

# Mid- to Long-term Vision

Beyond Carrier Strategy, Phase 2

**Junichi Miyakawa**  
**President & CEO, SoftBank Corp.**

May 11, 2021

# Focus in Next 10 Years

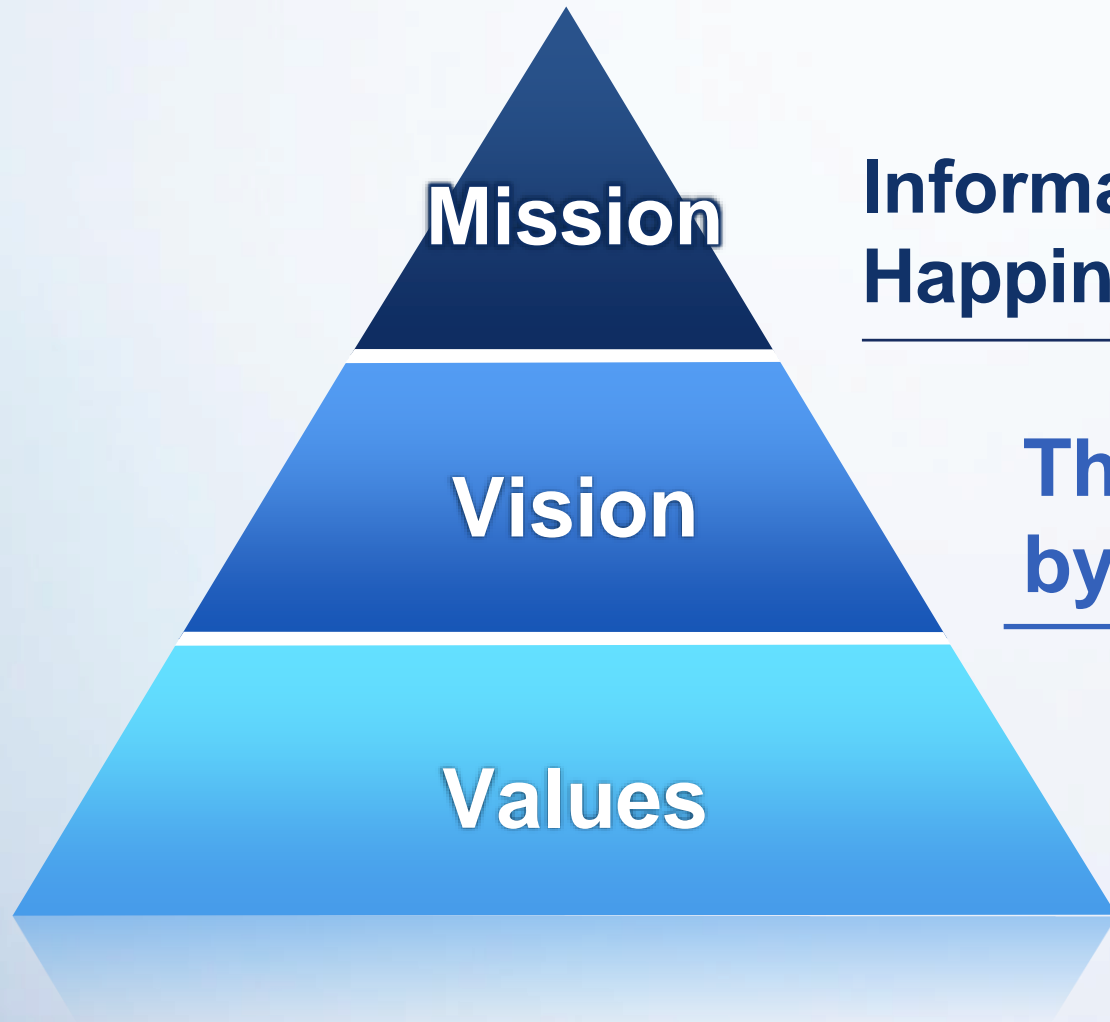
## Growth Revenue Increase



## Value Creation New Businesses



# SoftBank's Corporate Philosophy



**Mission**

**Information Revolution —  
Happiness for everyone**

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**Vision**

**The corporate group needed most  
by people around the world**

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**Values**

**Try hard, have fun**

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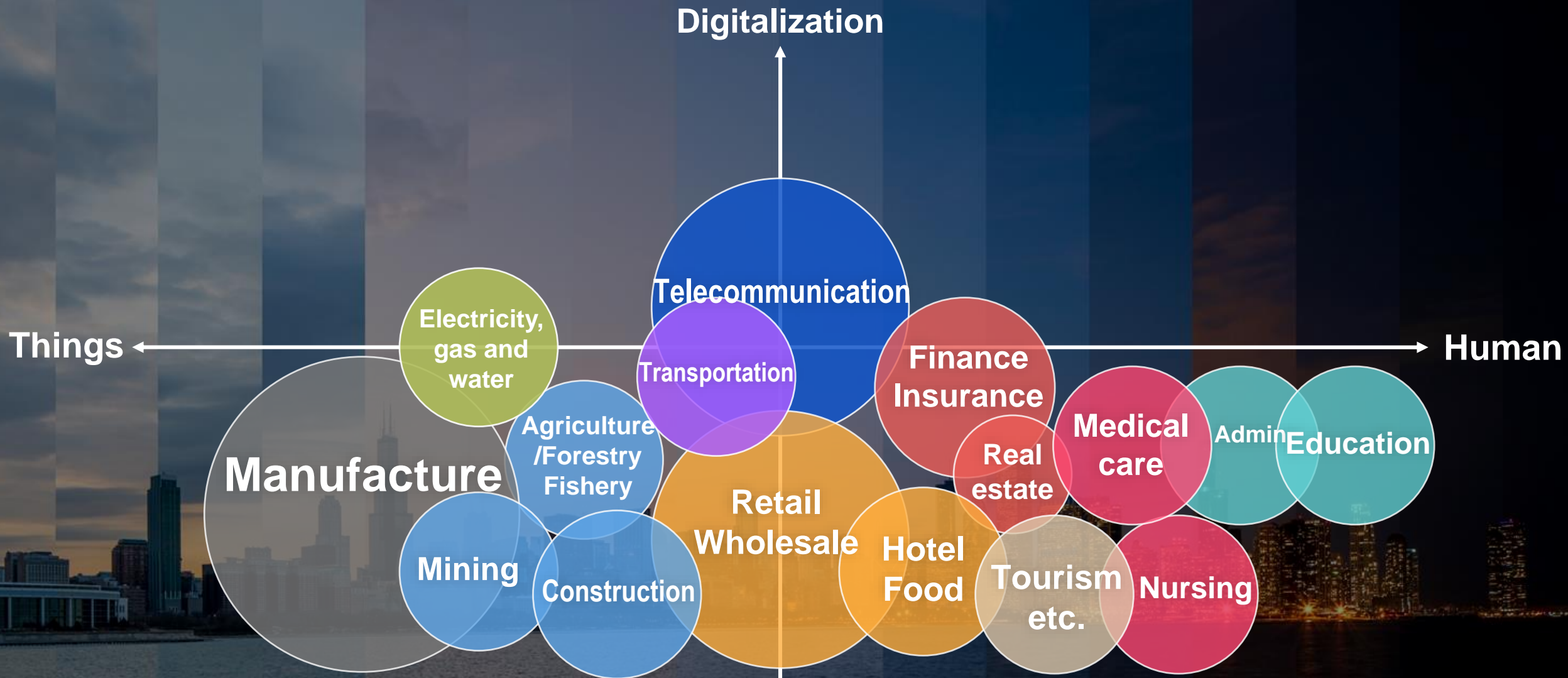
# **Vision for Next 10 Years**



# Arrival of a Super-digital Society



# Current Digitalization Map



(Source) NEDO TSC research and analysis report

Prepared by our company based on "Social Changes and Expected Innovations after the COVID-19 Disaster," June 2020



# Digitalization Accelerating in All Industries

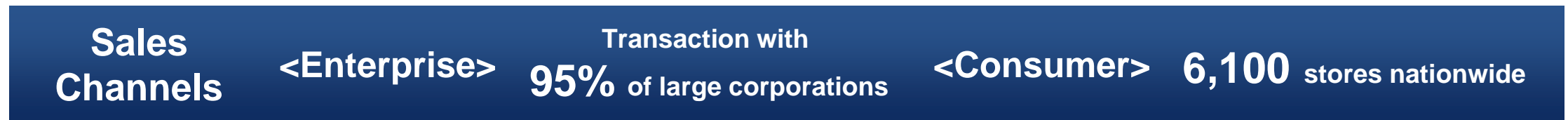


(Source) NEDO TSC research and analysis report

Prepared by our company based on "Social Changes and Expected Innovations after the COVID-19 Disaster," June 2020 6

# Our Business Foundation with Compelling No. of Customer Touchpoints

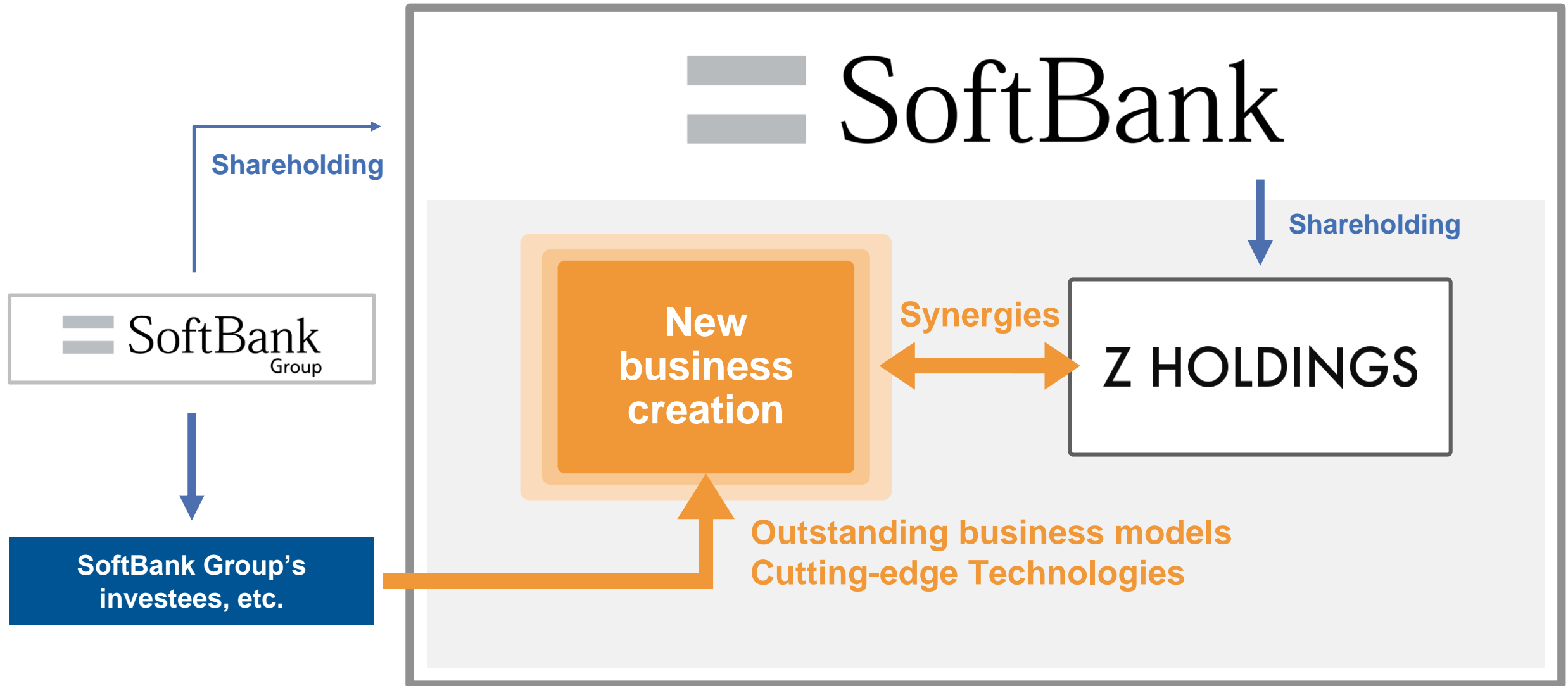
## Customer Touchpoints



(Notes) [No. of users] SoftBank Corp.: Cumulative No. of main subscribers (as of Mar 2021) / Yahoo! JAPAN: No. of annual logged-in user IDs (as of Mar 2020) / PayPay: No. of cumulative registered users (As of May 2021) / LINE: No. of monthly active users in Japan (as of Mar 2021) [Sales Channel] Enterprise: Approximate percentage of listed companies with revenue of JPY 100 bn or more that have transaction with SoftBank Corp. (As of Feb 2021) / No. of stores: Total of SoftBank and Y!mobile brands' directly-managed stores, agents, mass merchandisers and other retail channels (As of Mar 2021) [Human Resources] Sale force: No. of SoftBank Corp.'s sale staff (Mar 2021) / No. of engineers: Total of the engineers in SoftBank Corp., Yahoo Japan Corporation and LINE Corporation. (As of Mar 2021)

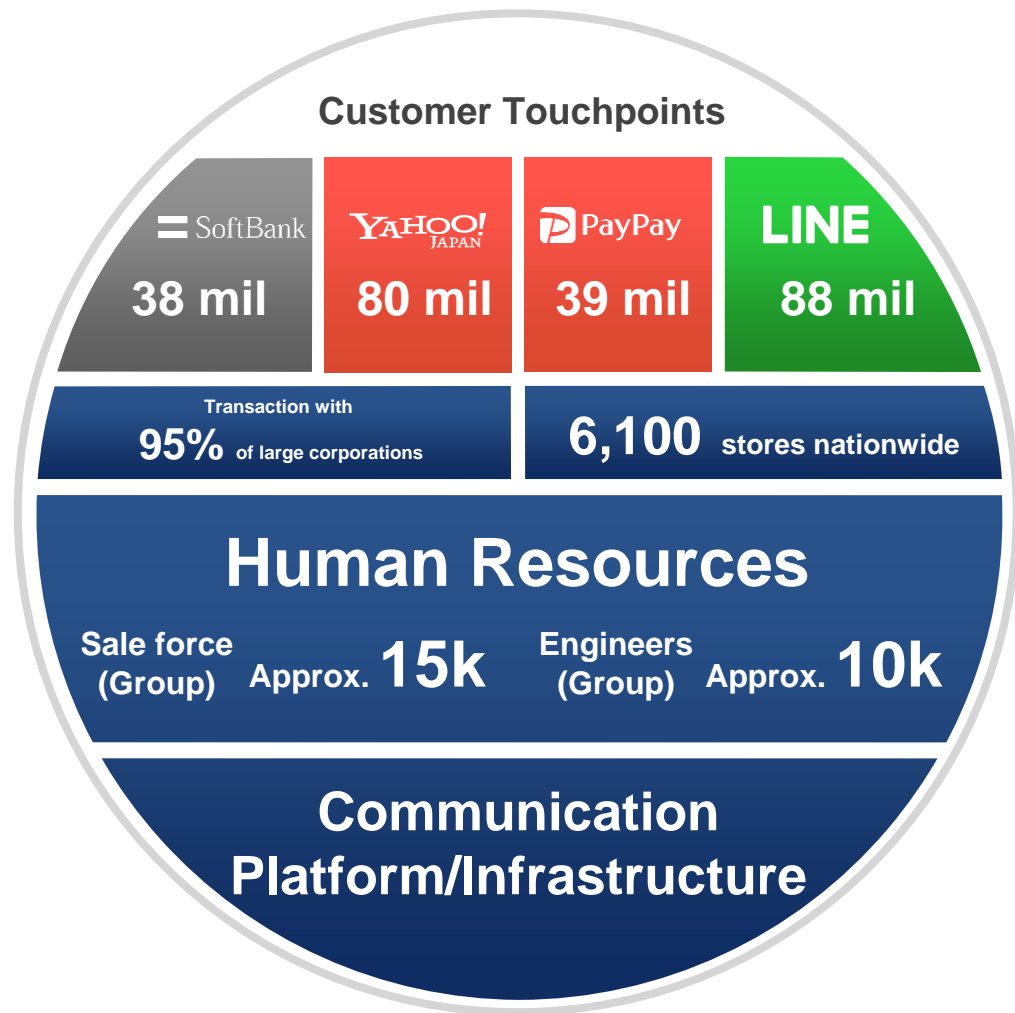


# Superior Position for New Business Creation



# Launch New Businesses at High Speed with Entire Group's Capabilities

## Our Business Foundation



SoftBank Group's investees  
Leading companies inside and outside Japan



**Outstanding  
Business Models**

**Cutting-edge  
Technologies**

天  
人

Ten

地


Jin

= SoftBank

Business Timing

Competitive Strengths

Team with Aspirations



*Even if you have an opportunity,  
Without strength, you can't take it*

*Even if you have strength,  
By yourself, you can't do anything*

*Only with the trust and cooperation  
Of people around you  
Can you achieve great results*



# Winning Formula

## Business Timing



## Digitalization/5G

## Competitive Strengths



## Business Foundation

## Team with Aspirations

**Engineers: 10k**  
**Sale force: 15k**  
 No. of subsidiaries, etc.:  
**335 companies**



**Prompt  
decision making**



Collaboration with  
 SoftBank Group's  
 Investees and  
 leading companies  
 inside and outside Japan



## Human Resources/Management /Co-creation (JV/M&A)

Maximizing the enterprise value to become  
**The corporate group needed most  
by people around the world**



# **Earnings Results for the Fiscal Year Ended March 31, 2021**

**SoftBank Corp.**  
**May 11, 2021**



# Disclaimer

## **Important Notice Regarding Forward Looking Statements and Other Information**

This document is based on the information available to SoftBank Corp. (“we” or “the Company”) as of the time hereof and assumptions which it believes are reasonable. Statements contained herein that are not historical facts, including, without limitation, our plans, forecasts, strategies and beliefs about our business and financial prospects, are forward-looking statements. Forward-looking statements often include the words such as “targets”, “plans”, “believes”, “hopes”, “continues”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “would”, “could” “anticipates”, “estimates”, “projects” or words or terms of similar substance or the negative thereof. These forward-looking statements do not represent any guarantee by us or our management of future performance or of any specific outcome are subject to various risks and uncertainties, including, without limitation, general economic conditions, conditions in the Japanese telecommunications market, our ability to adopt new technologies and business models, competition with other mobile telecommunications providers, our ability to improve and maintain our telecommunications network, our reliance on third parties in conducting our business, including SoftBank Group Corp. and its other subsidiaries and associates, our major vendors and suppliers, and other third parties, risks relating to M&A and other strategic transactions, risks relating to information security and handling of personally identifiable information, changes in the substance and interpretation of other laws and regulations and other important factors, which may cause actual results to differ materially from those expressed or implied in any forward-looking statement. The Company expressly disclaims any obligation or responsibility to update, revise or supplement any forward-looking statement in any document or generally to the extent allowed by law or stock exchange rule. Use of or reliance on the information in this material is at your own risk. Information regarding companies other than the Company and our subsidiaries and associates is quoted from public sources and others, and we have neither verified nor are we responsible for the accuracy of information. The information presented herein regarding certain joint ventures and collaborations of the Company, Vision Fund and SoftBank Group Corp. portfolio companies and investments has been selected on a subjective basis, is provided solely for illustrative purposes and does not purport to be a complete listing of all such collaborations or joint ventures. SoftBank Group Corp., the Company and the Vision Fund each have different strategies and objectives with respect to their investments and portfolio company operations. There is no guarantee that any joint venture will be consummated on the terms expressed herein or at all, or that the joint venture will be successful. All such plans are subject to uncertainties and risks, as well as investor consents and regulatory approvals, as applicable. References to such portfolio companies and investments should not be a recommendation of any particular investment.

