



Integrated Report
2025

SoftBank Corp. Integrated Report 2025

Editorial Policy

This integrated report has been prepared with reference to the International Integrated Reporting Framework and Guidance for Collaborative Value Creation advocated by the IFRS 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, 2024 to March 31, 2025

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

Report scope

SoftBank Corp. and its subsidiaries and associates

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

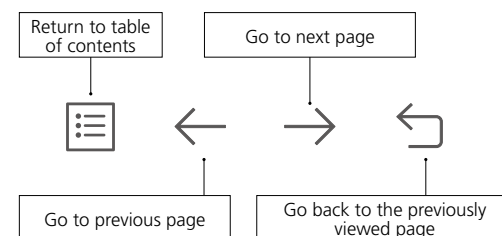
Statements concerning such matters as current plans, forecasts, and strategies in this integrated report include forward-looking statements that reflect the assessments made by the Company in light of the information available to it when preparing the report. Please be aware that various factors could 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
LY	LY Corporation (standalone basis)
LY Group	LY Corporation and its subsidiaries
PayPay	PayPay Corporation
PayPay Card	PayPay Card Corporation
SB Intuitions	SB Intuitions Corp.
Cubic ³	Cubic Telecom Ltd.

How to use navigation buttons, etc.

Each page includes navigation buttons for easy movement between pages.



P00 Clicking on a page number takes you to the relevant page within the report

Positioning of Our Reports and Disclosures

Business Strategy/ Financial Information



Integrated Report [▶ LINK](#)

Provides comprehensive information on our vision, medium- to long-term growth strategies, value creation process, and material issues, as well as financial and non-financial information. (Updated annually)

Our Websites

Investor Relations [▶ LINK](#)

Primarily provides financial information aimed at our shareholders and investors.

- Management policy and strategy (Medium-term Management Plan)
- Earnings results briefing
- Business briefing / ESG briefing session
- Briefing for individual investors

Audited Consolidated Financial Statements [▶ LINK](#)

General Meeting of Shareholders [▶ LINK](#)

- Notice of General Meeting of Shareholders
- Business strategy briefing materials

Newsletter to Shareholders [▶ LINK](#) (only in Japanese)

Non-financial Information/ ESG Information

Our Websites

Sustainability [▶ LINK](#)

Provides information on our sustainability initiatives. (Updated as necessary)

- Sustainability approach
- Material issues
- Major ESG initiatives
- ESG Related Information
- External evaluations and initiatives

Corporate Governance [▶ LINK](#)

- System
- Corporate governance report



ESG Data Book (Updated annually) [▶ LINK](#)

Six Key Points

of Interest to Our Stakeholders


1

Management's Perspective on Mid- to Long-term Growth and Shareholder Returns

-  [P8](#) CEO Message
-  [P52](#) CFO Message

2

Progress of the Medium-term Management Plan

-  [P36](#) Medium-term Management Plan



3

SoftBank's Strengths

-  [P17](#) Value Creation Process


4

The Background of PayPay's Rapid Growth

-  [P45](#) Financial Segment
-  [P47](#) Interview with Head of Finance Business Promotion Division, PayPay






5

Specific Initiatives in the AI Field

-  [P25](#) Interview with Head of Homegrown Generative AI Development
-  [P30](#) Interview with Head of the Research Institute of Advanced Technology

6

Our Approach to Parent-subsidary Listings and Group Governance

-  [P8](#) CEO Message
-  [P82](#) Interview with External Director
-  [P89](#) System to Ensure Independence from the Parent Company
-  [P90](#) Policy on Governance of Listed Subsidiaries
-  [P106](#) CISO Interview

CONTENTS

- 1 Editorial Policy/
Positioning of Our Reports and Disclosures

Overview

- 4 SoftBank Group Corporate Philosophy
- 5 Thoughts Behind Our Brand Symbol
- 6 History of Our Challenges and Evolution
- 7 Group Structure to Maximize Synergies
- 8 CEO Message
- 16 SoftBank At a Glance
- 17 Value Creation Process

What Is Our Long-term Growth Strategy?

- 20 Long-term Vision
- 22 Technology Strategy for Realizing
"Next-generation Social Infrastructure"
- 25 Interview with Head of Homegrown
Generative AI Development
- 29 "AI-RAN" Initiative
- 30 Interview with Head of the Research
Institute of Advanced Technology
- 34 Intellectual Property Strategy to Support
Long-term Growth

What Are Our Medium-term Business Strategies?

- 36 Medium-term Management Plan
- 38 Growth Strategy
- 39 Business Strategies by Segment
 - 39 Consumer Segment
 - 41 Enterprise Segment
 - 43 Media & EC Segment
 - 45 Financial Segment
 - 47 Interview with Head of Finance Business
Promotion Division, PayPay

What Is Our Financial Strategy to Support Growth?

- 52 CFO Message

What Is Our Approach to Sustainability?

- 57 Sustainability Strategy
- 59 Material Issues

What Are Our Initiatives to Enhance Human Capital Value?

- 62 Human Resource Strategy
 - 63 Interview with Executive in charge of Human
Resources
 - 65 Building an Optimal Human Resource Portfolio
 - 67 Promotion of DE&I, Well-being and Engagement
 - 69 SoftBank's Human Resource Initiatives
 - 70 List of Achievements

How Will We Achieve Carbon Neutrality?

- 72 Environmental Initiatives
- 73 Group-wide Net Zero Initiatives
- 74 Disclosure Based on TCFD Recommendations
- 77 Disclosure Based on TNFD Recommendations
- 79 Appropriate Use of Water Resources
- 80 Promotion of a Recycling-oriented Society

How Do We Ensure the Effectiveness of Our Governance?

- 82 Interview with External Director
- 84 Messages from New External Directors
- 85 Overview of Corporate Governance System
- 86 Evolution of Corporate Governance System
- 87 Board of Directors
- 88 Overview of Principal Deliberations by the Board of
Directors

- 89 System to Ensure Independence from
the Parent Company
- 90 Policy on Governance of Listed Subsidiaries
- 91 Nominating Committee and Remuneration
Committee / Remuneration for Board Directors
- 93 CEO Succession Plan /
Skill Matrix (Skill Definition)
- 94 Skill Matrix of Board Directors and
Audit & Supervisory Board Members
- 95 Activities of External Directors and
External Audit & Supervisory Board Members
- 96 Board Directors and
Audit & Supervisory Board Members
- 98 Status of Audit

How Do We Identify and Respond to Risks?

- 100 Risk Management
 - 102 Addressing Risks That Have
Significant Impact on the Company
 - 104 Information Security
 - 106 CISO Interview
 - 108 AI Governance

How Do We Fulfill Our Social Responsibilities?

- 111 Human Rights
- 113 Compliance
- 115 Supply Chain

Data Section

- 118 Performance Highlights (Financial)
- 120 Performance Highlights (Non-Financial)
- 121 Market Data
- 123 Review and Analysis of FY2024
- 128 Consolidated Financial Statements
- 132 External Evaluation
- 134 Corporate Data / Stock Information



Contents

Overview

SoftBank Group Corporate Philosophy

Thoughts Behind Our Brand Symbol

History of Our Challenges and Evolution

Group Structure to Maximize Synergies

CEO Message

SoftBank At a Glance

Value Creation Process

Overview

SoftBank has expanded its business fields going beyond just being a telecommunications carrier and has grown to include a number of Japan's top-class ICT (information and communication technology) services. This section introduces our corporate philosophy, history, and current Group structure. In addition, our CEO explains our vision and AI-centered growth strategies in his own words.





SoftBank Group Corporate Philosophy

Contents

Overview

> **SoftBank Group Corporate Philosophy**

Thoughts Behind Our Brand Symbol

History of Our Challenges and Evolution

Group Structure to Maximize Synergies

CEO Message

SoftBank At a Glance

Value Creation Process

Information Revolution — Happiness for everyone

Since its founding, the SoftBank Group has always remained true to its goal of accelerating the Information Revolution to make the world a happier place.

Just what is happiness?

Some might say happiness is to love and be loved in return, or to make the most of each day.

Others might derive happiness from self-expression.

Still, others might find happiness in something as simple as a smile.

Above all, the SoftBank Group equates happiness with inspiration.

Through our business, we strive to bring emotional meaning and happiness to lives.

In everything we do, we aim to drive the Information Revolution and build a more connected, empowered, and joyful world.

This unchanging kokorozashi (mission) is encapsulated in our philosophy,

Information Revolution — Happiness for everyone.

Humankind stands on the cusp of an era of dramatically increasing computing performance, and we are getting ever closer to an age of super-intelligence that will surpass human ability.

Our mission is to harness the raw, unlimited power of the Information Revolution and channel it in a direction that makes people happier. This aspiration will continue to drive our organization toward further growth for many years to come.



Thoughts Behind Our Brand Symbol

Contents

Overview

SoftBank Group Corporate Philosophy

▶ **Thoughts Behind Our Brand Symbol**

History of Our Challenges and Evolution

Group Structure to Maximize Synergies

CEO Message

SoftBank At a Glance

Value Creation Process

A corporate group that continually provides answers to social issues

The double-line design that forms our brand symbol represents the “= (equal)” sign, which symbolizes the SoftBank Group’s corporate stance as a driver of the Information Revolution. It shows that the SoftBank Group has an “answer” it can provide to customers and society to help solve the various problems they face.

As various social issues such as declining population, an aging society with fewer childbirths, and increasing natural disasters become more severe, the SoftBank Group is working to solve social issues, not only current but also new social issues that may arise in the future.

We want to be a corporate group that continually provides answers to social issues, considering the world 30 years and 300 years in the future. These are our thoughts behind our brand symbol.



Contents

Overview

SoftBank Group Corporate Philosophy

Thoughts Behind Our Brand Symbol

> History of Our Challenges and Evolution

Group Structure to Maximize Synergies

CEO Message

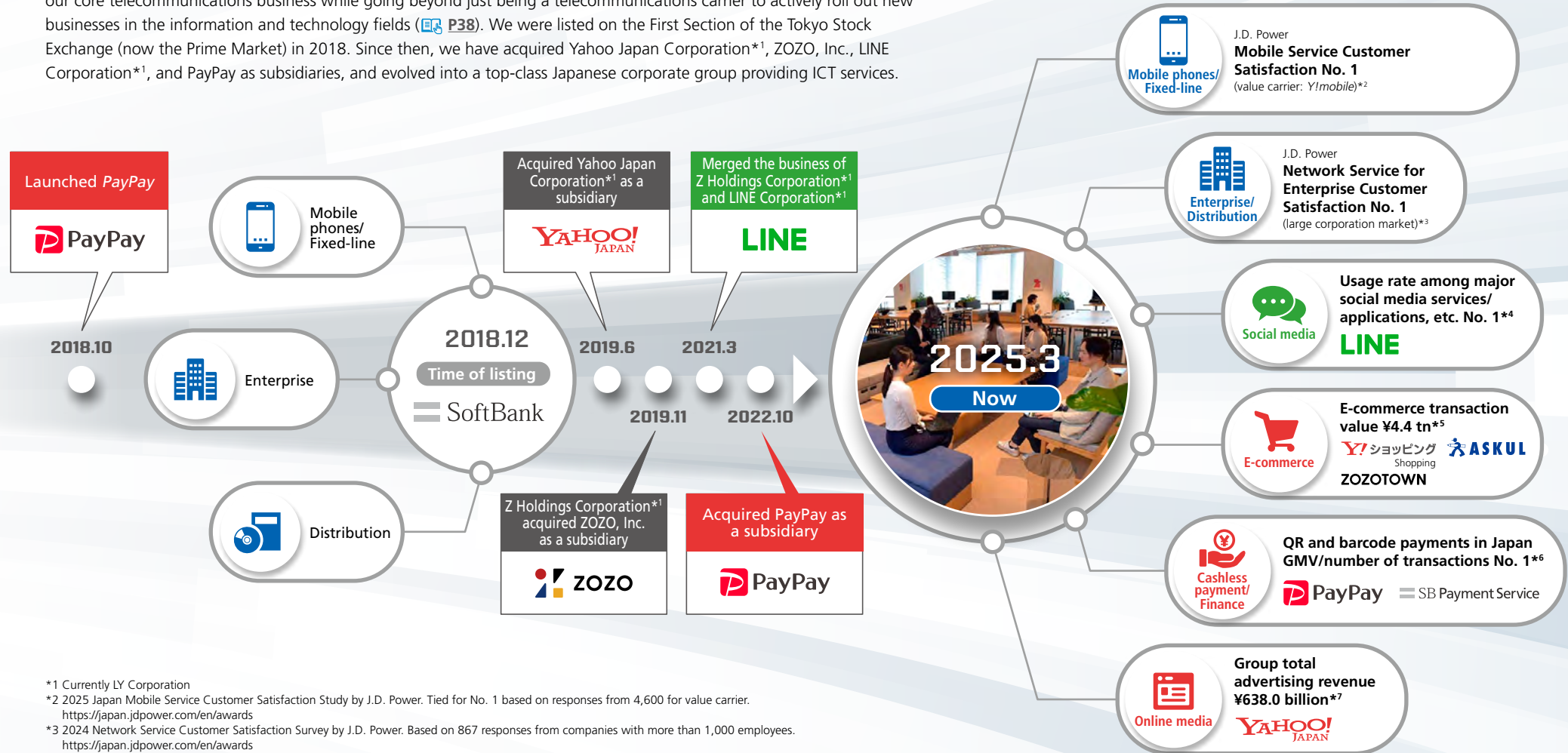
SoftBank At a Glance

Value Creation Process

History of Our Challenges and Evolution

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

With *Beyond Carrier* as our growth strategy, we aim to maximize our corporate value by pursuing sustainable growth in our core telecommunications business while going beyond just being a telecommunications carrier to actively roll out new businesses in the information and technology fields (P38). We were listed on the First Section of the Tokyo Stock Exchange (now the Prime Market) in 2018. Since then, we have acquired Yahoo Japan Corporation*1, ZOZO, Inc., LINE Corporation*1, and PayPay as subsidiaries, and evolved into a top-class Japanese corporate group providing ICT services.



*1 Currently LY Corporation
 *2 2025 Japan Mobile Service Customer Satisfaction Study by J.D. Power. Tied for No. 1 based on responses from 4,600 for value carrier. <https://japan.jdpower.com/en/awards>
 *3 2024 Network Service Customer Satisfaction Survey by J.D. Power. Based on 867 responses from companies with more than 1,000 employees. <https://japan.jdpower.com/en/awards>
 *4 Institute for Information and Communications Policy, Japan's Ministry of Internal Affairs and Communications, FY2023 Survey Report on Usage Time of Information and Communications Media and Information Behavior <Outline> (June 2024)
 *5 FY2024 result. Total transaction values of domestic shopping business, reuse business, other (merchandise), ASKUL Corporation's BtoB-related revenue, domestic services, domestic digital content and overseas e-commerce
 *6 Calculated based on "Code Payment Usage Trend Survey" by Payments Japan Association published on March 14, 2025, aggregating the share of PayPay
 *7 FY2024 result. Sum of total advertising revenue of LINE and Yahoo! JAPAN



Contents

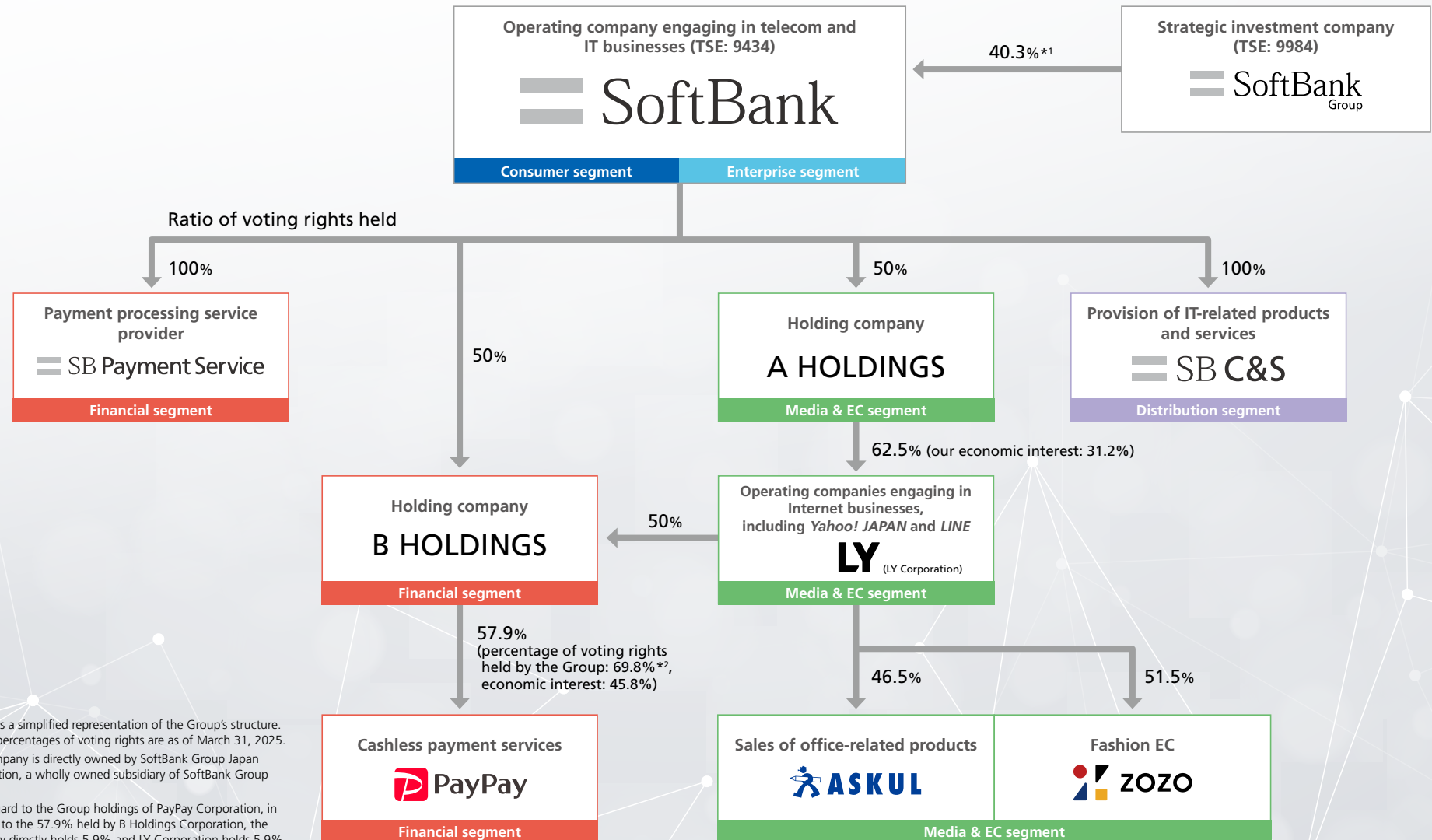
Overview

- SoftBank Group Corporate Philosophy
- Thoughts Behind Our Brand Symbol
- History of Our Challenges and Evolution
- > Group Structure to Maximize Synergies**
- CEO Message
- SoftBank At a Glance
- Value Creation Process

Group Structure to Maximize Synergies

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

With the strategic investment company SoftBank Group Corp. as our parent company, we are independently and flexibly expanding our business fields as a core operating company tackling the information revolution while maximizing Group synergies.



