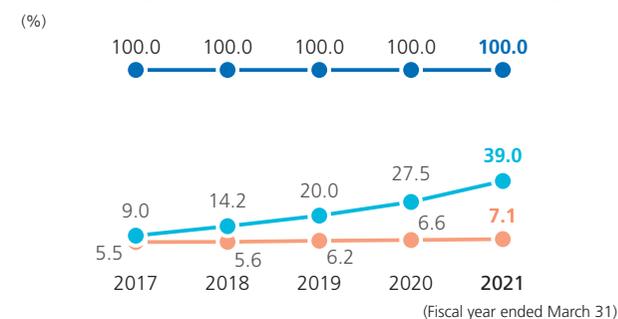


\*3 In the fiscal year ending March 2031 (FY30), it is estimated to be 2,500,000,000 kWh, 1.5 times greater than in the fiscal year ended March 31, 2020, in response to the traffic growth through the provision of 5G, etc., and the goal of using renewable energy for total power supply was set.

## Society-related (S)

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

**Percentage of employees taking childcare leaves (women)** **100.0** %  
**Percentage of employees taking childcare leaves (men)** **39.0** %  
**Percentage of women in management positions\*\*4 (SoftBank only)** **7.1** %



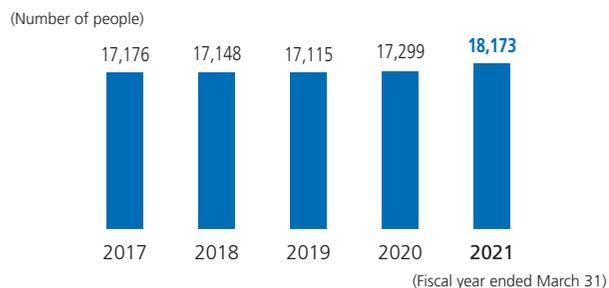
● Percentage of employees taking childcare leaves (women) (SoftBank + major subsidiaries)  
 ● Percentage of employees taking childcare leaves (men) (SoftBank + major subsidiaries)  
 ● Percentage of women in management positions (SoftBank only)  
 \*4 Counted on April 1 of each year

## Society-related (S)

Starting in the fiscal year ended March 31, 2021, employees have embraced teleworking with the use of various IT tools, including online conferencing systems and business chat software.

**Number of employees (SoftBank only)** **18,173**

**Teleworking ratio\*\*5\*\*6 (SoftBank only)** **95.9** %



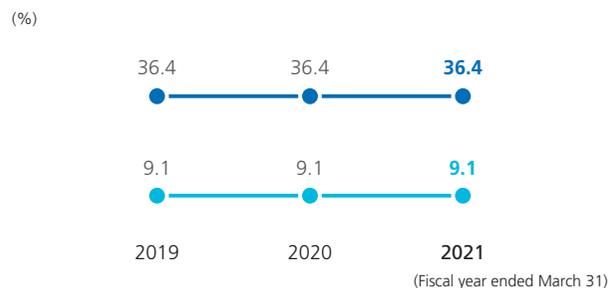
■ Number of employees (SoftBank only)  
 \*5 Third-party guarantee obtained in June 2021 from the Japan Quality Assurance Organization  
 \*6 Ratio of employees that teleworked at least once a month

## Governance-related (G)

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

**Ratio of independent external directors** **36.4** %

**Ratio of female directors** **9.1** %



● Ratio of independent external directors  
 ● Ratio of female directors

**Number of information security accidents\*\*7** (Fiscal year ended March 31)

Fiscal year ended March 31	2017	2018	2019	2020	2021
Number of information security accidents	0	0	1	0	0

\*7 Disclosed in accordance with the Company's information security policy

**Number of cases of personal information leakage or data theft/loss\*\*8** (Fiscal year ended March 31)

Fiscal year ended March 31	2017	2018	2019	2020	2021
Number of cases of personal information leakage or data theft/loss	0	0	0	0	0

\*8 Disclosed based on guidance from regulatory authorities and in violation of laws and regulations

# Market Data

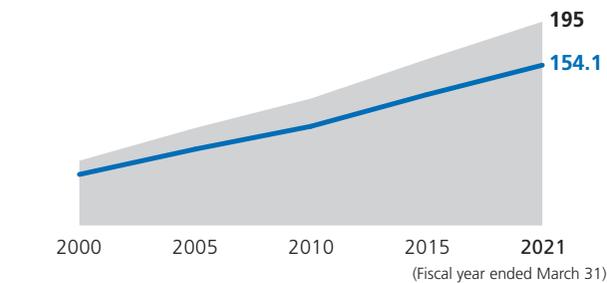
## Japan's Telecom Market

Number of mobile phone subscribers in Japan

195.12 million

Mobile phone penetration rate as share of the population in Japan

154.1 %

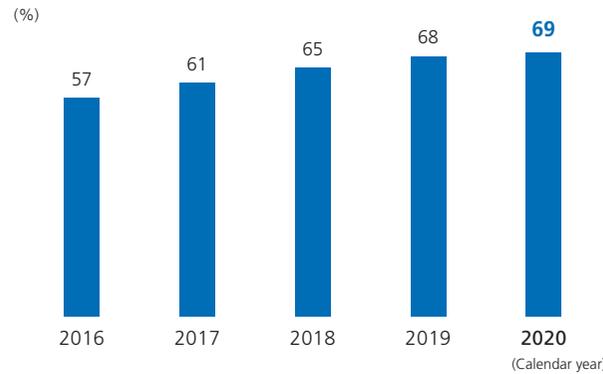


■ Number of mobile phone subscribers (Millions of subscribers)  
 — Penetration rate as share of population

Source: Compiled by the Company based on the Ministry of Internal Affairs and Communications, "Announcement of Quarterly Data on the Number of Telecommunications Service Contracts and Market Share" and "Counts of population, vital events and households derived from the Basic Resident Registration"

Smartphone penetration rate (individual)

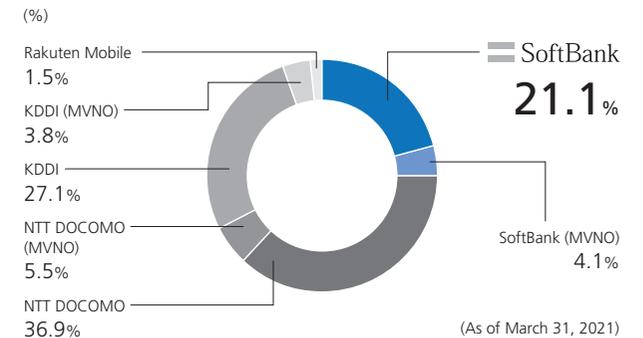
69 %



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

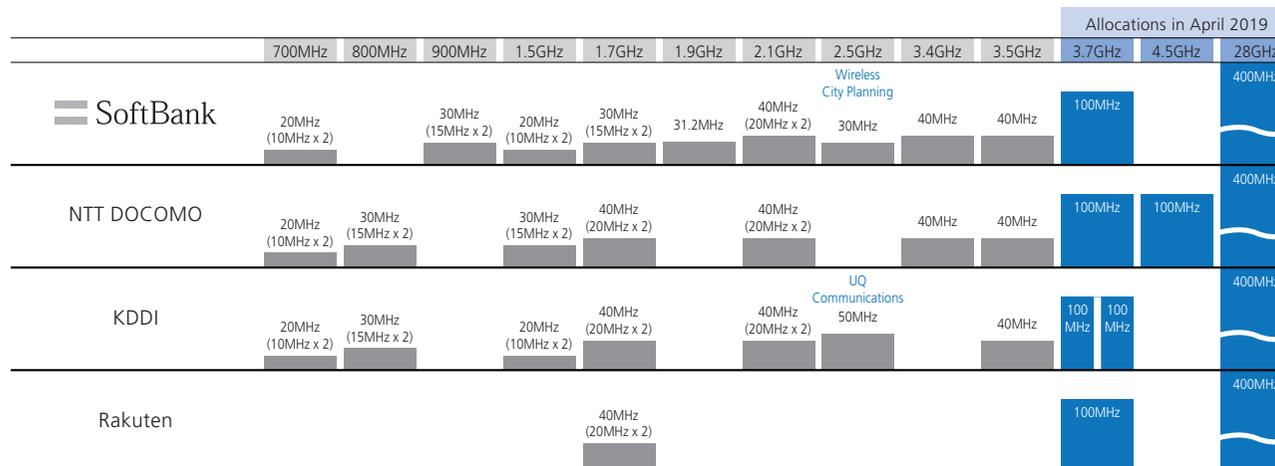
## Competitive Landscape

Share of mobile subscribers by operator\*1



\*1 Total number of mobile phone, PHS and BWA subscribers  
 Source: Ministry of Internal Affairs and Communications, "Announcement of Quarterly Data on the Number of Telecommunications Service Contracts and Market Share (FY2020 Q4 (End of March))"

## Status of Frequency Allocation\*2



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

## Broadband

Number of fixed broadband service subscribers in Japan\*3

42.68 Million



\*3 Total of FTTH, DSL, CATV Internet and FWA subscribers  
 Source: Ministry of Internal Affairs and Communications, "Announcement of Quarterly Data on the Number of Telecommunications Service Contracts and Market Share (FY2020 Q4 (End of March))"

# Review and Analysis of the Fiscal Year Ended March 31, 2021

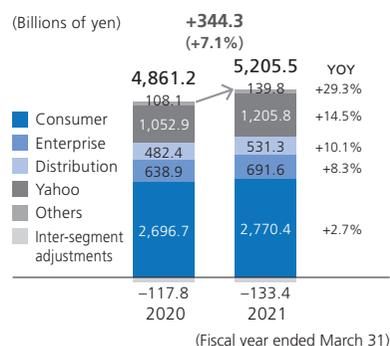
## Management Environment

The global business environment is undergoing an unprecedented and significant period of transformation due to advances in digital technology and the unexpected outbreak of COVID-19. Whilst the economic environment has deteriorated as a result of the global spread of the pandemic, attention has shifted to new normal in daily life, such as teleworking, online shopping, and non-contact payment methods, and the need for digital technology to support society is growing at a rapid rate. All aspects of people's lives and businesses are being digitalized owing to the commercialization of 5G networks characterized by ultra-high speed, large capacity, low latency, and massive machine-type communications, as well as the rapid uptake of AI and IoT and utilization of big data. Accordingly, the digital transformation that is currently changing the very structure of the industry will continue to further accelerate going forward.

## Overview of Consolidated Results of Operations and Results by Segment

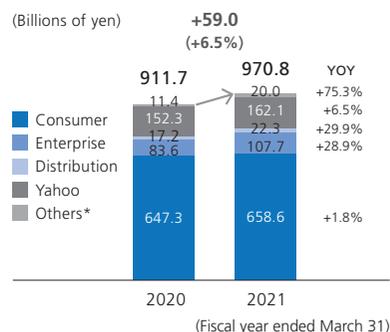
### Revenue

For the fiscal year ended March 31, 2021, revenue increased across all segments to ¥5,205.5 billion, an increase of ¥344.3 billion (7.1%) year on year. Revenue increased by ¥52.8 billion in the Enterprise segment mainly due to stronger demand for telework-related solutions by ¥152.9 billion in the Yahoo segment mainly due to an increase in e-commerce transaction value, by ¥73.7 billion in the Consumer segment due to service revenue growth, and by ¥48.9 billion in the Distribution segment due to large-scale project orders from the municipalities.



### Operating income

For the fiscal year ended March 31, 2021, operating income increased across all segments by ¥59.0 billion (6.5%) year on year to ¥970.8 billion. Operating income increased by ¥24.1 billion in the Enterprise segment, by ¥9.8 billion in the Yahoo segment, by ¥11.4 billion in the Consumer segment, and by ¥5.1 billion in the Distribution segment.



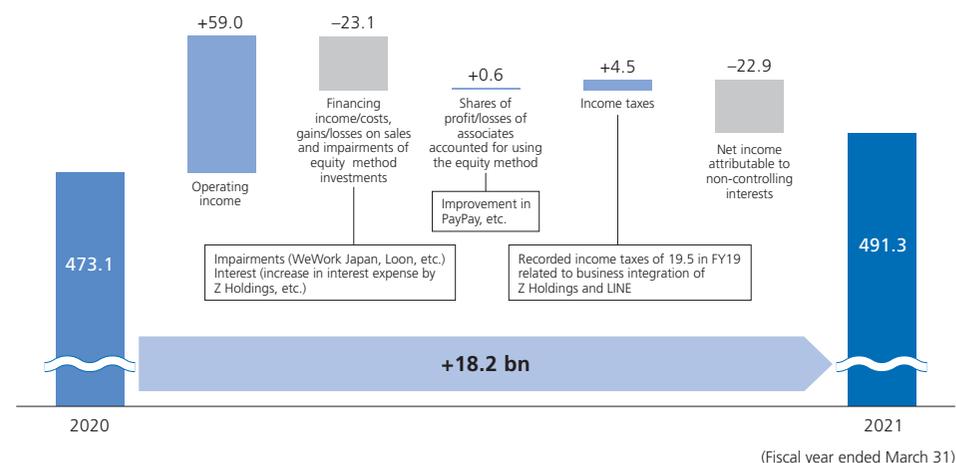
\* "Others" includes inter-segment adjustments (¥0.6 bn in FYE March 31, 2020; ¥0.5 bn in FYE March 31, 2021)

### Net income attributable to owners of the Company

For the fiscal year ended March 31, 2021, net income attributable to owners of the Company increased by ¥18.2 billion (3.8%) year on year to ¥491.3 billion. While operating income increased, financing costs rose by ¥12.4 billion mainly due to losses on valuation of investment securities held by the Company and an increase in impairment loss on equity method investments of ¥7.0 billion that was associated with treatment of impairment loss equivalent to goodwill of WeWork Japan G.K. The increase in net income attributable to non-controlling interests was mainly due to an increase in earnings at the Z Holdings Group.

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

(Billions of yen)



### Adjusted EBITDA

For the fiscal year ended March 31, 2021, adjusted EBITDA increased by ¥103.9 billion (6.5%) year on year to ¥1,710.5 billion. The increase mainly reflects the increase in depreciation and amortization mainly due to amortization of recognized intangible assets arising from the acquisition of ZOZO, Inc. shares, in addition to the increase in operating income. The Group believes that adjusted EBITDA, which excludes the impact of non-cash transactions, is a useful and necessary indicator for more effective evaluation of its business performance.

Furthermore, adjusted EBITDA margin, which is calculated based on the adjusted EBITDA mentioned above, is an appropriate indicator for understanding the ordinary profitability of core businesses. The adjusted EBITDA margin in the fiscal year ended March 31, 2021 was 32.9%, maintained the same high level as the previous fiscal year.

# Review and Analysis of the Fiscal Year Ended March 31, 2021

## Consumer segment

In the Consumer segment, the Company provides mobile communications and value-added services, broadband services and electricity services to individual customers in Japan. The Company procures mobile devices from mobile device manufacturers and sells them to distributors operating SoftBank stores, etc. and individual customers.