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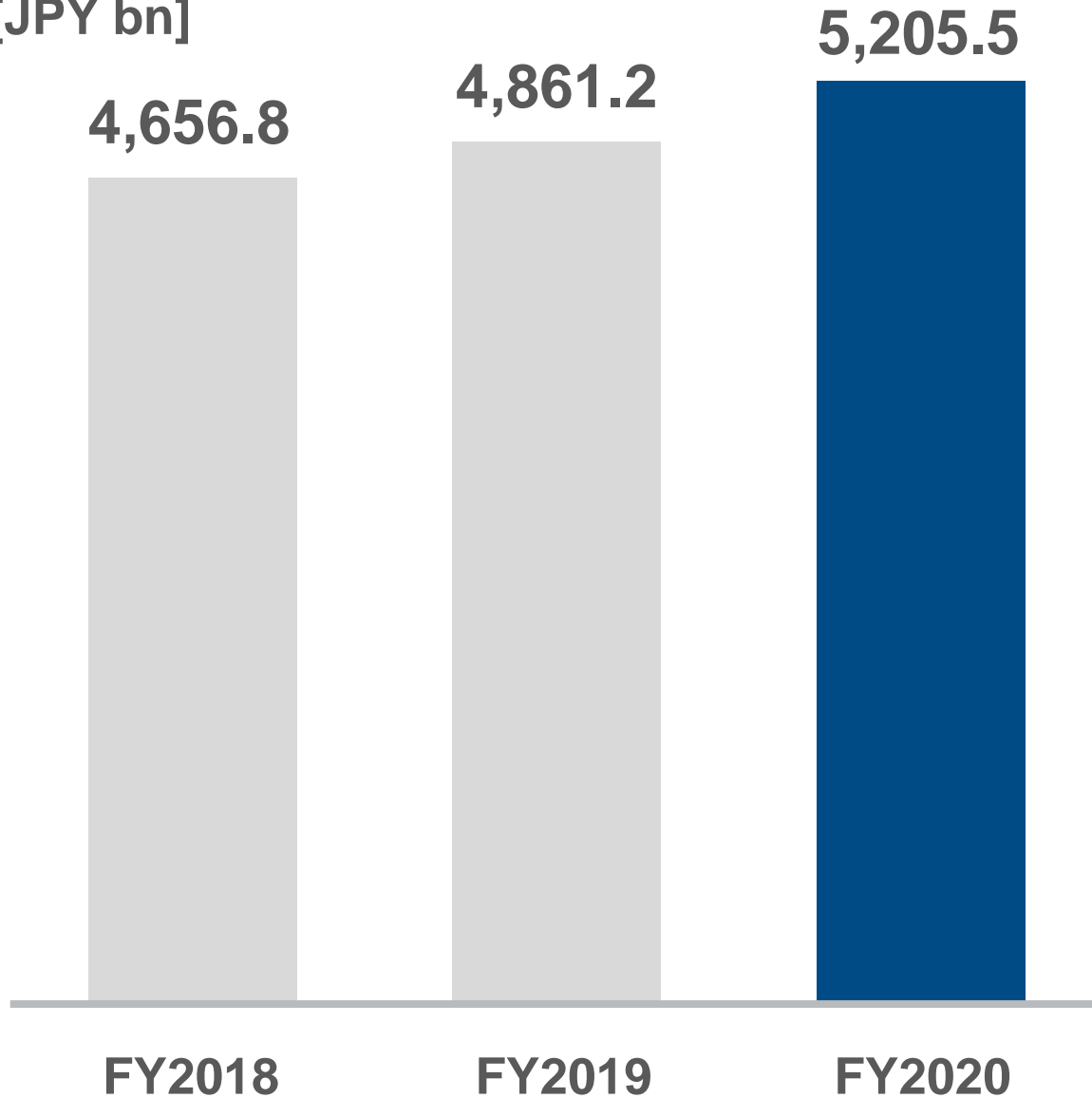


# Consolidated Results

## Fiscal Year 2020

# Revenue

[JPY bn]



Up 7%

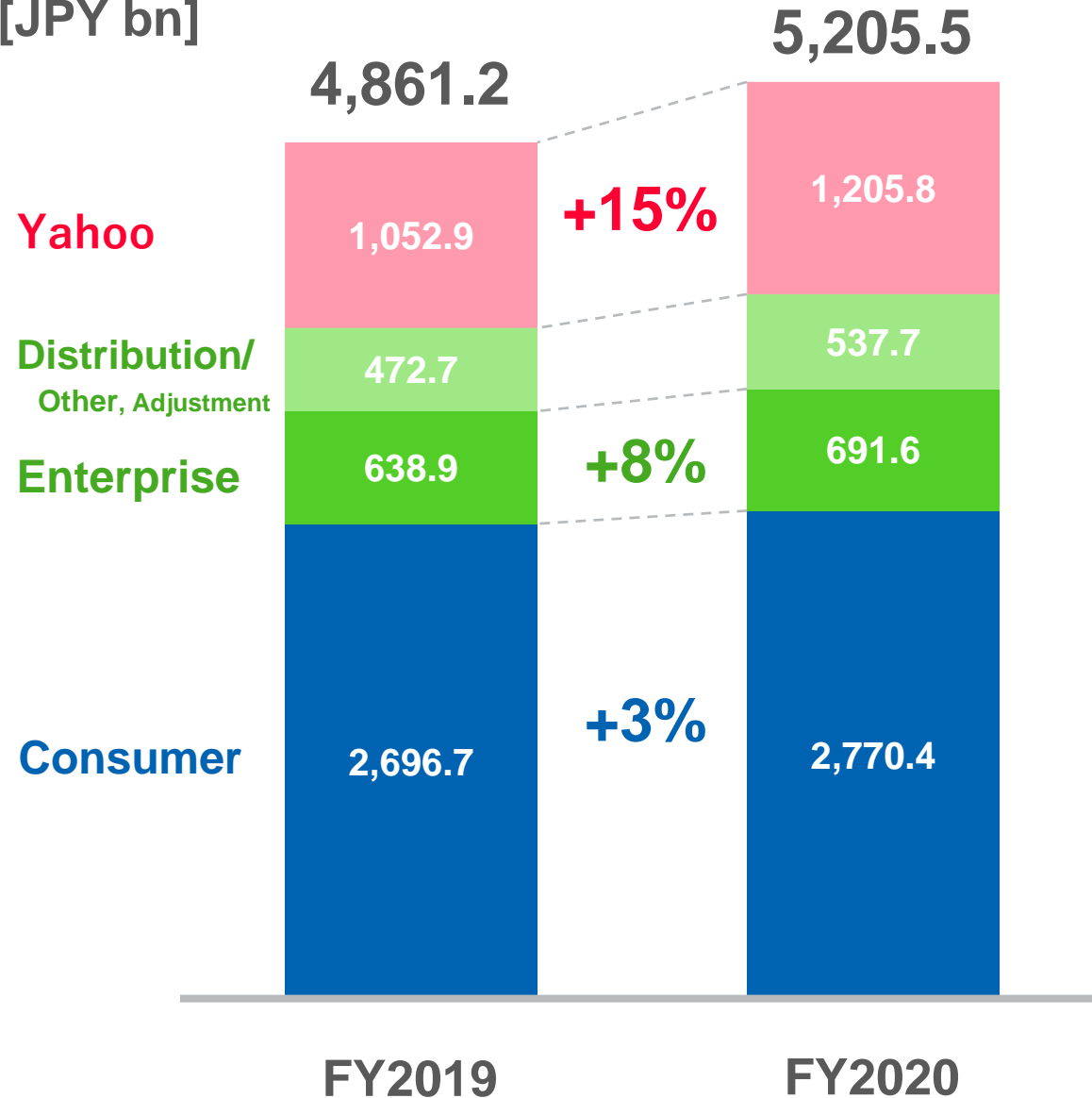
(Notes)

Actuals for FY2018 and FY2019 have been adjusted retrospectively to have consolidated Z Holdings Corporation (formerly Yahoo Japan Corporation, may be referred as “ZHD” in ) from April 1, 2018

“Yahoo” is used as the segment name when referring to ZHD business  
In this document, unless otherwise stated, changes refer to year-on-year changes

# Revenue by Segment

[JPY bn]

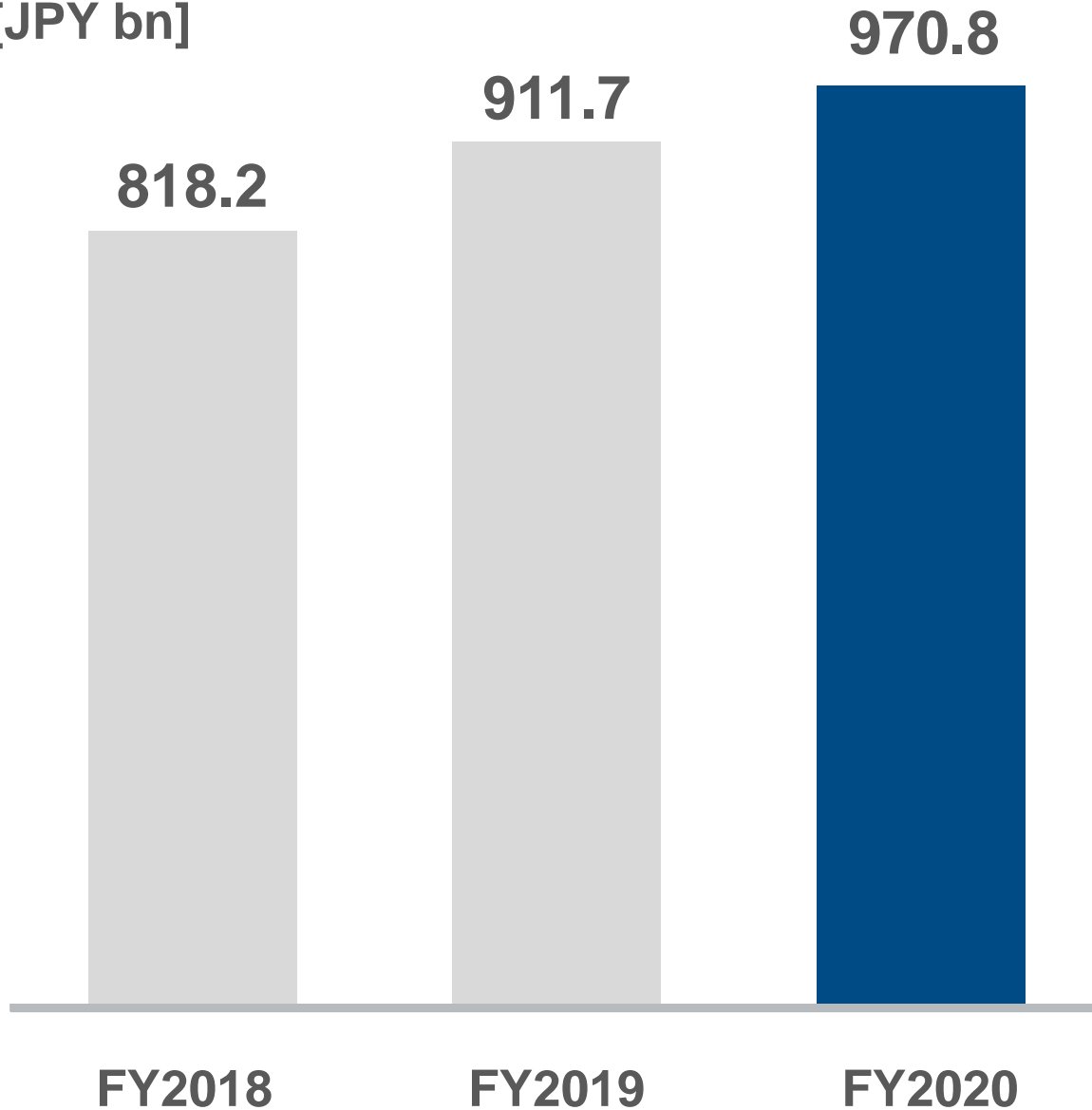


**Revenue increased  
in all segments**

# Operating Income

SoftBank

[JPY bn]

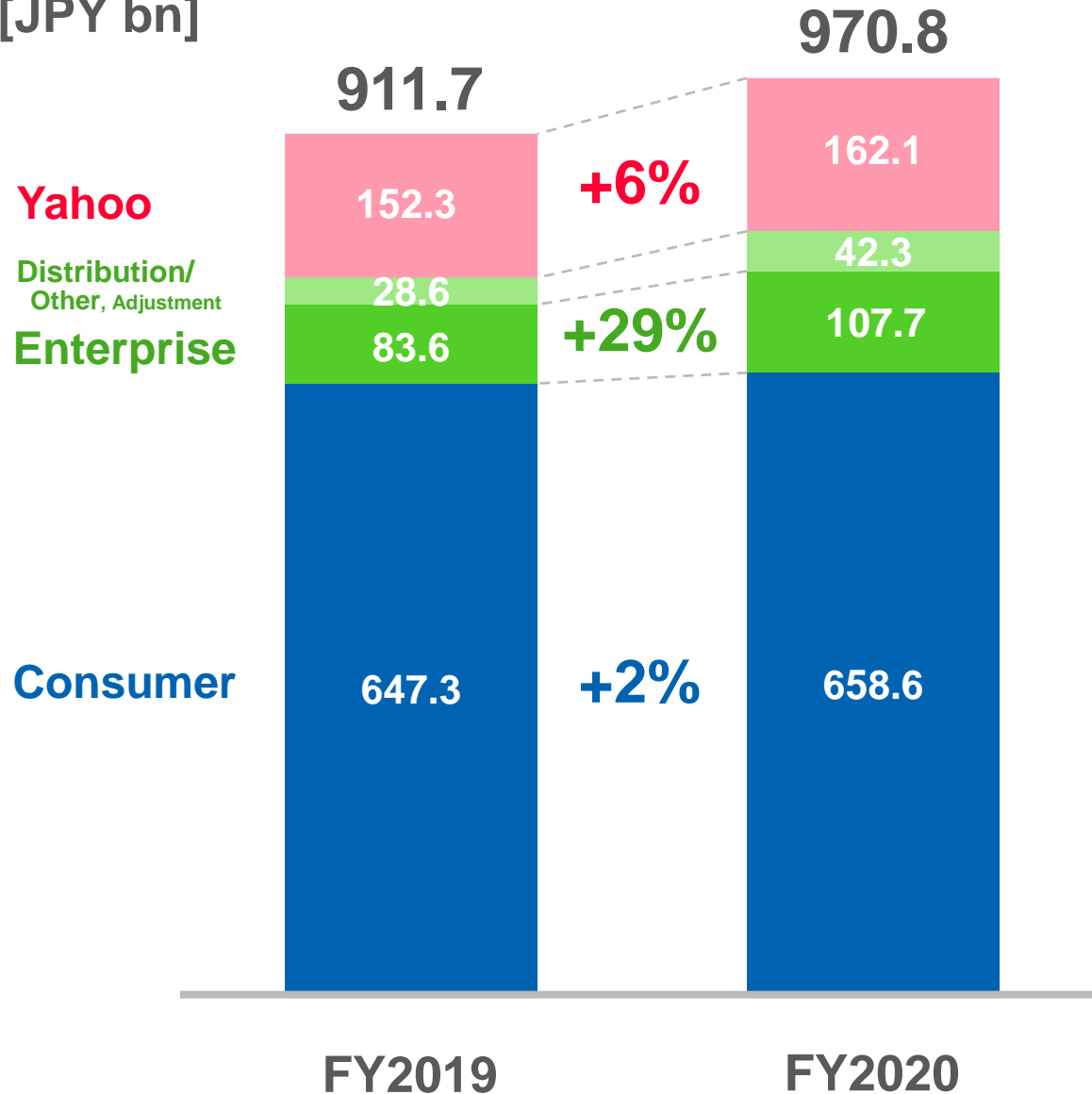


Up 6%



# Operating Income by Segment

[JPY bn]



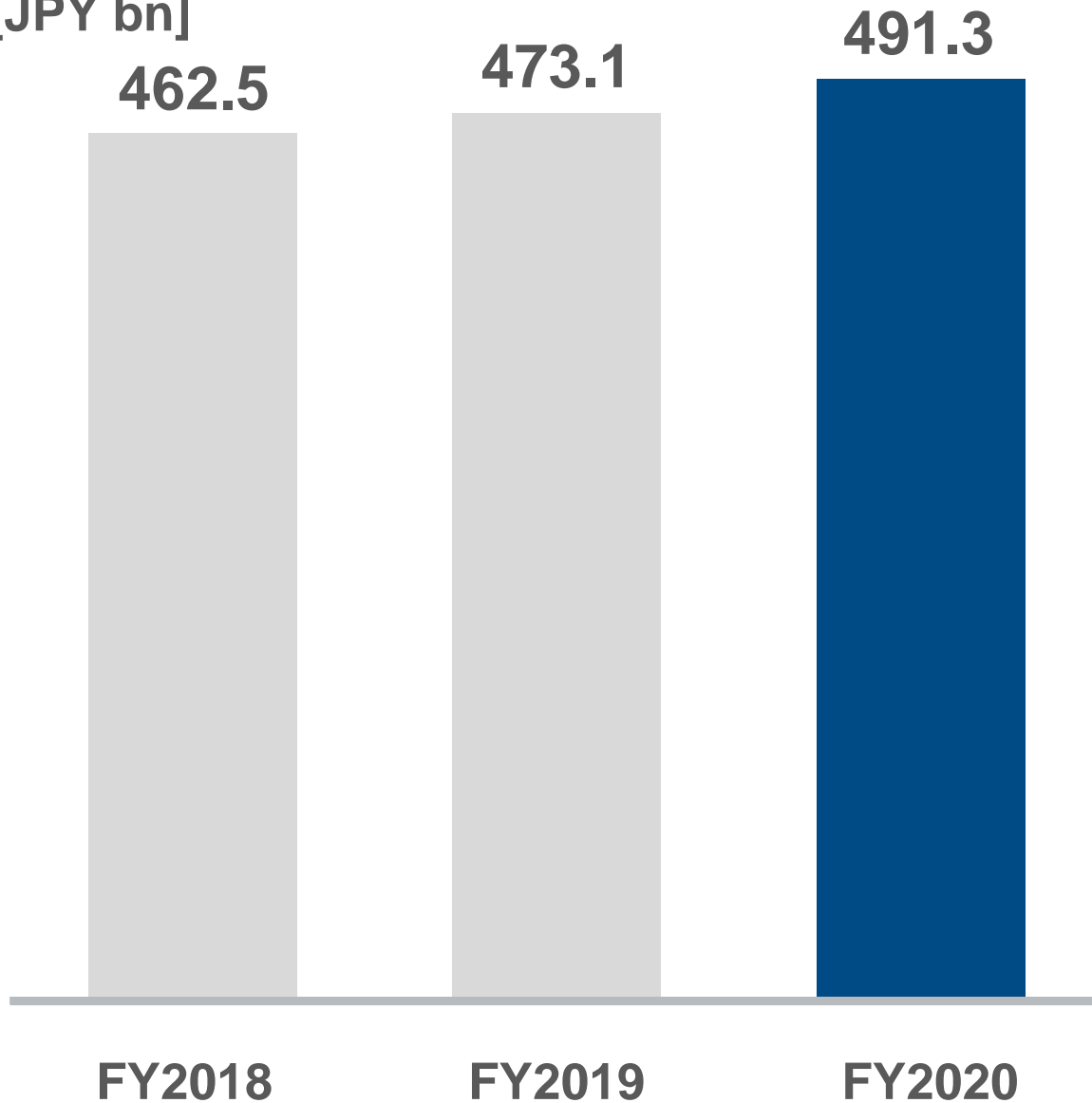
Operating income increased  
in all segments

Enterprise grew  
significantly

# Net Income

SoftBank

[JPY bn]



Up 4%

# FY2020 Consolidated Results

[JPY bn]

	FY2019	FY2020	YoY	YoY %
Revenue	4,861.2	5,205.5	+344.3	+7%
Operating Income	911.7	970.8	+59.0	+6%
Net Income	473.1	491.3	+18.2	+4%

# Dividend Per Share (Annual)

[JPY]

85

86

As forecast at BOP

Annual **86** [Scheduled]