(Note) This is a simplified representation of the Group's structure. The percentages of voting rights are as of March 31, 2025.
 *1 The Company is directly owned by SoftBank Group Japan Corporation, a wholly owned subsidiary of SoftBank Group Corp.
 *2 With regard to the Group holdings of PayPay Corporation, in addition to the 57.9% held by B Holdings Corporation, the Company directly holds 5.9% and LY Corporation holds 5.9%.



Contents

Overview

SoftBank Group Corporate Philosophy

Thoughts Behind Our Brand Symbol

History of Our Challenges and Evolution

Group Structure to Maximize Synergies

> CEO Message

SoftBank At a Glance

Value Creation Process

CEO Message

**Junichi
Miyakawa**

President & CEO





Contents

Overview

SoftBank Group Corporate Philosophy

Thoughts Behind Our Brand Symbol

History of Our Challenges and Evolution

Group Structure to Maximize Synergies

> CEO Message

SoftBank At a Glance

Value Creation Process

CEO Message

Becoming an essential, one-of-a-kind presence.

Transforming into a Next-generation

Social Infrastructure company that

leverages AI for growth.

FY2024 Review:

Strong financial results that deepened our confidence in our growth strategy

FY2024 was a year in which our growth strategy steadily bore fruit, deepening our confidence in its effectiveness. Our results were strong, with “both revenue and profits increasing.” We recorded revenue of ¥6,544.3 billion (up 8% year on year), operating income of ¥989.0 billion (up 13% year on year), and net income attributable to owners of the Company of ¥526.1 billion (up 8% year on year), surpassing even the earnings forecast that we had revised upward at the second-quarter results announcement. As a result, we achieved our Medium-term Management Plan (hereinafter “Mid-term Plan”)’s financial targets of ¥6.5 trillion in revenue and ¥970.0 billion in operating income one year ahead of schedule. This achievement was only made possible because each of our employees embraced the ambitious goals I set as their own and shared a common view of the future. I believe this strong growth is the result of the entire Company thoroughly implementing “reverse planning management” and pulling together to take on difficult challenges.





Contents

Overview

SoftBank Group Corporate Philosophy

Thoughts Behind Our Brand Symbol

History of Our Challenges and Evolution

Group Structure to Maximize Synergies

► CEO Message

SoftBank At a Glance

Value Creation Process

CEO Message

FY2025 Outlook:

Balancing achievement of the ¥1 trillion operating income target with “aggressive investments”

In light of this strong business progress, we have revised upward the financial targets for FY2025, the final year of the current Mid-term Plan, to revenue of ¥6.7 trillion, operating income of ¥1.0 trillion, and net income attributable to owners of the Company of ¥540.0 billion. This ¥1.0 trillion operating income target includes an investment allowance of ¥100.0 billion for “Other/growth investment,” incorporated as expenses in the form of upfront investments for the next Mid-term Plan.

Some institutional investors and analysts have commented that “this profit target may be conservative.” Indeed, we could present a higher profit forecast if we did not use this investment allowance. However, rather than pursuing short-term profit, we have deliberately chosen to make “aggressive investments” that allocate funds to future growth. We intend to use these investments as a new springboard to take on growth areas with great potential, with the aim of generating tenfold returns in five to ten years.

These “aggressive investments” will be executed based on two disciplines. The first is “financial discipline,” to ensure the stability of our business foundation is not compromised. We will maintain interest-bearing debt and other metrics at appropriate levels while raising capital-like funds through instruments such as Bond-Type Class Shares. The second is “investment discipline,” aimed at creating corporate value. As our CFO will describe later (P52), we will strictly assess whether a project will generate returns that clearly exceed the cost of capital (e.g., WACC). By thoroughly adhering to these two disciplines, we will achieve sustainable growth.

“Aggressive investments” to realize Next-generation Social Infrastructure

We are evolving beyond the framework of being a “telecommunications carrier” to become a company that will build and provide “Next-generation Social Infrastructure” essential for a society that coexists with AI. To accelerate the realization of this vision, we will also utilize the previously mentioned ¥100.0 billion “aggressive investment” allowance and focus on the following growth areas.

1. *Cristal intelligence**1:

An AI solution for “overall optimization” of management

Until now, the use of AI has been limited to “partial optimization,” where each division individually introduces AI to optimize its respective operations. However, as AI evolves to a stage where it acts as an “agent,” thinking and acting on its own like a human, we are aiming for the next level. We are working with U.S.-based OpenAI to develop *Cristal intelligence*, which will link the “AI agents” used by each internal division and, like a “conductor of an orchestra,” optimize the entire range of

corporate activities. This is a challenge to achieve “overall optimization” that cannot be reached by simply aggregating partial optimizations, and it will transform the very nature of management. Once development is complete, we will first thoroughly utilize it ourselves to demonstrate its effectiveness, refine its quality, and then offer it to client companies along with our expertise. We expect this to elevate our solutions for corporate management issues to an entirely new level and drive significant growth in our Enterprise segment.

Looking ahead to an era where “AI agents” collaborate, I am encouraging our employees to develop them. At an all-hands morning assembly in June 2025, I personally demonstrated how quickly an “AI agent” can be created and conveyed the message, “They are easy to create. We will provide all the necessary tools and environment, so do not be intimidated. I want each of you to create 100 AI agents and become familiar with the process.” To my great surprise, our employees created nearly one million “AI agents” in just over a month. I believe this may be the first time in the world that a single company has created “AI agents” on this scale. I am increasingly confident that our corporate culture of enjoying new challenges and proactively engaging with change and following curiosity will become a major competitive advantage in the age of “AI agents.”

*1 *Cristal intelligence* is a provisional name and not the official product name.

2. “Sovereign cloud / sovereign AI”:

Turning cloud and AI infrastructure for Japan into a growth opportunity

“Sovereign cloud / sovereign AI” (P25) refers to a cloud environment in which Japan retains sovereignty over its data, technology, and operations and which is provided in accordance with its own laws and regulations, including the AI that operates within that environment. This initiative not only has great social significance but also represents a very promising business opportunity for us. There is a rapidly growing need among government agencies, universities, research institutions, and companies to store sensitive information in a secure, homegrown cloud environment and utilize it in combination with AI. To meet this need, we are building an AI platform, which includes constructing AI data centers in Sakai City, Osaka Prefecture, and Tomakomai City, Hokkaido Prefecture, (P23), developing a sovereign cloud, creating our own homegrown Japanese large language model (LLM) *Sarashina* (P25), and developing software for “GPU as a Service,” which leases out GPUs on the cloud.

“Cloud services” and “generative AI” are already dominated by non-Japanese companies in global markets, including Japan, and I believe some investors may be concerned about whether we can truly compete with our global rivals. However, I am confident that we can become a provider of sovereign cloud / sovereign AI in Japan and gain a competitive advantage by leveraging our position as a Japan-based company, securing the necessary locations and electric power for our AI data centers, and capitalizing on our strengths in developing one of the largest homegrown Japanese LLMs. I am convinced that pioneering this new market and deploying high value-added services will be the next driver of our growth.



Contents

Overview

SoftBank Group Corporate Philosophy

Thoughts Behind Our Brand Symbol

History of Our Challenges and Evolution

Group Structure to Maximize Synergies

> CEO Message

SoftBank At a Glance

Value Creation Process

CEO Message

3. “AI-RAN”: Evolving our mobile network into an AI network

In a society where AI permeates every corner of life, the current model of concentrating AI processing in massive data centers in places like Tokyo and Osaka faces challenges, including the risk of large-scale system failures and the excessive concentration of power consumption. Furthermore, under the current system, people in Hokkaido or Okinawa cannot use AI with the same seamless responsiveness as people in Tokyo. To solve these issues, it is essential to “distribute” AI computing infrastructure closer to the users. We have mobile base stations deployed nationwide, which we will evolve into a distributed computing infrastructure for the AI era. We are calling this concept of performing AI computation close to users “AI-RAN” (P29), and we are promoting it jointly with U.S.-based NVIDIA. This will enable us to provide low-latency, failure-resilient AI services and contribute to solving the social issue of balancing power consumption. Furthermore, if there is surplus capacity in AI computing resources located near our mobile base stations, we plan to sell it externally as inferencing resources for AI applications, creating a new source of revenue.

Developing and providing products and services essential to the Next-generation Social Infrastructure such as “AI-RAN,” *Sarashina*, and “GPU as a Service” on our own marks a major turning point for us. SoftBank has grown by being adept at quickly handling and distributing superior products and services from around the world to consumers and enterprises. While we will continue to leverage this strength, reaching the next stage requires strengthening our own capabilities in product creation, known in Japanese as “*monozukuri*.” Through “*monozukuri*,” not only can we create



high-margin products and services, but the experience of creating them from the ground up nurtures our ability to discern true value. This experience accumulates human capital and intellectual capital within the company, enhances our corporate competitiveness, and enables sustainable business growth over the medium- to long-term. This, in turn, will come back to us as a foundation for generating future profits (financial capital). I believe that creating this virtuous cycle is an essential condition for becoming a globally competitive company.

Accelerating growth in each business with the tailwind of AI evolution

In addition to our medium- to long-term initiatives in growth areas, we are aiming for further growth in our existing businesses, using AI’s evolution as a tailwind.

Consumer segment: Evolving the “reasons for being chosen.” Toward a future of being chosen for our ecosystem, network quality, and AI

Supported by strong net additions and a stabilization in ARPU, we quickly overcame the industry-wide headwind of mobile service price reductions in the spring of 2021. In FY2024, both mobile service revenue and segment income increased for the second consecutive fiscal year. This success is due to a strategy that—in addition to the strength of our ecosystem, which includes some of Japan’s leading BtoC platforms like *LINE*, *Yahoo! JAPAN*, *PayPay*, and *ZOZOTOWN*—expands our customer base with the price-competitive *Y!mobile* brand while enhancing the appeal of the *SoftBank* brand to encourage upgrades. While our competitors implemented price hikes in June 2025, we carefully assessed customer reactions and market trends and announced a new *Y!mobile* price plan in September. While aiming to improve profitability by revising the basic monthly fee, we will also strengthen customer acquisition by offering various discounts to customers who pay their communication fees with the *PayPay Card* credit card and use our fiber-optic Internet service. Furthermore, as a new measure to enhance the appeal of our services, starting from November 2025, we plan to introduce a campaign*2 that increases the following month’s data capacity based on the number of *PayPay* payments made for everyday shopping. This is a unique value proposition that other companies cannot offer, and one that is only possible for us because our Group services including *PayPay*, which boasts an overwhelming share of Japan’s QR code payments market. We believe this will become a differentiation strategy. This initiative will also contribute greatly to the further expansion of the *PayPay* ecosystem. As for the *SoftBank* brand, we will continue to carefully monitor market trends and implement appropriate measures at the optimal time.

*2 The terms and conditions of this campaign are subject to change.



Contents

Overview

SoftBank Group Corporate Philosophy

Thoughts Behind Our Brand Symbol

History of Our Challenges and Evolution

Group Structure to Maximize Synergies

► CEO Message

SoftBank At a Glance

Value Creation Process

CEO Message

The ability to flexibly choose the optimal move from a broader perspective after our competitors have made their own moves is the biggest change that would have been unthinkable for us a few years ago, and it is a testament to our current strength. In the past, our network quality was below that of our competitors, so we compensated for this gap with price. However, the situation has now completely changed, and our network quality is on par with theirs. The fact that we achieved this with less capital expenditures than our competitors is highly significant. The reason behind this is our “network design philosophy.” In our 5G rollout, we used non-standalone*³ and prioritized “connecting to 5G” by first deploying the highly connectable 700 MHz and 1.7 GHz bands. On top of that, we adopted a strategy of deploying frequencies like 3.4 GHz and 3.9 GHz to secure capacity. This difference in philosophy enabled us to build an efficient, high-quality network. However, I have no intention of being satisfied with a level of competition where we talk about “winning or losing.” In meetings about the network, I continue to encourage our frontline network team, saying, “We must not remain on par with our competitors. Let’s aim for an overwhelming victory.” Currently, we are proceeding with the deployment of standalone (SA)*⁴ 5G ahead of our competitors, and we will continue to use our ingenuity to aim for an “overwhelming No. 1” network from a user experience perspective.

The “overwhelming No. 1” network we are aiming for is not a goal in itself; it is the “foundation” for providing the best experience to our customers in the coming AI agent era. As AI agents become integrated into all devices, we believe customers will not simply choose a carrier based on “which one has a more reliable network connection,” but rather on “which carrier allows us to use AI agents most comfortably and to their fullest potential.” With this future in mind, we are steadily making preparations to create the best AI experience.

*³ Non-standalone: a system that combines 4G core equipment with 4G and 5G base stations
*⁴ Standalone (SA): a system that combines 5G-dedicated core equipment and 5G base stations

Enterprise segment: Accelerating growth with AI transformation and global expansion

In FY2024, our core business solution and others revenue grew by 12% (on an actual basis, excluding the impact of new consolidations), and our segment income over the past two years has shown double-digit growth (CAGR since the start of the Mid-term Plan). In September 2024, we completed the process to make SB Technology Corp., which has abundant engineering resources and high technical capabilities, a wholly owned subsidiary, strengthening our structure for growth in the cloud computing, security, and AI fields.

With total segment revenue of ¥1 trillion in sight, the Enterprise segment will continue to evolve. Until now, we have grown by supporting enterprise “digital transformation (DX),” but from now on we will also promote “AI transformation (AX),” which transforms the business structure of our client companies using AI. A prime example is our proprietary AI call center solution—a highly advanced AI agent that can instantly understand conversation context and respond naturally like a human even if interrupted. We are already close to delivering this to some enterprise customers, and we have received many other inquiries. We are also promoting the introduction of generative AI tailored to industry- and function-specific challenges and needs, and we are starting to see results in operational efficiency and service enhancement for many corporate customers and local governments. We view this as the AI investments we have made finally entering the monetization phase.

Furthermore, we have high expectations for *Beyond Japan*, our initiative for business growth through expansion into global markets, as a pillar of our medium- to long-term growth. As a crucial step, in March 2024, we made Cubic³ (headquartered in Dublin, Ireland) a subsidiary. Cubic³ deploys an IoT platform globally for connected cars and SDVs*⁵. When we announced the acquisition, 17 million vehicles were connected, but that number has already grown to 25 million, demonstrating rapid growth. However, our sights are set on more than just the connected car market. In an era where vehicles are controlled by software—and in the autonomous driving society that lies beyond—a platform that can manage and deploy software globally will have extremely significant value. We expect that Cubic³, with its unique platform, will make a major contribution to our Enterprise segment in the medium- to long-term.





Contents

Overview

SoftBank Group Corporate Philosophy

Thoughts Behind Our Brand Symbol

History of Our Challenges and Evolution

Group Structure to Maximize Synergies

> CEO Message

SoftBank At a Glance

Value Creation Process

CEO Message

Investing in a global platform like Cubic³ is an important step for our *Beyond Japan* initiative. However, the initiative does not end with simply investing in overseas companies. Its true aim is to create solutions in Japan—a country facing social issues like labor shortages and regional disparities—solve them with “DX” and “AX,” and then rapidly deploy those solutions abroad through a global platform. Building this growth model—proving it in Japan, a country facing social issues ahead of others, and scaling refined solutions worldwide—will be the cornerstone of our continued medium- to long-term growth.

*5 SDVs (Software-Defined Vehicles): vehicles that can be updated with new features mainly through software connected to the Internet.

Media & EC segment: Maximizing synergies through a clear division of roles

Following a group reorganization in October 2023, LY, which operates the *LINE* and *Yahoo! JAPAN* BtoC platforms, is functioning extremely well under the strong leadership of CEO Idezawa. In addition to enhanced operational efficiencies, business performance has been stronger than expected, resulting in double-digit profit growth in FY2024, even excluding one-time gains. Regarding the recurrence-prevention measures for the information leakage incident due to unauthorized access announced by LY in November 2023, Idezawa is personally taking the lead and making steady progress. Our CISO is also participating in LY’s “Group CISO Board” (📄 P106) and cooperating to ensure effective security governance.

Now that a paradigm shift called AI is taking place, to maximize Group synergies, LY and our Company are holding close discussions as “best partners” and have established a clear division of roles. For example, the development of a Japanese LLM—an essential element of future social infrastructure—is led by us, as we aim to become a Next-generation Social Infrastructure provider. Meanwhile, LY, with its *LINE* service that has 99 million*⁶ monthly active users in Japan, is focusing on providing the most familiar “AI agents” to customers without developing its own LLM. As an independently listed company, LY will always choose the optimal LLM for its services, but we will continue R&D so that our LLM will also be an option. In this way, by avoiding duplicative investment and maximizing our respective strengths, we hope to jointly create innovative services that will lead the AI era.

*6 As of the end of June 2025

Financial segment: Group reorganization centered on PayPay and commencement of listing preparations

FY2024 was a memorable year for the Financial segment, with gross merchandise value expanding to ¥15.4 trillion (up 23% year on year)*⁷ and PayPay’s operating income*⁸ achieving full-year profitability (over ¥30.0 billion) for the first time. To further accelerate PayPay’s growth, we reorganized the Financial segment in April 2025. PayPay Securities Corporation, previously our subsidiary, and

PayPay Bank Corporation, a subsidiary of LY, were consolidated under PayPay. I believe it is important to “give capable people the right tools,” and through this reorganization, we have created a structure that allows Nakayama, PayPay’s CEO, a strong leader, to operate most effectively. I myself became a Board Director of PayPay in June 2025, and we will work even more closely together to expand synergies.