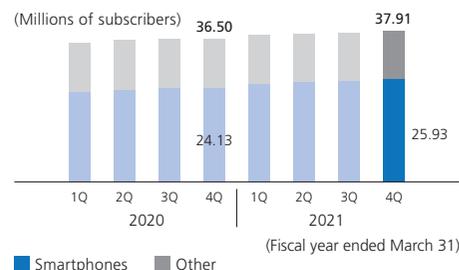
Revenue for the fiscal year ended March 31, 2021 increased 2.7% year on year. Mobile communications revenue was flat year on year due to the improvement related to *Half-Price Support* and an increase in subscribers led by the *Y!mobile* brand, off-set by a decline in average unit price due to discount programs for price plans of the *SoftBank* brand and increases in *Y!mobile* and *LINE MOBILE* subscribers. Broadband revenue increased 4.1% year on year due to growth in the number of subscribers to the *SoftBank Hikari* fiber-optic service. Electricity revenue rose a sharp 69.5% year on year due to growth in the number of subscribers to the *Ouchi Denki* (home electricity) service. Revenues from sales of goods and others increased 0.6% year on year, driven primarily by growth in sales volume of mobile devices.

The total of the operating expenses (cost of sales and selling, general and administrative expenses) and other operating income and loss (other operating income and other operating expenses), hereinafter referred to as "total operating expenses," increased 3.0% year on year. This increase was mainly due to an increase in the cost of products for the *Ouchi Denki* (home electricity) service, an increase in sales-related expenses related to *Toku Suru Support+* and campaigns aimed at attracting users and promoting usage, and an increase in provisions related to handsets, while there was a decline in sales commission. As a result, segment income increased by ¥11.4 billion (1.8%) year on year to ¥658.6 billion.

## Enterprise segment

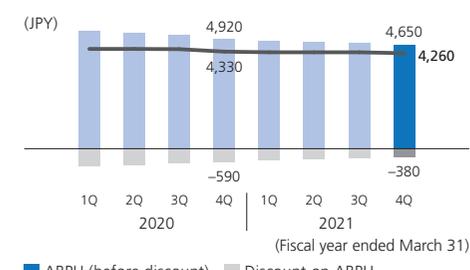
In the Enterprise segment, the Group provides a wide range of solutions for enterprise customers. These include mobile communications services, the *OTOKU Line* fixed-line telephone service, as well

### Cumulative number of main subscribers\*2



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

### ARPU (main subscribers)\*3



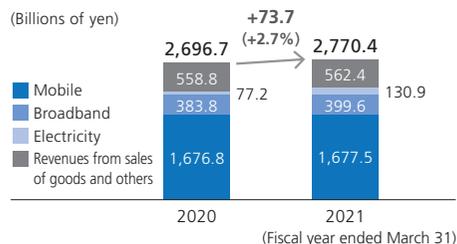
\*3 The calculation of ARPU excludes discount on telecom service revenues relating to points awarded and device purchase support programs

as various solutions for enterprises such as the *SmartVPN* service and network services such as Internet, data center services, cloud services, AI, IoT, robotics, security, and digital marketing.

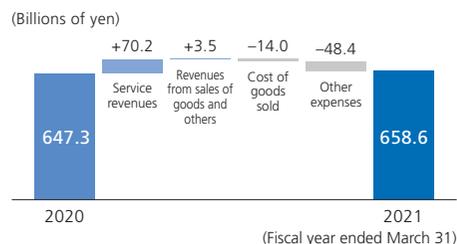
Revenue for the fiscal year ended March 31, 2021 increased 8.3% year on year. In particular, mobile revenue grew 11.0% year on year due to an increase in the number of smartphone subscribers driven by heightened demand from mainly teleworking. Fixed-line revenue declined 2.9% year on year on the back of fewer subscribers to telephone services. Revenue in the business solution and others rose 16.6% year on year due to stronger demand for telework-related products owing to the impact of COVID-19 and higher sales of cloud services, security solutions, and IoT products.

Total operating expenses increased 5.2% year on year. This increase mainly reflects an increase in costs pertaining to the abovementioned increase in mobile revenue and business solution and others revenue. As a result, segment income increased by ¥24.1 billion (28.9%) year on year.

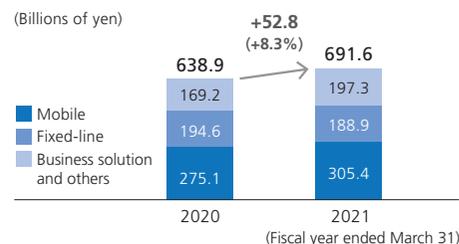
### Consumer segment revenue\*1



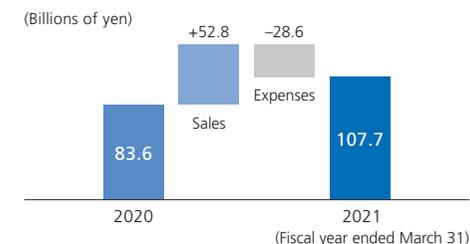
### Consumer segment income



### Enterprise segment revenue



### Enterprise segment income



\*1 For the fiscal year ended March 31, 2021, "Electricity" previously included in "Revenues from sales of goods and others" is presented as a separate item because its monetary significance has increased. Accordingly, the breakdown of revenue in the Consumer segment for the fiscal year ended March 31, 2020 has been restated.

## Review and Analysis of the Fiscal Year Ended March 31, 2021

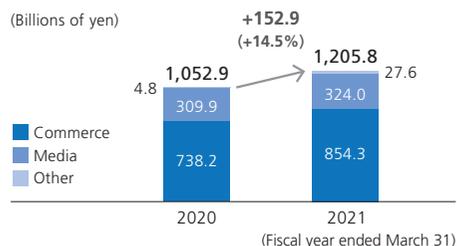
### ■ Yahoo segment

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

Revenue for the fiscal year ended March 31, 2021 increased by 14.5% year on year. In particular, commerce revenue grew 15.7% year on year. This is mainly due to sales of ZOZO, Inc. recorded for 12 months in the fiscal year ended March 31, 2021, compared with five months in the previous fiscal year following the consolidation of ZOZO, Inc. in November 2019, in addition to the strong sales revenue of ZOZO, Inc., an increase in shopping-related advertising revenue, and an increase in transaction value in other commerce services. Media revenue increased by 4.5% year on year, reflecting an increase in display advertising-related revenue, despite the continued decline in advertising placements owing to the impact of COVID-19. Other revenue increased by 474.8% year on year due to the consolidation of LINE.

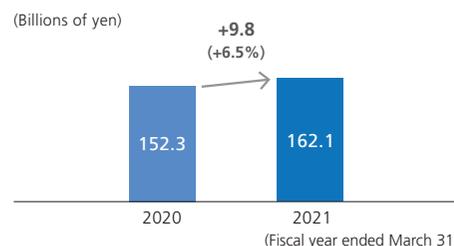
#### Yahoo segment revenue\*

(Billions of yen)



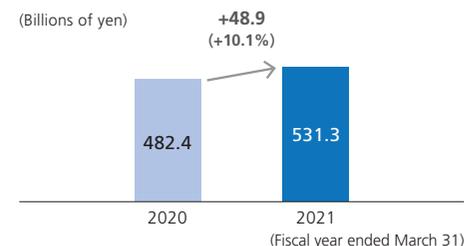
#### Yahoo segment income

(Billions of yen)



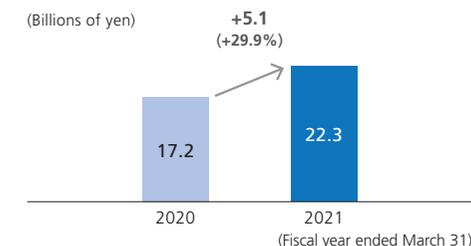
#### Distribution segment revenue

(Billions of yen)



#### Distribution segment income

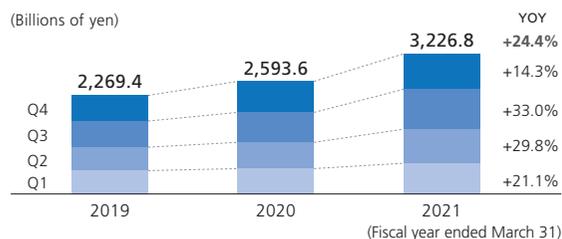
(Billions of yen)



\*Certain services and subsidiaries of Z Holdings Corporation were transferred from the commerce business to the media business in the fiscal year ended March 31, 2021. Accordingly, the breakdown of commerce and media revenues in the Yahoo segment for the fiscal year ended March 31, 2020 has been restated.

### Z Holdings e-commerce transaction value

(Billions of yen)



Total operating expenses increased by 15.9% year on year, mainly reflecting the increases in selling, general and administrative expenses accompanying the consolidation of ZOZO, Inc. and LINE. As a result, segment income increased by ¥9.8 billion (6.5%) year on year.

### ■ Distribution segment

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

Revenue in the fiscal year ended March 31, 2021 grew 10.1% year on year. This was mainly due to large-scale project orders from the municipalities and solid growth in the focused subscription services such as cloud and SaaS.

Total operating expenses increased by 9.4% year on year. This increase was mainly due to an increase in the cost of products owing to the increase in revenue. As a result, segment income increased by ¥5.1 billion (29.9%) year on year.

# Review and Analysis of the Fiscal Year Ended March 31, 2021

## Overview of Consolidated Financial Position

### ■ Assets

Total assets amounted to ¥12,226.7 billion as of March 31, 2021, an increase of ¥2,434.4 billion (24.9%) from the previous fiscal year-end. This mainly reflected an increase of ¥638.0 billion in goodwill, an increase of ¥441.1 billion in cash and cash equivalents, an increase of ¥401.0 billion in intangible assets, and an increase of ¥281.9 billion in trade and other receivables.

The increases in goodwill and intangible assets, including customer relationships and trade-marks, were mainly due to the consolidation of LINE. The increase in cash and cash equivalents was mainly due to the effect of consolidation of LINE, as well as securing liquidity on hand under the circumstances of the outbreak of COVID-19. The increase in trade and other receivables was mainly due to an increase in the balance of assets under management in the banking business and the consolidation of LINE.

### ■ Liabilities

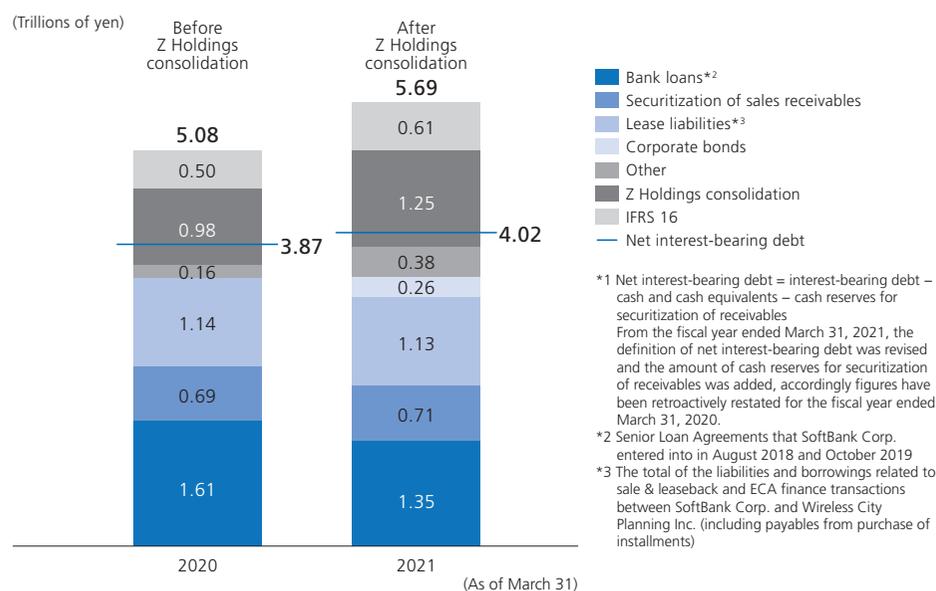
Total liabilities amounted to ¥9,476.0 billion as of March 31, 2021, an increase of ¥1,391.3 billion (17.2%) from the previous fiscal year-end. This was mainly due to an increase of ¥610.3 billion in

interest-bearing debt and an increase of ¥370.3 billion in trade and other payables. The increase in interest-bearing debt was mainly due to the consolidation of LINE, the issuance of unsecured bonds, and an increase in short-term borrowings. The increase in trade and other payables was mainly due to an increase in accrued liabilities related to the purchase of LINE's shares less than one unit as a result of the reverse share split and consolidation of LINE.

### ■ Equity

Total equity amounted to ¥2,750.7 billion as of March 31, 2021, an increase of ¥1,043.1 billion (61.1%) from the previous fiscal year-end. This was mainly due to an increase of ¥472.6 billion in capital surplus and ¥469.4 billion in non-controlling interests resulting from the consolidation of LINE and an increase of ¥547.7 billion due to the recording of net income for the fiscal year ended March 31, 2021, offset by a decrease of ¥436.9 billion due to cash dividends and a decrease of ¥100.0 billion due to the share buyback program.

### Interest-bearing debt/Net interest-bearing debt<sup>\*1</sup>



### Consolidated statement of financial position

(Billions of yen)

(As of March 31)	2020	2021	Variance	Reason for variance
Cash and cash equivalents	1,143.8	1,584.9	+441.1	Increase in funds procured from securitization of sales receivables and issuance of bonds; increase from consolidation of LINE
Trade and other receivables	1,800.3	2,082.2	+281.9	Increase in assets under management at The Japan Net Bank, Limited; Right-of-use assets from consolidation of LINE
PP&E/intangible assets/right-of-use assets	4,548.7	5,700.3	+1,151.6	Increase in property, plant and equipment due to increase in telecommunications equipment; increase in intangible assets due to the increase in goodwill, customer relationship and trademarks associated with the consolidation of LINE; decrease in right-of-use assets due to decrease from depreciation, lease-ups, etc.
Other assets	2,299.5	2,859.3	+559.8	
<b>Total assets</b>	<b>9,792.3</b>	<b>12,226.7</b>	<b>+2,434.4</b>	
Interest-bearing debt	5,082.3	5,692.6	+610.3	Issuance of unsecured bonds by SoftBank and Z Holdings; increase from consolidation of LINE
Other liabilities	3,002.4	3,783.4	+780.9	
<b>Total liabilities</b>	<b>8,084.7</b>	<b>9,476.0</b>	<b>+1,391.3</b>	
<b>Total equity</b>	<b>1,707.6</b>	<b>2,750.7</b>	<b>+1,043.1</b>	

# Review and Analysis of the Fiscal Year Ended March 31, 2021

## Overview of Consolidated Cash Flows

### ■ Cash flows from operating activities

In the fiscal year ended March 31, 2021, the net cash inflow from operating activities was ¥1,338.9 billion, an increase of ¥89.4 billion year on year. This mainly reflected an increase in net income and an increase in depreciation and amortization.

### ■ Cash flows from investing activities

In the fiscal year ended March 31, 2021, the net cash outflow from investing activities was ¥511.3 billion, a decrease of ¥388.9 billion year on year. While the net cash outflow for the consolidation of ZOZO, Inc. in the previous fiscal year was ¥377.9 billion, the net cash outflow associated with the joint tender offer for the shares of LINE in the fiscal year ended March 31, 2021, was ¥175.3 billion. In addition, in the fiscal year ended March 31, 2021, there was a cash inflow of ¥312.8 billion from the acceptance of the balance of cash and cash equivalents resulting from the consolidation of LINE through a share exchange. Of the cash flows from investing activities, payments for acquisition of investments and proceeds from sales/redemption of investments both include ¥739.6 billion associated with the underwriting and redemption of bonds issued in the process of the business integration of Z Holdings and LINE.