(Up JPY 1 YoY)

FY2019  
Actual

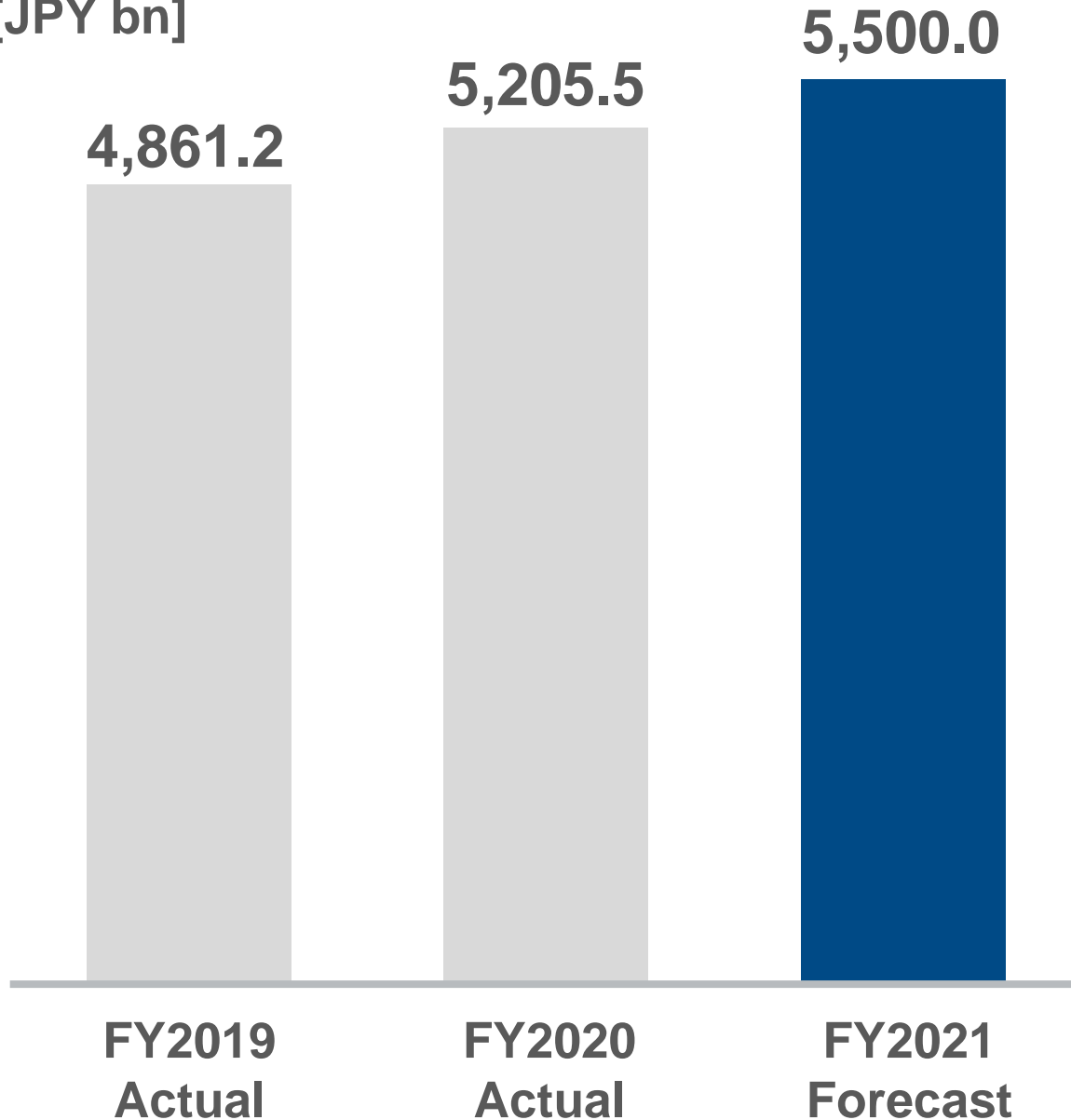
FY2020  
Scheduled

(Notes) The year-end dividend for fiscal 2020 is scheduled to be resolved at the Board of Directors meeting on May 21, 2021.  
BOP: The beginning of period, i.e. the beginning of the fiscal year 2020

# FY2021 Forecasts

# Revenue

[JPY bn]



**FY2021 Forecast**

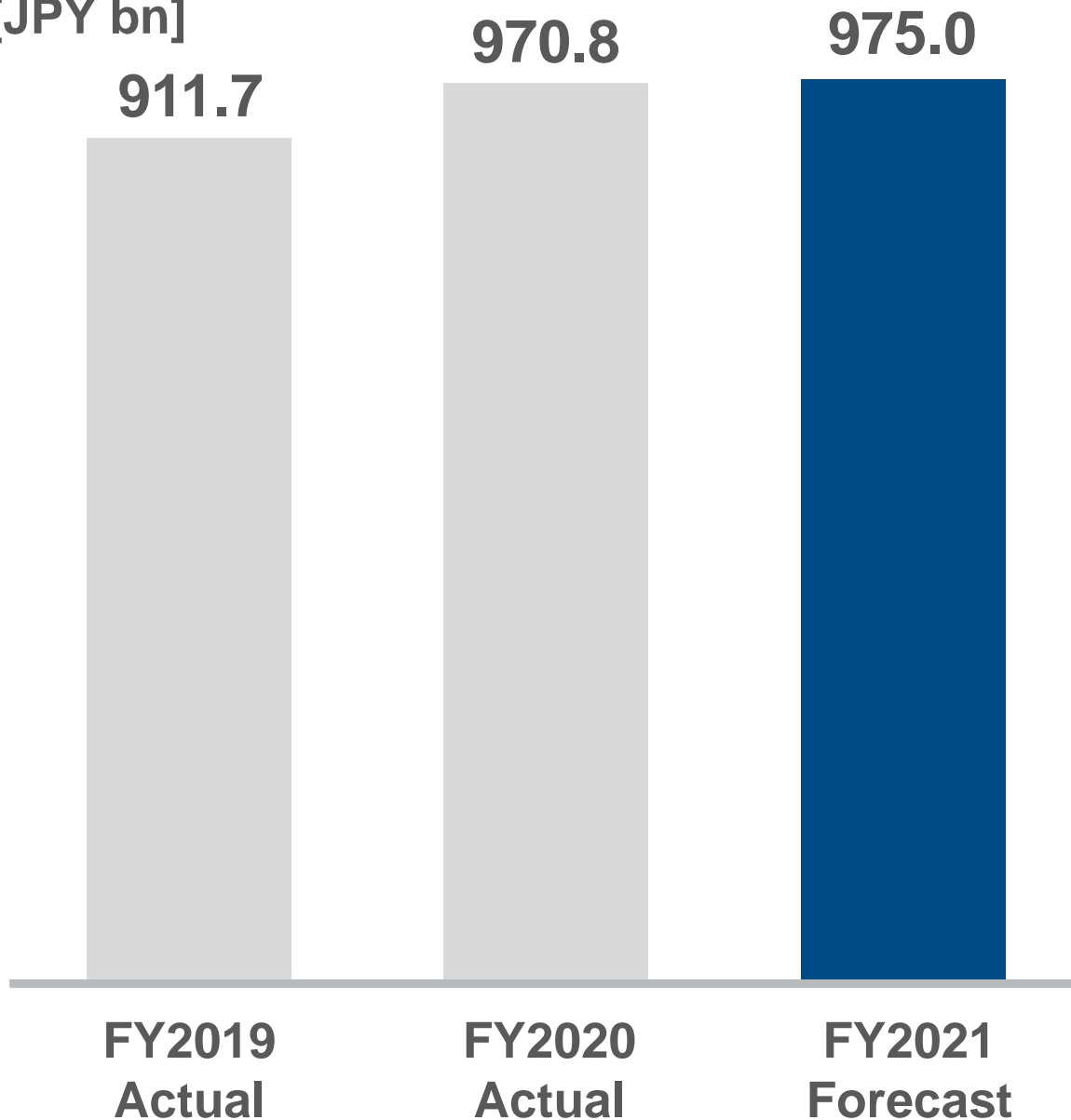
**5.5 tn**

(Up 6% YoY)



# Operating Income

[JPY bn]



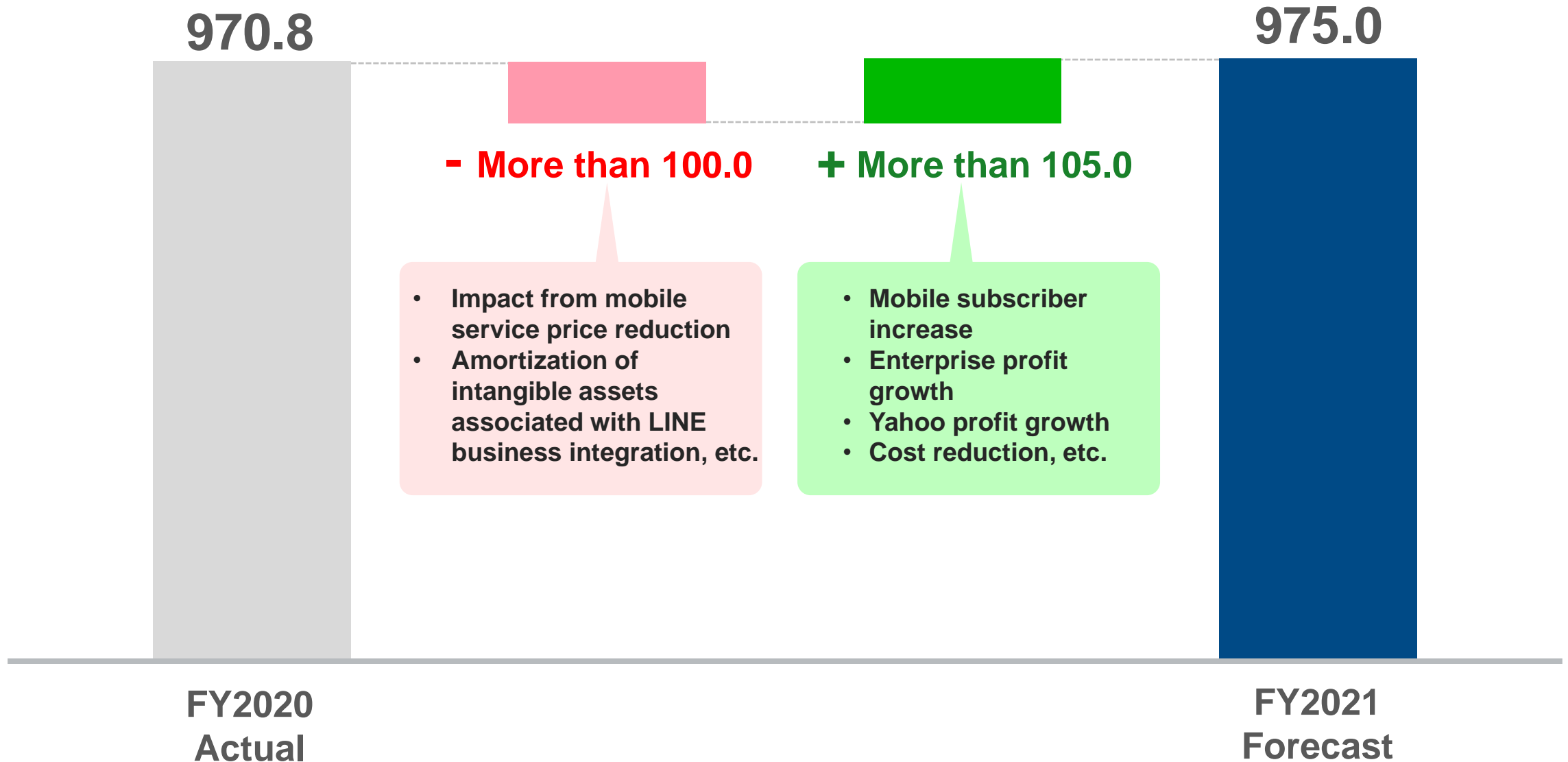
**FY2021 Forecast**

**975.0 bn**

(Up 0.4% YoY)

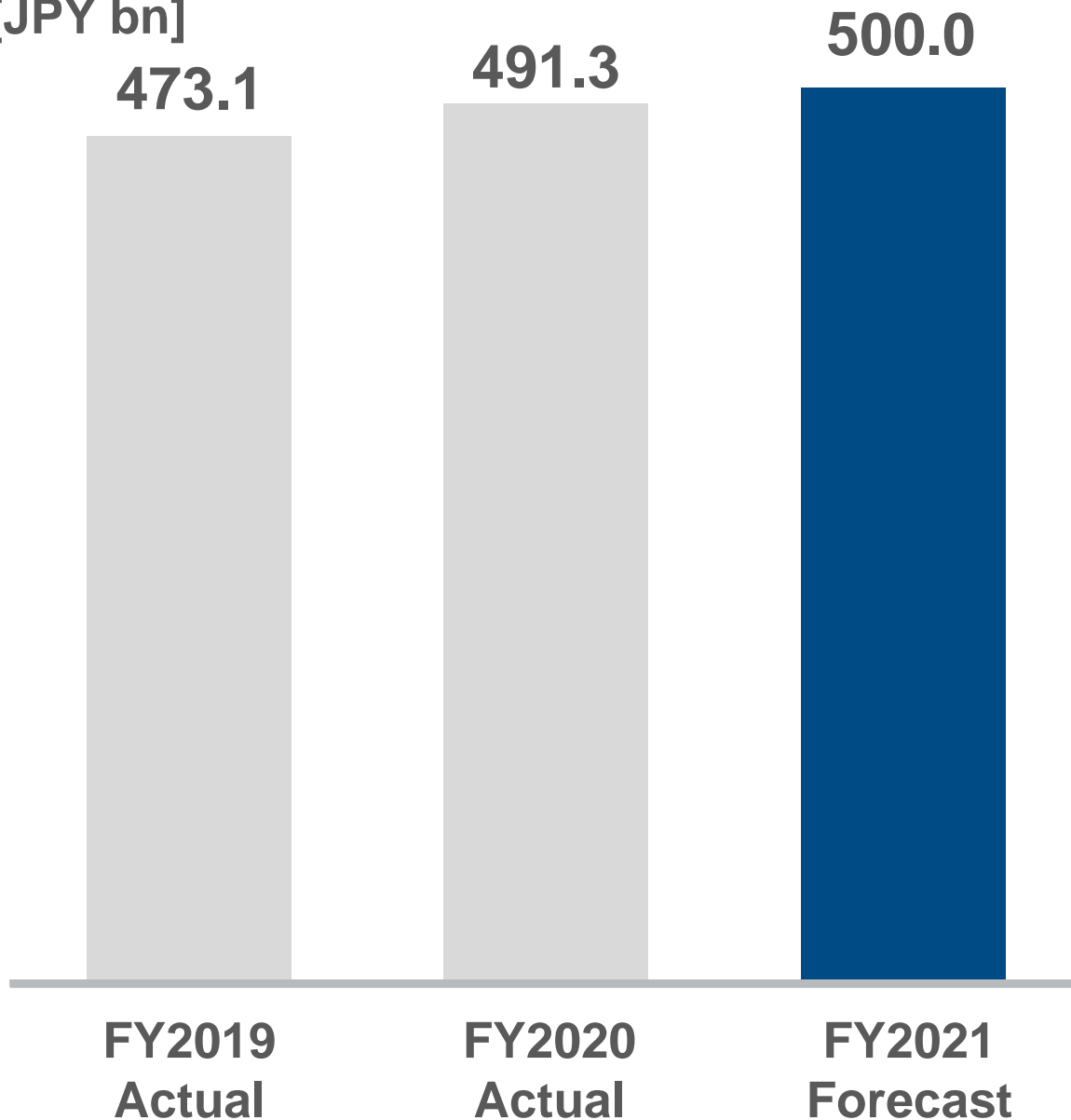
# Operating Income YoY Comparison

[JPY bn]



# Net Income

[JPY bn]



**FY2021 Forecast**

**500 bn**

**(Up 2% YoY)**

# FY2021 Forecasts

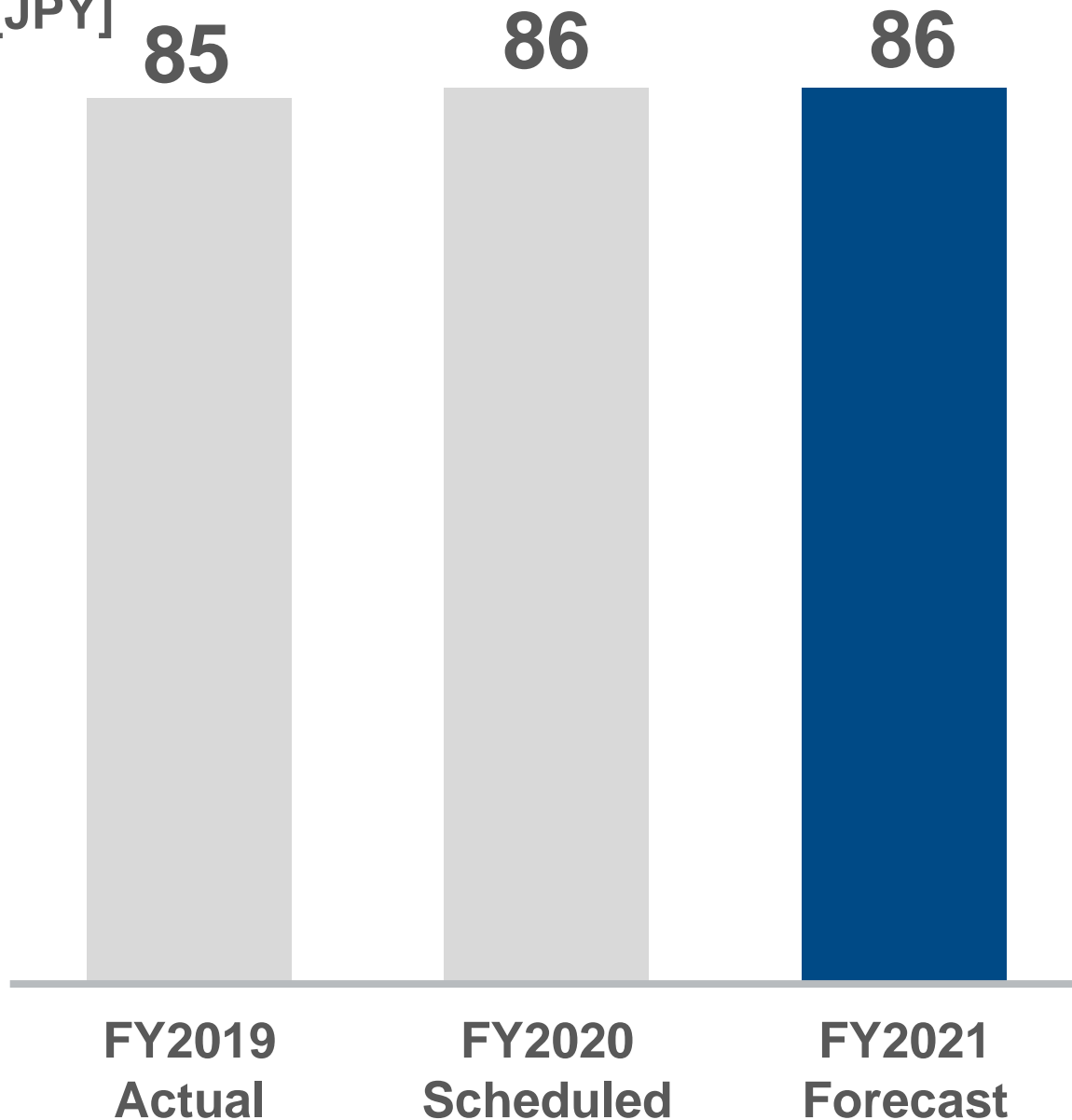
[JPY bn]