Taking this operating profitability and business reorganization as an opportunity, PayPay has begun preparations for a public listing. To be honest, I felt it might be a little early. However, after hearing the strong intention of the PayPay management team—“We want to proceed with listing preparations to acquire the excellent talent essential for future growth”—I ultimately decided to support their decision. Just as it was for us, a public listing is a prime opportunity for significant growth. A listing also helps to realize the company’s corporate value. I hope that PayPay will seize this chance to make great strides.

*7 Based on the definition prior to PayPay Bank Corporation becoming a subsidiary in April 2025.

*8 PayPay Corporation, PayPay Card Corporation, and Credit Engine, Inc.

Management foundation supporting sustainable growth

ESG management: Fully committed to balancing “the realization of a sustainable society” and the “enhancement of corporate value”

When I took over the post of President & CEO from my predecessor, Miyauchi, he advised me that “ESG management is important, so you should look into it carefully.” As I studied it while considering future management and vision, I came to believe that the concept of ESG management—balancing “the realization of a sustainable society” and the “enhancement of corporate value”—is compelling, and that one cannot speak of enhancing corporate value without addressing it.

When SoftBank decides to do something, we do it all the way. As an objective indicator to demonstrate our commitment to ESG both internally and externally, we set a concrete milestone of winning the Grand Prize at the “Nikkei SDGs Management Awards,” one of the most prestigious awards in Japan, and then identified all challenges and addressed them one by one to achieve this goal.

As a result, we received the Grand Prize in 2023, but I was not satisfied with that. In my speech at the award ceremony, I declared, “We will definitely win the Grand Prize again next year.” To turn this commitment into reality, we further accelerated our efforts, and in 2024, we became the first company in history to win the Grand Prize for the second consecutive year, and were inducted into the Hall of Fame (selected as a Prime Seat Company). I believe that our “reverse planning management” culture was also leveraged in this ESG field.

These efforts are also recognized globally. We have been selected as a constituent of the “Dow Jones Best-in-Class World Index (formerly the Dow Jones Sustainability World Index)” for the third consecutive year, and we are the only telecommunications company in Japan to be selected for this index.



CEO Message



For us, ESG management is not a trend; it is the core of our management and our conviction—how we demonstrate our purpose in society and continue to increase our corporate value. While we may use prestigious external evaluations as milestones to measure our progress objectively, our conviction will not be swayed by changing voices.

Environment initiatives: Encouraging behavioral change toward environmental protection among a total of 300 million people

We believe it is our corporate responsibility to help solve climate change issues for the realization of a sustainable society. In our Mid-term Plan, we have set a target for the ratio of renewable energy*⁹ of electricity consumption by the Company*¹⁰ to 50% by FY2025 and 100% by FY2030 (of which more than half will be procured from power generated from renewable energy sources*¹¹). In FY2024, this ratio had already reached 54%, putting us ahead of schedule. In light of this steady progress, we raised our FY2025 target to 60%.

In addition to ongoing efforts to switch the electricity used by our base stations to renewable energy, we will address the expected increase in power consumption from AI data centers. At the “Hokkaido Tomakomai AI Data Center,” which is aiming to commence operations with a capacity of 50 megawatts in FY2026, we plan to procure electricity derived from renewable energy from Hokkaido Electric Power Co., Inc. and SB Power Corp.*¹². We intend to make this data center a model case of “locally produced for locally consumed” of electricity.

In July 2025, we announced the “forest conservation support project for prefectures nationwide.” Utilizing the “Corporate Hometown Tax Program,” we will donate a total of over ¥4.0 billion to 46 of Japan’s Prefectures and Hachioji City in Tokyo to support forest conservation activities over the 15 years from 2025 to 2040. We also announced “NatureBank,” a consumer-participatory tree-planting contribution program in collaboration with Group companies. Covering 16 eco-actions—such as using services provided by our Company or Group companies—the program visualizes and promotes consumers’ daily eco-friendly behavior. Based on the CO₂ emissions reduced by these actions, we will plant trees corresponding to an equivalent amount of CO₂ absorption. With over 300 million customer touchpoints in total, we believe our Group can play a meaningful role in encouraging behavioral change to encourage environmental protection.

*⁹ Includes the use of non-fossil certificates designated as renewable energy.

*¹⁰ Total of SoftBank Corp. and Wireless City Planning Inc.

*¹¹ Electricity generated from renewable energy sources such as wind and solar power.

*¹² A wholly owned subsidiary of SoftBank Corp. that operates a retail electricity business.

Social initiatives:

Making HAPS a core infrastructure to promote the bridging of the digital divide

“HAPS*¹³ (flying base stations),” which provide telecommunications from the stratosphere at an altitude of about 20 km, is a project I have long believed in and pursue with passion. We are now on track for pre-commercial services starting in 2026, three years earlier than originally planned, by using an LTA (Lighter Than Air) method that utilizes helium gas. While the LTA platform itself will be provided from an investee, we plan to utilize our proprietary technologies—developed over many years—for core components such as the wireless communications payload, solar panels, batteries, and motors. Our steady efforts to date have set the stage for this early commercialization.

I conceived this idea when I was involved in turning around U.S.-based Sprint (which SoftBank Group Corp. acquired as a subsidiary in 2013). Struggling to build a network across the vast United States, I thought, “Radio waves from mobile phone base stations reach about 20 km. If we transmit radio waves from the stratosphere at an altitude of 20 km, shouldn’t we be able to communicate? And if we can do that, we should be able to communicate with existing smartphones without needing a dedicated device like a satellite phone.” After returning to Japan, I proposed launching the HAPS business, and we have been developing it since 2017.

I am confident that HAPS will be useful for disaster preparedness and will also play a major role as the core infrastructure supporting the three-dimensional communications of the future, where drones and flying cars will be commonplace. Furthermore, it will have great social significance in eliminating the digital divide in mountainous areas and remote islands—both in Japan and overseas—where establishing telecommunications environments has been difficult, thereby providing equal access to information for all.

*¹³ HAPS (High Altitude Platform Station): generic name for a system that provides telecommunication services over wide areas by operating an unmanned aircraft that continually flies in the stratosphere for extended periods of time like a telecommunication base station

Contents

Overview

SoftBank Group Corporate Philosophy

Thoughts Behind Our Brand Symbol

History of Our Challenges and Evolution

Group Structure to Maximize Synergies

> CEO Message

SoftBank At a Glance

Value Creation Process



Contents

Overview

SoftBank Group Corporate Philosophy

Thoughts Behind Our Brand Symbol

History of Our Challenges and Evolution

Group Structure to Maximize Synergies

> CEO Message

SoftBank At a Glance

Value Creation Process

CEO Message

Governance initiatives:

Our stance on “parent–subsidiary listings”

We are a parent company with listed subsidiaries such as LY, and at the same time, we are a listed subsidiary of our parent company, SoftBank Group Corp. I would like to clearly state my thoughts on this “parent–subsidiary listings” structure.

From the perspective of a parent company with listed subsidiaries, I believe that having subsidiaries listed is an effective way to accelerate the growth of the entire Group. Since our own listing, we have grown strongly by conducting agile and autonomous management based on feedback from the stock market. With each subsidiary being an independent listed company, swift decision-making is possible, and market feedback can be directly reflected in management. This maximizes the corporate value of each company, and the results of that growth ultimately lead to an increase in our own corporate value through Group synergies and the enhanced value of our shareholdings.

As a listed subsidiary of SoftBank Group Corp., we address concerns about potential conflicts of interest between our parent company and our minority shareholders with utmost sincerity. First, we have established a system to prevent decisions that would disadvantage our minority shareholders by appointing a majority of independent external directors to the Board of Directors. Furthermore, for important transactions with SoftBank Group Corp. that exceed a certain threshold, an “Independent External Directors’ Meeting,” composed solely of independent external directors, is held prior to the Board Meeting to conduct a preliminary review from the perspective of protecting minority shareholders’ interests.

With systems in place to safeguard minority shareholders’ interests, if we can achieve growth while generating synergies with our parent and subsidiaries, “parent–subsidiary listings” should not necessarily be rejected.

Expanding our new generation of shareholders to co-create the future

Last year, I decided on a stock split and introduced a new shareholder benefits program out of a desire to “increase the number of younger shareholders who will think about our Company’s future with us 10 or 20 years from now.” This aim is steadily bearing fruit. After the stock split in October 2024, the number of individual shareholders increased significantly from 860 thousand*¹⁴ to 1.36 million*¹⁵. In particular, the number of shareholders aged 40 and under*¹⁶ increased 2.4 times*¹⁷, and their share expanded from 27%*¹⁵ to 41%*¹⁶. We are greatly encouraged by and welcome the younger generation—who will drive Japan’s future economy—as our shareholders. We will continue to value dialogue with all shareholders and strive to enhance corporate value from a long-term perspective.

*¹⁴ As of the end of March 2024

*¹⁵ As of the end of March 2025

*¹⁶ SoftBank Corp. estimate based on data provided by certain securities companies

*¹⁷ Comparison between the end of March 2024 and the end of March 2025

Pursuing the optimal balance between growth investment and shareholder returns

In an inflationary environment, I have repeatedly asked myself whether maintaining the dividend per share*¹⁸ is effectively a dividend reduction. However, we are currently fortunate to face an excellent investment opportunity in AI that can significantly increase our future corporate value. We have concluded that prioritizing “aggressive investments” at this time will maximize our corporate value in the medium- to long-term, and therefore we forecast maintaining the dividend per share*¹⁸ at ¥8.6 for FY2025. We will first execute these upfront investments, and if our performance exceeds expectations, we will consider additional shareholder returns such as a dividend increase or share repurchases.

*¹⁸ Common shares

In closing:

Aiming to become an essential, one-of-a-kind company

FY2025 is the final year of our current Mid-term Plan, and it also marks the halfway point of the 10-year plan I set when I became President & CEO. I want the next five years to be a period when we bring the many seeds of growth sown over the past five years to fruition and further enhance our corporate value. We plan to announce our next Mid-term Plan in May 2026, and we are deepening our internal discussions toward that end. At that time, we will present our thoughts on our growth strategy and shareholder returns in a more concrete manner.

My goal in management is for our Company to become an “essential, one-of-a-kind presence” in a society that coexists with AI. My responsibility as President & CEO is to demonstrate a solid reason for being in society and continue contributing to its development, and to enhance corporate value through challenges and share the value created with our stakeholders.

The origin of my emphasis on a “company’s purpose” lies in the 1,200-year-old Zen temple where I was raised. It has endured by staying close to the people of each era and continuing to demonstrate its reason for being in society. Similarly, a company can achieve sustainable growth only by continuing to demonstrate a solid reason for being in society. I continue to take on challenges with the sole intention of making SoftBank a company that provides “an essential, one-of-a-kind infrastructure in a society that coexists with AI.” To our shareholders and investors, we ask for your continued support and your expectations for our medium- to long-term growth.



Contents

Overview

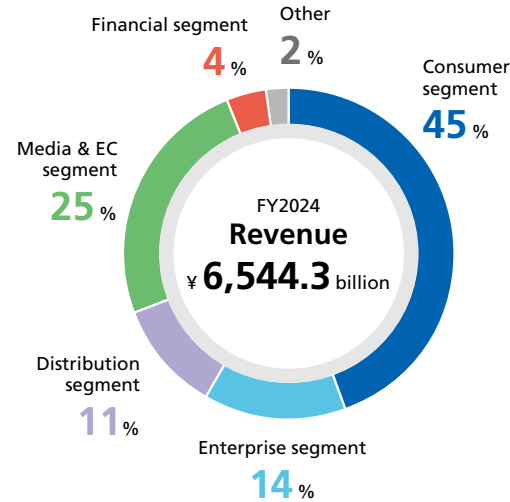
- SoftBank Group Corporate Philosophy
- Thoughts Behind Our Brand Symbol
- History of Our Challenges and Evolution
- Group Structure to Maximize Synergies
- CEO Message

► **SoftBank At a Glance**

Value Creation Process

SoftBank At a Glance

Revenue breakdown



We went public as an operating company with our core business in telecommunications centered on the Consumer segment. Today, we operate five business segments: Consumer, Enterprise, Distribution, Media & EC, and Financial. Segments other than the Consumer segment now account for over 50% of our revenue, showing the progress of our earnings diversification.

- Consumer segment**
 We provide mobile communications services, broadband services, and electricity services primarily to individuals in Japan. We also procure mobile devices and sell them to distributors operating *SoftBank* stores and other establishments, as well as to individuals.
- Enterprise segment**
 In addition to mobile and fixed-line telecommunications services, we provide a variety of solutions for enterprise customers, including data centers, cloud, security, global, AI, IoT, digital marketing, and other services.
- Distribution segment**
 For enterprise customers, we provide products that utilize advanced technology, including cloud services and AI. For individuals, we plan and provide a wide range of products including software, mobile accessories, and IoT products.
- Media & EC segment**
 We offer services centered on media and commerce. In addition to providing advertising-related services on the comprehensive Internet service, *Yahoo! JAPAN*, and the communication app, *LINE*, we offer e-commerce services such as *Yahoo! JAPAN Shopping* and *ZOZOTOWN*.
- Financial segment**
 For individuals, we provide cashless payment services such as payments via QR and barcode and credit card, online banking services, and smartphone-based securities services. For enterprise customers, we provide payment processing services offering one-stop payment solutions including credit cards, electronic money, and QR codes.

SoftBank in numbers (FY2024 results or as of the end of FY2024)

<p>Year of establishment 1986</p>	<p>Number of employees (Consolidated basis) Approx. 55,000</p>	<p>Number of Group companies Approx. 300</p>	<p>Operating income ¥ 989.0 billion</p>
<p>Net income attributable to owners of the Company ¥ 526.1 billion</p>	<p>EPS*1 (Earnings per share) ¥ 10.99</p>	<p>ROE*2 (Ratio of net income to equity attributable to owners of the Company) 20.5 %</p>	<p>Primary free cash flow*3 ¥ 603.3 billion</p>
<p>Dividends per common share*4 ¥ 8.6</p>	<p>Ratio of independent external directors*5 54.5 %</p>	<p>Ratio of renewable energy of electricity consumption by the Company*6 54 %</p>	<p>Ratio of women in management positions*7 9.9 %</p>

*1 Calculated after deducting dividends related to Bond-Type Class Shares. The Company has conducted a stock split at a ratio of 10 shares per common share, with the effective date being October 1, 2024. The basic earnings per share is calculated assuming the stock split was conducted at the beginning of FY2024.

*2 Net income attributable to owners of the Company ratio (ROE) = net income attributable to owners of the Company / average of total equity attributable to owners of the Company at the beginning and end of the relevant period

*3 Primary free cash flow is a measure calculated by adding back the amounts spent as long-term growth investments to adjusted free cash flow (excluding LY Group, PayPay, etc.). Adjusted free cash flow (excluding LY Group, PayPay, etc.) = free cash flow + (proceeds from the securitization of installment sales receivables – repayments thereof) - free cash flow of the LY Group, PayPay, etc. + other items such as dividends received from A Holdings Corporation and investment in PayPay Securities Corporation. "LY Group, PayPay, etc." refers to A Holdings Corporation, LY Corporation and its subsidiaries (LY Group), B Holdings Corporation, PayPay Corporation, PayPay Card Corporation, PayPay Securities Corporation, etc. Long-term growth investments include investments in AI computing infrastructure and AI data centers.

*4 The Company has conducted a stock split at a ratio of 10 shares per common share, with the effective date being October 1, 2024. The dividends per common share have been adjusted to reflect this stock split.

*5 As of the end of June 2025

*6 Total of SoftBank Corp. and Wireless City Planning Inc.

*7 SoftBank Corp. on a standalone basis. As of April 1, 2025.



Contents

Overview

SoftBank Group Corporate Philosophy

Thoughts Behind Our Brand Symbol

History of Our Challenges and Evolution

Group Structure to Maximize Synergies

CEO Message

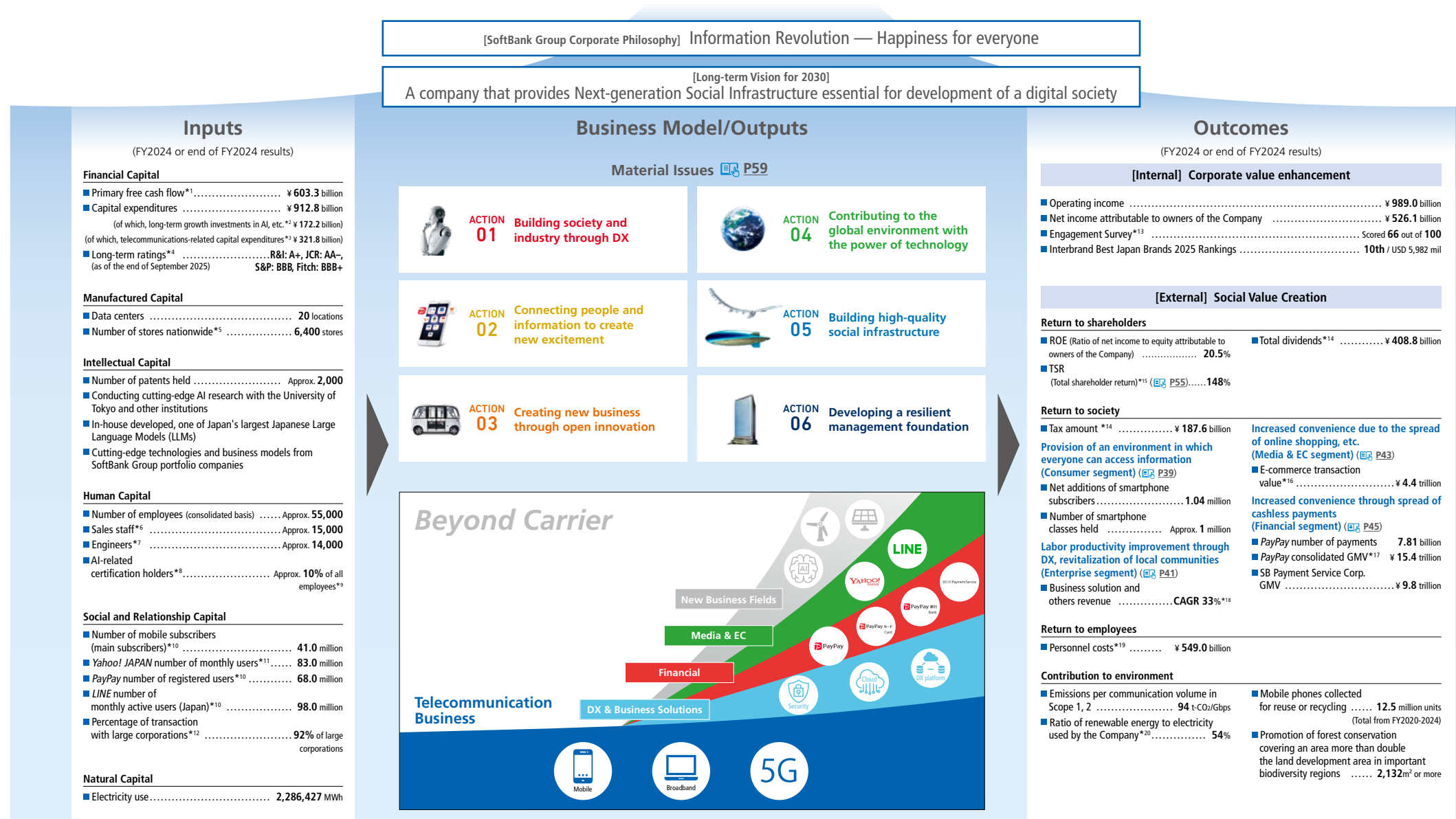
SoftBank At a Glance

> Value Creation Process

Value Creation Process

Maximizing corporate value, centered on the *Beyond Carrier* strategy

We aim to maximize our corporate value by pursuing sustainable growth in our telecommunications business while going beyond just being a telecommunications carrier to actively roll out new businesses in the information and technology fields. By serving as a catalyst for digitalization across society and solving social issues, we aim to become the Corporate Group needed most by people around the world.