### ■ Cash flows from financing activities

In the fiscal year ended March 31, 2021, the net cash outflow from financing activities was ¥388.5 billion. The cash inflow was mainly due to short-term fund procurement to secure liquidity on hand and the issuance of unsecured bonds by the Company amounting to ¥220.0 billion and by Z Holdings amounting to ¥200.0 billion for the purpose of loan repayments. The cash outflow was mainly due to scheduled payment of a long-term loan, repayment of the ¥400.0 billion bridge loan raised in the previous fiscal year for the ZOZO, Inc. tender offer, and payment of ¥405.5 billion for cash dividends, and ¥100.0 billion for the share buyback programs. The net cash outflow from financing activities for the fiscal year ended March 31, 2021 increased by ¥244.8 billion year on year. This was mainly due to the fact that, while in the previous fiscal year, the above-mentioned cash outflow associated with the consolidation of ZOZO, Inc. was covered by the proceeds from interest-bearing debt, the proceeds decreased by that amount for the fiscal year ended March 31, 2021 compared to the previous fiscal year.

### ■ Adjusted free cash flow

In the fiscal year ended March 31, 2021, adjusted free cash flow was positive ¥830.8 billion, an increase of ¥451.4 billion year on year. This mainly reflects the aforementioned decrease in net cash outflow from investing activities.

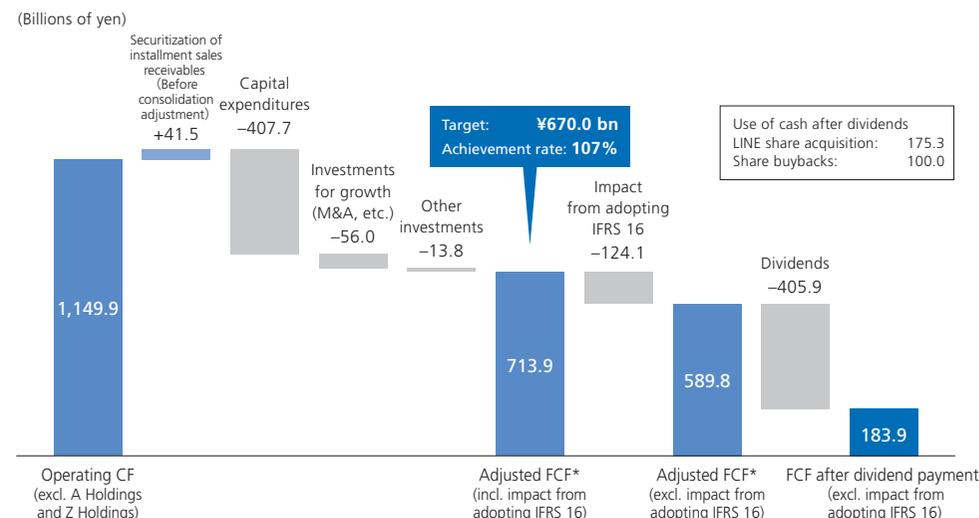
### ■ Capital expenditures

In the fiscal year ended March 31, 2021, capital expenditures (acceptance basis, including the Z Holdings Group) were ¥680.3 billion, an increase of ¥114.8 billion year on year. This increase was mainly due to an increase in right-of-use assets associated with the new lease contract for the new Takeshiba Headquarters and an increase in capital investments in 5G equipment and data centers.

### ■ Research and development expenses

The Group aims to provide various services on top of telecommunications as a foundation and is therefore undertaking research and development of such cutting-edge technologies as AI, IoT, robotics, 6G, and HAPS. In the fiscal year ended March 31, 2021, research and development expenses rose 12.2% year on year to ¥16.5 billion. The Group's goal is to provide customers with a stable supply of advanced products, and to develop a medium- to long-term roadmap for information and communication technology within the Group. In line with this goal, the Group is actively pursuing research and development and commercialization opportunities.

### Adjusted free cash flow (excl. A Holdings and Z Holdings)



\*Adjusted FCF = free cash flow ± total cash flows relating to non-recurring transactions with SoftBank Group Corp. + (proceeds from the securitization of installment sales receivables – repayments thereof). Excludes FCF of Z Holdings Corporation, dividend payments to the Company from Z Holdings Corporation (¥5.4 bn in FYE March 31, 2020; ¥18.8 bn in FYE March 31, 2021), FCF of A Holdings, net payment for obtaining control of subsidiaries in relation to the business integration of LINE Corporation, and the payments for the acquisition of the shares of LINE Corporation (¥175.3 bn).

# Consolidated Financial Statements

## Consolidated Statement of Financial Position

SoftBank Corp. and its consolidated subsidiaries  
As of March 31, 2020 and 2021

	(Millions of yen)	
ASSETS	2020	2021
<b>Current assets</b>		
Cash and cash equivalents	¥1,143,808	¥1,584,892
Trade and other receivables	1,800,301	2,082,223
Other financial assets	94,906	144,935
Inventories	96,896	119,411
Other current assets	228,392	102,384
<b>Total current assets</b>	<b>3,364,303</b>	<b>4,033,845</b>
<b>Non-current assets</b>		
Property, plant and equipment	986,095	1,251,663
Right-of-use assets	1,234,457	1,081,559
Goodwill	618,636	1,256,593
Intangible assets	1,709,511	2,110,493
Contract costs	212,638	248,194
Investments accounted for using the equity method	80,149	239,974
Investment securities	175,152	321,300
Investment securities in banking business	342,975	392,260
Other financial assets	905,562	1,129,858
Deferred tax assets	55,904	55,224
Other non-current assets	106,876	105,697
<b>Total non-current assets</b>	<b>6,427,955</b>	<b>8,192,815</b>
<b>Total assets</b>	<b>¥9,792,258</b>	<b>¥12,226,660</b>

	(Millions of yen)	
LIABILITIES AND EQUITY	2020	2021
<b>Current liabilities</b>		
Interest-bearing debt	¥1,811,281	¥2,000,479
Trade and other payables	1,253,766	1,624,048
Contract liabilities	127,652	107,633
Deposits for banking business	880,847	1,165,577
Other financial liabilities	3,779	4,924
Income taxes payable	153,371	195,874
Provisions	6,794	17,710
Other current liabilities	259,119	177,391
<b>Total current liabilities</b>	<b>4,496,609</b>	<b>5,293,636</b>
<b>Non-current liabilities</b>		
Interest-bearing debt	3,270,971	3,692,113
Other financial liabilities	36,765	33,966
Provisions	83,871	106,093
Deferred tax liabilities	168,248	303,278
Other non-current liabilities	28,230	46,874
<b>Total non-current liabilities</b>	<b>3,588,085</b>	<b>4,182,324</b>
<b>Total liabilities</b>	<b>8,084,694</b>	<b>9,475,960</b>
<b>Equity</b>		
Equity attributable to owners of the Company		
Common stock	204,309	204,309
Capital surplus	-133,915	340,262
Retained earnings	1,003,554	1,066,228
Treasury stock	-68,709	-134,218
Accumulated other comprehensive income (loss)	-4,693	35,631
<b>Total equity attributable to owners of the Company</b>	<b>1,000,546</b>	<b>1,512,212</b>
Non-controlling interests	707,018	1,238,488
<b>Total equity</b>	<b>1,707,564</b>	<b>2,750,700</b>
<b>Total liabilities and equity</b>	<b>¥9,792,258</b>	<b>¥12,226,660</b>

## Consolidated Financial Statements

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

SoftBank Corp. and its consolidated subsidiaries  
Fiscal years ended March 31, 2020 and 2021

	(Millions of yen)	
	2020*2	2021
Revenue	¥ 4,861,247	¥ 5,205,537
Cost of sales	-2,536,837	-2,701,790
Gross profit	2,324,410	2,503,747
Selling, general and administrative expenses	-1,418,815	-1,522,975
Other operating income	12,937	—
Other operating expenses	-6,807	-10,002
Operating income	911,725	970,770
Share of losses of associates accounted for using the equity method	-46,060	-45,490
Financing income	2,745	5,806
Financing costs	-60,921	-73,369
Gain on sales of equity method investments	10,591	3,902
Impairment loss on equity method investments	-6,885	-13,920
Profit before income taxes	811,195	847,699
Income taxes	-304,527	-299,979
Net income*1	506,668	547,720
Net income attributable to		
Owners of the Company	473,135	491,287
Non-controlling interests	33,533	56,433
	¥ 506,668	¥ 547,720
	(Yen)	
Earnings per share attributable to owners of the Company		
Basic earnings per share	99.27	103.85
Diluted earnings per share	97.94	102.66

	(Millions of yen)	
	2020*2	2021
Net income	¥ 506,668	¥ 547,720
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	41	-713
Changes in the fair value of equity instruments at FVTOCI	-9,309	56,034
Share of other comprehensive income (loss) of associates accounted for using the equity method	—	-22
Total items that will not be reclassified to profit or loss	-9,268	55,299
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	-1,415	700
Cash flow hedges	1,026	53
Exchange differences on translation of foreign operations	-536	2,937
Share of other comprehensive income (loss) of associates accounted for using the equity method	573	776
Total items that may be reclassified subsequently to profit or loss	-352	4,466
Total other comprehensive income (loss), net of tax	-9,620	59,765
Total comprehensive income	497,048	607,485
Total comprehensive income attributable to		
Owners of the Company	468,217	529,890
Non-controlling interests	28,831	77,595
	¥ 497,048	¥ 607,485

\*1 All net income of SoftBank Corp. and its subsidiaries for the fiscal years ended March 31, 2020 and 2021 were generated from continuing operations.

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

# Consolidated Financial Statements

## Consolidated Statement of Changes in Equity

SoftBank Corp. and its consolidated subsidiaries  
Fiscal years ended March 31, 2020 and 2021

(Millions of yen)

	Equity attributable to owners of the Company					Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)			
As of April 1, 2019	204,309	111,826	1,178,282	—	3,740	1,498,157	524,410	2,022,567
Cumulative effect of adopting a new accounting standard*1	—	—	-618	—	—	-618	-4,362	-4,980
As of April 1, 2019, restated	204,309	111,826	1,177,664	—	3,740	1,497,539	520,048	2,017,587
Comprehensive income								
Net income	—	—	473,135	—	—	473,135	33,533	506,668
Other comprehensive income (loss)	—	—	—	—	-4,918	-4,918	-4,702	-9,620
Total comprehensive income	—	—	473,135	—	-4,918	468,217	28,831	497,048
Transactions with owners and other transactions								
Cash dividends*4	—	—	-398,354	—	—	-398,354	-32,940	-431,294
Purchase of treasury stock	—	—	—	-68,709	—	-68,709	—	-68,709
Disposal of treasury stock	—	—	—	—	—	—	—	—
Changes from transactions under common control*2,3	—	-246,996	-249,991	—	-2,415	-499,402	-1,601	-501,003
Changes from business combinations	—	—	—	—	—	—	185,827	185,827
Changes in interests in existing subsidiaries	—	-3,676	—	—	—	-3,676	6,853	3,177
Share-based payment transactions	—	4,931	—	—	—	4,931	—	4,931
Transfer from retained earnings to capital surplus	—	—	—	—	—	—	—	—
Transfer from accumulated other comprehensive income to retained earnings	—	—	1,100	—	-1,100	—	—	—
Other	—	—	—	—	—	—	—	—
Total transactions with owners and other transactions	—	-245,741	-647,245	-68,709	-3,515	-965,210	158,139	-807,071
As of March 31, 2020	204,309	-133,915	1,003,554	-68,709	-4,693	1,000,546	707,018	1,707,564
As of April 1, 2020	204,309	-133,915	1,003,554	-68,709	-4,693	1,000,546	707,018	1,707,564
Comprehensive income								
Net income	—	—	491,287	—	—	491,287	56,433	547,720
Other comprehensive income (loss)	—	—	—	—	38,603	38,603	21,162	59,765
Total comprehensive income	—	—	491,287	—	38,603	529,890	77,595	607,485
Transactions with owners and other transactions								
Cash dividends	—	—	-406,119	—	—	-406,119	-30,796	-436,915
Purchase of treasury stock	—	—	—	-100,000	—	-100,000	—	-100,000
Disposal of treasury stock	—	-17,439	—	34,491	—	17,052	—	17,052
Changes from transactions under common control	—	—	—	—	—	—	—	—
Changes from business combinations	—	—	—	—	—	—	264,636	264,636
Changes in interests in existing subsidiaries*5	—	473,904	—	—	—	473,904	219,116	693,020
Share-based payment transactions	—	761	—	—	—	761	—	761
Transfer from retained earnings to capital surplus	—	17,370	-17,370	—	—	—	—	—
Transfer from accumulated other comprehensive income to retained earnings	—	—	-1,721	—	1,721	—	—	—
Other	—	-419	-3,403	—	—	-3,822	919	-2,903
Total transactions with owners and other transactions	—	474,177	-428,613	-65,509	1,721	-18,224	453,875	435,651
As of March 31, 2021	204,309	340,262	1,066,228	-134,218	35,631	1,512,212	1,238,488	2,750,700

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

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

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

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

\*5 Shiodome Z Holdings G.K., a wholly owned by the Company, was merged into LINE Corporation, the surviving company, effective February 26, 2021. Effective March 1, 2021, a share exchange of common stock of LINE Split Preparation Corporation was conducted between Z Holdings Corporation and A Holdings Corporation. With these transactions, "Capital surplus" increased by ¥472,570 million.

# Consolidated Financial Statements

## Consolidated Statement of Cash Flows

SoftBank Corp. and its consolidated subsidiaries  
Fiscal years ended March 31, 2020 and 2021

	(Millions of yen)	
	2020*1	2021
<b>Cash flows from operating activities</b>		
Net income	¥ 506,668	¥ 547,720
Depreciation and amortization	675,241	696,342
Loss on disposal of property, plant and equipment and intangible assets	25,693	33,356
Gain relating to loss of control over subsidiaries	-12,937	—
Financing income	-2,745	-5,806
Financing costs	60,921	73,369
Share of losses of associates accounted for using the equity method	46,060	45,490
Gain on sales of equity method investments	-10,591	-3,902
Impairment loss on equity method investments	6,885	13,920
Income taxes	304,527	299,979
(Increase) decrease in trade and other receivables	-150,408	-204,101
(Increase) decrease in inventories	40,801	-19,272
Purchases of mobile devices leased to enterprise customers	-35,402	-34,662
Increase (decrease) in trade and other payables	28,742	137,586
Increase (decrease) in consumption taxes payable	8,827	-1,852
Increase (decrease) in deposits in banking business	135,151	284,730
(Increase) decrease in loans in banking business	-16,193	-142,751
Other	-51,008	-54,060
Subtotal	1,560,232	1,666,086
Interest and dividends received	2,340	5,638
Interest paid	-60,464	-59,215
Income taxes paid	-258,430	-390,726
Income taxes refunded	5,857	117,166
Net cash inflow from operating activities	¥ 1,249,535	¥ 1,338,949

	(Millions of yen)	
	2020*1	2021
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment and intangible assets	¥-431,783	¥-479,522
Proceeds from sales of property, plant and equipment and intangible assets	2,947	9,074
Payments for acquisition of investments	-115,061	-1,114,385
Proceeds from sales/redemption of investments	42,412	850,965
Purchase of investment securities in banking business	-275,681	-309,685
Proceeds from sales/redemption of investment securities in banking business	272,312	244,159
Proceeds (payments) from (for) obtaining control of subsidiaries	-378,212	303,153
Other	-17,079	-15,054
Net cash outflow from investing activities	-900,145	-511,295
<b>Cash flows from financing activities</b>		
Increase in short-term interest-bearing debt, net	88,800	314,991
Proceeds from interest-bearing debt	2,531,035	2,429,231
Repayment of interest-bearing debt	-1,692,530	-2,600,491
Proceeds from stock issuance to non-controlling interests	4,630	7,176
Purchase of treasury stock	-68,709	-100,000
Cash dividends paid	-397,496	-405,497
Cash dividends paid to non-controlling interests	-29,335	-30,786
Purchase of treasury stock by subsidiaries	-526,826	—
Decrease from loss of control over subsidiaries	-30,717	—
Other	-22,465	-3,086
Net cash inflow (outflow) from financing activities	-143,613	-388,462
Effect of exchange rate changes on cash and cash equivalents	-357	1,892
Increase (decrease) in cash and cash equivalents	205,420	441,084
Cash and cash equivalents at the beginning of the period	938,388	1,143,808
Cash and cash equivalents at the end of the period	¥ 1,143,808	¥ 1,584,892