	FY2020 Actual	FY2021 Forecast	YoY	YoY %
Revenue	5,205.5	5,500.0	+294.5	+6%
Adj. EBITDA*	1,714.8	1,730.0	+15.2	+0.9%
Operating Income	970.8	975.0	+4.2	+0.4%
Net Income	491.3	500.0	+8.7	+2%

(Notes) Adj. EBITDA = operating income + depreciation and amortization (including loss on disposal of non-current assets) + stock compensation expenses ± other adjustments  
Net Income: net income attributable to owners of SoftBank Corp. \*Definition of Adj. EBITDA changed from FY2021. Figure here for FY2020 uses new definition (Adj. EBITDA was JPY 1,710.5 bn without adding stock compensation expenses)

# Dividend Per Share (Annual)

[JPY]



**Maintain high  
shareholder  
returns**

(Note) The year-end dividend for FY2020 is scheduled to be resolved at the Board of Directors meeting on May 21, 2021

(Announced in August 2020)

# No change to FY2022 targets

## Growth

**Operating income**  
**JPY 1 tn or more**

- ✓ Revenue JPY 5.5 tn or more
- ✓ Operating income JPY 1 tn or more
- ✓ Net income JPY 530 bn or more
- ✓ Net leverage ratio 2.4x or lower

## Shareholder returns

**Total shareholder**  
**return ratio of c. 85%**

(FY2020 - FY2022 weighted average)

**A combination of dividends and**  
**share buybacks**

- ✓ No dividend reduction
- ✓ Flexible share buybacks



# Short-term Strategy Focus

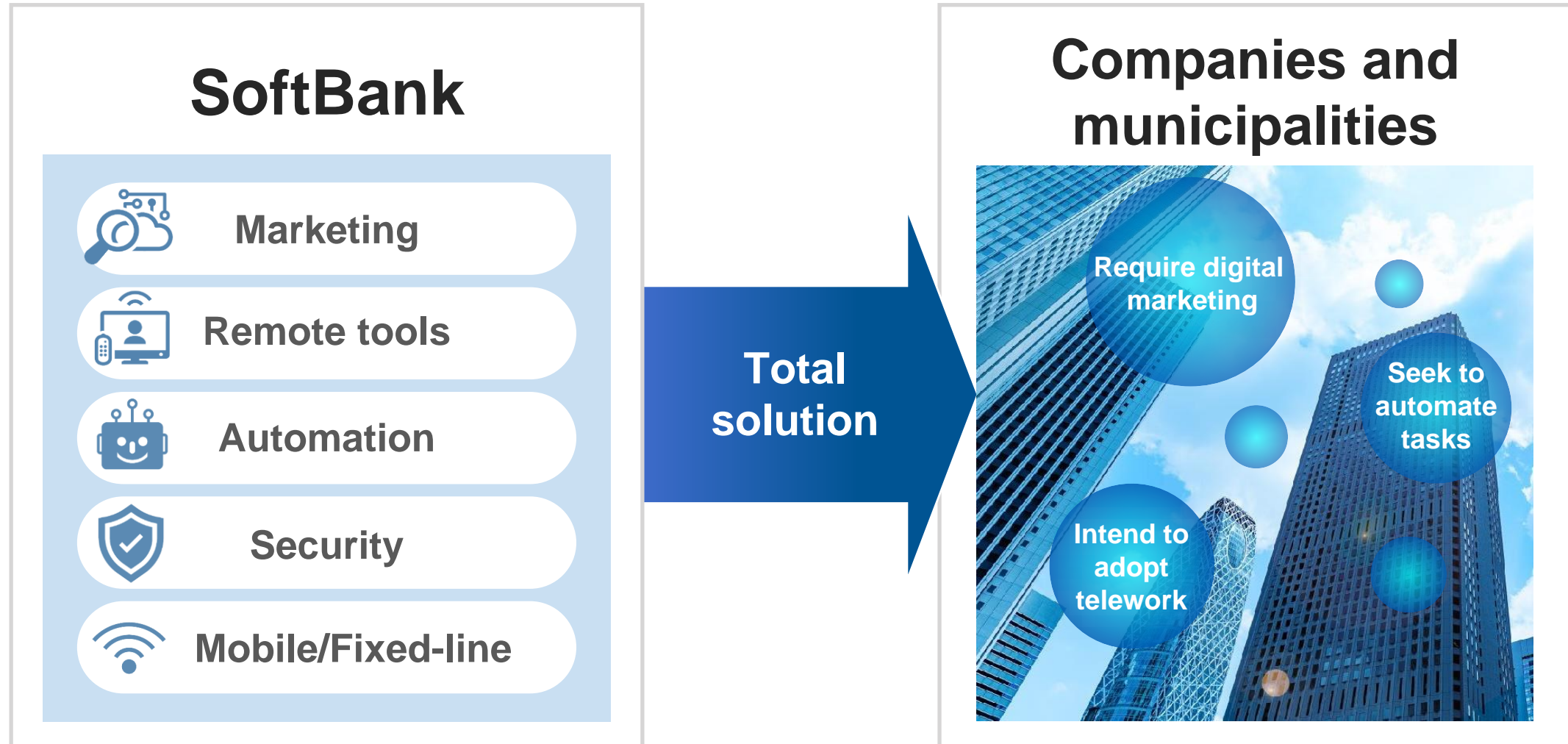
To create further group synergies through  
LINE business integration

＝ SoftBank

# Enterprise Business Evolution



## Growth driven by enterprise business solutions





# Enterprise Business

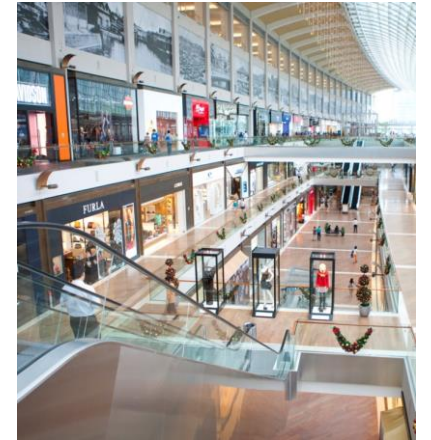
## Maintaining strong enterprise customer base

Relationship with  
large corporations

Has transactions with

**95%**

of listed companies in Japan  
whose annual revenue is  
JPY 100 bn or more





# Solution Case Study (East Japan Railway Company)

## Supervision of construction progress using 5G and Digital Twin

Physical site



Upload shooting data via our 5G NW

Reproduced site (Digital Twin)



Remote control



(Notes) Demonstration experiments will be conducted at the Senjyu Power Plant (Tokamachi City, Niigata Prefecture) from the summer of 2021. The main purpose is to check and control the quality of structures at construction sites. The screenshot is an image

# Enterprise Synergy Strategy

Providing new value to users via our platforms  
by co-creating with partners

## Companies and municipalities



## SoftBank

 SoftBank

No. of users  
**38 mil**



No. of users  
**80 mil**



No. of users  
**39 mil**



No. of users  
**88 mil**

## Users

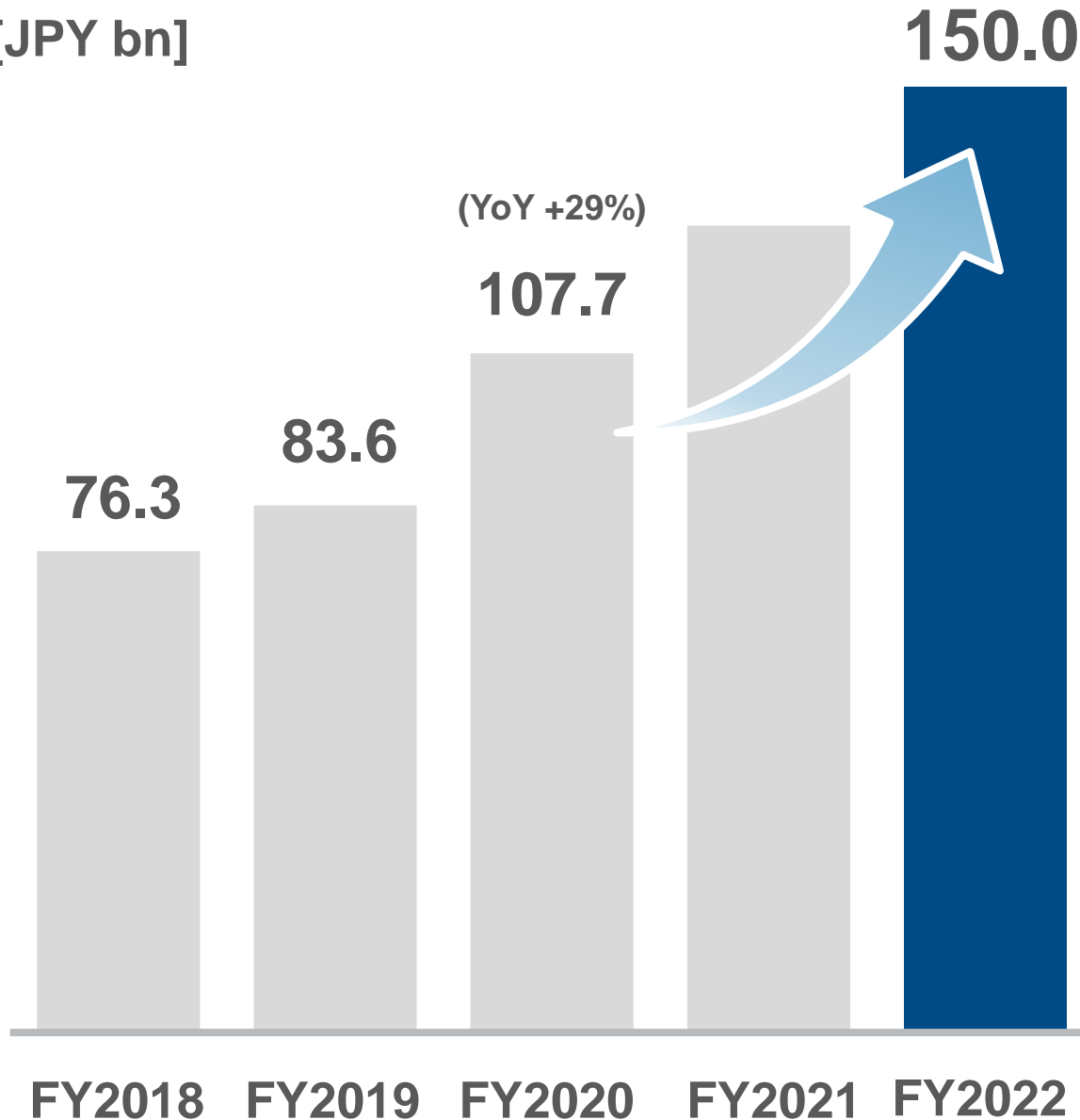


(Source) SoftBank: Cumulative No. of main subscribers (as of Mar 2021); Yahoo! JAPAN: No. of annual logged-in user IDs (as of Mar 2020); PayPay: No. of cumulative registered users (as of May 2021); LINE: No. of monthly active users in Japan (as of Mar 2021)



# Enterprise: Operating Income

[JPY bn]



**FY2022 Enterprise  
operating income target**

# 150bn



# Smartphone No. 1





## Increase subscribers through differentiation strategy

### Multi-brand strategy

Meeting all kinds of needs

Large capacity plan



Mid/low capacity plans



Online plan



### Differentiation with group assets

Providing value from e-commerce and others

Shopping



Travel



E-book



Video



Sports viewing

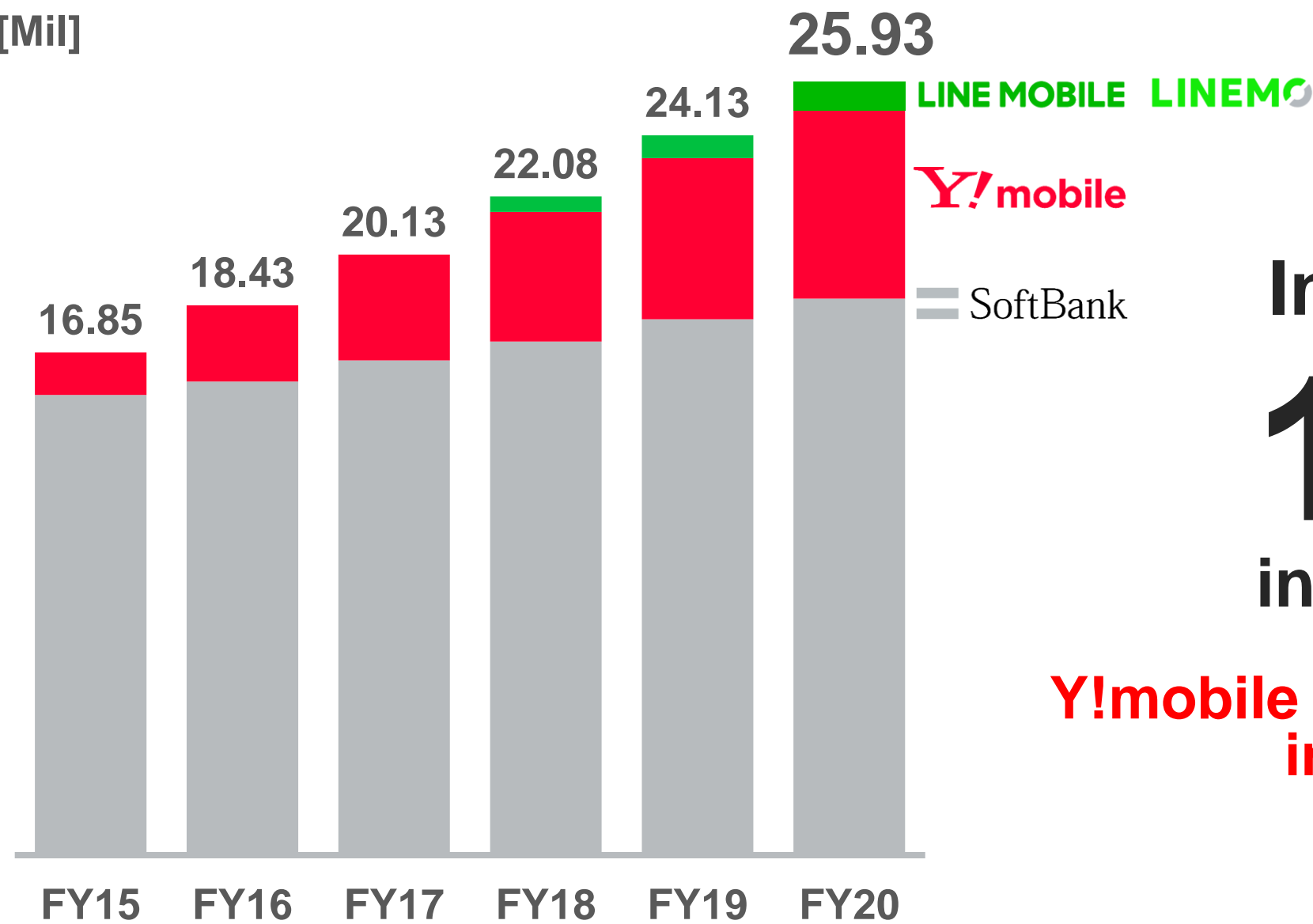


Social media



# Smartphone Cumulative Subscribers

[Mil]



Increased  
**1.5x**  
in five years

Y!mobile increased 4.4 times  
in five years

(Note) Including enterprise subscribers



# Mobile Strategy

## Strategy evolving further with LINE assets

### Multi-brand strategy

Three brands with newly added brand LINEMO

 SoftBank

Large capacity  
Reasonable price

 Y!mobile

Mid/low capacity  
Low price

 LINEMO

Medium capacity  
Online exclusive

### Differentiation with group assets

Groups of leading services in Japan

 YAHOO!  
JAPAN

Shopping  
Travel  
Video, etc.



 LINE



Social media

Mobile payment



 PayPay



Fashion EC site

 ZOZOTOWN

# Differentiation with Group Assets

## Continue to pursue offering benefits to our users

### Entertainment



AR SQUARE



VR SQUARE



LINE MUSIC

### Payment/FinTech



PayPay



PayPay カード  
PayPay Card



PayPay 銀行  
PayPay Bank



PayPay 証券  
PayPay Securities

### Shopping



YAHOO! ショッピング  
Yahoo! JAPAN Shopping



PayPay モール  
PayPay Mall

### Social media



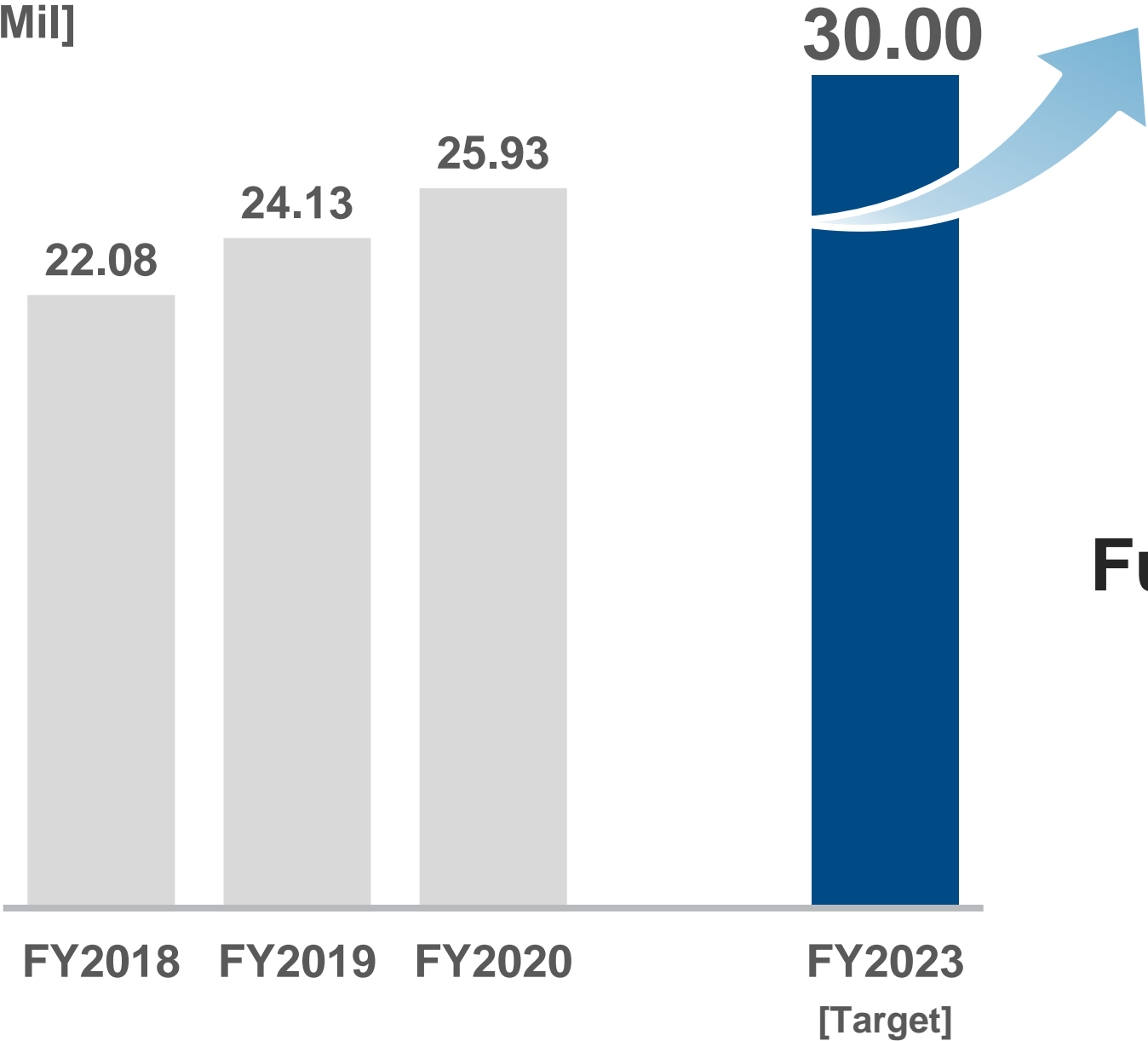
SoftBank

Y!mobile

LINEMO

# Smartphone Cumulative Subscribers

[Mil]