(Note) For notes on this page, please refer to the next page.



Contents

Overview

SoftBank Group Corporate Philosophy

Thoughts Behind Our Brand Symbol

History of Our Challenges and Evolution

Group Structure to Maximize Synergies

CEO Message

SoftBank At a Glance

▶ Value Creation Process

Value Creation Process



	Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Social and Relationship Capital	Natural Capital
Characteristics and initiatives of our Group in each capital	<p>Financial soundness</p> <p>We consider primary free cash flow (FCF)*¹ to be a key management indicator. To invest for growth while maintaining high level of shareholder returns, we generate a stable and high level of primary FCF*¹. At the same time, we emphasize net leverage ratio—which indicates how many times our net interest-bearing debt is to EBITDA—as an indicator of financial discipline, thereby maintaining a sound financial position. (EIR P54)</p>	<p>Promoting initiatives to build “Next-generation Social Infrastructure”</p> <p>We aim to further enhance our corporate value through the realization of “Next-generation Social Infrastructure” that supports a society that coexists with AI. As part of this, we are working on constructing distributed AI data centers, deploying a nationwide power-efficient network connecting these data centers (EIR P24), and building the “AI-RAN” (EIR P29).</p>	<p>Technology development through active collaboration with universities, research institutions, and companies</p> <p>We established the Research Institute of Advanced Technology in April 2022 to promote R&D for implementing new technologies in society. In addition, we are developing one of Japan’s largest Japanese LLMs. We are also achieving efficient technology development that leverages mutual strengths by actively collaborating with external institutions such as the University of Tokyo. (EIR P34)</p>	<p>Promoting a shift of human resources to new business areas</p> <p>We have introduced systems that provide opportunities to proactive employees, such as the free-agent and job posting systems, offering them chances for self-growth and self-fulfillment, which leads to the growth of the entire organization. (EIR P65)</p>	<p>Overwhelming business foundation</p> <p>A key feature is our massive user base in Japan, which includes not only mobile subscribers but also users of <i>LINE</i>, <i>Yahoo! JAPAN</i>, and <i>PayPay</i>. Leveraging the customer touchpoints we have cultivated, we create new value while generating Group synergies.</p>	<p>Initiatives to achieve “Net Zero”</p> <p>In addition to “Carbon Neutral 2030,” which aims to achieve zero greenhouse gas (GHG) emissions from our own business processes and energy consumption by FY2030, we are also working to achieve “Net Zero.” This initiative aims for zero emissions of all GHG related to our business activities (supply chain emissions) by FY2050.</p>
Key challenges identified	<ul style="list-style-type: none"> Balancing medium- to long-term growth with high level of shareholder returns Relatively low shareholders’ equity ratio Maintaining and improving long-term ratings 	<ul style="list-style-type: none"> Securing land and power required for distributed AI data centers Securing renewable energy to operate the distributed AI data centers 	<ul style="list-style-type: none"> Active creation, protection, and utilization of intellectual property Acceleration of technology development for medium- to long-term growth 	<ul style="list-style-type: none"> Securing high-market-value talent (such as AI engineers and DX professionals) Improving employee engagement 	<ul style="list-style-type: none"> Continuous expansion of the customer base Improvement of user engagement Data management and privacy protection 	<ul style="list-style-type: none"> Balancing sustainable business growth with the reduction of greenhouse gas emissions
Future initiatives	<ul style="list-style-type: none"> Continuing to generate stable primary free cash flow Enhancing shareholders’ equity through medium- to long-term profit growth Securing a stable funding base Adhering to financial discipline 	<ul style="list-style-type: none"> Close collaboration with national and local governments, as well as electric power companies Securing a stable power supply through long-term Power Purchase Agreements (PPAs) 	<ul style="list-style-type: none"> Strengthening our Group’s IP governance and developing IP human resources (EIR P34) Fostering a culture that generates highly original and outstanding inventions Company-wide Collaboration with universities, research institutions, and companies Securing the necessary R&D budget 	<ul style="list-style-type: none"> Establishing competitive compensation Providing learning content through “SBU Tech (SoftBank University Tech)” Supporting the acquisition of AI-related qualifications and certifications Promoting the optimization of various HR systems through Engagement Survey analysis Promoting initiatives that enable diverse talent to thrive Communicating our vision and business strategy through Employee Town Hall meeting and all-hands morning assemblies 	<ul style="list-style-type: none"> Mutual customer referrals between telecommunications and non-telecommunications businesses Providing services that leverage Group synergies Operation and management using advanced security systems and tools Thorough employee education on security and development of a secure environment and facilities 	<ul style="list-style-type: none"> Implementing energy-saving measures through cutting-edge technology and promoting the shift to renewable energy Holding briefings for suppliers and formulating guidelines to reduce greenhouse gas emissions throughout the supply chain

(Note) The notes on this page pertain to the previous page.

*1 Primary free cash flow is a measure calculated by adding back the amounts spent as long-term growth investments to adjusted free cash flow (excluding LY Group, PayPay, etc.). Adjusted free cash flow (excluding LY Group, PayPay, etc.) = free cash flow + (proceeds from the securitization of installment sales receivables – repayments thereof) - free cash flow of the LY Group, PayPay, etc. + other items such as dividends received from A Holdings Corporation and investment in PayPay Securities Corporation. “LY Group, PayPay, etc.” refers to A Holdings Corporation, LY Corporation and its subsidiaries (LY Group), B Holdings Corporation, PayPay Corporation, PayPay Card Corporation, PayPay Securities Corporation, etc. Long-term growth investments include investments in AI computing infrastructure and AI data centers.
 *2 Includes investments in AI computing infrastructure and AI data centers.
 *3 Capital expenditures of the Consumer and Enterprise segments. Acceptance basis; excludes investments in devices for rental services, shared equipment (contributions by other operators), and the impact of adopting IFRS 16 “Leases.”
 *4 R&I: Rating and Investment Information, Inc., JCR: Japan Credit Rating Agency, Ltd., S&P: S&P Global Ratings Japan Inc., Fitch: Fitch Ratings Japan Limited
 *5 Total of *SoftBank* and *Y!mobile* directly managed stores, agents, mass merchandisers, and other retail channels (as of March 31, 2025)
 *6 Number of SoftBank Corp. sales staff (as of March 2025)
 *7 Total of the engineers in SoftBank Corp., LY Corporation, SB Technology Corp., PayPay Corporation, ZOZO, Inc., etc. (as of April 1, 2025)
 *8 Number of holders of JDLA Deep Learning for GENERAL and JDLA Deep Learning For ENGINEER organized by the Japan Deep Learning Association (JDLA)
 *9 SoftBank Corp. on a standalone basis

*10 As of March 31, 2025
 *11 Average monthly users from January to October 2024, based on Nielsen’s “TOPS OF 2024: DIGITAL IN JAPAN, Top 10 by Total Digital Reach in Japan.” Does not include overlap of smartphone and PC users.
 *12 The percentage of listed companies in Japan with annual sales exceeding ¥100 billion that conducted business with SoftBank Corp. in FY2024
 *13 The Engagement Survey (formerly Employee Satisfaction) was redefined in FY2023 and is scored on a 100-point scale (up to 49: Low, 50-64: Normal, 65-74: High, 75+: Very high).
 *14 Presented on a consolidated cash flow basis
 *15 (Share price of the Company’s common stock on the Tokyo Stock Exchange at the end of FY2024 + cumulative dividends per common share from FY2022 to FY2024) / (share price of the Company’s common stock on the Tokyo Stock Exchange at the end of FY2022) x 100
 *16 Total transaction values of domestic shopping business, reuse business, other (merchandise), ASKUL Corporation’s BtoB-related, domestic services, domestic digital content and overseas e-commerce
 *17 Based on the definition prior to PayPay Bank Corporation becoming a subsidiary in April 2025.
 *18 The two-year CAGR for FY2023 and FY2024
 *19 Wages and benefits for employees and officers (on the basis of the Consolidated Statement of Income breakdown of expenses by nature)
 *20 Total of SoftBank Corp. and Wireless City Planning Inc.



Contents

What Is Our Long-term Growth Strategy?

Long-term Vision

Technology Strategy for Realizing
“Next-generation Social Infrastructure”

Interview with Head of Homegrown
Generative AI Development

“AI-RAN” Initiative

Interview with Head of the Research
Institute of Advanced Technology

Intellectual Property Strategy to Support
Long-term Growth

What Is Our Long-term Growth Strategy?

Our Long-term Vision is to become “a company that provides Next-generation Social Infrastructure essential for development of a digital society.” This section provides an overall picture of this vision and the various technological initiatives to achieve this in a manner that is easy to understand for non-engineer readers.





Contents

What Is Our Long-term Growth Strategy?

> Long-term Vision

Technology Strategy for Realizing “Next-generation Social Infrastructure”

Interview with Head of Homegrown Generative AI Development

“AI-RAN” Initiative

Interview with Head of the Research Institute of Advanced Technology

Intellectual Property Strategy to Support Long-term Growth

Long-term Vision

“Provide Next-generation Social Infrastructure essential for development of a digital society”

Challenges in realizing a “society that coexists with AI”

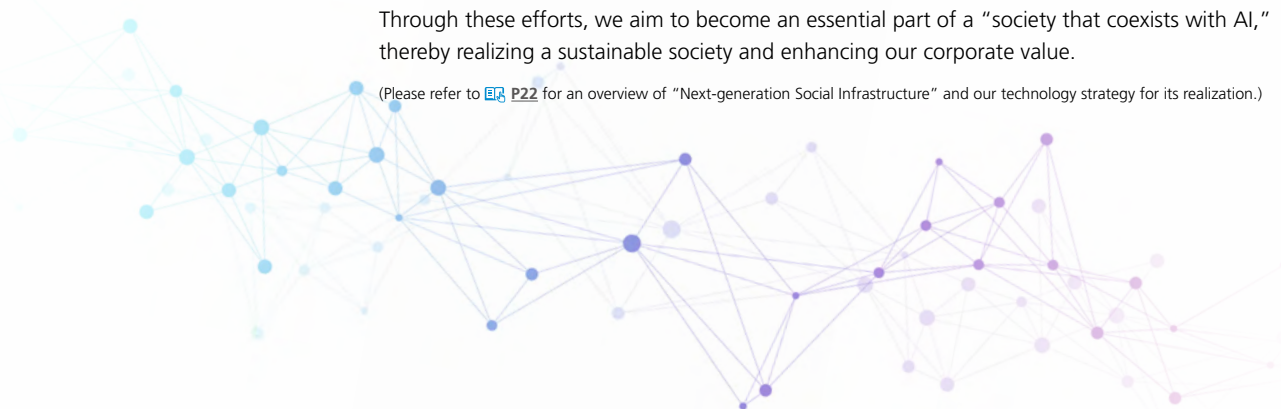
Since the release of the interactive AI-powered *ChatGPT* in November 2022, generative AI has increasingly spread. We predict the arrival of a “society that coexists with AI” in which AI will be incorporated into various products and services, enabling people to enjoy convenient and comfortable lifestyles.

Meanwhile, the use of AI requires significant data processing and power consumption at data centers. The graph on the right shows the outlook for data processing demand in Japan. Against the backdrop of the spread of generative AI, we expect that by 2030, there will be more than 300 times as much data processing as in 2020, with a corresponding enormous demand for power. To achieve a “society that coexists with AI” and is also sustainable going forward, this demand for power must be met by renewable energy sources that do not emit greenhouse gases. In addition, data centers that process the vast amount of data pertaining to the use of AI are currently concentrated in Tokyo and Osaka. If the number of data centers continues to increase as the use of AI expands in the future, the demand for power will be strained, which could lead to large-scale power outages.

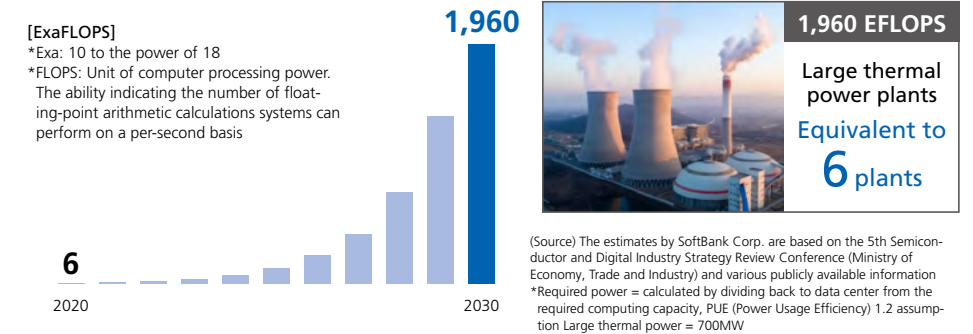
Providing solutions through building “Next-generation Social Infrastructure”

To address these issues, in May 2023, we announced our Long-term Vision of becoming “a company that provides Next-generation Social Infrastructure essential for the development of a digital society.” This Long-term Vision includes the construction of sustainable, distributed AI data centers where renewable energy generated in each region will be consumed in each regional data center. Through these efforts, we aim to become an essential part of a “society that coexists with AI,” thereby realizing a sustainable society and enhancing our corporate value.

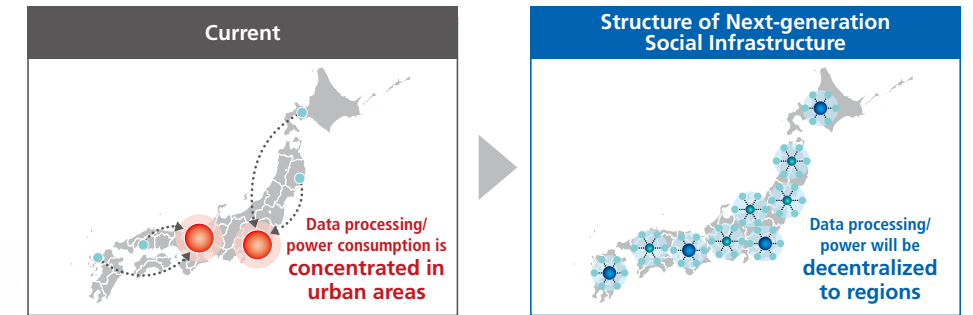
(Please refer to [EIR P22](#) for an overview of “Next-generation Social Infrastructure” and our technology strategy for its realization.)



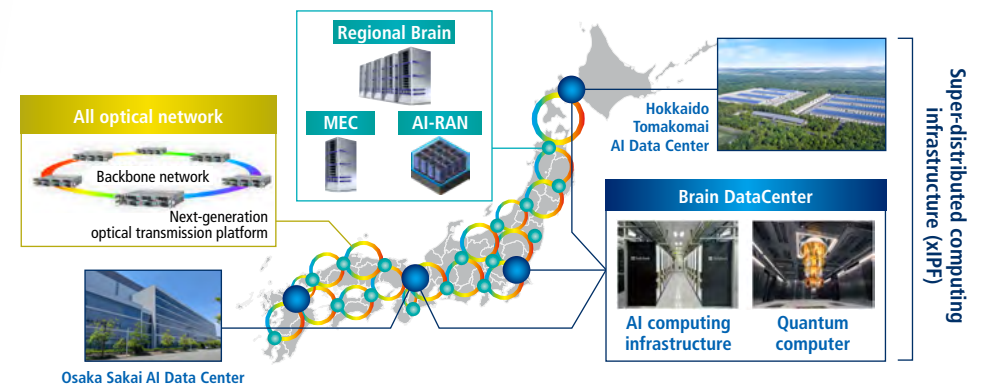
Demand for data processing and power requirements in Japan



Issues in the current infrastructure



“Next-generation Social Infrastructure” that we aim to build





Contents

What Is Our Long-term Growth Strategy?