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

## Materiality (Priority Issues)

Materiality	<b>Building society and industry through DX</b>			
Social Issues	<ul style="list-style-type: none"> <li>Resolve labor shortages caused by a declining population</li> <li>Advance the foundation of industry and renew aging infrastructure</li> <li>Close the gap in economic disparity between regions</li> <li>Ensure the continuity of social activities during the outbreak of COVID-19</li> </ul>			
Key Risks and Opportunities	<div style="border: 1px solid black; padding: 2px; width: fit-content;">Risks</div> <ul style="list-style-type: none"> <li>Declines in profitability due to intensified competition caused by a series of new entries into the enterprise solutions market</li> </ul>		<div style="border: 1px solid black; padding: 2px; width: fit-content;">Opportunities</div> <ul style="list-style-type: none"> <li>Expansion of solutions business for implementing digital technologies to society</li> <li>Growing opportunities to provide solutions for regional revitalization</li> </ul>	
SoftBank Initiatives	SDGs Value Creation	Main Business and Initiatives	Representative KPIs	Results of fiscal year ended March 31, 2021
	<p><b>Expand and enhance the efficiency of the industrial base through cutting-edge technologies</b></p> <p>Contribute to the development and efficiency of the business by utilizing cutting-edge technologies such as 5G and AI.</p>	<ul style="list-style-type: none"> <li>Leverage 5G, big data, AI, and other technologies</li> <li>Streamline industry through AI, RPA (Robotic Process Automation), IoT, and other technologies</li> </ul>	<p>1) Expanding DX solutions for social and industrial growth/Revenue from business solution and others: <b>10% CAGR</b> (CAGR: Compound annual growth rate)</p>	<p>1) <b>CAGR: 17% decrease</b></p>
	<p><b>Create new industries through DX</b></p> <p>Contribute to economic growth by creating new businesses and industries through collaboration with companies in various industries.</p>	<ul style="list-style-type: none"> <li>Create new businesses in various industries using DX solutions through co-creation with our customers</li> </ul>	<p>1) Projects undertaken through co-creation with customers: <b>17 projects in progress</b></p>	<p>1) <b>Launched 17 projects</b></p>
	<p><b>Revitalize local communities (regional revitalization)</b></p> <p>Work to revitalize communities facing social issues and contribute to the creation of vital communities that residents want to keep living in.</p>	<ul style="list-style-type: none"> <li>Solve social issues by providing DX solutions to local communities and governments</li> <li>Engage in co-creation to bring about smart cities</li> <li>Implement initiatives using technologies to promote collaboration with local governments and stimulate local communities</li> </ul>	<p>1) Expanding partnership agreements and personnel exchanges with local governments: <b>Cumulative total of 70 local governments</b> (fiscal year ending March 31, 2024)</p>	<p>1) <b>Cumulative total of 58 local governments</b> (as of March 31, 2021)</p>

## Materiality (Priority Issues)

<b>Materiality</b>	<b>Connecting people and information to create new excitement</b>			
<b>Social Issues</b>	<ul style="list-style-type: none"> <li>Realization of enriched daily life by spreading and using smart devices</li> <li>Bridge the digital divide, matching information demand and supply</li> </ul>			
<b>Key Risks and Opportunities</b>	<div style="border: 1px solid #ccc; padding: 2px; width: fit-content; margin-bottom: 5px;">Risks</div> <ul style="list-style-type: none"> <li>Declines in profitability due to new entrants in existing telecommunications services and intensifying competition</li> <li>Declines in profitability due to intensifying competition or discontinuation of market growth in the e-commerce and finance/payment businesses</li> </ul>		<div style="border: 1px solid #ccc; padding: 2px; width: fit-content; margin-bottom: 5px;">Opportunities</div> <ul style="list-style-type: none"> <li>Growth in smartphone subscribers and increase of large volume data users</li> <li>Expansion of business to non-telecommunication areas through provision of super apps</li> <li>Increased profit opportunities via deeper data-driven marketing</li> </ul>	
<b>SoftBank Initiatives</b>	<b>SDGs Value Creation</b>	<b>Main Business and Initiatives</b>	<b>Representative KPIs</b>	<b>Results of fiscal year ended March 31, 2021</b>
	<p><b>Realize attractive customer value through the spread of smart devices</b></p> <p>Provide unprecedented new experiences and excitement through a wide range of technologically innovative services.</p>	<ul style="list-style-type: none"> <li>Provide a wide range of customer value, price plans and services through spread of smart devices and multiple brands</li> <li>Provide new experiences using 5G such as VR and sports viewing</li> <li>Hold smartphone classes in our stores nationwide</li> </ul>	<ol style="list-style-type: none"> <li>Smartphone cumulative subscribers: <b>¥30 million</b> (fiscal year ending March 31, 2024)</li> <li>Survey for NPS improvement: <b>Monitor results</b> (NPS: Net Promoter Score)</li> </ol>	<ol style="list-style-type: none"> <li><b>25.93 million</b> (As of March 31, 2021)</li> <li>Customer satisfaction survey responses: <b>4.43 million</b></li> </ol>
	<p><b>Provide an environment in which everyone can access information</b></p> <p>Contribute to the realization of a society in which everyone can obtain the latest information fairly without any inconvenience.</p>	<ul style="list-style-type: none"> <li>Enhance accessibility to news and various information provided on the Internet</li> <li>Promote the expansion of Internet communications throughout the world</li> </ul>	<ol style="list-style-type: none"> <li>Yahoo! News DAU: <b>45 million</b> (DAU: Daily Active Users)</li> <li>Expanding the HAPS Alliance to broaden Internet communications across the world: <b>Promoting initiatives</b></li> <li>Holding classes to teach how to utilize smartphone: <b>430,000 classes</b> <span style="background-color: #0070c0; color: white; padding: 0 2px;">New</span></li> </ol>	<ol style="list-style-type: none"> <li><b>41.81 million</b></li> <li><b>Establishment of the HAPS Alliance</b></li> </ol>
	<p><b>Leverage ICT to create new lifestyles and enhance the foundations for daily life</b></p> <p>Contribute to the enhancement of lifestyles by expanding online shopping and improving the convenience of services closely related to daily life such as education, medical care, and finance through ICT.</p>	<ul style="list-style-type: none"> <li>Implement initiatives aimed at expanding and enhancing online shopping from smartphones, providing new payment methods, and improving logistics efficiency</li> <li>Contribute to education, healthcare and financial fields using ICT</li> </ul>	<ol style="list-style-type: none"> <li>PayPay cumulative registered users: <b>50 million</b> <span style="background-color: #e67e22; color: white; padding: 0 2px;">Updated</span></li> <li>E-commerce transaction value (Merchandise): <b>¥4 trillion</b></li> </ol>	<ol style="list-style-type: none"> <li><b>38.03 million</b> (As of March 31, 2021)</li> <li><b>¥2.6 trillion</b> (full-year results for fiscal year ended March 31, 2021)</li> </ol>

KPI New Items with newly established targets for the fiscal year ending March 31, 2022 Updated Items with fiscal year ending March 31, 2022 targets updated from the fiscal year ended March 31, 2021

Reference Targets for fiscal year ended March 31, 2021 \*PayPay cumulative registered users: 40 million

## Materiality (Priority Issues)

<b>Materiality</b>	<b>Creating new business through open innovation</b>			
<b>Social Issues</b>	<ul style="list-style-type: none"> <li>• Advance innovation (promoting the widespread adoption of cashless settlement, securing means of transportation amid the difficulties posed by an aging population with a declining birthrate and enabling access to communications in developing countries)</li> </ul>			
<b>Key Risks and Opportunities</b>	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Risks</div> <ul style="list-style-type: none"> <li>• Delay of business development and/or loss of business opportunities due to shortages of required human resources and knowledge</li> <li>• Inability to recoup invested funds or incur impairment losses due to failure in achieving expected results</li> </ul>		<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Opportunities</div> <ul style="list-style-type: none"> <li>• Acquisition of human resources and knowledge and speedy business development through collaboration with partners</li> <li>• Advancement and deepening of innovation through co-creation and expansion of the scale of markets and operations the Group participates</li> </ul>	
<b>SoftBank Initiatives</b>	<b>SDGs Value Creation</b>	<b>Main Business and Initiatives</b>	<b>Representative KPIs</b>	<b>Results of fiscal year ended March 31, 2021</b>
	<p><b>Develop new business models with cutting-edge technologies</b></p> <p>Together with our partners, create new businesses for the future by utilizing the most advanced technology.</p>	<ul style="list-style-type: none"> <li>• Realize a safe and comfortable mobility society</li> <li>• Build a high-altitude communications network in the stratosphere</li> <li>• Provide opportunities for mobility through the practical utilization of autonomous vehicles</li> </ul>	<p>1) Advancement of efforts toward practical utilization of HAPS (fiscal year ending March 31, 2024) <span style="background-color: #FF9933; padding: 2px;">Updated</span></p>	<p>1) <b>Success in stratospheric flight tests and communications*</b></p>
	<p><b>Incubate and spiral-up cutting-edge businesses overseas</b></p> <p>Aim to develop cutting-edge business in Japan through joint ventures and partnerships with companies that develop cutting-edge business overseas.</p>	<ul style="list-style-type: none"> <li>• Provide innovative community-style workspaces</li> <li>• Leverage AI and data analytics technologies to provide taxi dispatch platforms</li> <li>• Promote a cashless economy through the spread of bar-code and QR code payment settlements</li> </ul>	<p>2) Promotion of business operations in Japan</p>	<p>1) Value UP support: <b>Approx. 10 companies</b> Examination of new businesses/ investment prospects: <b>10 companies or more</b></p>
	<p><b>Build systems to recruit and develop human resources to lead growth and create new businesses</b></p> <p>Hire personnel who have advanced professional skills and build an organization that become key drivers of new business creation in response to next-generation needs.</p>	<ul style="list-style-type: none"> <li>• Job posting system that aims to shift human resources to new businesses and growth businesses</li> <li>• Allocate personnel to new businesses through improvements in operational efficiency</li> <li>• Human resources recruitment and development systems (SoftBank Academia, SoftBank InnoVenture, SoftBank University) necessary to create and promote new businesses</li> </ul>	<p>3) SoftBank InnoVenture commercialization</p>	<p>1) SDGs-themed businesses under consideration for launch: <b>7</b> (number of candidates: 160)</p>

Reference Targets for fiscal year ended March 31, 2021 \*Provide HAPS service (planned for fiscal year ending March 31, 2024)

## Materiality (Priority Issues)

Materiality	<b>Contributing to the global environment with the power of technology</b>			
Social Issues	<ul style="list-style-type: none"> <li>• Prevention of natural disasters caused by global warming and climate change</li> <li>• Transition to a circular economy that recycles and reuses limited resources</li> </ul>			
Key Risks and Opportunities	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Risks</div> <ul style="list-style-type: none"> <li>• Infrastructure disruption and communication blackout due to disasters caused by climate change</li> <li>• Difficulty in securing non-fossil fuel electricity and increase in cost for long-term electricity procurement</li> <li>• Impact on financing due to lack of global environmental efforts</li> </ul>		<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Opportunities</div> <ul style="list-style-type: none"> <li>• Expanding the market for highly-energy-efficient solutions that utilize IoT, etc.</li> <li>• Expansion of businesses related to the sharing economy</li> <li>• Expansion of businesses related to renewable energy</li> </ul>	
SoftBank Initiatives	SDGs Value Creation	Main Business and Initiatives	Representative KPIs	Results of fiscal year ended March 31, 2021
	<p><b>Contribute to the mitigation of climate change through technology and business</b></p> <p>Use renewable energy to reduce CO<sub>2</sub> emissions and promote energy conservation through ICT as measures to combat climate change.</p>	<ul style="list-style-type: none"> <li>• Improve power use efficiency</li> <li>• Substitute energy-saving equipment</li> <li>• Utilize IoT and other technologies to improve power use efficiency and promote environmental awareness</li> <li>• Convert electricity consumed by facilities and equipment such as mobile phone base stations to electricity generated using renewable energy (we will primarily achieve this goal by using renewable energy sources that have been certified as non-dependent on fossil fuels)</li> <li>• Implement initiatives aimed at achieving carbon neutral</li> </ul>	<ol style="list-style-type: none"> <li>1) Ratio of renewable energy for base station: <b>50% or greater</b> in fiscal year ending March 31, 2022 and <b>70% or greater</b> in fiscal year ending March 31, 2023</li> <li>2) Contribution to overall CO<sub>2</sub> reduction of society: <b>Promoting initiatives</b> <span style="color: orange;">Updated</span></li> <li>3) To achieve carbon neutral (fiscal year ending March 31, 2031) <span style="background-color: #0070C0; color: white; padding: 2px;">New</span></li> </ol>	<ol style="list-style-type: none"> <li>1) Achievement of <b>30%</b> renewable-energy rate in base stations</li> <li>2) <b>9%</b> reduction of CO<sub>2</sub> emissions from headquarters*<sup>1</sup> (compared with fiscal year ended March 31, 2020)</li> </ol>
	<p><b>Promote a recycling-based society (circular economy)</b></p> <p>Limit the amount of resources used and promote recycling and reuse.</p>	<ul style="list-style-type: none"> <li>• Mobile phone recycling, adopt carry bags made from materials other than paper or plastic, and promote the reduction of reliance on paper-based procedures through the application of smart devices</li> <li>• Proper use of water resources and waste reduction</li> </ul>	<ol style="list-style-type: none"> <li>1) Number of mobile phones collected for reuse or recycling: <b>10 million</b> (total from fiscal year ended March 31, 2021 to fiscal year ending March 31, 2026)</li> <li>2) Percentage of decommissioned base stations going to landfill: <b>1% or less (annually)</b></li> </ol>	<ol style="list-style-type: none"> <li>1) <b>2.54 million phones</b> (fiscal year ended March 31, 2021)</li> <li>2) <b>0.51%</b></li> </ol>
	<p><b>Realize a prosperous society through the spread of renewable energy</b></p> <p>Work to spread and expand the use of renewable energy projects and services to create an environmentally friendly society.</p>	<ul style="list-style-type: none"> <li>• Propagate renewable energy (including power provided under a feed-in tariff [FIT] policy mechanism) through the supply of electricity from renewable sources</li> </ul>	<ol style="list-style-type: none"> <li>1) Promoting renewable energy power provision: <b>Expanding provision of renewable energy power plans</b> <span style="color: orange;">Updated</span></li> </ol>	<ol style="list-style-type: none"> <li>1) <b>Launch of sales of plan for 100% renewable energy and effective zero CO<sub>2</sub> emissions (October 2020) Launch of sales of renewable-energy plans for corporate customers</b>*<sup>2</sup></li> </ol>

Reference Targets for fiscal year ended March 31, 2021 \*1 Promote new businesses that contribute to CO<sub>2</sub> reduction: Promote initiatives \*2 Provide menu option for purchasing renewable energy: Provide Shizen Denki