**FY2023 Target**

**30 mil**

**Further growth after FY23**

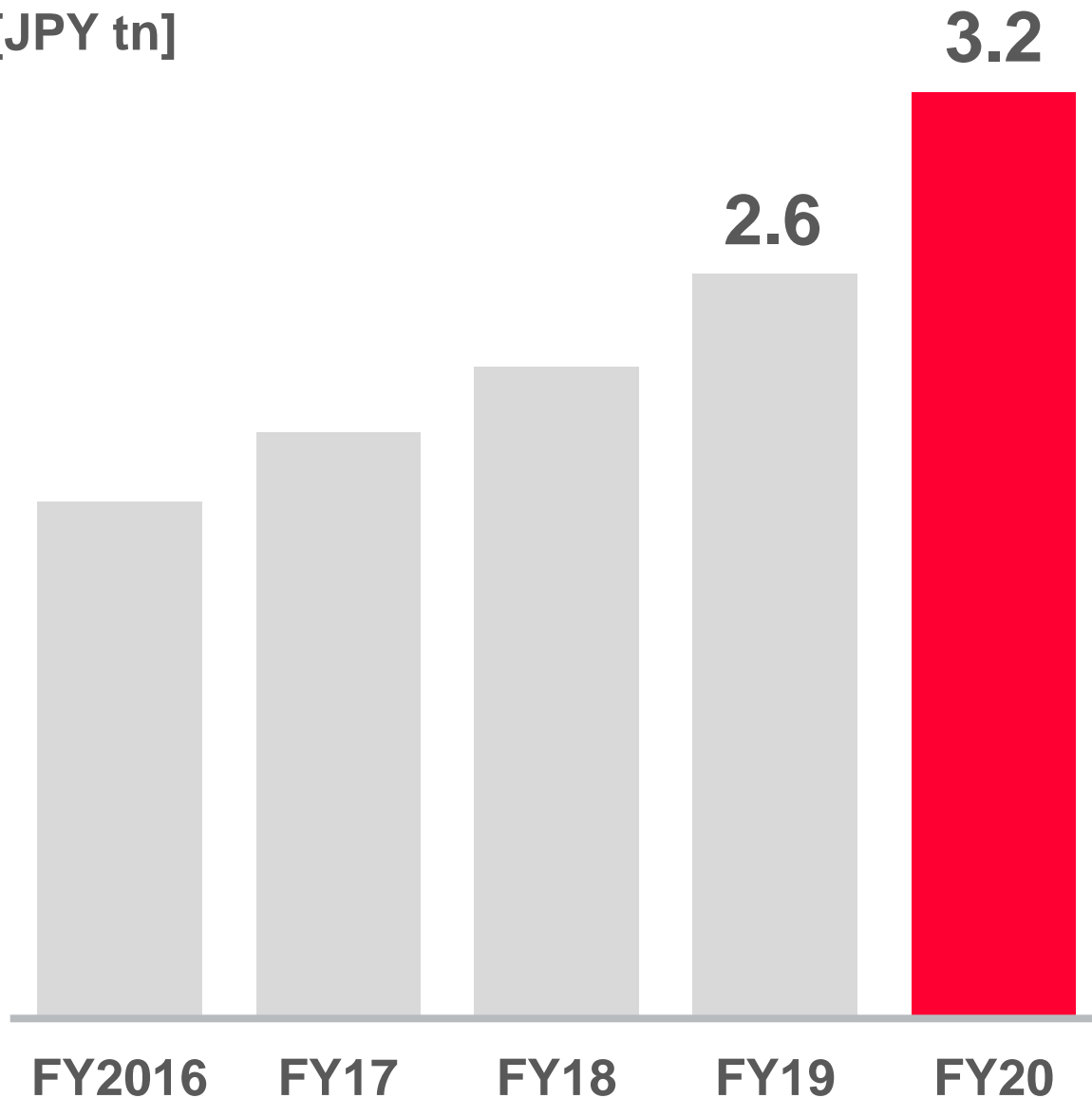
# E-Commerce No. 1



# E-Commerce (EC) Transaction Value

[JPY tn]

(Merchandise, services and digital content)



**EC in Japan**  
(Merchandise)

**No. 3**

(Source) Earnings announcement materials by ZHD on April 28 2021

(Note) E-commerce transaction value is the total of merchandise, services and digital content

(Note) Transaction value of ZOZO, Inc. is included since November 2019 when ZOZO became subsidiary of ZHD



# E-Commerce Competition Status

## Improve ease of use and capture growth opportunities

### Room for improvement



**Improve  
search  
experience**



**Improve  
delivery  
quality**

### Growth opportunities



**Collaboration  
with LINE**



**Enhanced  
collaboration  
with PayPay**

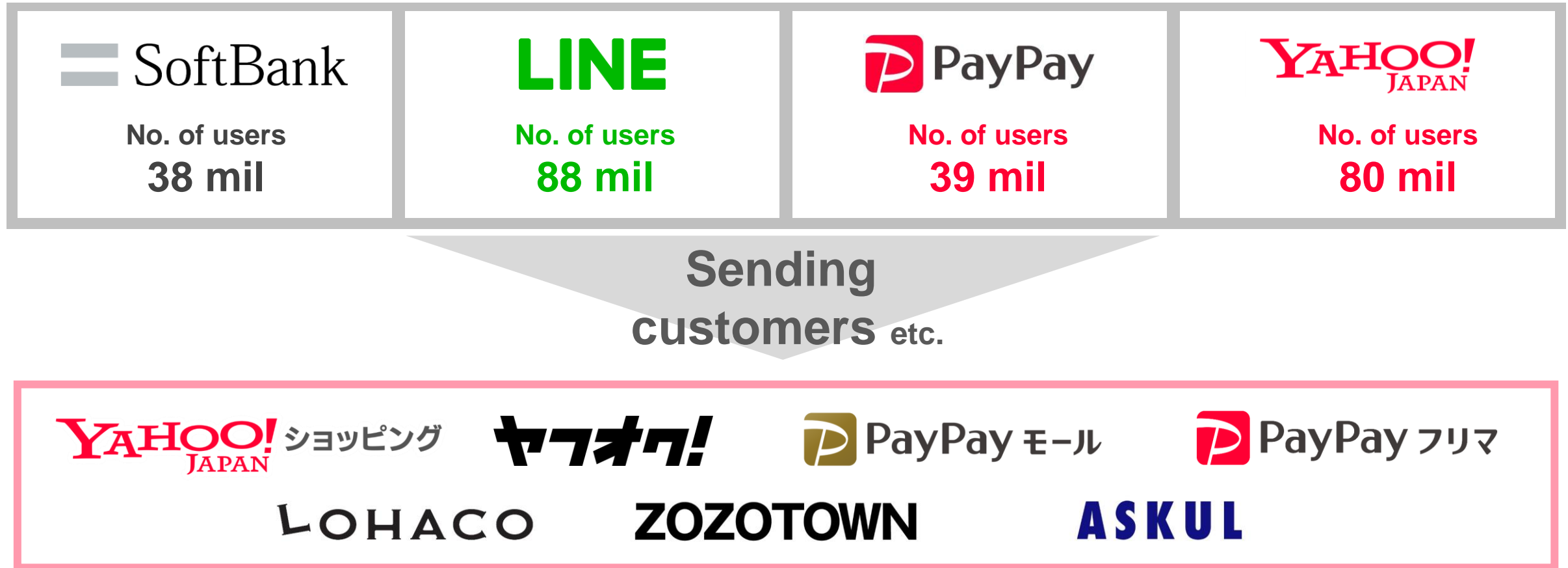


**Utilizing  
SoftBank's  
customer base**



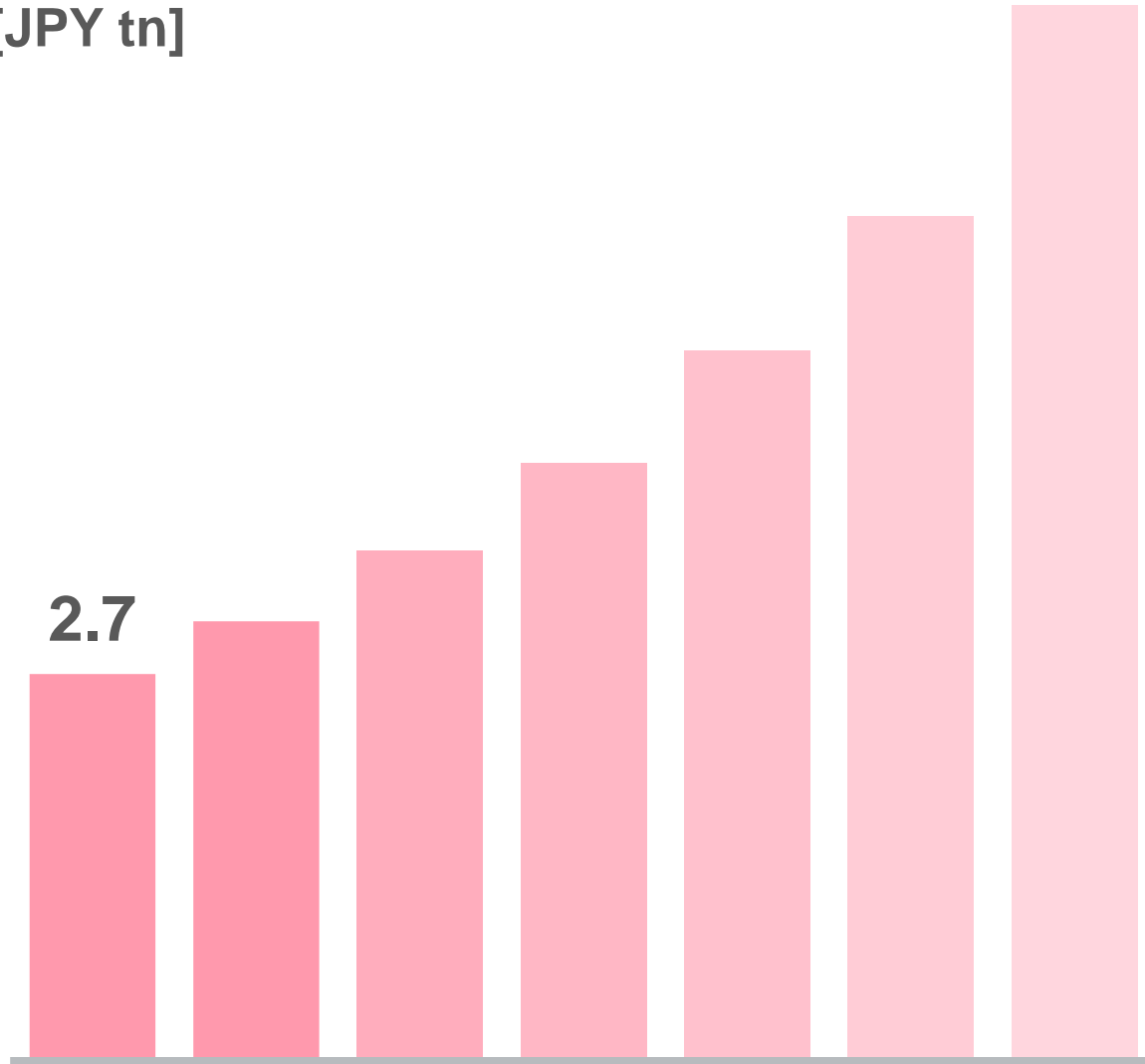
# E-Commerce Growth Strategy

## Expand transaction value across our group



# Yahoo: EC Transaction Value (Merchandise)

[JPY tn]



FY2020

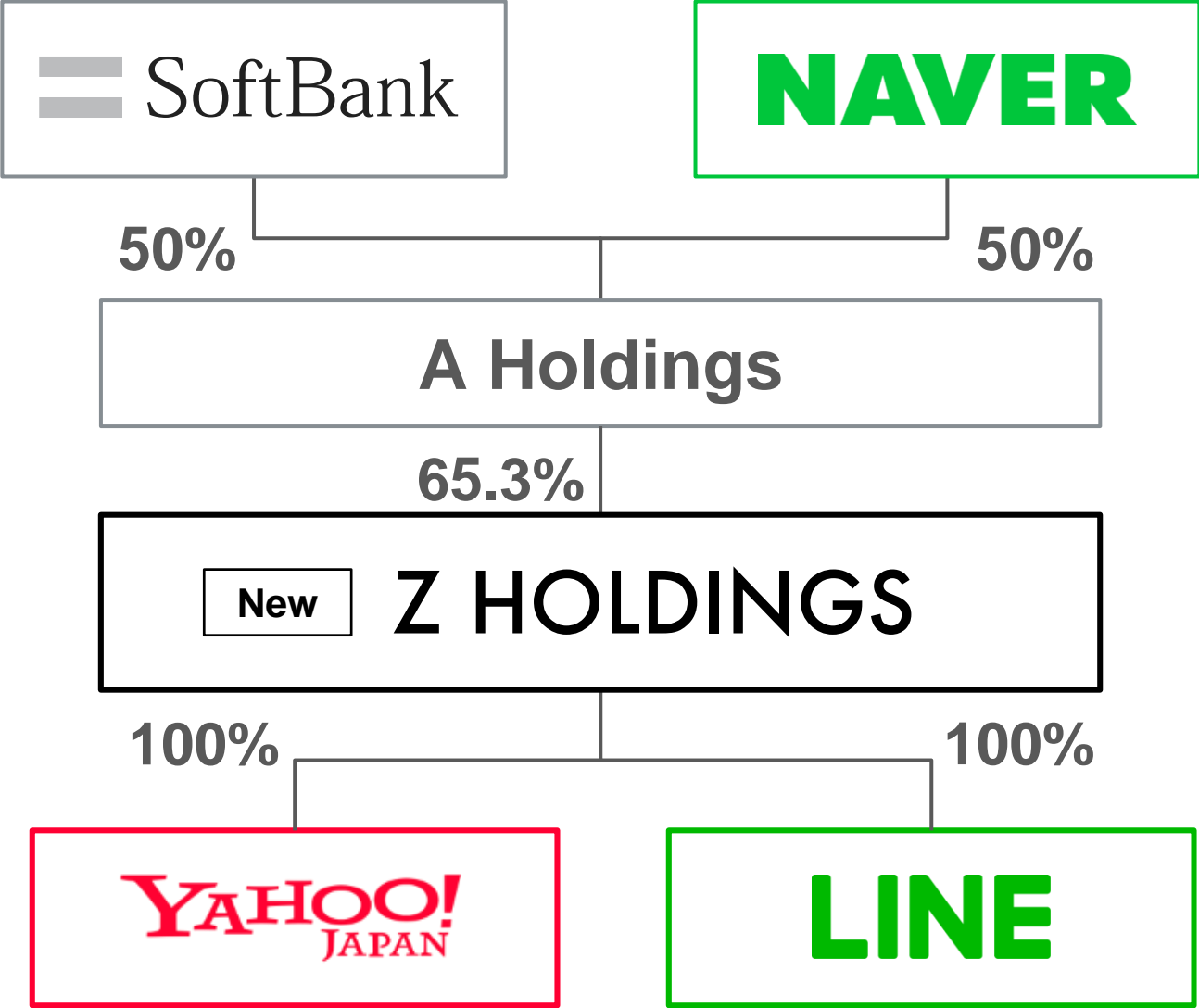
To achieve  
EC transaction value  
(Merchandise)

**No. 1 in Japan**  
in first half of 2020s

# Collaboration with LINE and NAVER



# Capital Structure



Relationship with  
**NAVER** reinforced  
with **LINE** merger

# What is NAVER

**NAVER**

## One of the largest technology platforms in Korea

Market Cap.  
(Korea) **No. 4**

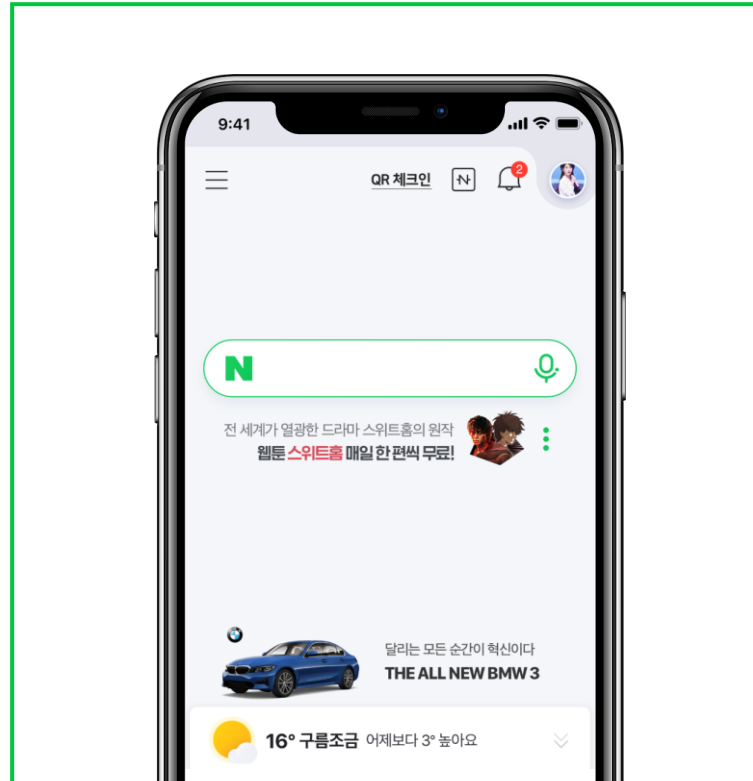
Search engines  
(Korea) **No. 1**

**Compelling  
customer base**

Market Cap. ranking of the listed companies  
in the Korea Stock Exchange  
(as of March 31, 2021)

No.	Company Name	Market Cap.
1	Samsung Electronics	JPY 53.6t
2	SK hynix	JPY 8.9t
3	LG Chem	JPY 5.8t
<b>4</b>	<b>NAVER</b>	<b>JPY 5.5t</b>
5	Samsung Biologics	JPY 4.9t

(Source) S&P Capital IQ  
1KRW = JPY 0.09808



(Source) 2020 NAVER Annual Report

**Registered users**

**54 mil**

**Mobile daily active users**

**More than 30 mil**

(Source) NAVER Corporation  
Registered users, Mobile daily active users: as of early 2021