> Long-term Vision

Technology Strategy for Realizing "Next-generation Social Infrastructure"

Interview with Head of Homegrown Generative AI Development

"AI-RAN" Initiative

Interview with Head of the Research Institute of Advanced Technology

Intellectual Property Strategy to Support Long-term Growth

Long-term Vision

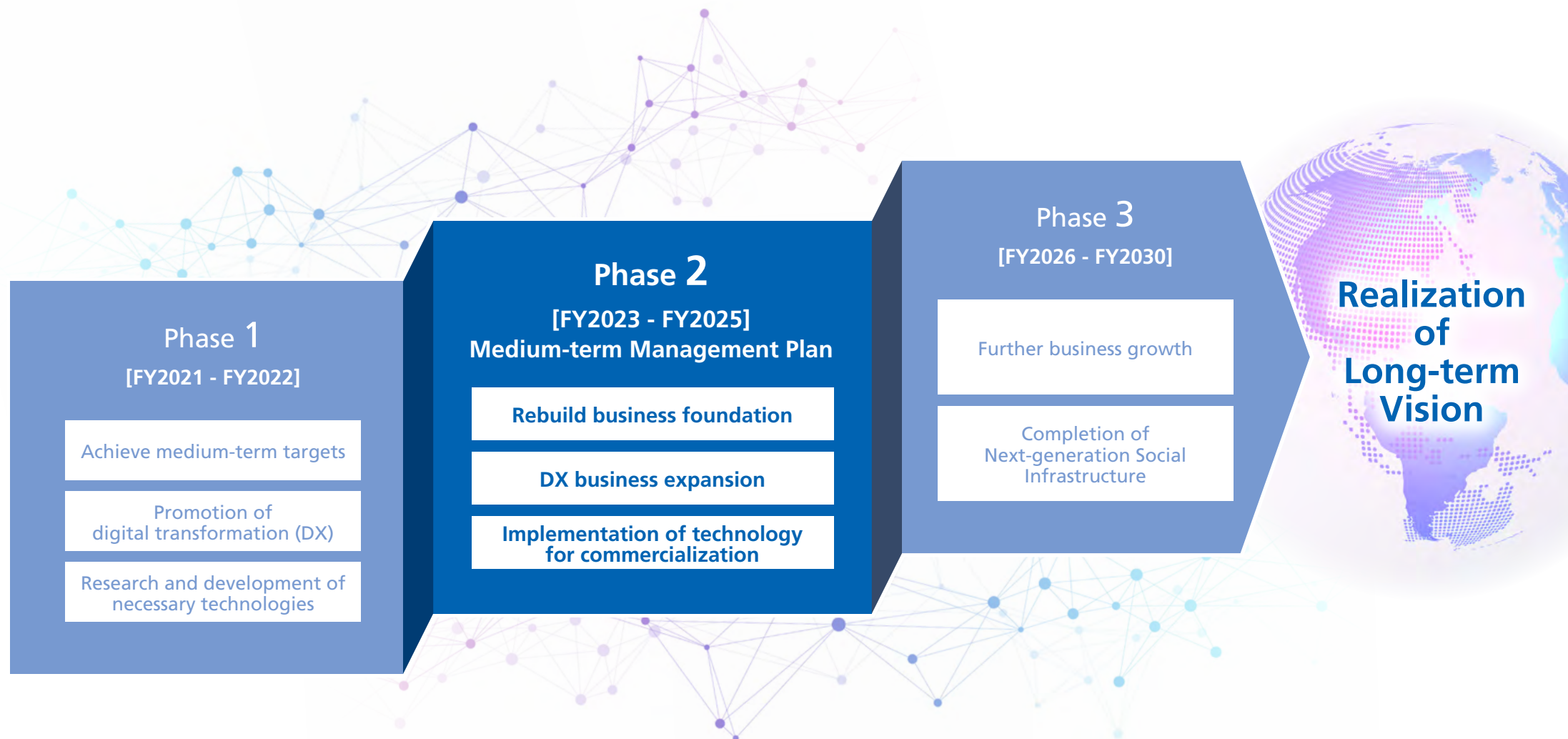
Roadmap to realizing the Long-term Vision

To achieve this Long-term Vision, we are promoting initiatives by dividing the 10-year period into three phases as shown in the figure below.

In the first phase, we worked on various technological developments in parallel with our initiatives to achieve our medium-term management targets and to promote our DX business. During this period, we identified the fundamental technologies needed for Next-generation Social Infrastructure and strengthened our structure by establishing a new advanced technology research laboratory.

We positioned the second phase as the period for focusing on the Mid-term Plan. During this phase we are rebuilding the business foundation affected by the mobile service price reductions, while expanding the DX business and implementing technologies aimed at developing the Next-generation Social Infrastructure into a business.

Finally, in the third phase, we will further grow our business and complete the Next-generation Social Infrastructure in order to achieve our Long-term Vision and sustainable growth.





Contents

What Is Our Long-term Growth Strategy?

Long-term Vision

> Technology Strategy for Realizing “Next-generation Social Infrastructure”

Interview with Head of Homegrown Generative AI Development

“AI-RAN” Initiative

Interview with Head of the Research Institute of Advanced Technology

Intellectual Property Strategy to Support Long-term Growth

Technology Strategy for Realizing “Next-generation Social Infrastructure”

Advancing research and development to realize the “Next-generation Social Infrastructure” supporting a “society that coexists with AI”

We predict the arrival of a society that coexists with AI in which AI will be incorporated into various products and services, enabling people to enjoy convenient and comfortable lifestyles. Meanwhile, the use of AI requires significant data processing and power consumption. This section presents an overview of the technology strategy we are pursuing and its progress toward realizing the “Next-generation Social Infrastructure” that will address these issues and enhance our corporate value.

Overall picture of “Next-generation Social Infrastructure”

To meet the significant data processing demands generated by AI, the large-scale data center “Brain DataCenter” (P23) and the medium-scale data center “Regional Brain” will be distributed and deployed. The “Brain DataCenter” will be equipped with an AI computing infrastructure (P25) and quantum computers (P24). We intend for these data centers to be “locally produced for locally consumed” sustainable data centers (green data centers) where renewable

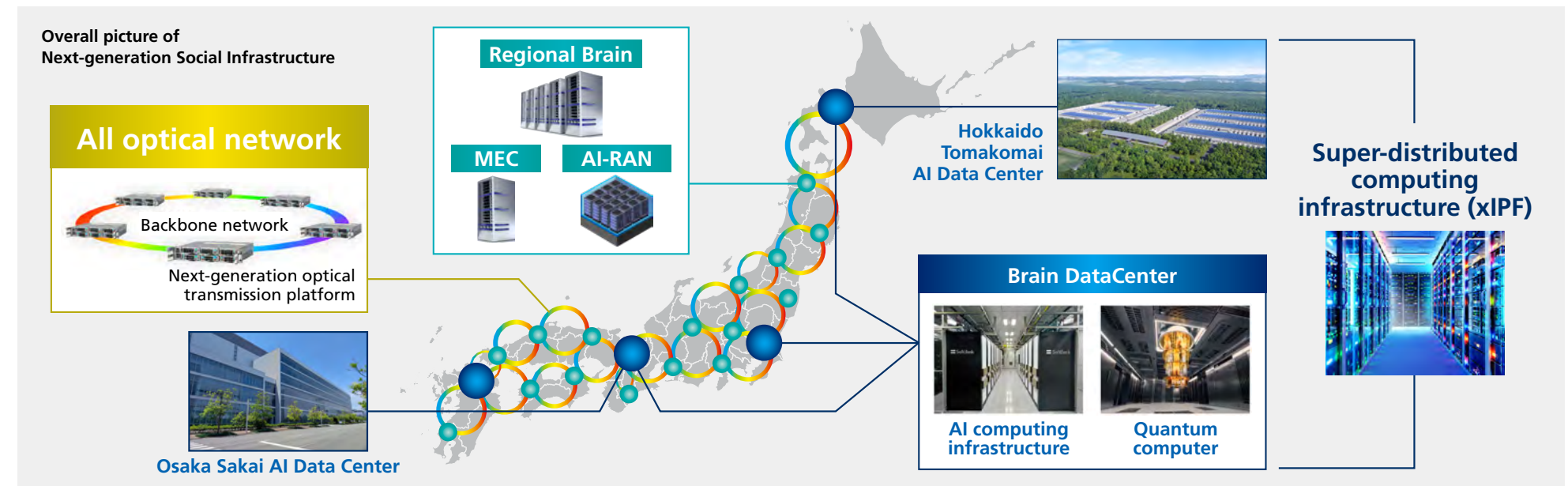
energy generated in each region will be consumed in each regional data center.

By incorporating NVIDIA’s cutting-edge superchip into our mobile service base stations, we will achieve both efficient deployment of “MEC*1” and “AI-RAN*2” (P29).

In addition, we plan to introduce a “super-distributed computing infrastructure” (P23) that will run physically distributed data centers in different regions in parallel, virtually operating as a single data center.

We have already deployed the nationwide “all optical network” (P24), a power-efficient, low-latency, high-capacity network that connects distributed data centers.

We have expertise in data centers and telecommunication networks that we have cultivated, human resources who have been involved in the development of generative AI, and security-related know-how that we have accumulated in operating telecommunications infrastructure. By further developing these resources, we will build a “Next-generation Social Infrastructure” and enhance our corporate value over the medium- to long-term.



*1 MEC: abbreviation for Multi-access Edge Computing. Computing infrastructure installed near devices requiring real-time processing, such as autonomous cars and robotics

*2 AI-RAN: a radio access network (RAN) consisting of antenna equipment and base stations integrated with AI processing infrastructure



Contents

What Is Our Long-term Growth Strategy?

Long-term Vision

> Technology Strategy for Realizing “Next-generation Social Infrastructure”

Interview with Head of Homegrown Generative AI Development

“AI-RAN” Initiative

Interview with Head of the Research Institute of Advanced Technology

Intellectual Property Strategy to Support Long-term Growth

Technology Strategy for Realizing “Next-generation Social Infrastructure”

Construction of “Hokkaido Tomakomai AI Data Center”

In November 2023, SoftBank announced the construction of the “Hokkaido Tomakomai AI Data Center,” which will be one of the “Brain DataCenter” facilities. The data center plans to maximize the use of renewable energy from within Hokkaido Prefecture, making it a model case of a “locally produced for locally consumed” green data center. We are aiming to complete the first phase of construction of the data center and commence operations in FY2026, with an expected scale of 50 megawatts at the time of opening. The total project cost is expected to be approximately ¥65 billion, with up to ¥30 billion to be covered by subsidies from Japan’s Ministry of Economy, Trade and Industry.

In addition to being used for in-house generative AI development and other AI-related projects, the data center will also be made available to a wide range of universities, research institutes, and companies to meet the growing need for AI-related usage.

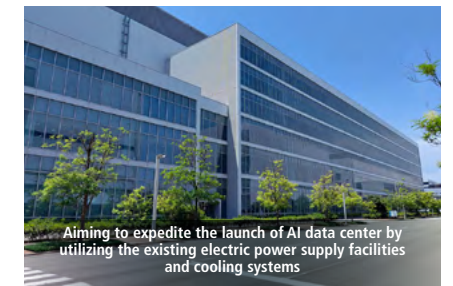
In the future, we plan to expand the capacity of the data center to a maximum of 300 megawatts, making it one of the largest data centers in Japan.



Construction of “Osaka Sakai AI Data Center”

In March 2025, we acquired from Sharp Corporation the land, buildings, and other facilities related to its LCD panel plant in Sakai City, Osaka Prefecture for approximately ¥100 billion to construct a large-scale AI data center. By taking over the plant’s land, buildings, electric power supply facilities, and cooling systems, we aim to expedite the construction and begin operations of an AI data center with a power capacity of approximately 150 megawatts in 2026. In the future, we plan to expand the capacity to over 250 megawatts.

In addition to utilizing this AI data center for the development of generative AI and other AI-related businesses, we will offer it to a wide range of universities, research institutions, and companies to meet various external needs. We will also create a model case for an industrial hub centered on the AI data center, aiming to solve problems and advance various industries, including primary industries, by leveraging AI. Furthermore, as a data center with a low environmental impact, we will also promote carbon neutrality.

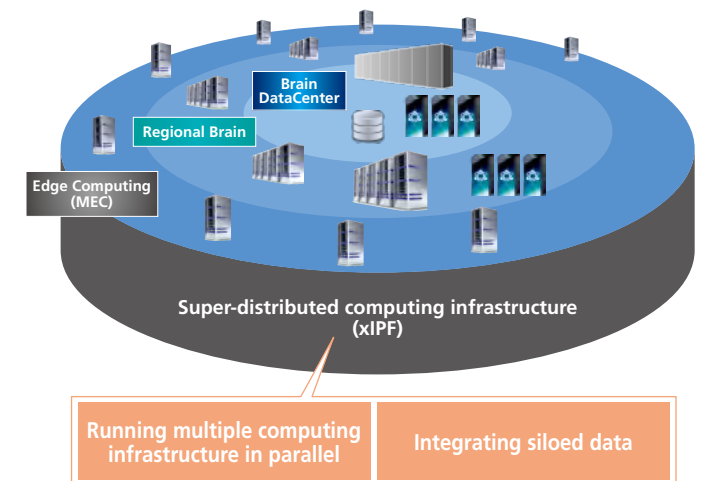


Development of “super-distributed computing infrastructure”

SoftBank is currently advancing research and development on a “super-distributed computing infrastructure.” This platform allows data centers distributed across various regions, including Hokkaido, to operate virtually as a single data center. This eliminates the isolation of data within each data center (commonly referred to as “silo”), thereby enhancing convenience. It also reduces the risk of important data being corrupted or lost in the event of damage to a data center caused by a natural disaster or other incidents.

The platform is also anticipated to integrate data from IoT devices, sensors, and other instruments, in addition to data held by companies, governments, municipalities, universities, and other institutions. By handling this information in an integrated manner on the platform, we believe that it will lead to overall optimization of society through DX. We anticipate this platform to be widely adopted given that integrating vast amounts of data is crucial for applications such as autonomous cars and smart cities, as well as simulations in various fields such as road construction, urban planning, and disaster prevention. Additionally, we plan to offer in-house developed cloud services featuring AI capabilities (e.g., generative AI, quantum computing functions) on this platform for enterprise customers. Through these services, we expect to generate revenue opportunities such as flat-rate subscription fees for platform usage and pay-per-use API (Application Programming Interface) usage fees.

Integration and equalization of data processing nationwide toward overall optimization of society through DX





Technology Strategy for Realizing “Next-generation Social Infrastructure”

Contents

What Is Our Long-term Growth Strategy?

Long-term Vision

> Technology Strategy for Realizing “Next-generation Social Infrastructure”

Interview with Head of Homegrown Generative AI Development

“AI-RAN” Initiative

Interview with Head of the Research Institute of Advanced Technology

Intellectual Property Strategy to Support Long-term Growth

Research and development on a “quantum/supercomputer collaborative platform”

In the future, we envision integrating quantum computers into our “Brain DataCenter” to meet the significant data processing demands associated with the implementation of autonomous cars and smart cities, as well as various simulations, as previously mentioned.

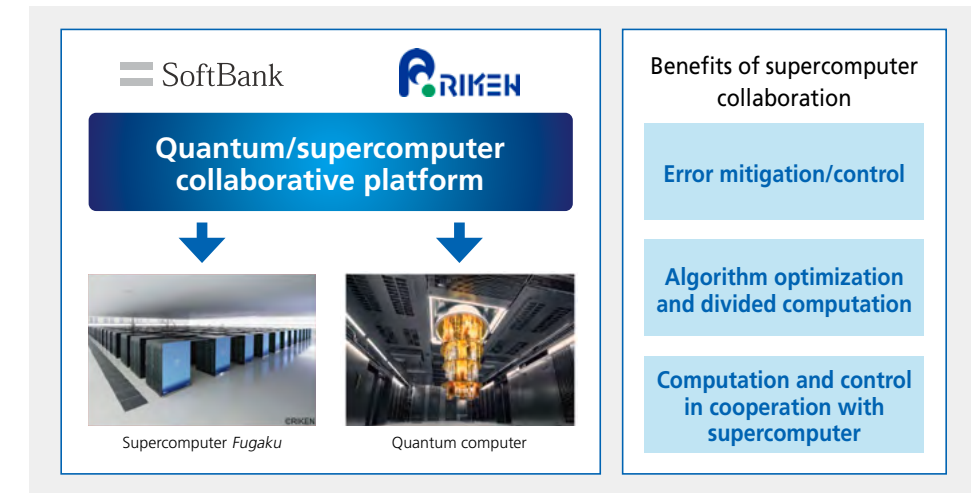
By applying quantum mechanics, quantum computers can perform more advanced calculations in a shorter period of time than conventional computers, which is why they are of great interest to us.

At present, however, running a quantum computer by itself faces numerous technical challenges, including scaling up and ensuring computational accuracy. For this reason, utilizing quantum computers in combination with supercomputers to expedite practical use is considered a promising approach.

As the first step in our research and development on a “quantum/supercomputer collaborative platform,” we are developing software that will link quantum computers and supercomputers. After that, we will build platforms and develop applications to operate various quantum computers and supercomputers in combination. Through these efforts, we will work to accelerate the practical application of quantum computers.

This research and development is being conducted in collaboration with RIKEN, which developed Fugaku, one of the world’s most powerful supercomputers. The project was also selected as a development theme publicly solicited by Japan’s Ministry of Economy, Trade and Industry and the New Energy and Industrial Technology Development Organization (NEDO), who are covering all necessary expenses related to research and development as a contract project.

Development of “quantum/supercomputer collaborative platform”



Nationwide deployment of “all optical network”

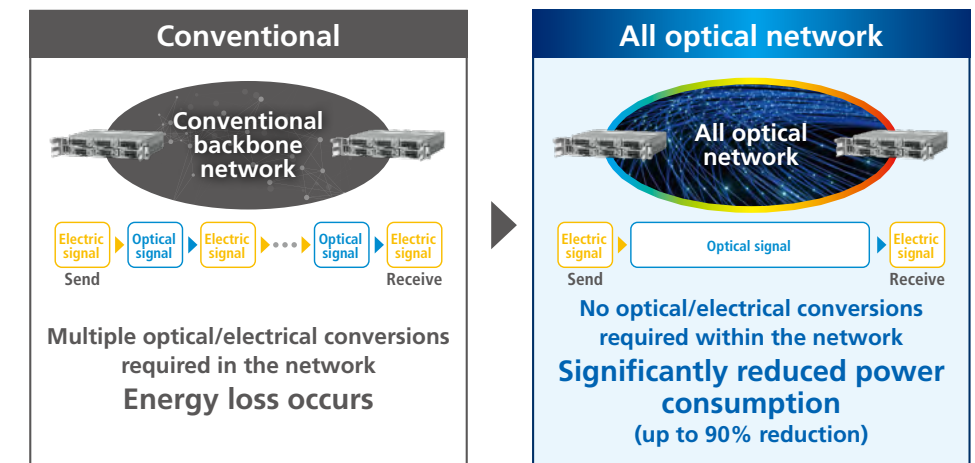
In October 2023, we completed the nationwide deployment of an “all optical network” in core areas of Japan. This deployment has not only significantly increased the capacity of the nationwide transmission network to handle huge amounts of data, but also transformed it into a power-efficient, low-latency network.

The greatest feature of this network is that by using optical technology, power consumption has been reduced to one-tenth of that of conventional networks. Here is a brief overview of how it works.

In a conventional network, data has to pass through multiple routers to get from the sender to the receiver. During this process, optical and electrical signals are converted multiple times, resulting in a large amount of energy loss. However, the “all optical network” enables communication with no conversion from optical signals to electrical signals in the network, resulting in a significant reduction in power consumption.