# Materiality (Priority Issues)

Materiality	<b>Building high-quality social communication networks</b>			
Social Issues	<ul style="list-style-type: none"> <li>• Maintenance and management of high quality networks</li> <li>• Prevention and rapid restoration of infrastructure disruption by natural disasters</li> <li>• Response to sophisticated cyberattacks</li> </ul>			
Key Risks and Opportunities	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Risks</div> <ul style="list-style-type: none"> <li>• Loss of new business opportunities while utilizing 5G</li> <li>• Deterioration of reputation and/or loss of subscriber due to communication failures and/or delays in disaster recovery</li> <li>• Deterioration of reputation due to the improper use of personal information and/or leakage of personal information</li> </ul>		<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Opportunities</div> <ul style="list-style-type: none"> <li>• Capacity increase and multi-connectivity of communications and revenue increase by nationwide deployment of 5G coverage</li> <li>• Development of new industries and services that use 5G</li> </ul>	
SoftBank Initiatives	SDGs Value Creation	Main Business and Initiatives	Representative KPIs	Results of fiscal year ended March 31, 2021
	<p><b>Prepare sustainable life infrastructure</b> Provide communications services with stable connectivity by maintaining a highly reliable network.</p>	<ul style="list-style-type: none"> <li>• Construct 5G mobile communications systems to enable “high-speed, large-capacity,” “ultra-high-reliability, low-latency” and “massive device connectivity”</li> <li>• Provide communications services with stable connections</li> </ul>	<ol style="list-style-type: none"> <li>1) 5G deployment plan Number of base stations: <b>Over 50,000 (end of 2022)</b> <b>Population coverage: Over 90% (end of 2022)</b> <span style="background-color: #FFD700; padding: 0 2px;">Updated</span></li> <li>2) Number of major network accidents: <b>Zero</b></li> <li>3) Submarine cable: <b>Start operation</b> (fiscal year ending March 31, 2023)</li> </ol>	<ol style="list-style-type: none"> <li>1) <b>Achievement of over 10,000 base stations</b>*1 (May 21, 2021)</li> <li>2) Major network accidents: <b>Zero</b></li> <li>3) Coastal waters of Japan: <b>Completion of oceanographic surveys and design of laying routes Southeast</b> Asia: <b>Completion of oceanographic surveys</b></li> </ol>
	<p><b>Construct robust communications infrastructure to contribute to disaster prevention and mitigation</b> Take daily actions to maintain our communications infrastructure in the event of a disaster and recover rapidly when one occurs.</p>	<ul style="list-style-type: none"> <li>• Provide redundancy in backbone networks</li> <li>• Secure communications in the event of a disaster mainly through tethered balloon radio relay systems, mobile base stations, and portable satellite antennas</li> </ul>	<ol style="list-style-type: none"> <li>1) Establishment of three main routes (for Okinawa/Tohoku): <b>Completion (fiscal year ending March 31, 2022)</b></li> <li>2) Equipment and materials for disaster response and recovery: <b>Support and enhancement Mobile base stations vehicles/portable mobile base stations: maintain 200 or more</b> <b>Mobile power-supply vehicles: maintain 80 or more</b> <b>Portable satellite antennas: maintain 200 or more</b> <span style="background-color: #FFD700; padding: 0 2px;">Updated</span></li> </ol>	<ol style="list-style-type: none"> <li>1) <b>Completion of machine-room construction</b> (March 2021)</li> <li>2) <b>Reinforcement of 100 portable satellite antennas</b>*2</li> </ol>
	<p><b>Promote data security and privacy protection initiatives</b> As a safe and secure telecommunications carrier, we monitor and operate networks using the latest technologies and conduct thorough security education for employees.</p>	<ul style="list-style-type: none"> <li>• Implement network monitoring and operation utilizing AI</li> <li>• Develop and operate high-level security environments</li> <li>• Educate employees thoroughly on security</li> </ul>	<ol style="list-style-type: none"> <li>1) Number of major accidents involving information security: <b>Zero (annually)</b></li> <li>2) Number of major accidents involving privacy issues: <b>Zero (annually)</b></li> <li>3) Implementing initiatives that help customers understand how to handle their personal information</li> </ol>	<ol style="list-style-type: none"> <li>1) Number of major accidents involving information security: <b>Zero</b></li> <li>2) Number of major accidents: <b>Zero</b></li> <li>3) <b>Start of development of the Privacy Center</b></li> </ol>

Reference Targets for fiscal year ended March 31, 2021 \*1 Over 50,000 base stations; Population coverage rate of over 90% (fiscal year ending March 31, 2022) \*2 Disaster emergency response/recovery equipment and materials: Maintain/strengthen (every year)

# Materiality (Priority Issues)

<b>Materiality</b>	<b>Developing a resilient management foundation</b>			
<b>Social Issues</b>	<ul style="list-style-type: none"> <li>• Corporate governance enhancements</li> <li>• Consideration for social and environmental aspects throughout supply chains</li> <li>• Workstyle reforms, promotion of diversity and inclusion</li> </ul>			
<b>Key Risks and Opportunities</b>	<div style="border: 1px solid black; padding: 2px; width: fit-content;">Risks</div> <ul style="list-style-type: none"> <li>• Loss of trust due to violation of laws or regulations</li> <li>• Loss of trust as a corporation due to absence of corporate governance</li> <li>• Deterioration of reputation due to human rights violations or inadequate response on environmental issues</li> </ul>	<div style="border: 1px solid black; padding: 2px; width: fit-content;">Opportunities</div> <ul style="list-style-type: none"> <li>• Investors' acceptance of corporate governance and supply-chain management</li> <li>• Improvement of motivation and emergence of innovation through workstyle reforms and promotion of diversity</li> <li>• Improvement of productivity through advanced workstyles and commercialization of expertise</li> </ul>		
<b>SoftBank Initiatives</b>	<b>SDGs Value Creation</b>	<b>Main Business and Initiatives</b>	<b>Representative KPIs</b>	<b>Results of fiscal year ended March 31, 2021</b>
	<p><b>Enhance corporate governance and ensure its effectiveness</b></p> <p>Build a sophisticated governance system, increase management transparency, and ensure to conduct corporate governance with integrity and fairness.</p>	<ul style="list-style-type: none"> <li>• Enhance corporate governance systems and thoroughly prevent compliance violations</li> <li>• Implement sophisticated internal controls, eliminate antisocial forces, and prevent corruption</li> </ul>	<ol style="list-style-type: none"> <li>1) Number of compliance violations: <b>Performance monitoring (annually)</b></li> <li>2) Exam-taking rate in compliance training: <b>Performance monitoring (annually)</b> <span style="background-color: #FFD700;">Updated</span></li> <li>3) Ensure effectiveness of the Board of Directors: <b>Implementation of evaluations (annually)</b> <span style="background-color: #000080; color: white;">New</span></li> <li>4) Average ratio of attendance by all Board Directors at the Board of Directors meetings: <b>75% or higher</b> <span style="background-color: #000080; color: white;">New</span></li> </ol>	<ol style="list-style-type: none"> <li>1) Number of disciplinary actions: <b>22</b></li> <li>2) Compliance test participants*1: <b>100%</b></li> </ol>
	<p><b>Sustainable growth through cooperation with stakeholders</b></p> <p>Pursue the creation of strong relationships of trust and mutually sustainable development through timely and appropriate information disclosure and ongoing dialogues with stakeholders.</p>	<ul style="list-style-type: none"> <li>• Ethical procurement and transactions</li> <li>• Sound and transparent information disclosure</li> <li>• Cooperation with local communities through initiatives such as disaster management agreements and the Social Emergency Management Alliance (SEMA)</li> </ul>	<ol style="list-style-type: none"> <li>1) Sustainability procurement survey collection: <b>90% or greater (annually)</b></li> <li>2) Support improvement activities at high-risk suppliers: <b>100% implementation</b> <span style="background-color: #000080; color: white;">New</span></li> <li>3) Supplier inspection/CSR audits: <b>2 or more companies</b> <span style="background-color: #000080; color: white;">New</span></li> <li>4) Number of partnerships with NPOs: <b>1,000 organizations (fiscal year ending March 31, 2024)</b></li> </ol>	<ol style="list-style-type: none"> <li>1) Questionnaire response rate: <b>92%</b></li> <li>4) <b>688 organizations</b> (March 31, 2021)</li> </ol>
	<p><b>Enhance employee happiness with diversity and inclusion</b></p> <p>Work to build an environment in which all employees can fully demonstrate their unique abilities and enjoy personal satisfaction.</p>	<ul style="list-style-type: none"> <li>• Support for employee growth and career realization (Free-agent system and job posting system, SoftBank University, SoftBank career dock)</li> <li>• Fair evaluation and recruitment system</li> <li>• Promote participation by women, including recruitment and employment of persons with disabilities, and initiatives related to LGBTQ persons</li> <li>• Harassment prevention</li> </ul>	<ol style="list-style-type: none"> <li>1) Ratio of women in management positions: <b>Over 20% (fiscal year ending March 31, 2036)</b> During this process, achieve a ratio of over 15% by fiscal year ending March 31, 2031 (double the ratio of fiscal year ending March 31, 2022) <span style="background-color: #FFD700;">Updated</span></li> <li>2) Ratio of employees with disabilities: <b>At or above the legally mandated level (annually)</b></li> <li>3) Paid leave acquisition rate: <b>Keep at 70% or above (annually)</b></li> <li>4) Accidents at work sites involving injury or death: <b>Zero (annually)</b></li> </ol>	<ol style="list-style-type: none"> <li>1) <b>338</b>*2 (fiscal year ended March 31, 2021)</li> <li>2) <b>2.39%</b></li> <li>3) <b>61.8%</b> *4</li> <li>4) Number of fatal accidents: <b>Zero</b></li> </ol>
	<p><b>Enhance productivity with advanced workplace environments</b></p> <p>Use technology to promote workstyle reform and health and productivity management.</p>	<ul style="list-style-type: none"> <li>• Work-style reforms (Super Flextime System, teleworking, operational improvements using AI and RPA, permit employees to take side jobs)</li> <li>• Promote health and productivity management</li> <li>• Diverse workstyles using smart buildings, satellite offices and telework</li> <li>• Promoting diverse working styles unconstrained by time or place (teleworking, use of co-working spaces), in preparation for the post-COVID-19 environment</li> </ul>	<ol style="list-style-type: none"> <li>1) Promotion of workstyles for the post-COVID-19 environment Provide office environments that encourage diverse working styles: <b>Performance monitoring (annually)</b> <span style="background-color: #FFD700;">Updated</span></li> <li>2) Promotion of workstyles for the post-COVID-19 environment Teleworking ratio: <b>70% or greater (annually)</b> <span style="background-color: #FFD700;">Updated</span></li> <li>3) Ratio of smokers: <b>Decrease of 1% or more YoY, less than 20% (annually)</b> <span style="background-color: #FFD700;">Updated</span></li> <li>4) High ranking in Japan surveys: <b>Highly ranked among the major surveys (annually)</b></li> </ol>	<ol style="list-style-type: none"> <li>1) Shift of about 10,000 employees to a free-address system with the move to the new headquarters Use of shared offices across Japan, including 33 WeWork locations and over 200 other locations</li> <li>2) <b>95.9%</b></li> <li>3) <b>26.8%</b> *3</li> <li>4) 4.5 stars on the Nikkei SDGs Management Survey and 5 stars on the 2020 Nikkei Smart Work Management Survey Nikkei Smart Work Award 2021 for Technology Utilization Certification in the 2021 List of Outstanding Organizations for Health &amp; Productivity Management (White 500)</li> </ol>

Reference Targets for fiscal year ended March 31, 2021 \*1 Compliance training sessions held: monitor actual figures \*2 Number of female managers: 300 (fiscal year ending March 31, 2023) \*3 Ratio of smokers: Less than 20% (every year) Fiscal year ended March 31, 2021 results (supplementary explanation) \*4 Up to fiscal year ended March 31, 2020, a level of over 70% was continuously maintained. In fiscal year ended March 31, 2021, as a result of the impact of the outbreak of COVID-19, the number of days of continuous leave taken during the summer and other traditional holiday periods is declining. SoftBank is continuing to implement measures such as promotion of work-life balance and fostering a corporate culture in which people feel free to take leave.

## ESG Data Book

### Boundary (Scope of this Data Book)

There are seven boundaries: "SB," "SB + Major Subsidiaries (1) to (3)," "SB + Subsidiaries," "SB + YJ + ASK," and "SB + YJ."

NOTE • SB stands for SoftBank Corp.

• YJ stands for Yahoo Japan Corporation.

• ASK stands for ASKUL Corporation.

• The Group Companies within the boundary vary according to accounting period.

• The major subsidiaries within "SB + Major Subsidiaries" vary among items.

• Coverage is calculated from the ratios of sales of group companies that constitute the SoftBank group.

• In case "-" is indicated in "Coverage," it refers to data of SoftBank Corporation (non-consolidated).

## Environment

### Climate Change

Category		Boundary*	Coverage	Unit	Results					Goal	Achievement Rate (%)*	Reduction Rate Compared to the Base Year (Fiscal year ended March 2020)
					Fiscal years ended March 31							
					2017	2018	2019	2020	2021			
Greenhouse Gas (GHG) Emissions (Scope 1,2)	Total	Until fiscal year ended March 31, 2019: SB	Until fiscal year ended March 31, 2019: —	t-CO <sub>2</sub>	733,515	722,514	693,953	776,104	620,929	722,000	116	20
	GHG Scope 1	From fiscal year ended March 31, 2020: SB + YJ + ASK	From fiscal year ended March 31, 2020: 77%	t-CO <sub>2</sub>	11,400	11,386	11,456	15,803	15,416	15,000	97	2
	GHG Scope 2			t-CO <sub>2</sub>	722,115	711,128	682,497	760,301	605,513	707,000	117	20
	GHG Emissions Intensity* <sup>1</sup>	SB	—	t-CO <sub>2</sub> /Gbps	1,116	849	682	628	411	520	127	35
Greenhouse Gas (Breakdown of Scope 1)	Carbon Dioxide (CO <sub>2</sub> )	SB+YJ+ASK	77%	t	—	—	—	—	14,962	—	—	—
	Methane (CH <sub>4</sub> )			t-CO <sub>2</sub>	—	—	—	—	293	—	—	—
	Dinitrogen Monoxide (N <sub>2</sub> O)			t-CO <sub>2</sub>	—	—	—	—	0.03	—	—	—
	Hydrofluorocarbons (HFCs)			t-CO <sub>2</sub>	—	—	—	—	162	—	—	—
	Perfluorocarbons (PFCs)			t-CO <sub>2</sub>	—	—	—	—	0	—	—	—
	Sulfur Hexafluoride (SF <sub>6</sub> )			t-CO <sub>2</sub>	—	—	—	—	0	—	—	—
	Nitrogen Trifluoride (NF <sub>3</sub> )			t-CO <sub>2</sub>	—	—	—	—	0	—	—	—

• The factor in the increase in fiscal year ended March 31, 2020 is the change of the boundaries.

\* Notes for achievement rate

• Achievement rate means the rate of the actual value to the target value.

\*1 Greenhouse Gas Emissions per Communication Volume

\* The greenhouse gas emissions (Scopes 1, 2, and 3), energy consumption, industrial waste (SB) and water consumption (SB) for the fiscal year ended March 2021 were examined by Japan Quality Assurance Organization as a third party (Limited guarantee level in accordance with ISO 14064-3 and ISAE3000).