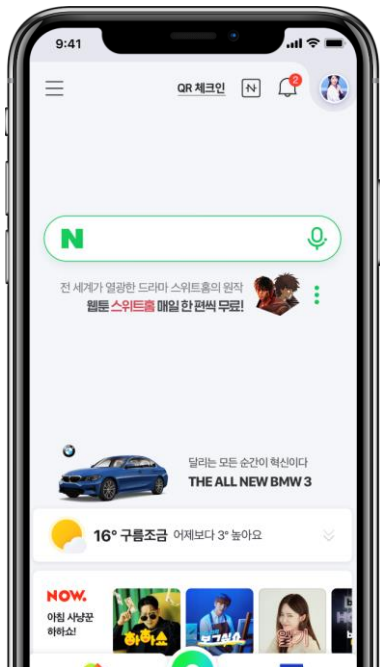


# What is NAVER

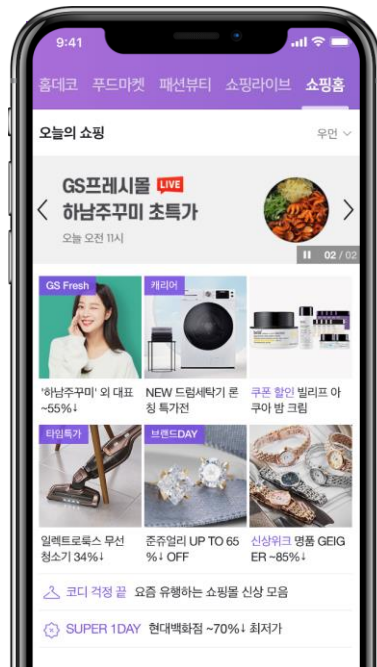
NAVER

## Holding advanced technologies in various fields

### Search

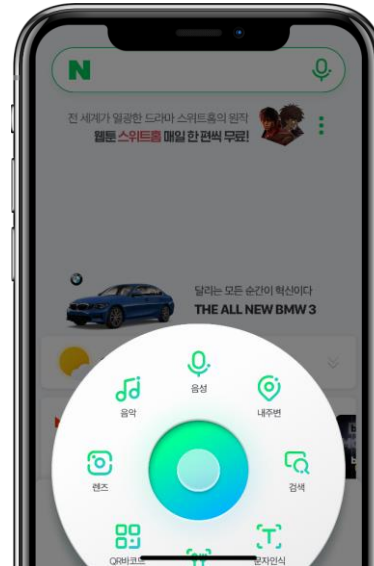


### Shopping



### AI

CLOVA



### Autonomous driving



### Robotics





# Synergy Generation

## Steering committees established to drive strategies

SoftBank



### Steering committees by field



Advertising

Commerce

Location/Map

Cloud

Global business

Others

NAVER



# 5G Network Enhancement





## Highest level rating among global peers



**Video Experience**

**World No. 1**



**Games Experience**

**World No. 1**

# SoftBank 5G Development

## To achieve rapid 90% population coverage for 5G

Mar 2020

  
Service launch

Feb 2021

**5G deployment**  
with existing  
spectrum



Done

Mar 2021

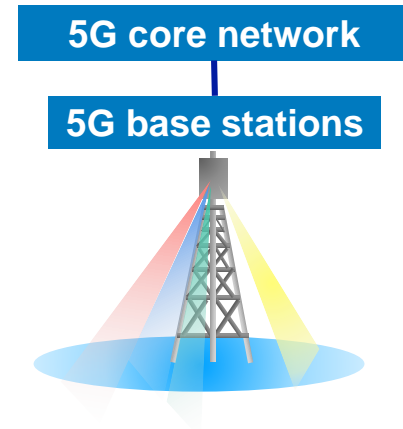
**Nationwide deployment**  
(47 prefectures)



Done

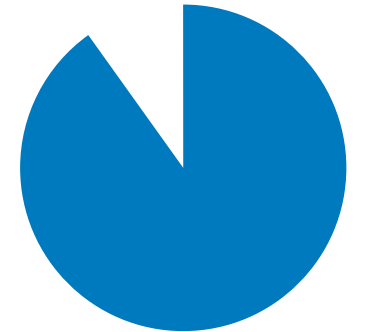
During FY2021

**Stand Alone launch**



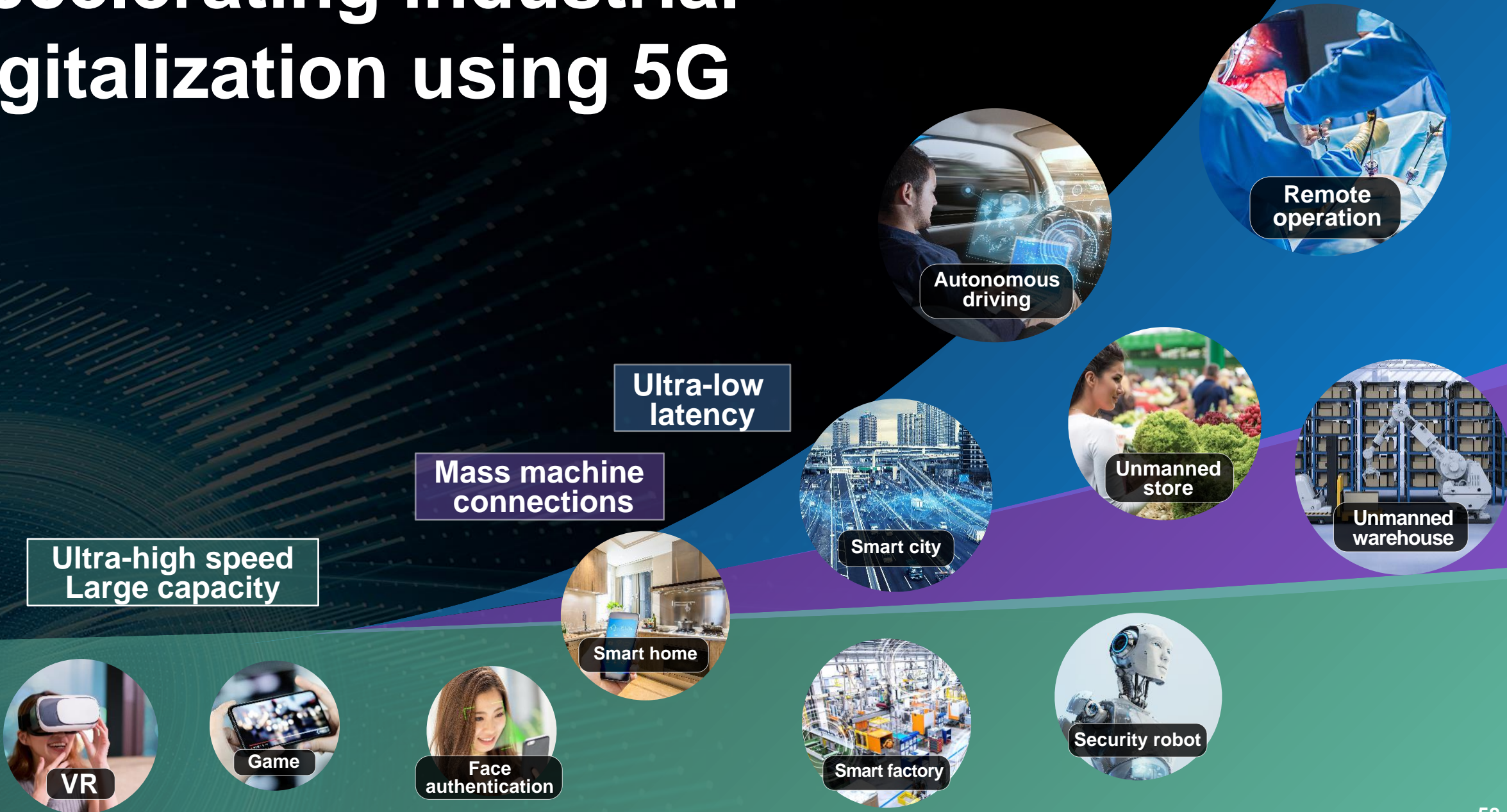
Spring 2022

Population coverage  
**90%**





# Accelerating industrial digitalization using 5G





# Beyond Japan







# Agreed to capital and business alliance with **ADA**

One of the largest data and AI marketing companies  
in Southeast Asia

 SoftBank

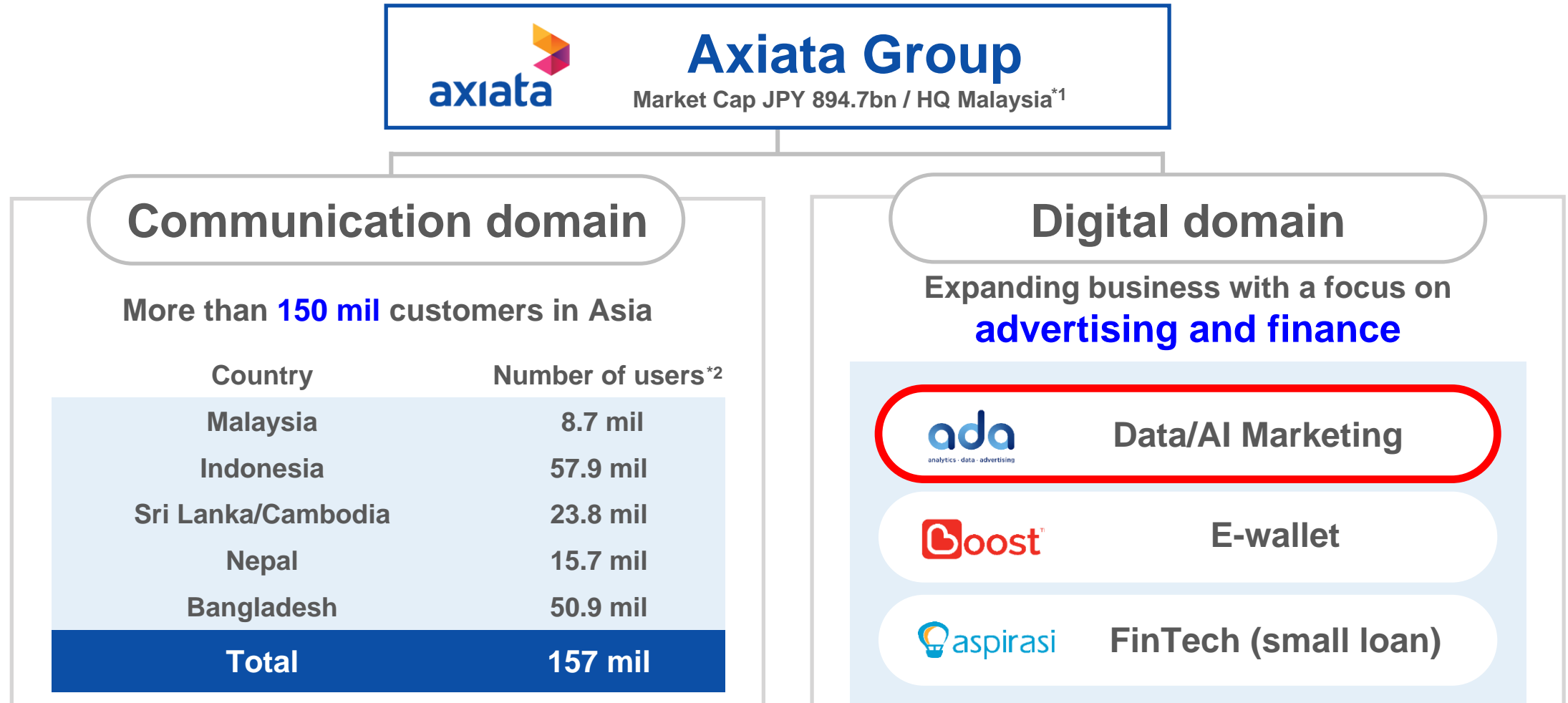
Invested USD 60 mil  
(Shareholding  
ratio 23.1%)

  
analytics · data · advertising

(To be an equity method affiliate)

# What is ADA

## A subsidiary of major telecommunication group in Southeast Asia

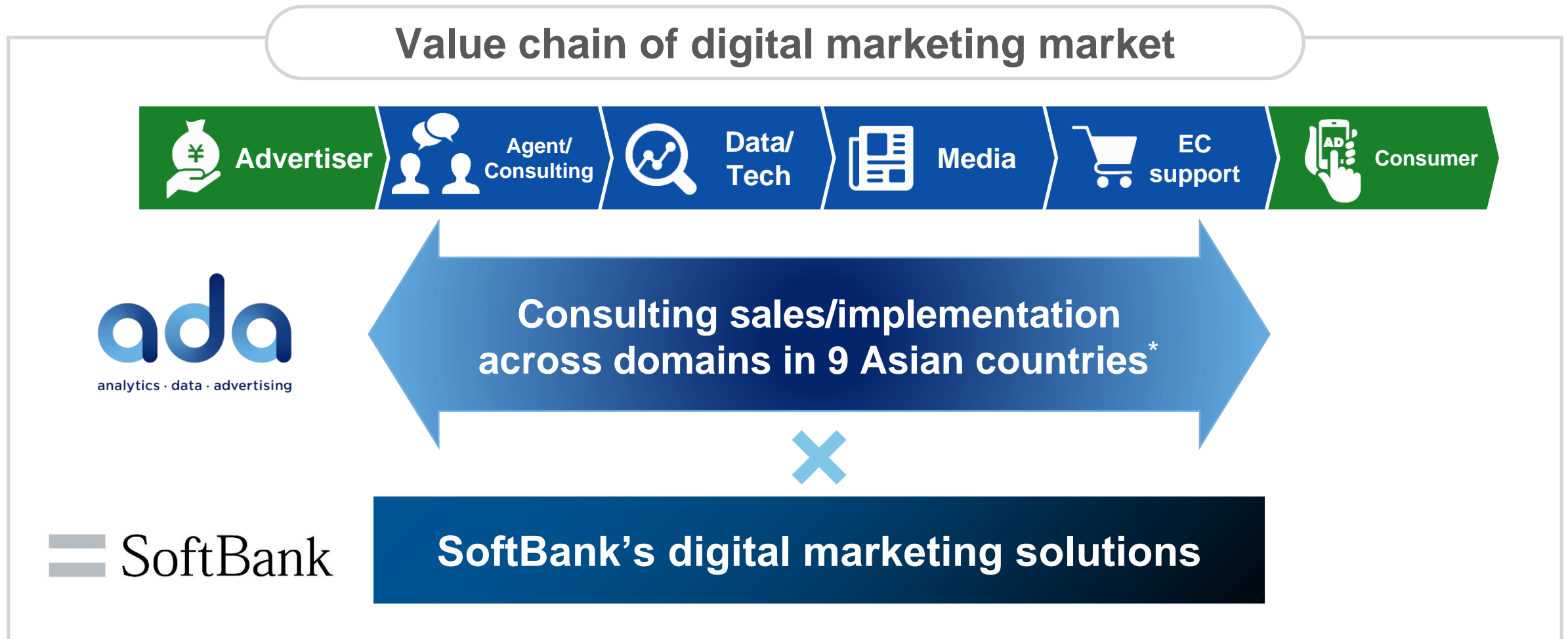


\*1 (Source) Market cap: as of March 31, 2021. Axiata Group is a listed company on Kuala Lumpur Stock Exchange

\*2 (Source) 4Q20 Data Financials, Integrated Annual Report 2019 by Axiata  
No. of users, except Cambodia: As of FY2020Q4, Cambodia: As of FY2019

# Purpose of Alliance

## Expanding digital marketing business outside Japan

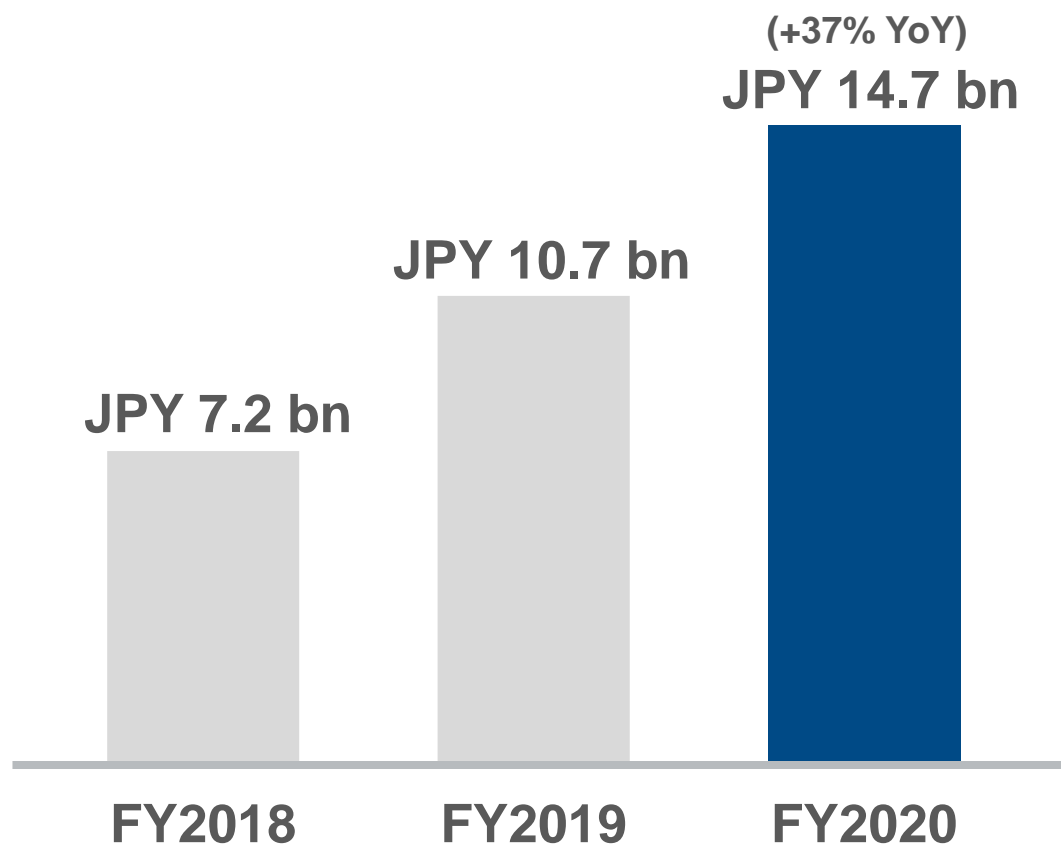


(Note) Malaysia, Singapore, Indonesia, Thailand, Philippines, Cambodia, Sri Lanka, Bangladesh and Korea

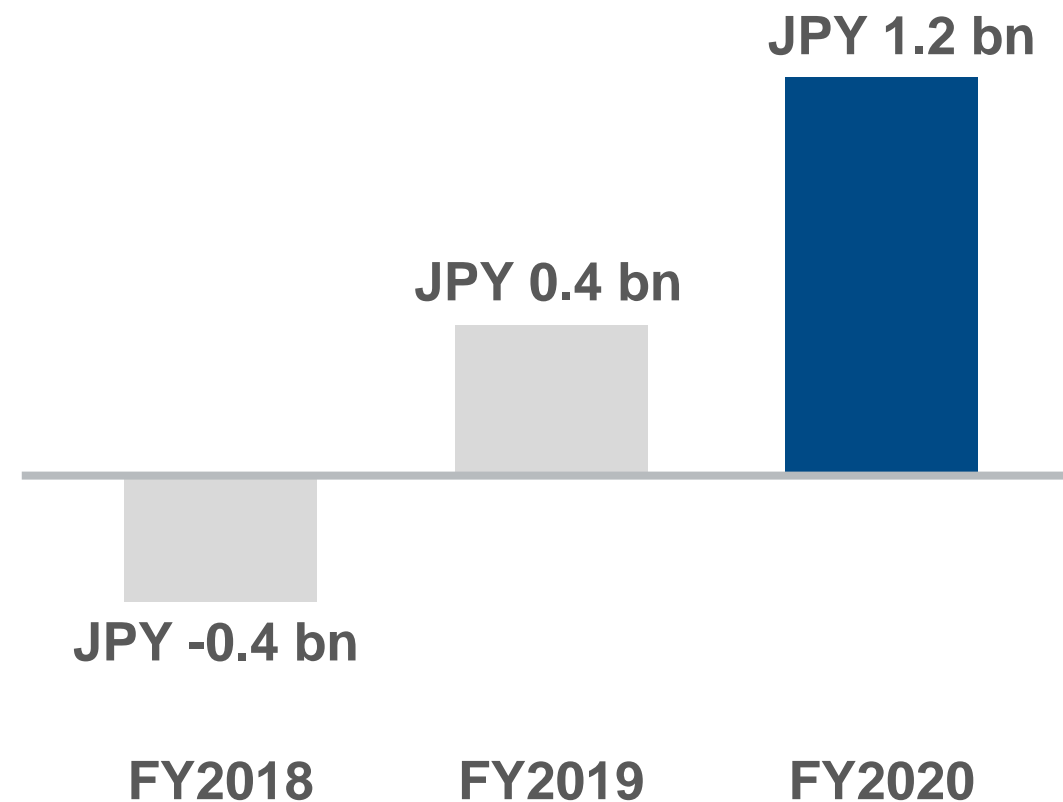
# Financial Performance of ADA

## Revenue grew 37% YoY with positive EBITDA

### Revenue



### EBITDA



(Source) Data from Axiata Digital Advertising Sdn. Bhd.