The practical deployment of this network has made it possible to reduce power consumption, electricity fees, and other costs while meeting the growing demand for data communications through “Beyond 5G/6G” and “Next-generation Social Infrastructure.”

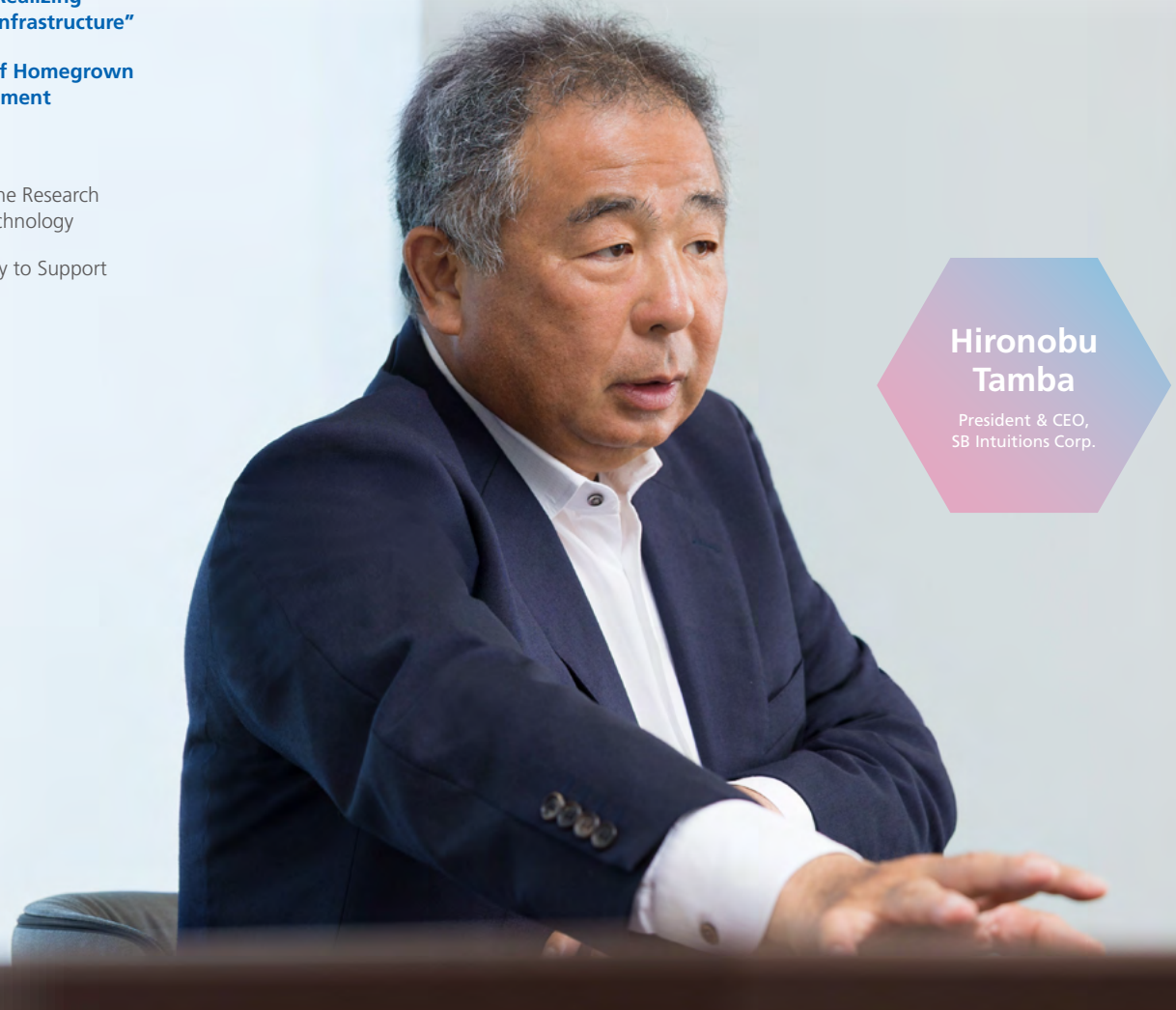
Features of the all optical network



Technology Strategy for Realizing “Next-generation Social Infrastructure”

Interview with Head of Homegrown Generative AI Development

Sovereign AI as a growth driver: How the development of homegrown LLMs will drive SoftBank’s next leap forward



**Hironobu
Tamba**

President & CEO,
SB Intuitions Corp.

SoftBank is leveraging the full capabilities of the Group to develop homegrown Large Language Models (LLMs). In FY2024, the Company completed *Sarashina*, a foundation model with 460 billion parameters, and is accelerating toward commercialization by conducting internal trials of *Sarashina mini*, a model that leverages that expertise. Hironobu Tamba, President & CEO of SB Intuitions Corp., who leads the forefront of homegrown LLM development, explains the current status of development, its competitive advantages, and how this AI strategy will enhance SoftBank’s corporate value.

Development status and expectations toward commercialization

Q: SB Intuitions developed an LLM with 460 billion parameters in FY2024. How do you view this achievement?

I see the development of this foundation model as a crucial initiative that lays the cornerstone for the future of AI development in Japan. Today, AI development starts by developing a very high-performance, large-scale AI that acts as a “teacher.” This “teacher” AI possesses a vast amount of knowledge, but it requires significant computing resources and electricity to operate. This presents challenges in terms of cost and response speed for everyday business use. Therefore, from the knowledge held by this “teacher” AI, we are developing a lighter, faster, and more power-efficient “student” AI. It is this optimized “student” AI that will actually be used by many of our customers.



Contents

What Is Our Long-term Growth Strategy?

Long-term Vision

> Technology Strategy for Realizing “Next-generation Social Infrastructure”

Interview with Head of Homegrown Generative AI Development

“AI-RAN” Initiative

Interview with Head of the Research Institute of Advanced Technology

Intellectual Property Strategy to Support Long-term Growth



Contents

What Is Our Long-term Growth Strategy?

Long-term Vision

> Technology Strategy for Realizing “Next-generation Social Infrastructure”

Interview with Head of Homegrown Generative AI Development

“AI-RAN” Initiative

Interview with Head of the Research Institute of Advanced Technology

Intellectual Property Strategy to Support Long-term Growth

Technology Strategy for Realizing “Next-generation Social Infrastructure”

In other words, to continuously create high-performing “students,” a superior “teacher” that serves as their source is essential. If we were to depend on “teachers” from other countries, we would face the risk of suddenly losing our freedom of development due to changes in licenses or regulations. This is the background to why SB Intuitions took on the challenge of developing a large-scale foundation model with 460 billion parameters, and I believe it was an essential step for Japan to build its own AI ecosystem for the future.

Q: SB Intuitions developed the 70 billion-parameter *Sarashina mini*. What is the strategic intention behind this?

The strategic intention behind developing this model is to accelerate the practical deployment of AI across society and to enable further advancement of future LLMs.

First, a model that is well-balanced in terms of response speed, answer accuracy, and cost is essential for many client companies to implement AI. *Sarashina mini* has been optimized using techniques such as “model distillation*” to meet diverse needs while maintaining, as much as possible, the high-level performance of the large-scale foundation model developed earlier.

However, the role of this model does not end there. *Sarashina mini*, while being an outstanding “student,” also becomes an important component for creating the next generation of AI. Specifically, by combining multiple 70 billion-parameter models with different areas of expertise, we will evolve them into an even more powerful AI, like a “team of specialists.” By continuously training this “team of specialists,” we will efficiently build the next-generation “teacher” AI with even higher performance in a short period, aiming to accelerate the development of a one trillion-parameter scale LLM.

Q: Internal trials for *Sarashina mini* are underway. How is progress toward commercialization?

The response has been highly encouraging, and we are steadily preparing for commercialization in the fall of 2025, as originally planned. SoftBank employees, who regularly use cutting-edge AI like *ChatGPT Enterprise* and *Gemini*, have high standards, so to be honest, the initial internal feedback was tough. However, this feedback was extremely valuable to SB Intuitions, and we have made updates almost weekly, incorporating the high-level requests from employees. As a result, employee satisfaction has steadily improved, and I am confident that the product is heading in the right direction.

Competitive advantages and “multi-LLM strategy”

Q: With LLMs from overseas becoming more prevalent, what do you see as the strengths of *Sarashina*?

The strengths of *Sarashina* lie in being a “high-quality LLM rooted in Japanese language and culture” and in its ability to realize “sovereign AI.”

As a homegrown LLM, being a “high-quality LLM rooted in Japanese language and culture” allows it to accurately understand the complex nuances and contexts of the Japanese language and respond appropriately to specific wording and professional tasks. For example, the concept of “guardrails,” which control inappropriate expressions that AI should not generate or information it should not output, differs greatly depending on the country and culture. Even interpretations of copyright vary across nations. This level of meticulous attention to legal regulations, social norms, and even the sentiments of native Japanese speakers is a strength that only a homegrown LLM can achieve. With this homegrown LLM as a foundation, we want to evolve it into a truly customized AI that aligns with the specific operations of each client company, thereby contributing deeply to their businesses. Such initiatives are already underway. For example, we are jointly developing an LLM and AI agents specialized for the pharmaceutical industry with Chugai Pharmaceutical Co., Ltd., aiming to speed up new drug development. We have also begun joint research and development of an LLM specialized for finance with Mizuho Financial Group, Inc.

Being a “sovereign AI” becomes even more important when AI plays a core role in business. Dependence on overseas LLMs carries not only the concern of a company’s confidential information being unintentionally transferred abroad, but also serious risks related to business continuity itself. For example, if an AI is controlling a manufacturer’s production line, and its use is suddenly restricted due to changes in foreign laws or international affairs, the factory’s lines could be shut down. To solve this challenge, SoftBank emphasizes three types of sovereignty—“technology,” “data,” and “operations”—as well as the nation’s own “laws and regulations.” “Technological sovereignty” means developing our own LLM and controlling what data it learns; “data sovereignty” means safely managing customer data in domestic AI data centers; “operational sovereignty” means having domestic operators manage that infrastructure; and “laws and regulations” means establishing rules for AI use and development based on Japanese laws and ethics. By building a sovereign AI that fulfills these elements, we can meet the high-level needs of government, universities, research institutions, and corporations that handle confidential information.



Contents

What Is Our Long-term Growth Strategy?

Long-term Vision

> Technology Strategy for Realizing “Next-generation Social Infrastructure”

Interview with Head of Homegrown Generative AI Development

“AI-RAN” Initiative

Interview with Head of the Research Institute of Advanced Technology

Intellectual Property Strategy to Support Long-term Growth

Technology Strategy for Realizing “Next-generation Social Infrastructure”

Q: SoftBank advocates a “multi-LLM strategy” that handles various LLMs. How will *Sarashina* be positioned within this strategy?

SoftBank’s “multi-LLM strategy” is based on the idea of selecting the optimal AI according to the sensitivity of information handled by the client company.

For summarizing general information or generating text, using excellent overseas-made LLMs is a valid option. On the other hand, the more a task involves confidential or proprietary information and the greater the need for domestic specificity and information security, the more important a homegrown LLM becomes. It is in such operations that *Sarashina*, with its deep understanding of Japanese legal language and business customs, demonstrates its true value. Furthermore, when industry-specific expertise is required, we will provide customized models and AI agents for each industry based on *Sarashina*. And for handling the most sensitive data related to national interests, we envision its use as a true “sovereign AI” that can also comply with government certifications.

Thus, the “multi-LLM strategy” and the sovereign AI strategy are inextricably linked. With SoftBank managing the entire scope of AI utilization as a partner to client companies, they can enjoy the convenience of overseas AI while protecting their important data and operations with an optimal homegrown LLM centered on *Sarashina*. Providing diverse options while having a secure, domestic option at the core—this is the essence of SoftBank’s approach to sovereign AI.

The vision of sovereign AI creating the future

Q: How do you see the significance of SoftBank building a “sovereign cloud” and “sovereign AI”?

This initiative is about building a new business foundation for SoftBank to grow sustainably into the future. In the past, Japanese telecommunications carriers had established a strong position as domestic platform providers, offering devices optimized for their own networks and services, as well as proprietary content distribution services. However, with the emergence of global smartphone OS and application stores, that sovereignty shifted to overseas platform providers, resulting in an expansion of the “digital trade deficit” as Japan’s wealth flowed abroad. This bitter experience of relinquishing our position as a platform provider is a lesson we must not repeat in the age of AI. Now that AI is becoming a cornerstone of society, we have a strong determination to learn from this lesson, protect our national interests, and this time, take the initiative in business with our own hands. The “digital public infrastructure” that SoftBank is building, including our homegrown LLMs and AI data centers, is the foundation for developing a huge domestic market and deploying diverse services within it. This will create new growth opportunities for SoftBank.

Q: Building AI infrastructure requires significant investment. How do you plan to generate returns on this investment?

SoftBank’s strategy is not to wait until the entire infrastructure is fully built out before monetization. Rather, we aim to consistently generate profits along the way from individual businesses such as AI solutions and cloud services. It might be easier to understand if you imagine the business model of Japan’s private railway companies. They did not wait until their entire railway lines were completed before monetization. Instead, in the process of extending their lines, they generated revenue by developing commercial complexes at stations to offer various services and by developing residential areas along the railway lines. Similarly, SoftBank believes that this combination of a long-term development perspective and short-term business viability is the key to achieving sustainable growth.





Contents

What Is Our Long-term Growth Strategy?

Long-term Vision

> Technology Strategy for Realizing “Next-generation Social Infrastructure”

Interview with Head of Homegrown Generative AI Development

“AI-RAN” Initiative

Interview with Head of the Research Institute of Advanced Technology

Intellectual Property Strategy to Support Long-term Growth

Technology Strategy for Realizing “Next-generation Social Infrastructure”

Q: Some have expressed concerns about the return on investment due to the rapid pace of technological evolution, with emerging companies like DeepSeek developing high-performance models with less funding. How do you view this risk?

At SoftBank, we see movements in the industry like DeepSeek not as a risk, but rather as an opportunity that validates the soundness of our strategy.

The case of DeepSeek is a prime example of the latest trends in AI development, and SB Intuitions has been closely monitoring and analyzing it in detail. Traditionally, in the “tuning phase” after a foundation model has completed its basic learning, it was common to have the AI learn from a set of questions and answers created by humans. However, the brilliance of DeepSeek’s approach is that they have the AI, not humans, generate this question-and-answer set itself, making the process more efficient. Through this, they have succeeded in enhancing logical reasoning for tasks with definitive answers, like mathematics. This “training AI with AI” method is a clear validation of the development strategy that SB Intuitions has been promoting, where a “teacher AI nurtures a student AI.”



However, the important point here is that this tuning method is only possible with a powerful “teacher” AI at its base—in other words, a high-performance foundation model. To build this foundation model from scratch and continuously evolve it, large-scale investment in AI computing infrastructure is still essential. In the competition to develop the core part that determines a model’s performance, the scale and quality of the AI computing infrastructure remain the key to success.

Therefore, these industry trends actually highlight the importance of SoftBank’s investment in large-scale AI computing infrastructure and our development of a high-performance foundation model. The technological evolution shown by DeepSeek is not a risk to SoftBank’s strategy; on the contrary, it proves its validity.

Q: How will SB Intuitions contribute to the enhancement of SoftBank’s corporate value?

I believe the homegrown LLMs developed by SB Intuitions will become a high-value-added proprietary technology that drives SoftBank’s future growth. SoftBank is making large-scale investments to build one of Japan’s largest AI computing infrastructures and is also planning to open massive AI data centers in Hokkaido and Osaka Prefecture. By integrating SB Intuitions’ LLMs with SoftBank’s state-of-the-art AI infrastructure, we will realize a “sovereign AI” and “sovereign cloud” with competitive advantages that no other company can match.

Until now, SoftBank has been an operator that excels at quickly introducing superior products and services from around the world and popularizing them among consumers and businesses. From now on, in addition to this strength, we will evolve into a company with product-creation capabilities—what in Japan is called “monozukuri”—to develop the foundational technologies for society and pioneer new markets. I am confident that the challenge undertaken by SB Intuitions will lead to the sustainable growth of the entire Group and the enhancement of its corporate value.

* Model distillation: a technique to improve the performance and optimize smaller, lighter models by generating training data with a large-scale, high-performance AI model.



Technology Strategy for Realizing “Next-generation Social Infrastructure”

Contents

What Is Our Long-term Growth Strategy?

Long-term Vision

► Technology Strategy for Realizing “Next-generation Social Infrastructure”

Interview with Head of Homegrown Generative AI Development

“AI-RAN” Initiative

Interview with Head of the Research Institute of Advanced Technology

Intellectual Property Strategy to Support Long-term Growth

“AI-RAN” Initiative

“AI-RAN”: Evolving mobile networks into AI networks

“AI-RAN” is a technical concept for integrating a radio access network (RAN), which consists of antenna equipment and base stations, with AI on the same hardware infrastructure (see the figure on the right).

Conventional RAN operated on expensive, dedicated telecommunications hardware. The basic idea of “AI-RAN” is to implement its functions in software using GPUs, which excel at parallel processing of complex calculations, and to also utilize these GPUs for providing AI applications such as inference. By running RAN functions on relatively inexpensive general-purpose servers, cost benefits and network scalability can be achieved. Furthermore, we also aim to improve capital expenditure efficiency by generating revenue from providing AI applications. The Company has been working in close collaboration with NVIDIA since 2019 to make this a reality.

Key feature (1): Enhancing the competitiveness of mobile services and significantly reducing electricity consumption

With current RAN, which is not equipped with AI, communication areas are adjusted for each base station. This created imbalances in the use of radio waves and electricity when traffic surged within a communication area. As a result, there are issues such as localized degradation of communication quality and inefficient electricity consumption. With “AI-RAN,” the AI of adjacent base stations coordinate autonomously, leading to the efficient use of radio waves and enabling the provision of an optimal communication environment according to the situation. Furthermore, because computing resources can be shared among base stations, this also leads to a significant reduction in electricity consumption.