## ESG Data Book

## Environment

Climate Change						
Category	Boundary	Coverage	Unit	fiscal year ended March 31, 2021	Rate (%)	Scope 3 Description of calculation
Scope 1: Direct Emission	SB+YJ	71%	t-CO <sub>2</sub>	12,141	0.3	—
Scope 2: Indirect Emission of Energy Sources				590,438	15.9	—
Scope 3: Other Indirect Emission				3,121,487	83.8	—
Category 1: Purchased Products and Services				340,222	9.1	Calculated by multiplying the purchase price of products and services by emissions per product including the procurement and transportation processes.
Category 2: Capital Goods				1,446,099	38.8	Calculated by multiplying the equipment investment amount by emissions per price of capital goods.
Category 3: Activities Related to Fuels and Energy not Included in Scope 2				113,432	3.0	Calculated by multiplying the consumption of fuel/electric power and others by emissions per fuel procurement.
Category 4: Transportation and Delivery (upstream)				26,481	0.7	Calculated by multiplying transportation costs by emissions per transportation cost for transportation between bases and shipping. (Procurement transportation is included in Category 1)
Category 5: Waste from Business				837	0.02	Calculated by multiplying the weight of industrial waste by emissions per waste amount for each kind of waste and each disposal method.
Category 6: Business Trips				4,216	0.1	Calculated by multiplying the payment amount of transportation allowances by emissions per transportation allowance amount for each transportation category and calculated by multiplying the number of days of accommodation by emissions per number of days of accommodation.
Category 7: Commuting of Employees				12,634	0.3	Calculated by multiplying the total commuting distance of employees by emissions per km of travelers for each transportation category and then multiplying the power consumption during telework by the emission factor of electric power.
Category 8: Lease Assets (upstream)				94,282	2.5	Calculated by multiplying the total travel distance of company vehicles by the emission coefficient of fuel for each maximum loading capacity and calculated by multiplying the total floor area of warehouses by emissions per area for each purpose of use of buildings and then multiplying the power consumption of part of telecommunications equipment by the emission factor of electric power.
Category 9: Transportation and Delivery (downstream)				603,376	16.2	For shipping, it is calculated by multiplying transportation costs by emissions per yen.
Category 10: Processing of Sold Products				—	—	(Not to be calculated)
Category 11: Use of Sold Products				449,008	12.1	Calculated by multiplying the number of products sold/rented by lifelong power consumption of each product and the emission coefficient of electric power.
Category 12: Disposal of Sold Products				762	0.02	Calculated by multiplying the total weight of products sold by emissions per product for each kind of waste.
Category 13: Lease Assets (downstream)	—	—	(Included in Category 11, and calculated)			
Category 14: Franchise	30,138	0.8	Calculated by multiplying the total floor area of SoftBank shops and Y!mobile shops by emissions per area for each purpose of use of buildings.			
Category 15: Investment	—	—	(Not to be calculated)			
<b>Total</b>				<b>3,724,066</b>	<b>100</b>	

## ESG Data Book

## Environment

Climate Change											
					Results					Goal	Achievement Rate (%)
Category		Boundary	Coverage	Unit	Fiscal years ended March 31						
					2017	2018	2019	2020	2021		
Energy	Electric Power Consumption	Until fiscal year ended March 31, 2019: SB From fiscal year ended March 31, 2020: SB + YJ + ASK	Until fiscal year ended March 31, 2019: — From fiscal year ended March 31, 2020: 77%	Thousand kWh	1,338,019	1,418,791	1,355,703	1,644,234	1,680,530	1,660,000	99
	Of which, Renewable Energy Consumption			Thousand kWh	36	44	44	32,516	324,766	306,000	106
	City Gas			Thousand m <sup>3</sup>	4,835	4,731	4,554	4,508	4,914	—	—
	Heavy Oil A			kL	65	144	190	160	198	—	—
	Energy Consumption per Unit* <sup>1</sup>	SB	—	Thousand kWh/Gbps	2,037	1,667	1,332	1,296	1,124	—	—
Goals in Each Section	Electric Power Consumption in Data Centers	Until fiscal year ended March 31, 2019: SB From fiscal year ended March 31, 2020: SB + YJ + ASK	Until fiscal year ended March 31, 2019: — From fiscal year ended March 31, 2020: 77%	Thousand kWh	79,304	77,428	73,670	263,620	271,711	283,000	104
	Renewable Energy Rate			%	0	0	0	7.9	8.6	8.1	106
	Power Usage Effectiveness			—	1.73	1.71	1.74	1.57	1.50	1.50	100
	Electric Power Consumption in the Headquarters	SB	—	Thousand kWh	—	—	—	—	10,179	13,748	135.1
	Emissions per Communication at a Network Center* <sup>1</sup>			t-CO <sub>2</sub> /Gbps	—	—	—	—	144	140	97
Plan											
Category		Boundary	Coverage	Unit	Fiscal years ended March 31						
					2022	2023	2024	2025	2026	2031	
Mid/long-term Plan for Reducing Greenhouse Gas Emissions	Sum of Scopes 1 and 2	SB+YJ+ASK	77%	t-CO <sub>2</sub>	553,000	473,000	443,000	417,000	400,000		0

\*<sup>1</sup> Electricity Consumption per Communication Volume and Greenhouse Gas Emissions

\* Declared target of achieving zero emissions (carbon neutrality) by fiscal year ending March 2031 for Scopes 1 and 2.

\* In the term ending March 2031, it is estimated to be 2,500,000,000 kWh, in response to the traffic growth through the provision of 5G, etc., and the goal of using renewable energy for total power supply was set.

## ESG Data Book

## Environment

Resources and Waste											
					Results					Goal	Achievement Rate (%)
Category		Boundary	Coverage	Unit	Fiscal years ended March 31						
					2017	2018	2019	2020	2021		
Industrial Waste	Emissions	Until fiscal year ended March 31, 2019: SB From fiscal year ended March 31, 2020: SB + YJ + ASK	Until fiscal year ended March 31, 2019: — From fiscal year ended March 31, 2020: 77%	t	1,286	1,159	1,092	5,226	6,313	—	—
	Recycling Amount			t	1,247.4	1,124.2	1,059.2	5,073	5,482	—	—
	Final Disposal Amount			t	38.6	34.8	32.8	153	832	—	—
	Discharge Amount	SB	—	t	1,286	1,159	1,092	1,484	1,748	—	—
	Recycling Amount			t	1,247.4	1,124.2	1,059.2	1,439	1,500	—	—
	Final Disposal Amount* <sup>1</sup>			t	38.6	34.8	32.8	44.5	248	209	84
Hazardous Waste Disposal Amount* <sup>2</sup>	t			—	—	—	—	0.49	—	—	
Communication Equipment of Removed Stations	Final Disposal Rate			%	0.04	0.29	0.85	1.4	0.51	—	—
Used Cell Phones	Number of Devices to be Reused or Recycled			Cell Phones	—	—	—	2,425,840	2,541,078	—	—
Use of Water	Water Consumption* <sup>3</sup>	Until fiscal year ended March 31, 2019: SB From fiscal year ended March 31, 2020: SB + YJ + ASK	Until fiscal year ended March 31, 2019: — From fiscal year ended March 31, 2020: 77%	m <sup>3</sup>	743,174	714,163	738,517	1,191,210	1,330,834	—	—
	Municipal water* <sup>4</sup>			m <sup>3</sup>	743,174	714,163	738,517	1,191,210	831,736	—	—
	Recycled wastewater for industrial use* <sup>5</sup>			m <sup>3</sup>	0	0	0	0	238	—	—
	Water Discharge Volume* <sup>6</sup>			m <sup>3</sup>	743,174	714,163	738,517	1,191,210	1,330,834	—	—
	Consumption Per Area			m <sup>3</sup> /m <sup>2</sup>	0.95	0.93	0.92	0.73	0.82	—	—
	Water Consumption and Discharge Volume at Data Centers			m <sup>3</sup>	—	—	—	273,668	401,246	—	—
	Water Consumption and Discharge Volume at Offices* <sup>7</sup>	m <sup>3</sup>	—	—	—	917,542	929,588	908,367	98		
	Water Consumption and Discharge Volume at the Headquarters' Building* <sup>8</sup>	SB	—	m <sup>3</sup>	—	—	—	—	1,642	—	—

\*1 The calculation method was changed from fiscal year ended March 31, 2021. The goal of reducing it by 1% from the previous fiscal year was set.

\*2 Goals are set for the appropriate management and planned processing of PCBs.

\*3 For offices not equipped with meters, it is estimated from the actual volume per area in the corporate group.

\*4 Municipal water only

\*5 Harvested rainwater with roof drains at headquarters

\*6 Sewage only

\*7 We set the maintenance and management goals for daily-use water used in offices so that the consumption of such water will be less than 100% of the amount in the previous fiscal year.

\*8 Actual figures in the period from Sep. 2020 to Mar. 2021 after the relocation of the headquarters.

## ESG Data Book

### Environment

Environmental Management System								
Category	Boundary	Coverage	Unit	Results				
				Fiscal years ended March 31				
				2017	2018	2019	2020	2021
ISO 14001 Certified Sites	SB	—	Sites	1	1	1	1	1

Compliance								
Category	Boundary	Coverage	Unit	Results				
				Fiscal years ended March 31				
				2017	2018	2019	2020	2021
Violation of Environmental Rules	Number of Times	Until fiscal year ended March 31, 2019: SB	Times	0	0	0	0	0
	Penalty Amount	From fiscal year ended March 31, 2020: SB + YJ + ASK	Thousand yen	0	0	0	0	0
		Until fiscal year ended March 31, 2019: — From fiscal year ended March 31, 2020: 77%						

## ESG Data Book

## Society

Employees					Fiscal years ended March 31				
Item	Boundary	Coverage	Unit	2017	2018	2019	2020	2021	
				Number of Employees* <sup>1</sup>	Women	SB + Major Subsidiaries (1)	80%	Persons	5,351
	Men	13,381	13,433	13,468	18,332				19,162
	Total	18,732	18,791	18,824	26,062				27,166
Average Number of Temporary Employees* <sup>1*2</sup>		SB + Major Subsidiaries (1)	80%	Persons	3,804	3,829	3,733	4,449	4,716
Average Number of Consecutive Years Served* <sup>1</sup>	Women	SB + Major Subsidiaries (1)	80%	Years	9.6	10.3	10.9	10.2	10.7
	Men				11.4	12.0	12.2	11.2	11.4
	Total				10.9	11.4	11.9	10.9	11.2
Average Age of Employees* <sup>1</sup>	Women	SB + Major Subsidiaries (1)	80%	Age	35.1	35.8	36.3	36.6	37.1
	Men				39.5	40.0	40.1	39.3	39.6
	Total				38.2	38.7	39.1	38.5	38.9
Age Composition of Employees* <sup>1</sup>	20s	SB + Major Subsidiaries (1)	80%	Persons	3,550	3,434	3,337	5,042	4,882* <sup>11</sup>
	30s				7,684	7,412	7,276	10,017	10,506* <sup>11</sup>
	40s				5,584	5,810	5,904	7,863	8,255* <sup>11</sup>
	50s				1,891	2,113	2,283	2,905	3,265* <sup>11</sup>
	60s			23	22	24	45	43* <sup>11</sup>	
	Less than 30 Years Old			%	19.0	18.3	17.7	19.5	18.1
	30 to 49 Years Old				70.8	70.4	70.0	69.1	69.6
50 Years Old or Older	10.2	11.3	12.3		11.4	12.3			
Number of Employees by Management Position* <sup>3</sup>	Manager Class	SB + Major Subsidiaries (1)	80%	Persons	2,981	3,097	3,139	4,161	4,518
	Department Head Class				1,163	1,192	1,254	1,749	1,840
Number of Employees Reemployed after Retirement		SB + Major Subsidiaries (1)	80%	Persons	59	65	52	105	135
Number of Employees Absent from Work		SB + Major Subsidiaries (1)	80%	Persons	236	236	208	303	285
Number of Employees who Took Leave for Nursing Care* <sup>2</sup>		SB + Major Subsidiaries (1)	80%	Persons	10	15	12	18	13
Lost-Time Injury Frequency Rate		SB + Major Subsidiaries (1)	80%	%	—	—	—	0.0	0.0
Number of Employee Turnover* <sup>4</sup>	Personal Reason	SB + Major Subsidiaries (1)	80%	Persons	611	620	698	1,267	929
	Total				639	648	730	1,307	951
Turnover Rate* <sup>5</sup>	Voluntary Turnover Rate	SB + Major Subsidiaries (1)	80%	%	3.0	3.1	3.4	4.3	3.2
	Total				3.2	3.2	3.6	4.5	3.3
Total Working Hours per Year* <sup>6</sup>		SB + Major Subsidiaries (1)	80%	Hours	1,846	1,815	1,770	1,793	1,887
Ratio of Annual Paid Leave taken* <sup>7</sup>		SB	—	%	73.3	75.1	76.5	72.2	61.8
		SB + Major Subsidiaries (1)	80%		73.2	75.0	76.4	74.2	61.7

## ESG Data Book

## Society

Employees								
Item	Boundary	Coverage	Unit	Fiscal years ended March 31				
				2017	2018	2019	2020	2021
Ratio of Telework*7*8	SB	—	%	—	—	—	—	95.9
Number of Employees who Have Taken Days off for Volunteer Activities*9	SB	—	Persons	—	—	153	179	16
Ratio of Employees who Underwent a Stress Check*10	SB + Major Subsidiaries (1)	80%	%	85.0	89.4	90.1	90.5	86.6
Ratio of Positive Findings in the Regular Health Examination	SB + Major Subsidiaries (1)	80%	%	55.1	56.6	59.7	59.7	61.1
Completion Rate for Specific Health Guidance	SB + Major Subsidiaries (1)	80%	%	24.3	30.3	31.6	34.5	34.6
Ratio of Employees who Smoke*11	SB	—	%	31.3	30.6	29.9	29.7	26.8
	SB + Major Subsidiaries (1)	80%		31.3	30.5	29.8	26.6	23.8
Ratio of Employees Who Joined the Labor Union	SB	—	%	—	—	—	—	25.1

\*1 As of March 31 for each year

\*2 Due to the change in definition, the figures for fiscal year ended March 31, 2017 to fiscal year ended March 31, 2020 have been changed from last year.

\*3 As of April 1 for each year

\*4 Due to the change in definition, the figures for fiscal year ended March 31, 2017 have been changed from last year.

\*5 Due to the change in definition, the figures for fiscal year ended March 31, 2017, fiscal year ended March 31, 2019 and fiscal year ended March 31, 2020 have been changed from last year.

\*6 Due to the change in definition, the figures for fiscal year ended March 31, 2018 to fiscal year ended March 31, 2020 have been changed from last year.

\*7 In June 2021, third-party assurances were obtained from the Japan Quality Assurance Organization (JQA)

\*8 Ratio of employees who engaged in telework once or more a month

\*9 The expressions of the names of items have been changed from last year.

\*10 Due to the change in definition, the figures for fiscal year ended March 31, 2020 have been changed from last year.

\*11 Excluding seconded employees from other companies for some companies.