(Note) Calculated by SoftBank Corp. based on the yearly average exchange rate (TTM) in 2020 (USD = JPY 106.82)





Beyond Japan  
SoftBank is going global



**Show diverse business value  
through enhanced disclosure**

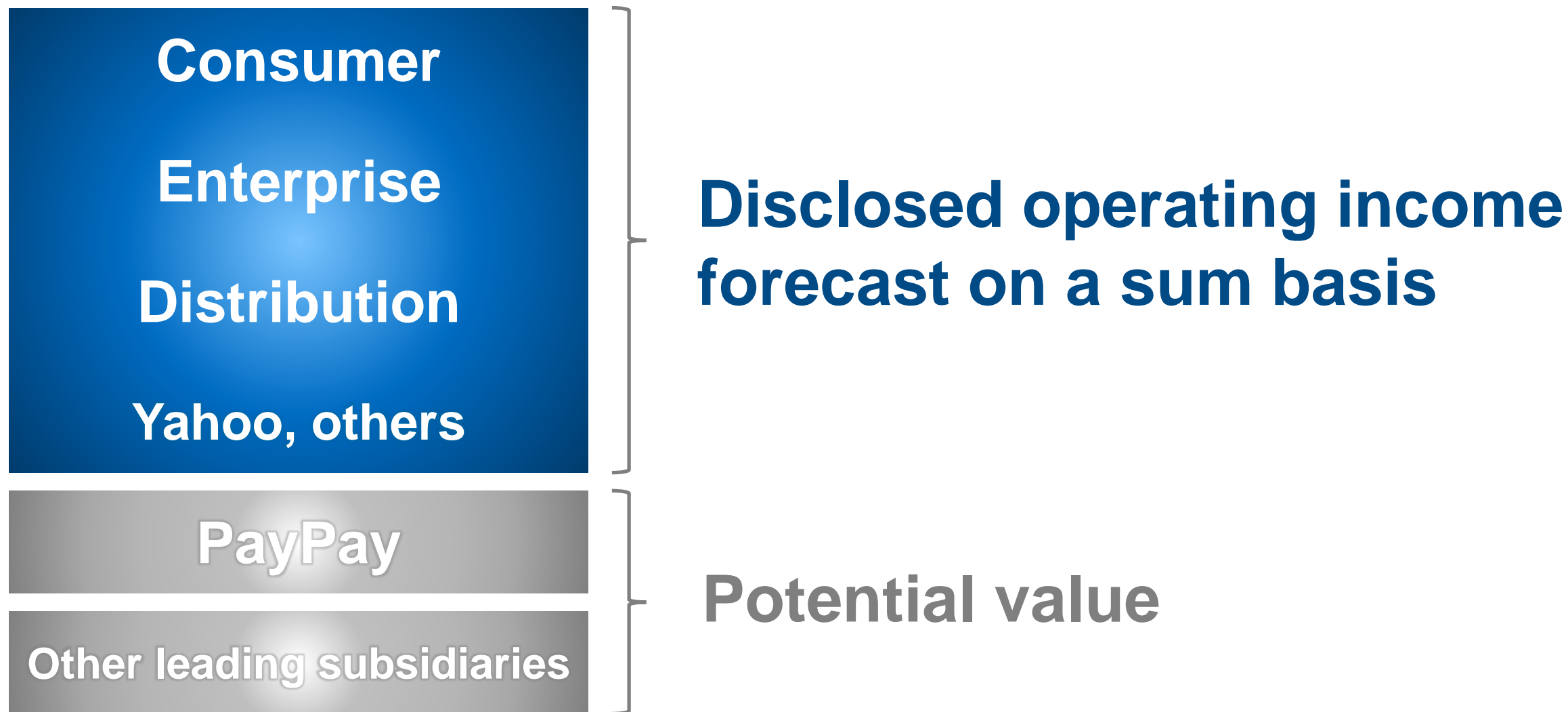
# New Disclosure Policy

**Disclose forecasts for  
segment income**

**Continue to disclose core  
KPIs of our leading  
subsidiaries and affiliates**  
PayPay, new business fields, etc.

**Show our diverse business value through  
Sum-of-the-Parts valuation**

# Previous Disclosures



# Disclosures Going Forward



# Forecasts for Operating Income by Segment

## Enterprise is expected to grow 19% YoY

[JPY bn]	FY2020 Actual	FY2021 Forecast	YoY	YoY%
Consumer	658.6	642.0	-16.6	-3%
Enterprise	107.7	128.0	+20.3	+19%
Distribution	22.3	22.5	+0.2	+1%
Yahoo and others	182.2	182.5	+0.3	+0.2%
Total	970.8	975.0	+4.2	+0.4%



# Disclosures Going Forward

**Consumer**

**Enterprise**

**Distribution**

**Yahoo, others**

**PayPay**

**Other leading subsidiaries**

**Disclose operating  
income forecasts by  
segment**

**Make effort to disclose  
potential value**

# Our potential value = Ability to create new businesses



Solid business operation in Japan



Investing in tech companies around the world through SoftBank Vision Fund

Security

Health care

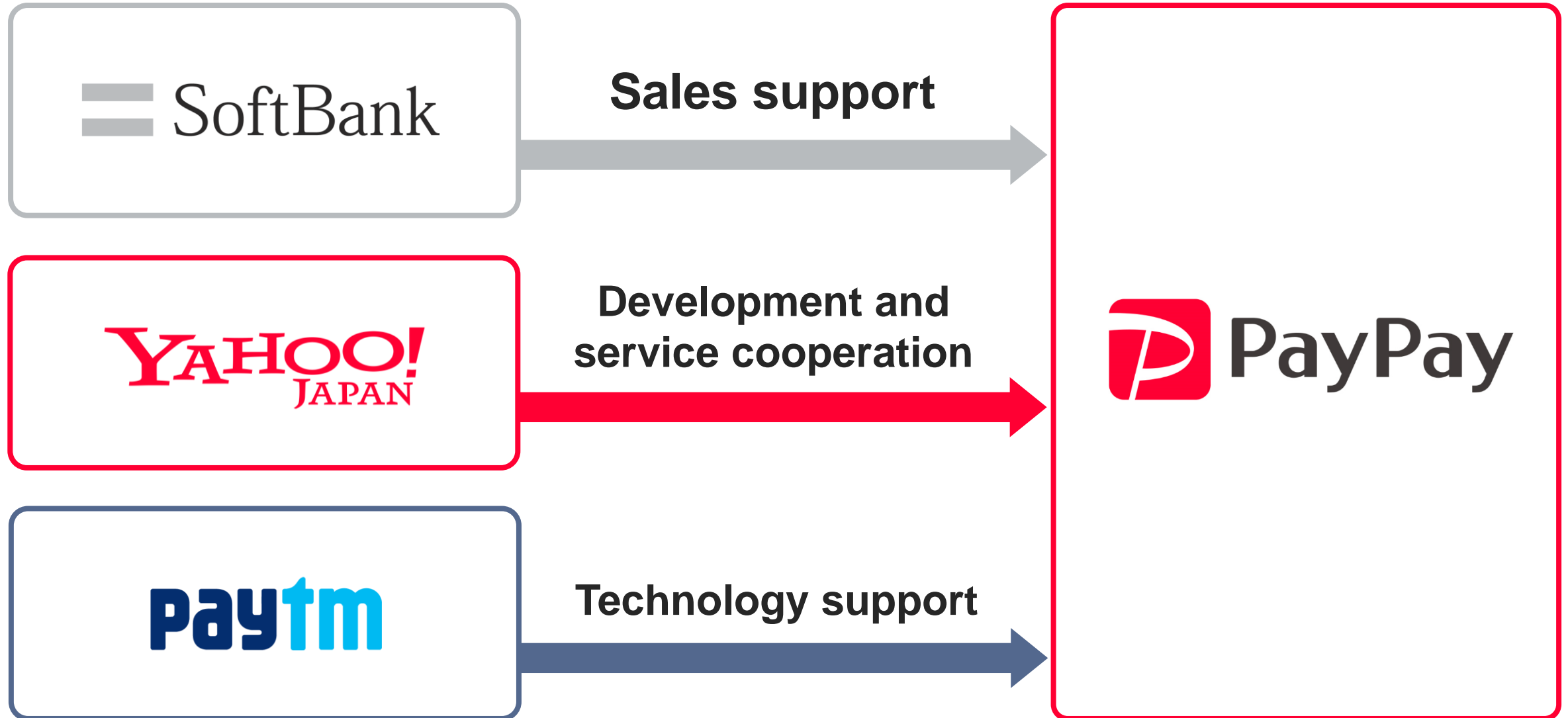
FinTech

Mobility

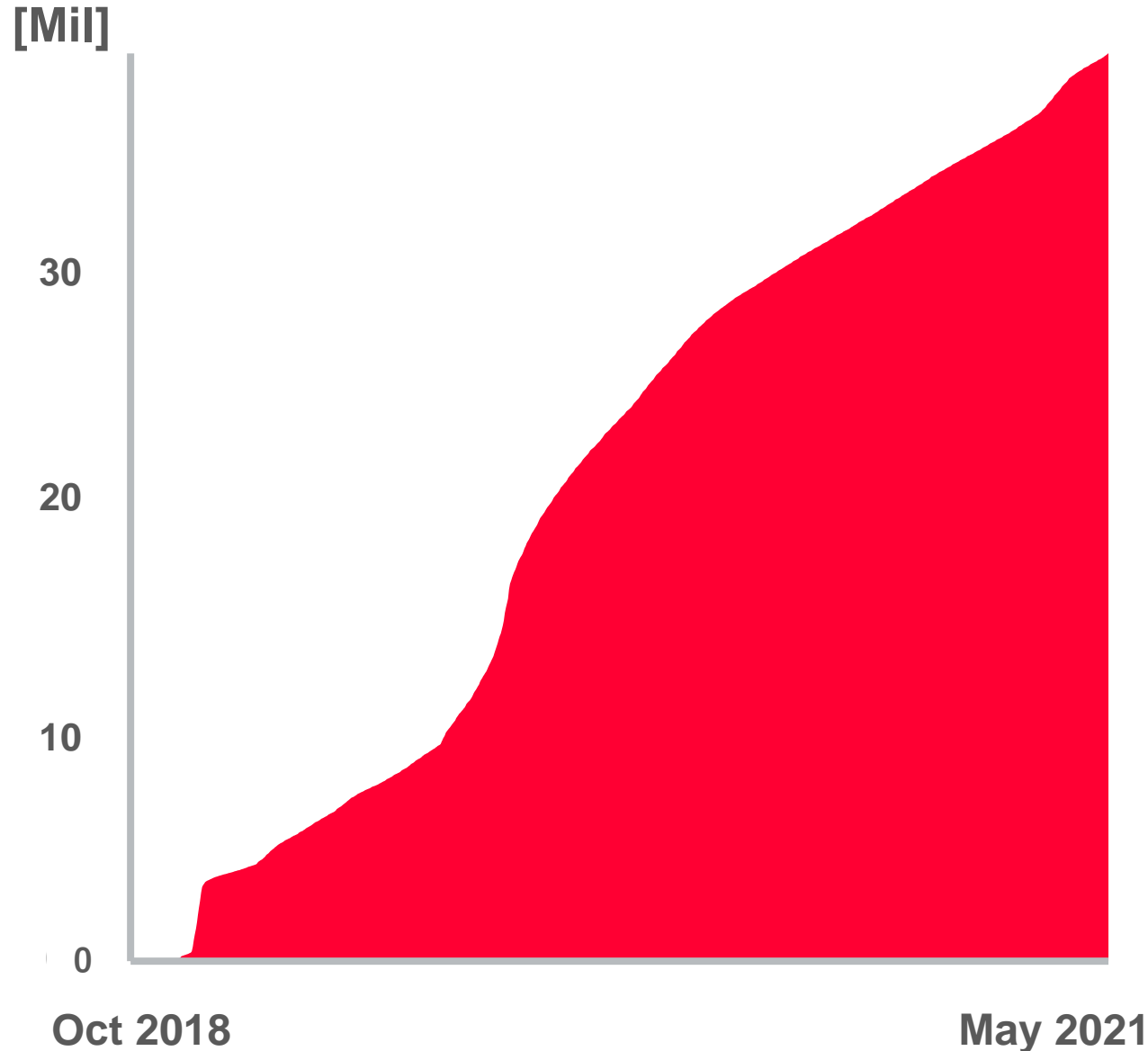


# Smartphone Payment Service PayPay

# PayPay Establishment



# PayPay: Cumulative Registered Users



Number of users

Exceeded **39 mil**

(May 2021)

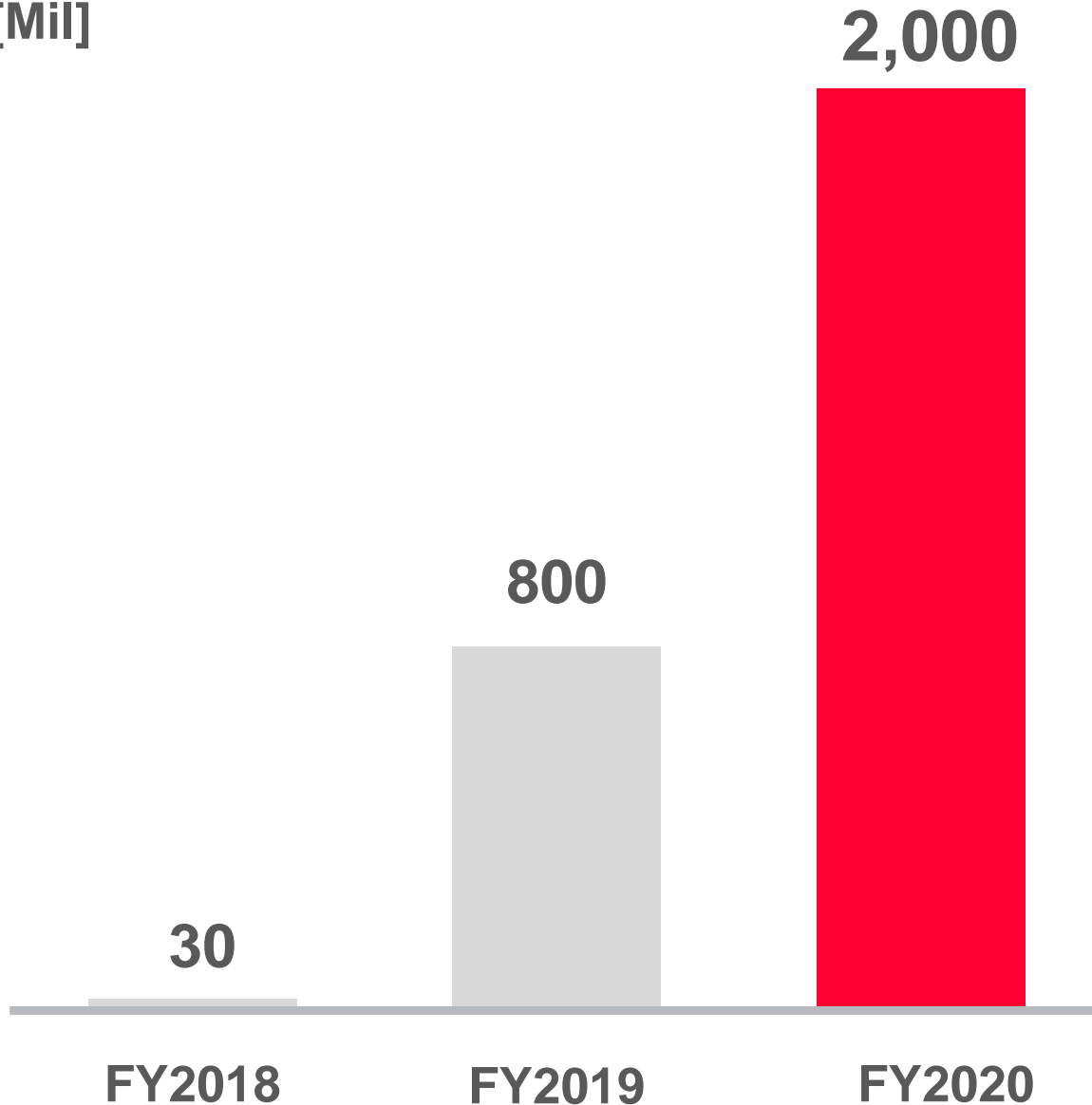
(Source) Data from PayPay Corporation, collected from October 5, 2018 to May 5, 2021

(Note) Number of registered users: number of accounts registered



# PayPay: Number of Payments

[Mil]



Number of payments  
(annual)

Exceeded **2 billion**

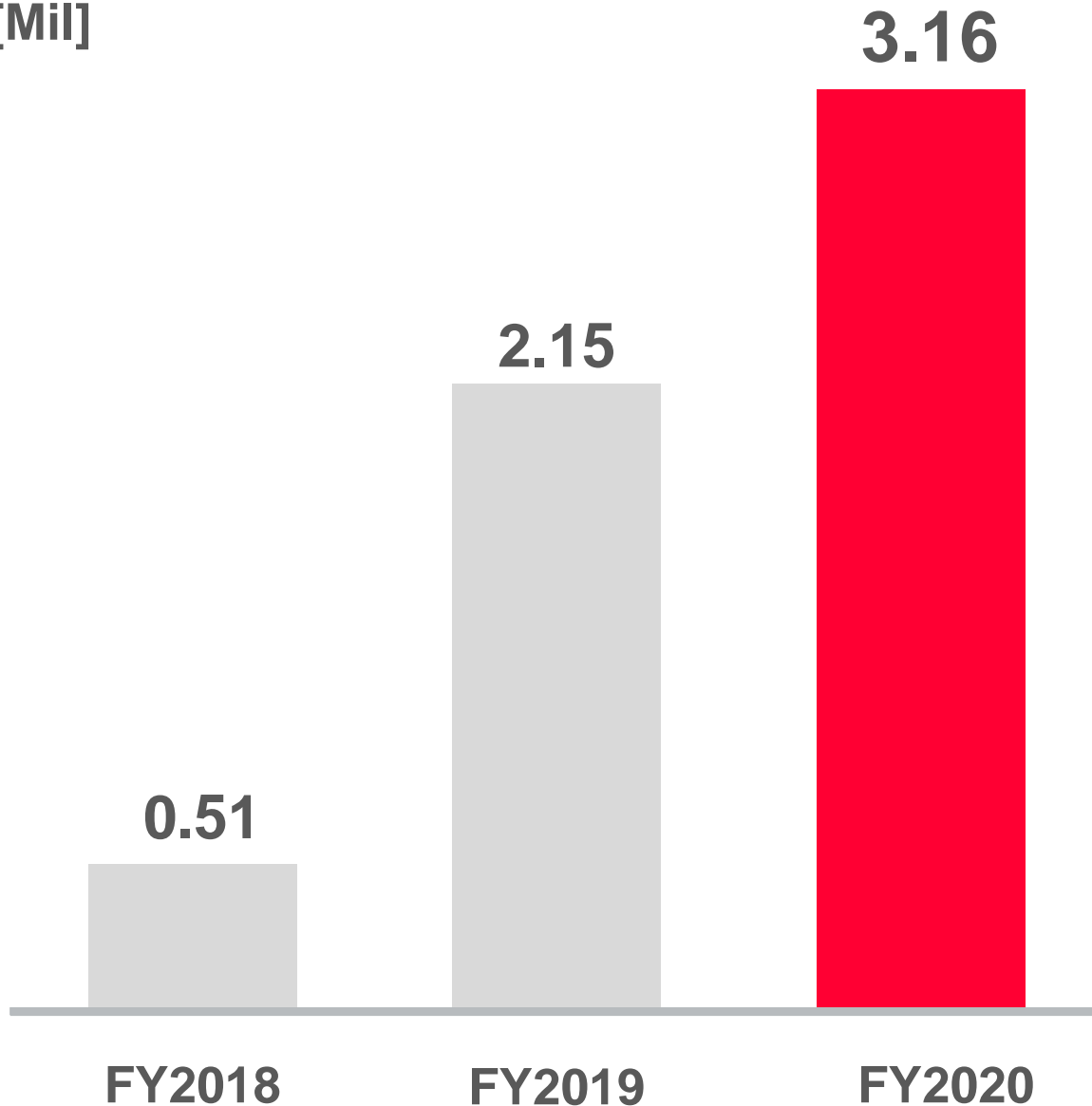
2.5 times YoY

(Source) Data from PayPay Corporation

(Note) FY2018 number shows the accumulated number in the period from October 2018 when the service launched to March 2019.