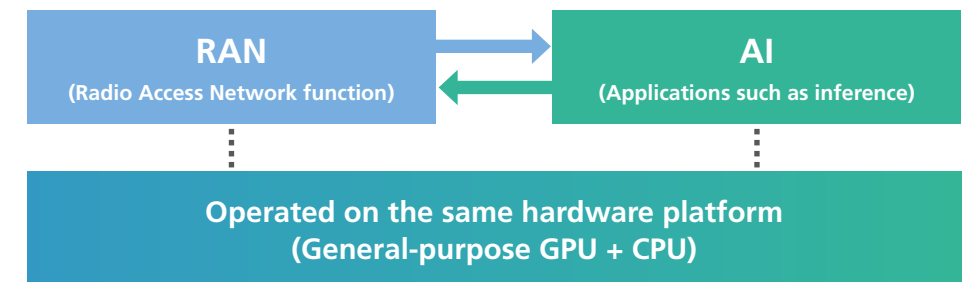
Key feature (2): Realizing distributed AI data centers

By installing GPUs near mobile base stations, we will evolve the mobile network into a distributed AI data center. Currently, AI computation is mainly performed in the cloud via the Internet, but this results in response times of several hundred milliseconds. However, if GPUs are installed near mobile base stations and AI computation is performed closer to the user, the response time can be significantly reduced to several tens of milliseconds. This will make it possible, for example, to analyze road conditions in real-time based on camera footage from autonomous driving vehicles and make instantaneous decisions. Another advantage is that high security can be ensured because data is handled within a closed network.

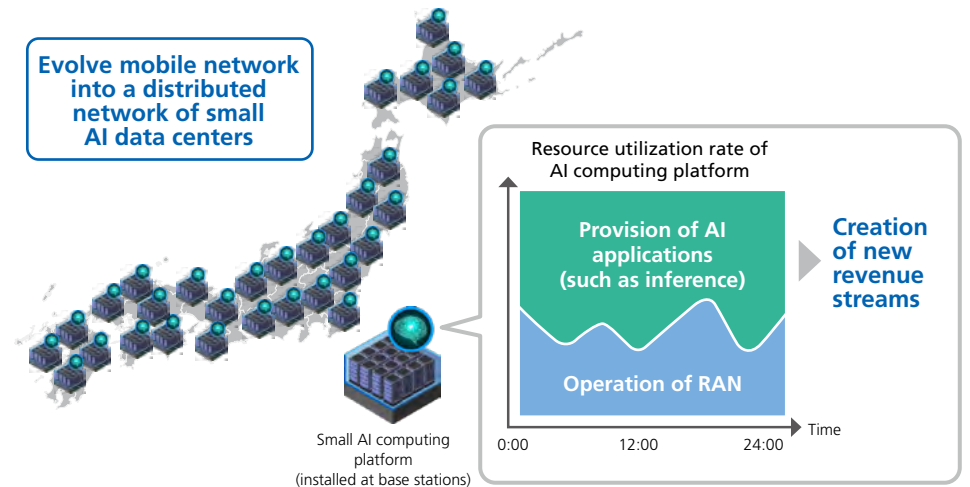
Key feature (3): Creating new revenue streams

By integrating RAN and AI on the same hardware infrastructure, it is possible to sell surplus computing resources when they are not allocated to RAN operations. There is a surplus of computing resources most of the time because a ceiling is set to prepare for peak mobile traffic (see the figure below). By providing these computing resources as AI applications for inference and other purposes, we will create new revenue streams.

“AI-RAN”: Integrating RAN and AI on the same hardware infrastructure



Realizing distributed AI data centers and creating new revenue streams





Technology Strategy for Realizing “Next-generation Social Infrastructure”

Contents

What Is Our Long-term Growth Strategy?

Long-term Vision

› Technology Strategy for Realizing “Next-generation Social Infrastructure”

Interview with Head of Homegrown Generative AI Development

“AI-RAN” Initiative

Interview with Head of the Research Institute of Advanced Technology

Intellectual Property Strategy to Support Long-term Growth

Interview with Head of the Research Institute of Advanced Technology

Strategy of the Research Institute of Advanced Technology: Taking on the challenge of business creation as a “technology compass”



Ryuji
Wakikawa

Vice President & Head of
the Research Institute of
Advanced Technology

Q: Please tell us about the background and overview of the Research Institute of Advanced Technology.

We established the Research Institute of Advanced Technology in April 2022. Our Company has long excelled at rapidly launching services that incorporate new technologies. On the other hand, “R&D” was seen as an activity somewhat distant from our business, and we were not always proactive in this area. Because we emphasize speed, we considered acquiring necessary technologies through investment or acquisition of companies that possessed them to be an effective option. However, when our current President & CEO, Junichi Miyakawa, was the CTO (Chief Technology Officer), he set a policy that “R&D is an important investment for the future of the Company and should be pursued properly.” In response to this policy, the Advanced Technology Division was formed in 2016, and I became its head.

A major achievement during the Advanced Technology Division era was the R&D of “HAPS*1,” or flying base stations. Our Company is a global leader in HAPS R&D, holding the world’s largest number of related U.S. patents*2. Additionally, in 2018, anticipating the era of autonomous driving and MaaS (Mobility as a Service), we led the establishment of MONET Technologies Inc., a joint venture with Toyota Motor Corporation, working to create the future of transportation and solve social issues.

Following Miyakawa’s appointment as President & CEO in April 2021, the division came under his direct control in April 2022 and was renamed the “Research Institute of Advanced Technology.” Currently, over 70 projects are underway on themes such as “AI-RAN,” “HAPS*1,” autonomous driving, and quantum computers, with more than 150 members engaged.

*1 HAPS (High Altitude Platform Station): generic name for a system that provides telecommunication services over wide areas by operating an unmanned aircraft that continually flies in the stratosphere for extended periods of time like a telecommunication base station.

*2 Using PatSnap’s “PatSnap Analytics,” the number of U.S. patents with CPC (Cooperative Patent Classification) H04B7/18504 granted that are still in force is aggregated on a case-by-case basis (as of May 8, 2025).

Q: What are the main differences between SoftBank’s Research Institute of Advanced Technology and the research institutes of other companies?

First is the difference in how we set our goals as a research institute. At our Research Institute of Advanced Technology, we set our goal as “bringing technology to market,” in other words, “business creation.” This is a major difference from other companies. I believe it is common for many research institutes at other companies to have hundreds of researchers with doctoral degrees who advance their research based on their own interests, and their performance is evaluated by the papers they publish. Of course, we also value the publication of papers, and we have many cases where our papers are selected as the best at academic conferences, but that is not our top priority.

Second is the motivation we provide to our researchers for business creation. I often tell researchers: “Do not just develop the technology; constantly think about how it will generate revenue. Sketch out a P&L.” Since the researcher is the most knowledgeable and passionate about the technology, we have them build a simple business plan. We believe that if they do not consider the



Contents

What Is Our Long-term Growth Strategy?

Long-term Vision

› Technology Strategy for Realizing “Next-generation Social Infrastructure”

Interview with Head of Homegrown Generative AI Development

“AI-RAN” Initiative

Interview with Head of the Research Institute of Advanced Technology

Intellectual Property Strategy to Support Long-term Growth

Technology Strategy for Realizing “Next-generation Social Infrastructure”

business model and how to bring it to market, the technology will not be commercialized when it is taken to the business divisions.

Third is our personnel composition. The institute is not composed solely of researchers. About half of our members are from business development and legal affairs, which is a feature that allows us to approach things quickly from both technological and business perspectives. If a simple business plan built by a researcher looks promising, these members get involved and begin a detailed examination. We make the business plan more concrete from the perspectives of market size, potential costs based on detailed amortization, and potential legal risks. Our Company has very strict cost management, so it can be difficult to secure a budget just by saying “Please give us an additional several billion yen for R&D.” However, if we present a concrete business plan and propose that “We expect several tens of billions of yen in revenue, so we would like a business budget of several billion yen,” it becomes easier to get a decision like, “If you have such a solid business plan, you can move forward.”

Fourth is our use of partnerships with other companies. Our policy is not to develop everything in-house; we emphasize improving speed and quality by teaming up with partners. With “business creation” in mind, we carefully examine what our institute should work on as core technology and where we should collaborate with partners, and we strive for speedy R&D.

Q: What is the background that makes such research possible?

The foundation lies in the mindset of our President & CEO, Junichi Miyakawa. Having been a university faculty member and worked on technology development at an automotive manufacturer’s research institute and writing papers, I used to think, “If we have good technology, we can make money without making any effort.” However, what I keenly realized after joining this Company is that “Technology is merely a trigger for business success. What is important is the business model you create afterward, how you secure resources, and how you market it.” I learned this through years of working with Miyakawa, thus I am now putting it into practice as the head of the Research Institute of Advanced Technology.

Q: How was the “AI-RAN” concept born?

The “AI-RAN” concept was born as we addressed the massive computation associated with virtualization (realizing with software the processing previously handled by dedicated communications hardware).

In 2019, Rakuten Mobile, Inc. announced that it had achieved virtualization on its network, which became a major topic in the telecommunications industry. Virtualization has significant merits such as flexibly scaling base stations according to mobile traffic demand, cost, and the ease of adding functions via software updates. However, our assessment was that the technology was not yet mature enough to handle the massive traffic by our more than 20 million smartphone subscribers at that time.

So, when we considered how to achieve virtualization in the future, we focused on the GPU. We thought that the technology cultivated in graphics processing and its parallel processing capabilities were well-suited for the massive signal processing of radio units. Initially, the GPU performance was not sufficient, and we could not get the performance we wanted. As we continued through trial and error, NVIDIA announced an AI computing infrastructure equipped with a high-performance GPU, which led to the hypothesis that “If we use this to create a mechanism for signal processing of radio units with AI, we could create something amazing.” This was the catalyst for the birth of the “AI-RAN” concept.

Q: How did you come to work so closely with NVIDIA?

The collaboration with NVIDIA started with a project to provide a cloud gaming service leveraging the ultra-low latency feature of 5G. That project itself did not go very well, but it became an opportunity to deepen our relationship with the company. Also, when I learned that a long-time acquaintance had joined the company to work on initiatives to utilize GPUs for telecommunications, I reached out to explore collaboration.

People often assume, “Masa (Masayoshi Son, Chairman & CEO of SoftBank Group Corp.) has a close relationship with Jensen Huang (Founder, President and CEO, NVIDIA), so it must have started with a word from Masa, right?” But “AI-RAN” is a project that we started from the bottom up. Even when this project was on the verge of being shelved internally, we continued to provide resources in terms of both human resources and funding, and we have been working together for several years, so the relationship of trust between our teams on the ground is very strong.

I believe that the reason we were able to reach a position where we can lead globally together with NVIDIA is largely due to our corporate culture. I think other companies also had the idea of using GPUs for telecommunications. However, the speed with which we verified the idea, created an integrated solution product for “AI-RAN” called *AITRAS* for which we have already implemented a demonstration environment in Fujisawa City, Kanagawa Prefecture, was made possible by our culture of emphasizing swift decision-making and investing significant resources in necessary areas.

Demonstration environment for “AI-RAN” implemented in Fujisawa City, Kanagawa Prefecture





Contents

What Is Our Long-term Growth Strategy?

Long-term Vision

Technology Strategy for Realizing "Next-generation Social Infrastructure"

Interview with Head of Homegrown Generative AI Development

"AI-RAN" Initiative

Interview with Head of the Research Institute of Advanced Technology

Intellectual Property Strategy to Support Long-term Growth

Technology Strategy for Realizing "Next-generation Social Infrastructure"

Q: Please tell us about AITRAS and how you think it will contribute to SoftBank's growth.

AITRAS, announced in November 2024, is our original integrated solution that embodies the "AI-RAN" concept we advocate. The diagram below shows the components that make up AITRAS, illustrating that we are building it in collaboration with various partner companies. We have Fujitsu Limited for the radio units and RAN L2/L3 software*3, U.S.-based Red Hat Inc. for part of the virtualization platform*4, and NVIDIA for the AI computing infrastructure used as the base hardware. I believe this is a good example of our policy of "not developing everything in-house, but emphasizing improving speed and quality by teaming up with partners."

On the other hand, to ensure the quality and operational efficiency required of a telecommunications carrier, we are taking the lead in developing the orchestrator that optimizes the entire system and the RAN L1 software*5 based on the NVIDIA AI Aerial platform. This collaboration allows us to achieve carrier-grade (the high quality standards required of a telecommunications carrier) stability and performance, power saving, and efficient allocation of computing resources to AI and RAN in the aforementioned demonstration environment.

There are two main ways the development of this AITRAS can contribute to our Company's growth. One is by introducing AITRAS into our own mobile network infrastructure, making the mobile network "AI-native." Not only will the AIs of adjacent base stations be able to collaborate to autonomously provide optimal communication quality, but by turning the mobile network into a small AI data center (📄 P29), we also expect to generate a new revenue source by selling computing resources externally. The other is to sell this AITRAS to global telecommunications carriers. In

the telecommunications industry, network investment has often been considered from a cost-reduction perspective, and there have been concerns about the stagnation of innovation in the industry. However, AITRAS opens up the possibility of generating new revenue with AI using telecommunications infrastructure. We believe this is a very positive approach that can promote investment and contribute to the sustainable development and revitalization of innovation in the entire telecommunications industry. We are working to introduce it into our own network and sell it to global telecommunications carriers starting in FY2026 at the earliest.

*3 RAN L2/L3 software: software that manages the traffic of data transmission and reception.

*4 Virtualization platform: a system platform for running communication functions on general-purpose servers instead of dedicated hardware.

*5 RAN L1 software: software that handles the most fundamental aspects of communication, such as the physical signal processing for transmitting and receiving radio waves.

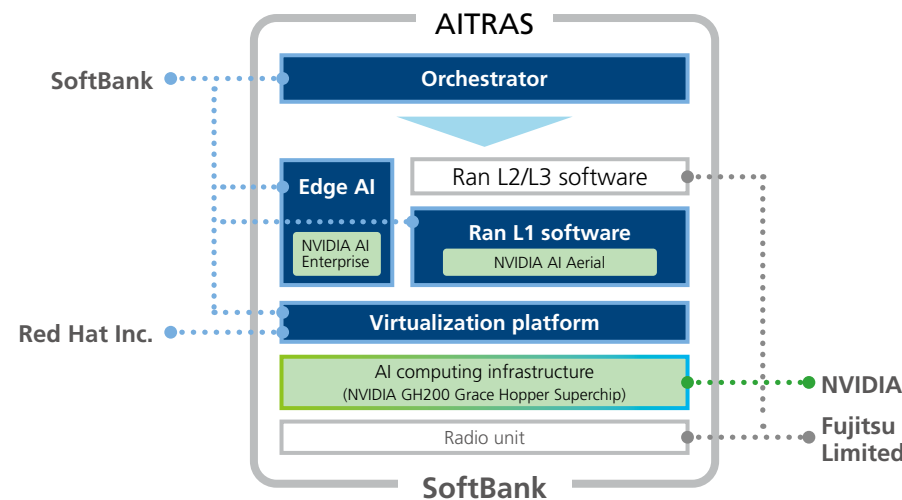
Q: The AI-RAN Alliance was formed in February 2024. What is its aim?

The "AI-RAN" concept has enormous potential, but it would take a long time for SoftBank to realize it alone. Therefore, we launched the AI-RAN Alliance to involve base station vendors and others to unite the entire industry and create a major innovation. In particular, it was important to have major base station vendors such as Nokia (Finland), Ericsson (Sweden), and Samsung (South Korea) participate. As a telecommunications carrier, it is crucial to have base station vendors compete in a healthy manner and to be able to flexibly select the optimal technology. It is very rare for three base station vendors to participate in such an alliance from the outset. However, by appealing to the theme of "AI," which no one can ignore, and by showing the results of the "AI-RAN" that we had been developing in advance and already running in a demonstration environment, we persuaded them to become Founding Members in just about three months. As a result, when we announced the AI-RAN Alliance at the MWC Barcelona 2024 (one of the world's largest mobile-related exhibitions), we were able to attract a great deal of attention.

Also, the participation of Dr. Alex Jinsung Choi in the AI-RAN Alliance was met with surprise in the industry. He served as the chairman of the O-RAN (Open RAN) Alliance for two years, from June 2022 to June 2024, and has been a leader driving innovation in the industry. I personally persuaded him, saying, "Let's do AI-RAN together."

More than a year has passed since the announcement of the AI-RAN Alliance, and it has grown to include over 100 member companies and organizations (as of July 2025). We expect this number to continue to increase, and we feel that the ecosystem is expanding rapidly. We have created a wonderful framework, and we want to accelerate the efforts for "AI-RAN" throughout the industry.

The components of AITRAS and its development companies





Contents

What Is Our Long-term Growth Strategy?

Long-term Vision

► Technology Strategy for Realizing “Next-generation Social Infrastructure”

Interview with Head of Homegrown Generative AI Development

“AI-RAN” Initiative

Interview with Head of the Research Institute of Advanced Technology

Intellectual Property Strategy to Support Long-term Growth

Technology Strategy for Realizing “Next-generation Social Infrastructure”

Q: Besides “AI-RAN,” what other research areas at the Research Institute of Advanced Technology are you excited about?

Besides “AI-RAN,” I have high expectations for “Free Space Optical Communication” and “quantum computers.”

“Free Space Optical Communication” is a technology that is expected to achieve higher speed, larger capacity, and lower latency communication compared to conventional radio waves. In addition, because the beam is extremely narrow, it is less prone to interference and is difficult to intercept during communication. If this technology is introduced, it will be possible to realize large-capacity communication not only between the ground and low-earth orbit satellites, but also between low-earth orbit satellites and HAPS*¹, so I believe we can build a more free and flexible communication network in space.

Regarding “quantum computers,” we are not developing the quantum computers themselves, but rather, we are trying to thoroughly master the quantum computers currently available to deeply understand “what can be done with them.” Having actually used them, I feel that there are still many challenges for practical use, but the speed of technological innovation is extremely fast. Therefore, we are proceeding with R&D with the aim of paving a path to commercialization by around 2030.

Q: Please share your aspirations for SoftBank’s mid- to long-term growth.

I believe the role of the Research Institute of Advanced Technology for mid- to long-term growth is to become a “technology compass” that shows the future path for the large ship that is SoftBank. Our Company has a reputation for being very quick at changing course, but as we have grown in size, it takes time to actually change direction. The Research Institute of Advanced

Technology will lead the way without fear of mistakes or failures, and I want to guide the way while discerning what lies in the future as we create new technologies ourselves, rather than just following other companies.

I also believe that another role is to produce more “seeds” that will become themes for our future mid- to long-term growth. Like “AI-RAN,” our mission is to find and nurture “seeds” that can become future pillars of our business and pave the way for commercialization, in other words, to “turn 0 into 1.” This will lead to the business units growing “seeds” from “1 to 10, and then to 100.” It is in our Company’s DNA to use technology to change conventional wisdom and create new markets, such as the spread of broadband with ADSL technology from 2001 and the first introduction of the iPhone 3G in Japan in 2008. By continuously creating new business seeds from this institute and leading their widespread practical deployment, we aim to constantly provide new value to society and become a driving force for continued growth over the mid- to long-term.