Recruitment and Diversity									
Item	Boundary	Coverage	Unit	Fiscal years ended March 31					
				2017	2018	2019	2020	2021	
Number of Newly Hired Employees (New Graduates)*1	Women	SB + Major Subsidiaries (1)	80%	Persons	208	156	151	233	186
	Men				380	303	321	744	660
	Total				588	459	472	977	846
Number of Newly Hired Employees (Mid-career Workers)*1	Women	SB + Major Subsidiaries (1)	80%	Persons	21	45	79	257	256
	Men				90	193	316	651	711
	Total				111	238	395	908	967
Ratio of Women to Newly Hired Employees (New Graduates)*1	SB + Major Subsidiaries (1)	80%	%	35.4	34.0	32.0	23.8	22.0	
Number of Foreign-nationals in New Graduates hired*1	SB + Major Subsidiaries (1)	80%	Persons	25	21	38	64	96	
Ratio of Foreign Nationals to Newly Hired Employees (New Graduates)*1	SB + Major Subsidiaries (1)	80%	%	4.3	4.6	8.1	6.6	11.3	
Average Employment Cost	SB + Major Subsidiaries (1)	80%	Thousand yen	—	1,018	1,104	864	986	
Internal Hiring Rate*2	SB + Major Subsidiaries (2)	71%	%	—	88.0	86.2	75.8	75.0	

## ESG Data Book

## Society

Recruitment and Diversity									
Item	Boundary	Coverage	Unit	Fiscal years ended March 31					
				2017	2018	2019	2020	2021	
Ratio of Female Employees*3	Revenue-generating Section*4	SB + Major Subsidiaries (1)	80%	%	31.6	31.8	32.6	33.3	33.1
	STEM Section*5			%	14.2	14.5	14.4	14.2	13.5
	Total			%	28.6	28.5	28.5	29.7	29.5
Number of Women in Management Positions*6*7	Manager Class	SB	—	Persons	200	210	235	256	290
	Department Head Class			Persons	28	31	37	44	48
	Total			Persons	228	241	272	300	338
	Manager Class	SB + Major Subsidiaries (1)	80%	Persons	200	211	237	455	517
	Department Head Class			Persons	28	31	37	79	87
	Total*1			Persons	228	242	274	534	604
Ratio of Women in Management Positions*6	Manager Class	SB	—	%	6.7	6.8	7.5	8.0	8.5
	Department Head Class				2.4	2.6	3.0	3.4	3.5
	Total				5.5	5.6	6.2	6.6	7.1
	Manager Class	SB + Major Subsidiaries (1)	80%	%	6.7	6.8	7.6	10.9	11.4
	Department Head Class				2.4	2.6	3.0	4.5	4.7
	Total*1				5.5	5.6	6.2	9.0	9.5
Number of Employees taking Childcare Leave*1	Women	SB + Major Subsidiaries (1)	80%	Persons	299	334	348	460	423
	Men				66	101	141	269	330
Ratio of Employees talking childcare Leave	Women	SB + Major Subsidiaries (1)	80%	%	100.0	100.0	100.0	100.0	100.0
	Men				9.0	14.2	20.0	27.5	39.0
Ratio of Employees of Each Nationality*3	Japan	SB + Major Subsidiaries (1)	80%	%	—	98.29	98.05	97.03	96.99
	People's Republic of China				—	0.91	0.98	1.41	1.47
	Republic of Korea				—	0.54	0.60	0.92	0.96
	Other: Asia				—	0.17	0.27	0.51	0.46
	North America				—	0.05	0.05	0.04	0.05
	Latin America				—	0.01	0.01	0.01	0.00
	Middle East				—	0.00	0.00	0.00	0.00
	Europe				—	0.02	0.02	0.04	0.04
	Oceania				—	0.00	0.00	0.01	0.01
	Africa				—	0.02	0.02	0.03	0.02

## ESG Data Book

## Society

Recruitment and Diversity									
Item	Boundary	Coverage	Unit	Fiscal years ended March 31					
				2017	2018	2019	2020	2021	
Ratio of Employees at Management Position for Each Nationality*6	Japan	SB + Major Subsidiaries (1)	80%	%	—	99.39	99.27	99.23	99.26
	People's Republic of China				—	0.23	0.30	0.35	0.35
	Republic of Korea				—	0.19	0.23	0.20	0.22
	Other: Asia				—	0.05	0.05	0.09	0.06
	North America				—	0.09	0.09	0.09	0.06
	Latin America				—	0.00	0.00	0.00	0.00
	Middle East				—	0.00	0.00	0.00	0.00
	Europe				—	0.02	0.05	0.02	0.02
	Oceania				—	0.00	0.00	0.00	0.02
	Africa				—	0.02	0.02	0.02	0.02
Ratio of Employees with Disabilities*8	SB	—	%	2.13	2.24	2.19	2.30	2.39	
	SB + Major Subsidiaries (1)	80%		2.12	2.22	2.15	2.26	2.39	

\*1 Due to the change in definition, the figures for fiscal year ended March 31, 2020 have been changed from last year.

\*2 Internal hiring rate is calculated with the equation: (No. of employees transferred)/(No. of employees transferred + No. of new recruits)

\*3 As of March 31 for each year

\*4 The revenue-generating section means the sales section.

\*5 STEM stands for Science, Technology, Engineering, and Mathematics (Engineering and Planning)

\*6 As of April 1 for each year

\*7 In June 2021, third-party assurances were obtained from the Japan Quality Assurance Organization (JQA)

\*8 As of June 1 for each fiscal year

## ESG Data Book

### Society

Personnel Development								
Item	Boundary	Coverage	Unit	Fiscal years ended March 31				
				2017	2018	2019	2020	2021
Average Period of Training/Personnel Development	SB + Major Subsidiaries (3)	71%	Hours/Person	—	—	—	—	14.1
Average Cost for Training/Personnel Development	SB + Major Subsidiaries (3)	71%	Yen/Person	—	—	—	—	124,169

Employee Satisfaction Level									
Item	Boundary	Coverage	Unit	Fiscal years ended March 31					
				2017	2018	2019	2020	2021	
Survey on the Employee Satisfaction Level	Response Rate	SB	—	%	—	97.2	98.1	97.4	96.8
Survey on the Employee Satisfaction Level Overall Satisfaction Level	Women	SB	—	Points	—	3.44	3.46	3.49	3.57
	Men				—	3.51	3.53	3.55	3.59
	Total				—	3.50	3.51	3.53	3.58
Survey on the Employee Satisfaction Level	Ratio of Employees with High Engagement	SB	—	%	—	19.2	20.6	21.2	22.3

Community/Society								
Item	Boundary	Coverage	Unit	Fiscal years ended March 31				
				2017	2018	2019	2020	2021
Total Amount of Donations*1	SB	—	Thousand yen	36,503	23,003	165,556	140,304	129,067
Aid for Disaster Victims	SB	—	Thousand yen	771	368	2,318	713	317

Network Issues								
Item	Boundary	Coverage	Unit	Fiscal years ended March 31				
				2017	2018	2019	2020	2021
Number of Major Network Accidents*2	SB	—	Accidents	0	1	2	0	0

\*1 Due to the change in definition, the figures for fiscal year ended March 31, 2017 to fiscal year ended March 31, 2020 have been changed from last year.

\*2 Report based on Article 57 of Enforcement Regulations of Telecommunications Business Act

## ESG Data Book

## Governance

Corporate Governance					Fiscal years ended March 31					
Item			Boundary	Coverage	Unit	2017	2018	2019	2020	2021
Number of Directors	Number of Internal Directors	Women	SB	—	Persons	—	—	0	0	0
		Men				—	—	7	7	7
		Total				—	—	7	7	7
	Number of External Independent Directors	Women				—	—	1	1	1
		Men				—	—	3	3	3
		Total				—	—	4	4	4
Grand Total					—	—	11	11	11	
Number of Executive Officers on the Board			SB	—	Persons	—	—	5	5	5
% of Executive Officers on the Board						—	—	45.5	45.5	45.5
% of External Independent Directors on the Board			SB	—	%	—	—	36.4	36.4	36.4
% of Women on the Board						—	—	9.1	9.1	9.1
Number of Audit & Supervisory Board Members	Number of Internal Audit & Supervisory Board Members	Women	SB	—	Persons	—	—	1	1	1
		Men				—	—	1	1	1
		Total				—	—	2	2	2
	Number of Independent Audit & Supervisory Board Members	Women				—	—	0	0	0
		Men				—	—	2	2	2
		Total				—	—	2	2	2
Grand Total						—	—	4	4	4
Average Age of Directors			SB	—	Age	—	—	60.1	61.1	62.1
Term Limits for Directors			SB	—	Years	—	—	1	1	1
Average Term of Office of Directors			SB	—	Years	—	—	7.7	8.7	9.7
Number of Board Meetings			SB	—	Times	—	—	16	14	12
Number of Directors Attending Less Than 75% of Board Meetings			SB	—	Persons	—	—	0	0	0
Average Attendance Rate of Directors			SB	—	%	—	—	—	—	100
Number of Audit and Supervisory Board Meetings			SB	—	Times	—	—	16	17	17
Number of Board Members Attending Less Than 75% of Audit and Supervisory Board Meetings			SB	—	Persons	—	—	0	0	0
Number of Board Members	Number of Internal Audit & Supervisory Board Members	Women	SB	—	Persons	—	—	2	2	2
		Men				—	—	13	13	13
		Total				—	—	15	15	15
% of Woman on Board Members			SB	—	%	—	—	13.3	13.3	13.3
Number of Nominating and Remuneration Committee Members	Number of Internal Nominating and Remuneration Committee Members	Women	SB	—	Persons	—	—	0	0	0
		Men				—	—	1	1	1
		Total				—	—	1	1	1
	Number of Independent Nominating and Remuneration Committee Members	Women				—	—	1	1	1
		Men				—	—	3	3	3
		Total				—	—	4	4	4
Grand Total						—	—	5	5	5

## ESG Data Book

## Governance

Corporate Governance								
Item	Boundary	Coverage	Unit	Fiscal years ended March 31				
				2017	2018	2019	2020	2021
Number of Nominating and Remuneration Committee Meetings	SB	—	Times	—	—	5	5	7
Nominating and Remuneration Committee Meeting Attendance	SB	—	%	—	—	100.0	100.0	100.0

Remuneration									
Item	Boundary	Coverage	Unit	Fiscal years ended March 31					
				2017	2018	2019	2020	2021	
Remuneration of Chief Executive Officer	SB	—	Million yen	Basic Remuneration	75	60	120	120	120
				Stock Options	—	7	89	89	59
				Performance-Based Bonus	380	263	315	200	228
				Performance-Based Stock Options	—	—	—	200	228
				Total	455	330	524	608	635
Compensation of Directors*1	SB	—	Million yen	Basic Remuneration	420	456	426	432	432
				Stock Options	—	34	345	345	228
				Performance-Based Bonus	1,295	1,018	998	628	701
				Performance-Based Stock Options	—	—	—	628	701
				Total	1,715	1,508	1,769	2,034	2,061
Compensation of Audit & Supervisory Board Members	SB	—	Million yen	Basic Remuneration	15	12	12	14	17
				Stock Options	—	—	—	—	—
				Performance-Based Bonus	—	—	—	—	—
				Performance-Based Stock Options	—	—	—	—	—
				Total	15	12	12	14	17
Compensation of External Independent Directors and Independent Audit & Supervisory Board Members	SB	—	Million yen	Basic Remuneration	10	12	49	64	70
				Stock Options	—	—	—	—	—
				Performance-Based Bonus	—	—	—	—	—
				Performance-Based Stock Options	—	—	—	—	—
				Total	10	12	49	64	70
Remuneration of Non-executive Board Members	SB	—	Million yen	0	7	89	89	59	

## ESG Data Book

## Governance

Remuneration									
Item		Boundary	Coverage	Unit	Fiscal years ended March 31				
					2017	2018	2019	2020	2021
Average Annual Salary of Employees* <sup>2</sup>	Women	SB	—	Thousand yen	5,478	5,808	5,306	6,110	6,580
	Men				8,397	8,636	8,117	8,372	8,728
	Total				7,574	7,842	7,331	7,821	8,207
	Women	SB + Major Subsidiaries (1)	80%	Thousand yen	5,460	5,790	5,289	6,259	6,737
	Men				8,382	8,619	8,091	8,295	8,728
	Total				7,554	7,818	7,298	7,782	8,222
Average Annual Pay for Executives (Basic Salary Only)* <sup>2*3</sup>	Women	SB	—	Thousand yen	—	—	—	—	—
	Men				—	—	—	—	86,400
	Total				—	—	—	—	86,400
	Women	SB + Major Subsidiaries (2)	71%	Thousand yen	—	—	—	—	—
	Men				—	—	—	—	52,105
	Total				—	—	—	—	46,338
Average Annual Pay for Executives (Basic Salary + Bonus)* <sup>2*3</sup>	Women	SB	—	Thousand yen	—	—	—	—	—
	Men				—	—	—	—	212,480
	Total				—	—	—	—	212,480
	Women	SB + Major Subsidiaries (2)	71%	Thousand yen	—	—	—	—	—
	Men				—	—	—	—	121,413
	Total				—	—	—	—	104,490
Average Annual Salary of Employees at Management Positions by Gender (basic salary only)* <sup>2</sup>	Women	SB	—	Thousand yen	—	—	—	—	6,802
	Men				—	—	—	—	7,524
	Total				—	—	—	—	7,480
	Women	SB + Major Subsidiaries (1)	80%	Thousand yen	—	—	—	—	6,327
	Men				—	—	—	—	7,369
	Total				—	—	—	—	7,280

## ESG Data Book

## Governance

Remuneration									
Item		Boundary	Coverage	Unit	Fiscal years ended March 31				
					2017	2018	2019	2020	2021
Average Annual Salary of Employees at Management Positions (basic salary + bonuses)*2	Women	SB	—	Thousand yen	—	—	—	—	10,847
	Men				—	—	—	—	12,040
	Total				—	—	—	—	11,967
	Women	SB + Major Subsidiaries (1)	80%	Thousand yen	—	—	—	—	10,337
	Men				—	—	—	—	11,989
	Total				—	—	—	—	11,849
Average Annual Salary of Employees at Non-management Positions (basic salary + bonuses)*2	Women	SB	—	Thousand yen	—	—	—	—	6,313
	Men				—	—	—	—	7,391
	Total				—	—	—	—	7,070
	Women	SB + Major Subsidiaries (1)	80%	Thousand yen	—	—	—	—	6,392
	Men				—	—	—	—	7,384
	Total				—	—	—	—	7,082
Bonuses for Employees (median)		SB	—	Thousand yen	2,430	2,662	2,135	2,253	2,252
Ratio of CEO's Remuneration to Average Annual Salary of Employees*4		SB + Major Subsidiaries (1)	80%	Times	60	42	72	78	77
Ratio between CEO's Remuneration and Average Annual Pay for Employees (Median Value)		SB	—	Times	187	124	245	270	282

\*1 Under the Group's policy on the payment of executive remuneration, 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, thus excluded from the figures above accordingly.

\*2 In June 2021, third-party assurances were obtained from the Japan Quality Assurance Organization (JQA)

\*3 Calculated for Executive Directors

\*4 Due to the change in definition, the figures for fiscal year ended March 31, 2017 to fiscal year ended March 31, 2020 have been changed from last year.