# PayPay: Number of Merchants

[Mil]



## Number of Merchants

Exceeded **3.16 mil**

Convenience stores, drugstores, supermarkets, restaurants, electronics stores, department stores, online shops, etc.

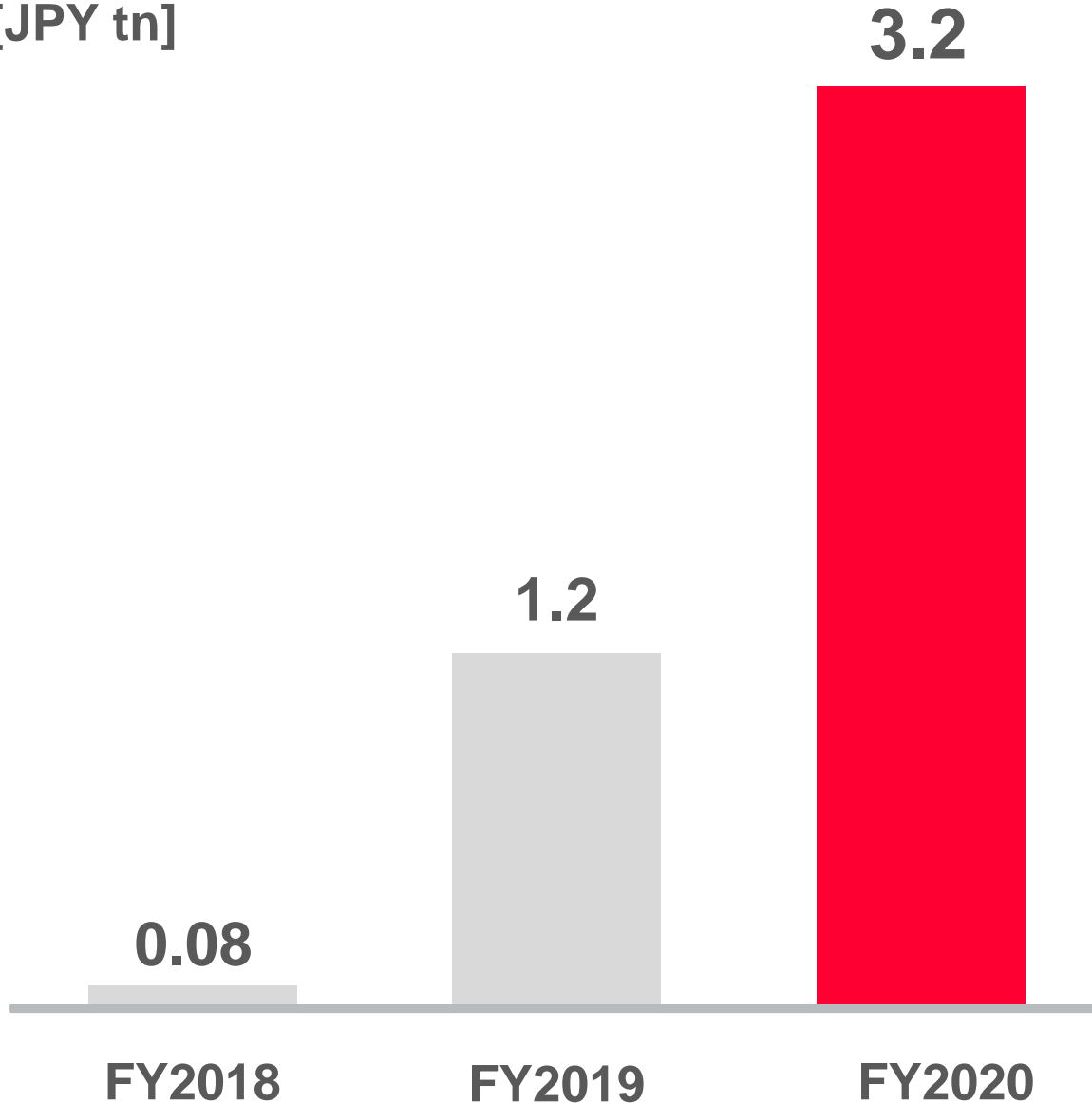
(Source) Data from PayPay Corporation

(Notes) Cumulative number of merchants registered with PayPay, including stores and taxis

FY2018 number shows the accumulated number in the period from October 2018 when the service launched to March 2019

# PayPay: Annual GMV

[JPY tn]



Annual GMV

**3.2 tn**

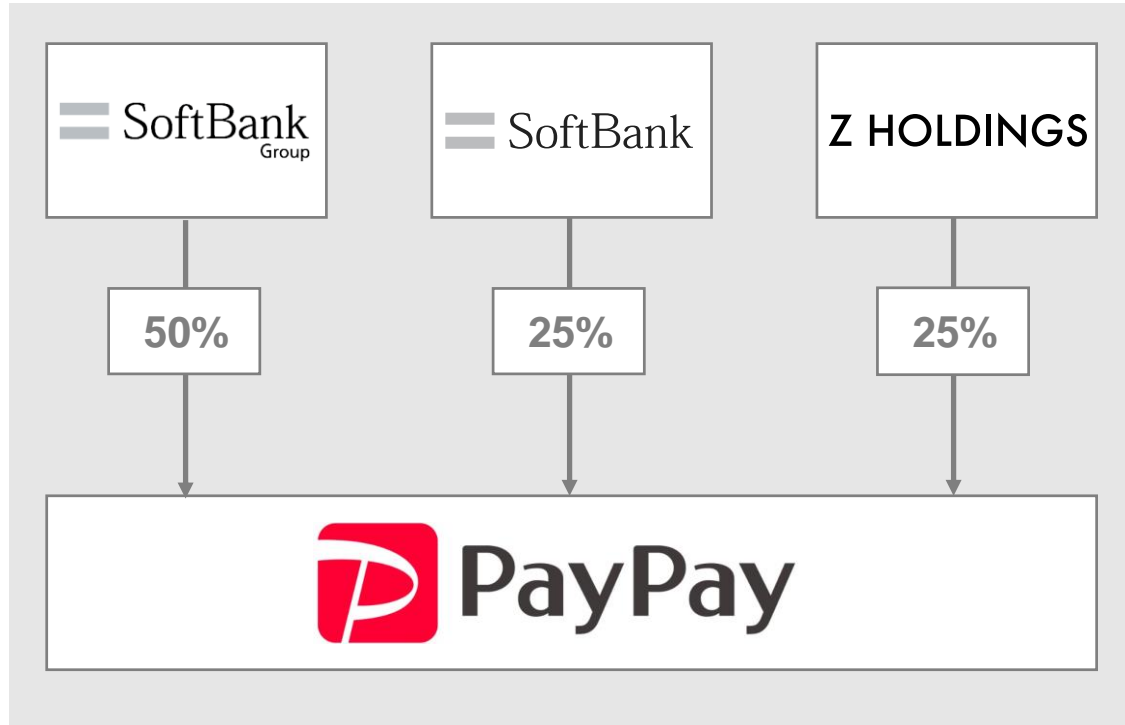
**2.6 times YoY**

(Source) Data from PayPay Corporation

(Notes) GMV = Gross Merchandise Volume, excluding P2P transactions.  
FY2018 number shows the accumulated number in the period from October 2018 when the service launched to March 2019

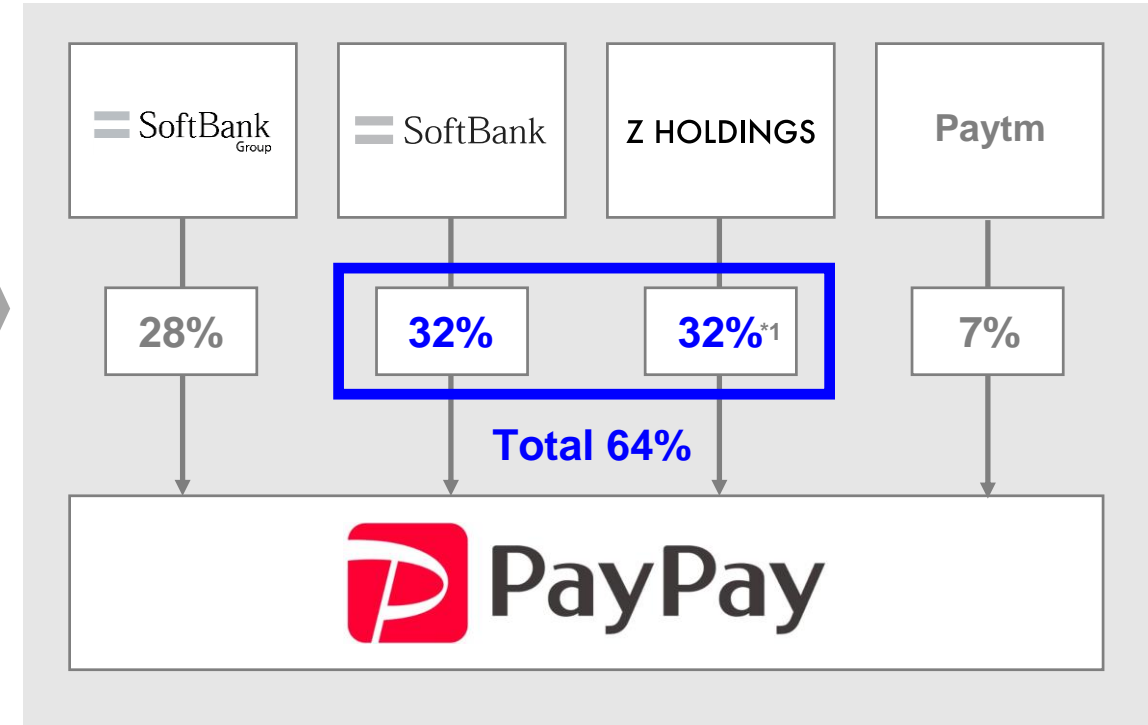
# PayPay: Voting Rights Ratio

## Current (End of Mar 2021)



SoftBank Corp.'s equity method affiliate

## After conversion of preferred stock (after FY2022) + After Paytm's stock option exercise



After FY2022, can become a consolidated subsidiary



# PayPay evolving into **super app**

## Off-line



Convenience store



Barber shop



Retail store



Food stand



Pharmacy



Restaurant

## Financial Services



Personal loan



Business loan



Postpay



Investment



Insurance

## Utility bills + Tax



Tax



Utilities



Phone bill

## On-line / O2O



EC



Movie reservation



Orders/Booking



Taxi



Hotel



Ticket



Flight tickets

## P2P / Social



Pocket money



Pleading for tip



Gift



Celebration



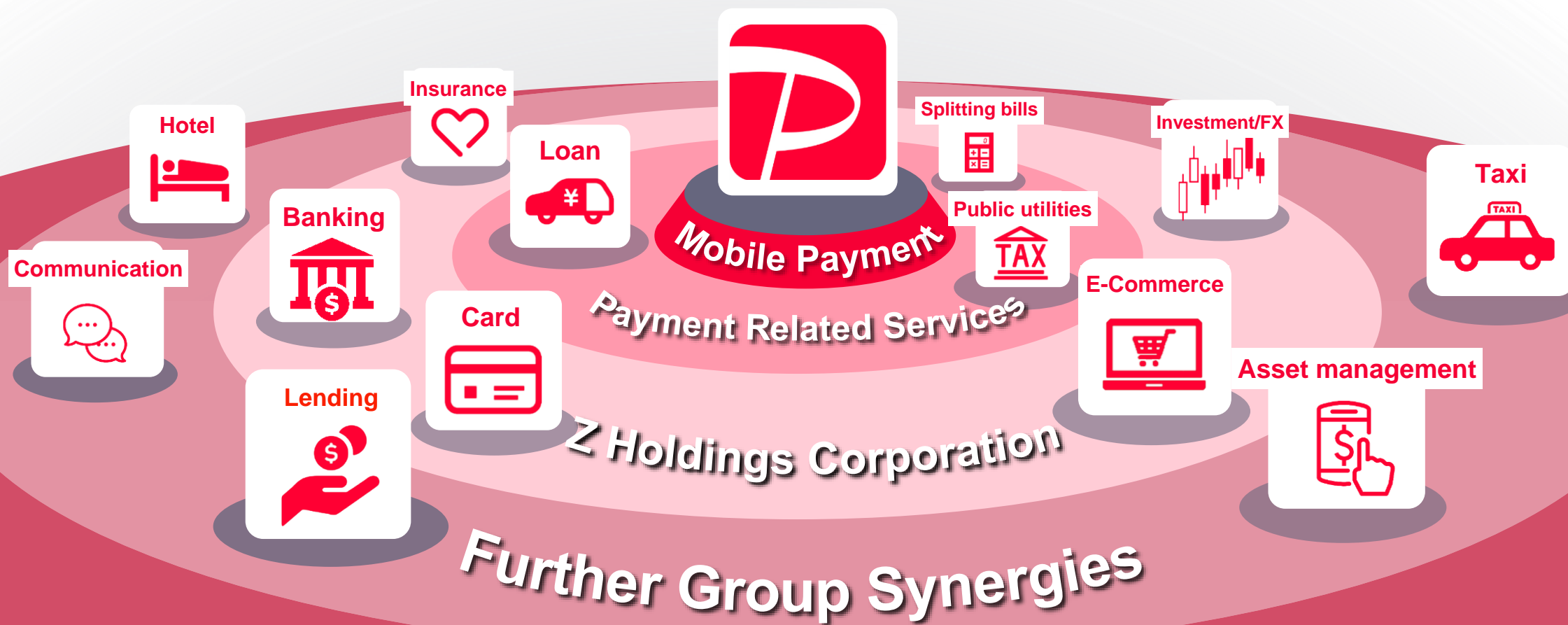
Donation



Splitting bill



# With PayPay as a gateway, aim to create FinTech ecosystem





≡ SoftBank

100%

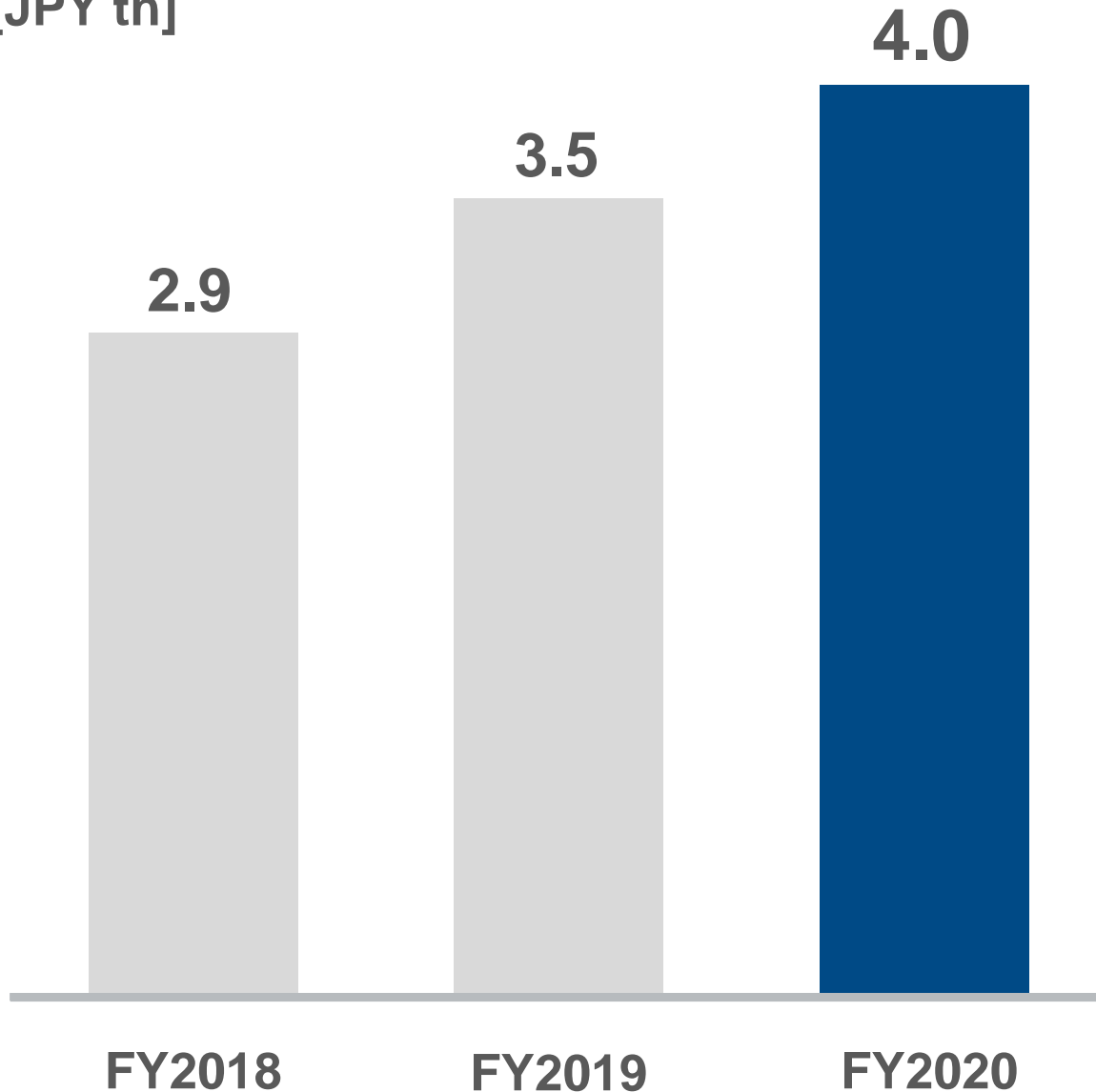
≡ SB Payment Service

**Major Payment  
Processing Business  
in Japan**

# SB Payment Service: Transaction Value

SB Payment Service

[JPY tn]



Transaction Value

**4.0 tn**

(Up 14% YoY)





 SoftBank

100%

 SB Power

**Power Supply  
Services**

# Electricity Revenue in Consumer Segment

SB Power

[JPY bn]

130.9

77.2

FY2019

FY2020

Revenue

130.9 bn

(Up 70% YoY)

# SoftBank to foster new businesses following PayPay





# New Disclosure Policy

**Disclose forecasts for  
segment income**

**Continue to disclose core  
KPIs of our leading  
subsidiaries and affiliates**  
PayPay, new business fields, etc.

**Show our diverse business value through  
Sum-of-the-Parts valuation**



# SDGs

Sustainable Development Goals





## Solving social issues leads to our business growth

Realization of  
a sustainable society

SDGs

Solving social issues

Growth opportunities  
for businesses

## Solve identified six materiality (priority issues)

### Solving social issues through business



#### ACTION 01

Building society and industry through DX



#### ACTION 02

Connecting people and information to create new excitement



#### ACTION 03

Creating new business through open innovation



### Solving social issues through corporate activities



#### ACTION 04

Contributing to the global environment with the power of technology



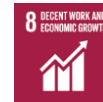
#### ACTION 05

Building high-quality social communication networks



#### ACTION 06

Developing a resilient management foundation





# Declaration of Carbon-neutral 2030

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**SoftBank will achieve virtually zero greenhouse gas emissions**



- ✓ Achieve 100% renewable energy for company-wide power supply by FY2030
- ✓ Contribute to the realization of a decarbonized society by using technologies



# Summary

**1**

**Show diverse business value via enhanced disclosures**

**2**

**In FY2020, achieved revenue and income growth in all segments by capturing demand for digitization**

**3**

**In FY2021, overcome impact of mobile service price reduction and aim to achieve revenue and profit growth**

**4**

**Integrate LINE business and create further group synergies**





# Information Revolution — Happiness for everyone

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The logo consists of two horizontal gray bars stacked vertically, positioned to the left of the company name.

SoftBank