Remuneration for Comptrollers									
Item		Boundary	Coverage	Unit	Fiscal years ended March 31				
					2017	2018	2019	2020	2021
Remuneration for Independent Auditors	Audit Fee	SB + Subsidiaries	100%	Million yen	—	592	805	1,398	1,562
	Non-audit Fee				—	68	92	115	247
	Total				—	660	897	1,513	1,809
Remuneration for Those who Belong to the Same Network as Auditors, Certified Public Accountants, and Others (excluding the above)	Audit Fee	SB + Subsidiaries	100%	Million yen	—	—	—	—	5
	Non-audit Fee				—	491	648	343	591
	Total				—	491	648	343	596

## ESG Data Book

## Governance

Shareholders' Rights									
Item	Boundary	Coverage	Unit	Fiscal years ended March 31					
				2017	2018	2019	2020	2021	
Anti-Takeover Measures	SB	—	—	None					

Compliance										
Item	Boundary	Coverage	Unit	Fiscal years ended March 31						
				2017	2018	2019	2020	2021		
Number of Reports Filed through Whistle-blowing System	SB	—	Reports	90	87	73	88	68		
Breakdown of the Number of Reports				Labor Affairs	49	50	51	57	39	
				Other	41	37	22	31	29	
Number of Code of Conduct or Ethics Breaches	Details of Violation	SB + Major Subsidiaries (1)	80%	Breaches	Improper Sales	—	—	—	—	8
					Violation of Security Rules	—	—	—	—	3
					Neglect of Duty	—	—	—	—	0
					Other	—	—	—	—	16
	Total	SB + Major Subsidiaries (1)	80%	Breaches	45	38	36	43	27	
	Details of Punishment*1	SB + Major Subsidiaries (2)	71%	Breaches	Punitive Dismissal	—	—	—	—	2
					Retirement under Instruction	—	—	—	—	2
					Demotion	—	—	—	—	4
					Suspension of Work	—	—	—	—	5
					Pay Cut	—	—	—	—	7
Reprimand	—	—	—	—	4					
Total*1	SB + Major Subsidiaries (1)	80%	Breaches	45	38	36	43	27		
Number of Violations, Including Human Rights Infringements and Harassment	Details of Violation	Harassment	SB + Major Subsidiaries (1)	80%	Breaches	—	—	—	—	13
	Total	SB + Major Subsidiaries (1)	80%	Breaches	12	8	9	17	13	
	Details of Punishment*1	SB + Major Subsidiaries (2)	71%	Breaches	Punitive dismissal	—	—	—	—	0
					Retirement under instruction	—	—	—	—	0
					Demotion	—	—	—	—	3
					Suspension of work	—	—	—	—	3
					Pay cut	—	—	—	—	1
	Reprimand	—	—	—	—	5				
Total*1	SB + Major Subsidiaries (1)	80%	Breaches	12	8	9	17	13		
Number of Trainings on Human Rights	SB	—	Times	—	—	—	8	10		

## ESG Data Book

### Governance

Compliance								
Item	Boundary	Coverage	Unit	Fiscal years ended March 31				
				2017	2018	2019	2020	2021
Ratio of Employees Who Have Taken a Compliance Test	SB	—	%	99.9	99.2	99.9	99.8	100.0
Number of Cases of Leakage of Personal Information, Theft or Loss of Data*2	SB	—	Cases	0	0	0	0	0
Total Contributions & Expenditures for Political Influence	SB	—	Yen	0	0	0	0	0
Political Contributions				0	0	0	0	0
Lobbying				0	0	0	0	0
Expenses for Trade Associations				0	0	0	0	0
Other Expenses				0	0	0	0	0
Anticompetitive Violation	SB	—	Cases	0	0	0	0	0
Bribery	SB	—	Cases	0	0	0	0	0

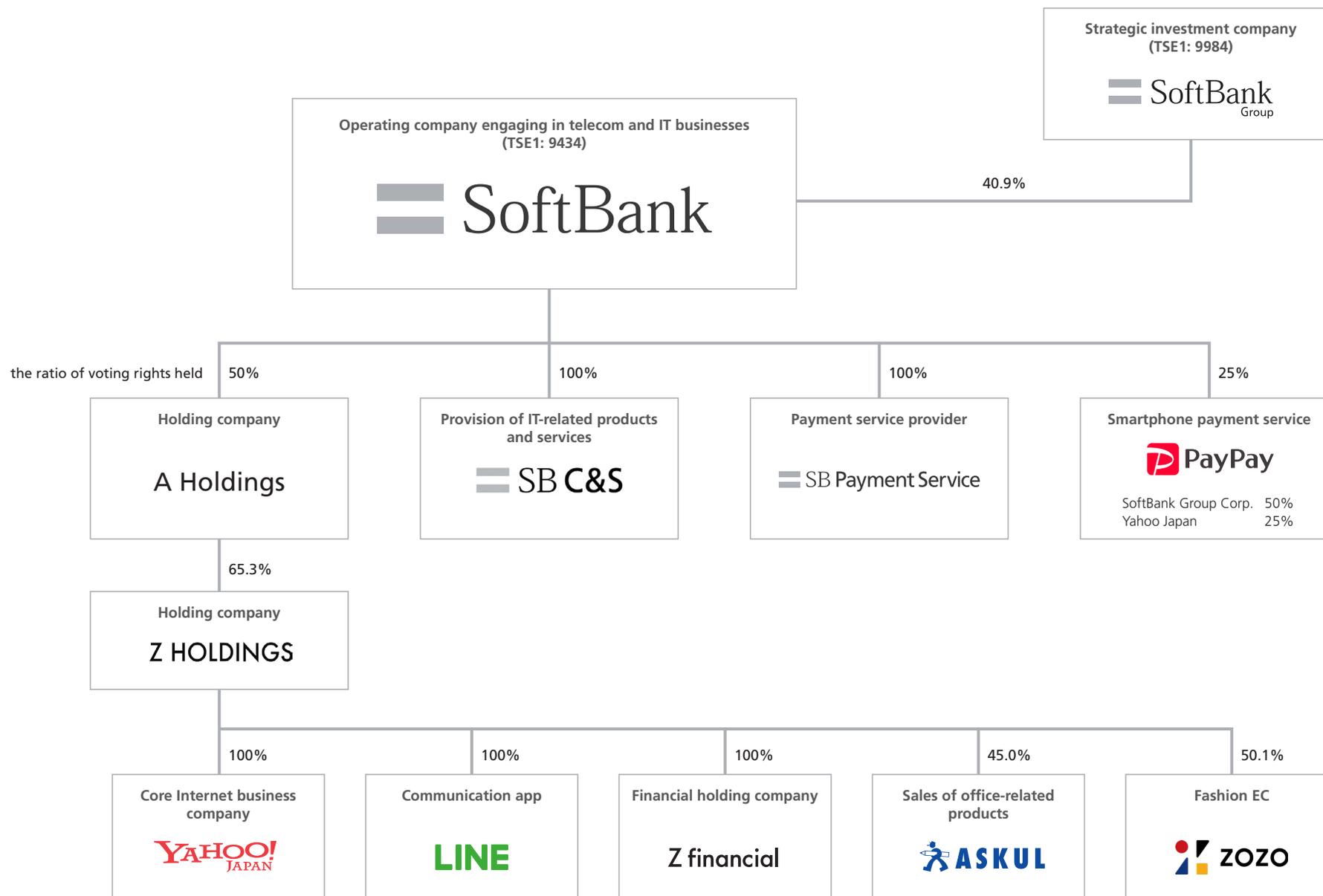
\*1 Boundaries are different, because details have not been disclosed for some subsidiaries.

\*2 Disclosed based on guidance from regulatory authorities and in violation of laws and regulations

Information Security								
Item	Boundary	Coverage	Unit	Fiscal years ended March 31				
				2017	2018	2019	2020	2021
Number of Information Security Accidents*1	SB	—	Accidents	0	0	1	0	0
Number of ISO 27001 Certifications	SB	—	Certificates	1	1	1	1	1
Number of ISO 20000 Certifications	SB	—	Certificates	1	1	1	1	1
Number of ISO 9001 Certifications	SB	—	Certificates	1	1	1	1	1
Number of PrivacyMark Certification Sites	SB	—	Certificates	—	—	—	19	20
Information Security Training	SB	—	Certificates	1	1	1	1	1

\*1 Disclosed in accordance with SoftBank's information security policy

# Group Structure



\*This is a simplified representation of the Group's structure, with percentages based on shareholder voting rights. Figures at the end of March, 2021.

# External Evaluation

## ESG Evaluation

### MSCI Japan ESG Select Leaders Index

SoftBank was selected as a constituent for the MSCI Japan ESG Select Leaders Index, a leading Environmental, Social and Governance (ESG) index that has been adopted as a benchmark by Japan's Government Pension Investment Fund (GPIF)—the world's largest public pension fund—for passive ESG investing.

**2021** CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

### S&P/JPX Carbon Efficient Index

The S&P/JPX Carbon Efficient Index selected SoftBank as a brand satisfying environmental information disclosure and carbon efficiency (carbon emissions per unit of revenue) standards according to their constituent selection and weighting process.



### An International Climate Change Initiative By SBT

SoftBank announced that the goals detailed in its Carbon Neutral 2030 Declaration to achieve virtually zero greenhouse gas emissions by 2030 were certified by the Science Based Targets initiative ("SBTi"), a body enabling businesses to set ambitious emissions reduction targets.



### FTSE4Good Index Series

#### FTSE Blossom Japan Index

Since 2020, SoftBank has been selected as component for "FTSE4Good Index Series" and "FTSE Blossom Japan," the world's leading Environment, Society and Governance (ESG) indexes defined by FTSE Russell.



### SOMPO Sustainability Index

SoftBank was selected as a member of the "SOMPO Sustainability Index" operated by Sompo Asset Management Co., Ltd for the second year in a row. This index is utilized by the company's "SOMPO Sustainable Management" to broadly invest in companies with a high ESG (Environment, Society, and Governance) rating.



### DX Stock 2021

In recognition of its efforts to solve social issues through new businesses, SoftBank was selected as the only company in the information and telecommunications industry to be the "Digital Transformation Stock 2021" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.



### CDP 2020 Climate Change

SoftBank received a score of A- in the climate change category from CDP (headquarters: London, U.K.), which is a nonprofit organization carrying out environmental assessment of major companies and cities worldwide.



## Network

### "Global Mobile Network Experience Awards 2021" No.1 in the world for Video Experience and Games Experience/No.2 in the world for Voice App Experience

Opensignal, a British mobile network analytics company, announced the "Global Mobile Network Experience Awards 2021" in March 2021. We were ranked No.1 in the world for the Video Experience and Games Experience categories, and No.2 in the world for the Voice App Experience category.



(Note) SoftBank Corp.'s inclusion in the MSCI indexes and the use of MSCI logos, trademarks, service marks or index names do not constitute a sponsorship, recommendation, or promotion of SoftBank Corp. by MSCI nor its affiliates. The MSCI indexes are the exclusive property of MSCI. The names and logos of MSCI and the MSCI indexes are trademarks or service marks of MSCI or its affiliates.

## External Evaluation

### Labor Practices

#### Next-generation certification mark (Kurumin)

In 2017, SoftBank was granted "Platinum Kurumin" certification by the Ministry of Health, Labor and Welfare, an evaluation of "companies that have already received Kurumin certification and have advanced the introduction and use of systems which support the balance between work and child-rearing to an appreciable extent, implementing the initiatives to a high degree."



#### Eruboshi

SoftBank has received the "Eruboshi" designation (class 2) from the Minister for Health, Labor and Welfare in recognition of being a company that excels in the empowerment of women. Going forward, we will maintain efforts to promote the success of women, such as holding career training for female employees and implementing mentoring programs.



#### PRIDE Index Gold Rating

SoftBank has received the highest "Gold" ranking in the "PRIDE Index," an evaluation of companies' internal initiatives regarding LGBT and other sexual minorities.



#### Excellence in Corporate Health and Productivity Management Category (White 500)

SoftBank recognized by the "Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category [White 500])" for 3 years in a row by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi for excellence in health and productivity management efforts.



#### NIKKEI Smart Work

The Nikkei Smart Work Survey, a study conducted by Nikkei Inc., gave SoftBank a five star rating, the highest rating. The Japan-based survey ranks all listed companies and companies with over 100 employees based on four aspects: Human Resources, Achieve Innovation, Market Development and Management Fundamentals. A company's strength is comprehensively evaluated based on points drawn from these four survey categories.

Additionally, we received the Technology Utilization Award for selecting new graduates by using AI, in creating diverse and flexible work styles by incorporation of Robotic Process Automation (RPA) software and the development of technology such as the cashless payment service PayPay.



#### Received 4.5 stars in Nikkei "SDGs Management" Survey 2020

In the "Nikkei SDGs Management Survey" conducted by Nikkei Inc., we received a 4.5 stars rating. This survey targets in a total of four fields: "SDGs Strategy/Economic Value," "Social Value," "Environmental Value," and "Governance."



### Website

2020 Nikko Investor Relations  
Overall Ranking  
AAA Website



Gomez IR Website  
Overall Ranking  
2020 Gold Award



Daiwa IR 2020  
Internet IR  
Commendation Award



## Corporate Data/Stock Information

### Corporate Data

Company name	SoftBank Corp.
Representative	Junichi Miyakawa, President & CEO
Corporate headquarters	1-7-1 Kaigan, Minato-ku, Tokyo 105-7529
Established	December 9, 1986
Number of employees	47,313 (Consolidated basis) 18,173 (Standalone basis) (As of March 31, 2021)
Fiscal year	From April 1 to March 31 of the following year
Annual general meeting of shareholders	Every year in June

### Stock Information (As of March 31, 2021)

Common stock	¥204,309 million
Shares authorized	8,010,960,300 shares
Shares issued	4,787,145,170 shares (treasury stock: 100,659,500 shares)
Stock exchange registration	Tokyo Stock Exchange, First Section
Number of shares constituting one trading unit	100 shares
Total number of shareholders with voting rights	890,929

### Principal Shareholders (Top 10 Shareholders)

Name	Number of shares held (Thousands)	Shareholding ratio (%)
SoftBank Group Japan Corporation	1,914,858	40.86
JP MORGAN CHASE BANK 385632	273,340	5.83
The Master Trust Bank of Japan, Ltd. (Trust Account)	159,823	3.41
Custody Bank of Japan, Ltd. (Trust Account)	92,773	1.98
STATE STREET BANK WEST CLIENT - TREATY 505234	50,136	1.07
Custody Bank of Japan, Ltd. (Trust Account 7)	49,076	1.05
SSBTC CLIENT OMNIBUS ACCOUNT	39,885	0.85
STATE STREET BANK AND TRUST COMPANY 505103	35,143	0.75
JP MORGAN CHASE BANK 385781	34,332	0.73
SMBC Nikko Securities Inc.	33,486	0.71

(Notes) Shareholding ratio is calculated excluding treasury stock (100,659,500 shares).  
Of the above number of shares held, the shares held by The Master Trust Bank of Japan, Ltd. and Custody Bank of Japan, Ltd. include shares in connection with the trust business.

### Our Websites

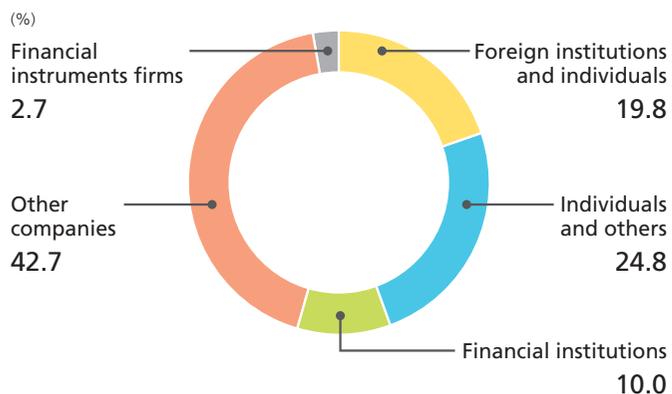
#### •Investor Relations

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

#### •Sustainability & CSR

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

### Breakdown by Type of Shareholder



### Stock Price Chart



SoftBank Corp.