Contents

What Is Our Long-term Growth Strategy?

Long-term Vision

Technology Strategy for Realizing
“Next-generation Social Infrastructure”

Interview with Head of Homegrown
Generative AI Development

“AI-RAN” Initiative

Interview with Head of the Research
Institute of Advanced Technology

► Intellectual Property Strategy to Support Long-term Growth

Intellectual Property Strategy to Support Long-term Growth

Basic policy

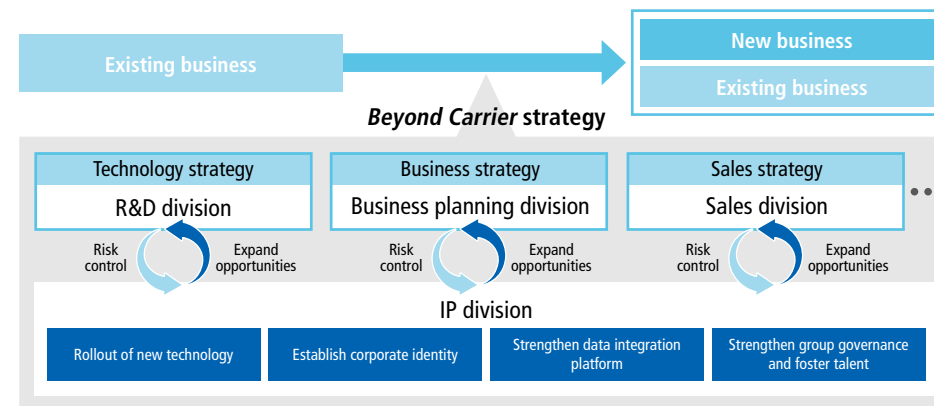
In the “[SoftBank Code of Conduct](#),” which all executives, employees, and Group companies must observe, SoftBank declares its commitment to “recognizing the importance of intellectual property rights, respecting the intellectual property rights of others, and promoting the proper protection and use of our own intellectual property rights.” While respecting the intellectual property of others, we have established and are promoting an “Intellectual Property Strategy” based on the fundamental policy of enhancing corporate value and contributing to the industrial development of society as a whole by striving to actively create, protect, and utilize intellectual property.

We believe that our intellectual property strategy forms the foundation of our business, technology (R&D), and sales strategies. By continuously vitalizing this strategy, we enhance the competitiveness of our services, contribute to customer retention and expansion, and secure an advantage over competitors. Based on this intellectual property strategy, we are addressing social issues by practicing a digital shift that maximizes the use of cutting-edge technologies such as AI and IoT, and by leading the promotion of DX in society and all industries. Furthermore, by strategically utilizing this intellectual property, we will accelerate innovation and contribute to the realization of a sustainable and prosperous society.

Organization

In addition to our core telecommunications business, actively expanding new businesses that leverage cutting-edge technologies and business models requires an even stronger, comprehensive commitment to ethics and responsibility to ensure compliance, including with respect to intellectual property.

The Intellectual Property Division, which manages intellectual property rights, promotes the intellectual property strategy by strengthening collaboration with divisions responsible for business, technology (R&D), and sales strategies. From the perspective of enhancing corporate governance and ensuring its effectiveness, we have also established a multi-faceted internal collaboration system to strategically and efficiently support business execution, in addition to a risk control function for intellectual property.



Major initiatives

Strengthening the Group’s IP governance and fostering IP human resources

To promote the establishment of a Group-wide intellectual property governance system, we have formulated intellectual property governance standards and conduct regular assessments for target subsidiaries and affiliated companies tailored to their corporate phase. We also co-host “Intellectual Property Practice Workshops” with SoftBank Group Corp. to deepen and broaden the intellectual property strategy for the Group by sharing expertise in intellectual property practice while maintaining the independence of each Group company. Furthermore, to promote intellectual property awareness primarily among university and graduate students, we have been giving lectures on our intellectual property strategy since 2019, entitled “Practical Challenges and Responses by SoftBank Legal,” in the Advanced Business Law Program at the University of Tokyo.

Furthermore, when establishing an operating company, we aim for the early implementation of new business models using cutting-edge technologies from around the world, and support the expansion of opportunities to create and utilize intellectual property through measures ranging from pre-establishment intellectual property due diligence to post-establishment development of intellectual property-related regulations, human resource training, and promotion of right acquisition.

Patent strategy in advanced technology fields

We hold approximately 2,000 patents in Japan and overseas. The inventions protected by these patents cover a wide range, including not only mobile communication technology but also AI and battery-related technologies. In recent years, we have been particularly active in R&D in advanced technology fields such as HAPS* and “AI-RAN” ([EN P29](#)). To establish a competitive advantage in these areas and to advance future business development favorably, we are also focusing on filing patent applications for related inventions to strengthen our intellectual property portfolio.

* HAPS (High Altitude Platform Station): generic name for a system that provides telecommunication services over wide areas by operating an unmanned aircraft that continually flies in the stratosphere for extended periods of time like a telecommunication base station

Establishment of the “SoftBank Patent Award” to recognize outstanding employee inventions

As a new initiative to foster a corporate culture that generates highly original and outstanding inventions throughout the Company and to promote the utilization of intellectual property, we established the “SoftBank Patent Award” (hereinafter “Patent Award”) in FY2022. The Patent Award is a program in which the President & CEO personally recognizes employees who have made outstanding inventions. In the screening process, a key criterion is the degree to which the patent contributes to current or future business. Inventions that are not only technologically superior but also valuable and closely linked to business strategy are highly evaluated.

Through the Patent Award and other various measures, we will further strengthen our corporate culture that values intellectual property and strive to establish a competitive advantage and achieve sustainable enhancement of corporate value.



2024 Award Ceremony



Contents

What Are Our Medium-term Business Strategies?

Medium-term Management Plan

Growth Strategy

Business Strategies by Segment

Consumer Segment

Enterprise Segment

Media & EC Segment

Financial Segment

Interview with Head of
Finance Business Promotion Division,
PayPay

What Are Our Medium-term Business Strategies?

This section outlines our Mid-term Plan and its progress, our *Beyond Carrier* growth strategy, and overview and competitive advantages of each segment. In addition, the head of the Finance Business Promotion Division at PayPay explains the background to the rapid growth of the PayPay Group, the core of our Financial segment.





Medium-term Management Plan

Contents

What Are Our Medium-term Business Strategies?

> **Medium-term Management Plan**

Growth Strategy

Business Strategies by Segment

Consumer Segment

Enterprise Segment

Media & EC Segment

Financial Segment

Interview with Head of Finance Business Promotion Division, PayPay

	FY2025 targets	Progress in FY2024
Financial targets	<p>Net income*1: Pursue record-high profit (¥540.0 billion) in FY2025 (Revised upward from ¥535.0 billion in May 2025)</p> <p>Operating income: Aim for ¥1 trillion in FY2025 (Revised upward from ¥970.0 billion in May 2025)</p>	<p>Net income*1: ¥526.1 billion</p> <p>Operating income: ¥989.0 billion (Achieved initial target one year ahead of schedule)</p>
Non-financial targets	<p>Aim to procure all electricity needed for the telecommunications business from renewable energy generation*2, with more than half of the electricity generated from renewable energy by FY2030</p> <p>Ratio of renewable energy to electricity used by the Company*3: FY2025: 60% (Revised upward from 50% in May 2025), FY2030: 100%</p>	<p>Ratio of renewable energy to electricity used by the Company*3: 54%</p>
Shareholder returns	<p>Continue to generate high level of primary free cash flow*4 and maintain high level of shareholder returns (Dividend of ¥8.6 per common share planned for FY2025)</p>	<p>Primary free cash flow*4: ¥603.3 billion</p>

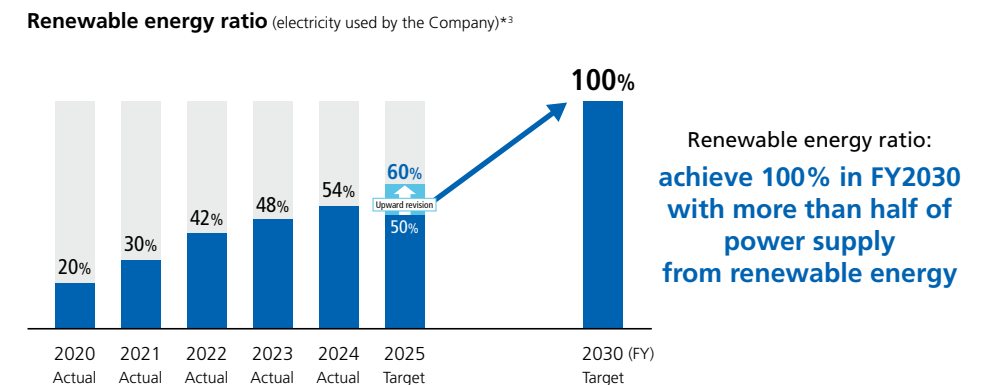
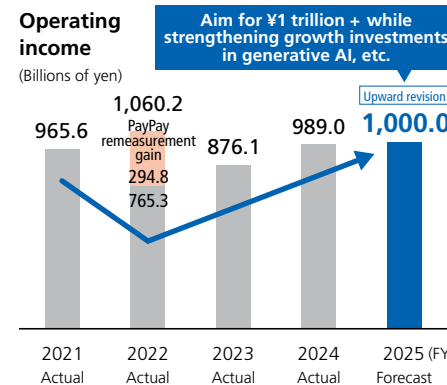
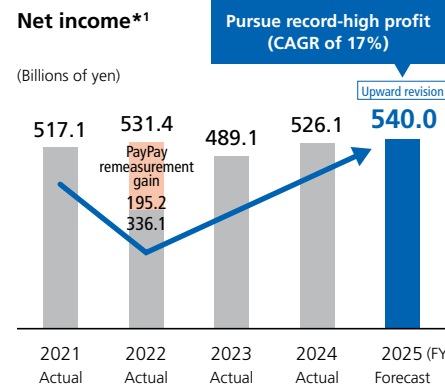
Progress in FY2024

In FY2024, we achieved revenue and profit growth in all segments, and met our Mid-term Plan targets for revenue and operating income one year ahead of schedule. This was mainly due to the solid performance of mobile service revenue in the Consumer segment, strong results from account advertising in the Media & EC segment, and the significant expansion of PayPay's gross merchandise value (GMV) in the Financial segment, which led to the segment turning profitable. In light of this steady progress, we revised upward the financial targets of our Mid-term Plan, which concludes in FY2025, in May 2025. The revised financial targets are ¥1 trillion in operating income (an increase of ¥30.0 billion from the May 2023 forecast) and ¥540.0 billion in net income*1 (an increase of ¥5.0 billion).

Overview of non-financial targets and progress in FY2024

We have set a target for the ratio of renewable energy to electricity used by the Company*3. At the time of the Mid-term Plan's announcement, we set targets of 50% by FY2025 and 100% by FY2030 (of which more than half will be procured from power generated from renewable energy sources). To achieve this, we are not only using non-fossil certificates but also promoting energy conservation at our base stations, which account for half of our annual greenhouse gas emissions. As part of our continued efforts to achieve our targets, we have entered into a major contract with a power producer to newly procure renewable energy*5.

As these initiatives proved successful and the ratio of renewable energy to electricity used by the Company*3 reached 54% in FY2024, we revised upward our FY2025 target to 60% in May 2025.



*1 Net income attributable to owners of the Company
 *2 Includes the use of non-fossil certificates designated as renewable energy
 *3 Total of SoftBank Corp. and Wireless City Planning Inc.
 *4 Primary free cash flow is a measure calculated by adding back the amounts spent as long-term growth investments to adjusted free cash flow (excluding LY Group, PayPay, etc.). Adjusted free cash flow (excluding LY Group, PayPay, etc.) = free cash flow + (proceeds from the securitization of installment sales receivables – repayments thereof) - free cash flow of the LY Group, PayPay, etc. + other items such as dividends received from A Holdings Corporation and investment in PayPay Securities Corporation. "LY Group, PayPay, etc." refers to A Holdings Corporation, LY Corporation and its subsidiaries (LY Group), B Holdings Corporation, PayPay Corporation, PayPay Card Corporation, PayPay Securities Corporation, etc. Long-term growth investments include investments in AI computing infrastructure and AI data centers.
 *5 Mainly renewable energy with additionality (effect of encouraging additional new renewable energy generation capacity)



Contents

What Are Our Medium-term Business Strategies?

Medium-term Management Plan

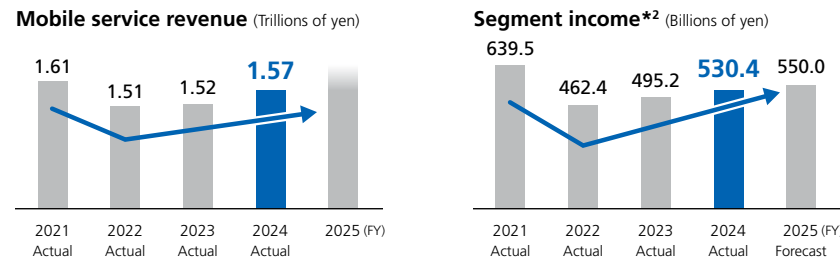
- Growth Strategy
- Business Strategies by Segment
 - Consumer Segment
 - Enterprise Segment
 - Media & EC Segment
 - Financial Segment
- Interview with Head of Finance Business Promotion Division, PayPay

Medium-term Management Plan

	Business targets	Progress in FY2024
Consumer	<ul style="list-style-type: none"> Mobile service revenue: To hit bottom in FY2023 and return to growth Segment income: To hit bottom in FY2022 and return to growth 	<ul style="list-style-type: none"> Mobile service revenue: Achieved one year ahead of schedule, with revenue increasing for the second consecutive years from FY2023. Expecting revenue to continue increasing in FY2025. Segment income: Increased for the second consecutive years from FY2023. Expecting revenue to continue increasing in FY2025.
Enterprise	<ul style="list-style-type: none"> Business solution and others revenue: Double-digit growth (CAGR from FY2023 to FY2025) Segment income: Double-digit growth (CAGR from FY2023 to FY2025) 	<ul style="list-style-type: none"> Business solution and others revenue: CAGR of 33% over the past two years Segment income: CAGR of 12% over the past two years
Distribution	<ul style="list-style-type: none"> Segment income: ¥30 billion in FY2025 	<ul style="list-style-type: none"> Achieved one year ahead of schedule due to strong performance in ICT products for enterprises (FY2024 result: ¥30.4 billion).
Media & EC	<ul style="list-style-type: none"> Improvement of business efficiency and renewed growth of media, search, and commerce business from FY2024 and beyond 	<ul style="list-style-type: none"> Implemented selective focus on key business areas and cost optimization. Due to business growth, segment income increased by 20% year on year, even excluding one-time factors*1.
Financial	<ul style="list-style-type: none"> Turn profitable by FY2025 	<ul style="list-style-type: none"> Achieved profitability in FY2024, partly due to PayPay becoming profitable (FY2024 result: ¥33.2 billion).

Consumer Segment

In the Consumer segment, we had initially aimed for mobile service revenue to hit bottom in FY2023, but were able to achieve this target one year ahead of schedule, recording revenue growth for the second consecutive year from FY2023. This was mainly due to an increase in mobile service revenue driven by a rise in smartphone subscribers, particularly for the *Y!mobile* brand, and the efficient use of customer acquisition costs. Furthermore, segment income for FY2024 increased for the second consecutive year from FY2023, supported by strong mobile service revenue. We continue to aim for net additions of around 1 million subscribers per year, and the number of smartphone subscribers increased by 1.04 million in FY2024, reaching 31.77 million (P39).



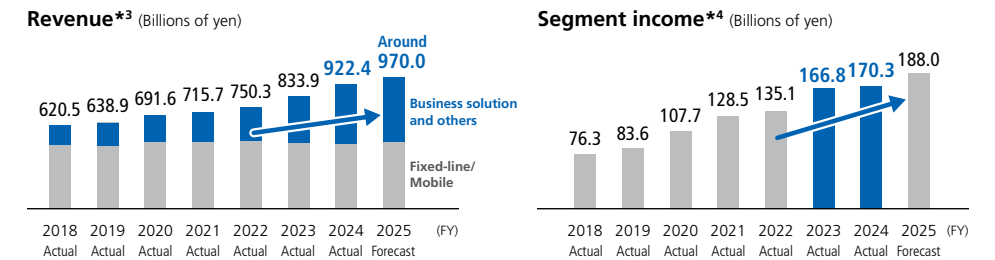
Media & EC Segment

In the Media & EC segment, we are aiming to improve business efficiency and achieve renewed growth in the media, search, and commerce businesses from FY2024 and beyond. In FY2024, we recorded a significant 35% year on year increase in profit (a 20% year on year increase excluding one-time factors*1). This was driven by factors including an increase in revenue from account advertising, an increase in transaction value of the ZOZO Group (ZOZO, Inc. and its subsidiaries) and the ASKUL Group (ASKUL Corporation and its subsidiaries), and a strong performance by service e-commerce, which handles travel and restaurant booking. We expect profit to increase in FY2025 as well, by strengthening the product capabilities of the LY Group (P43).

*1 Gain on loss of control of IPX Corporation (formerly LINE Friends Corporation), LINE NEXT Corporation, and ValueCommerce Co., Ltd., recorded in FY2024.
 *2 From the first quarter of FY2024, certain subsidiaries that were previously classified under the "Consumer segment" have been transferred to "Other." As a result, the figures for FY2023 have been retrospectively adjusted.
 *3 From the first quarter of FY2024, SB Technology Corp. and Cybertrust Japan Co., Ltd., etc., which were previously classified under "Other," have been transferred to the "Enterprise segment." Also, in the first quarter of FY2024, the Company has revised its business management categories and transferred certain products from "Mobile" and "Fixed-line" to "Business solution and others." As a result, the figures for the "Enterprise segment" and the

Enterprise Segment

In the Enterprise segment, we are aiming for further growth by providing solutions tailored to company scale and by creating new businesses to solve social issues. In FY2024, business solution and others revenue achieved its target of double-digit growth (CAGR of 33% over the past two years). This was mainly due to taking over the business of WeWork Japan GK, increased revenue mainly from cloud services, security solutions and IoT solutions as a result of capturing enterprise customers' demand for digitalization, and the effect of the consolidation of Cubic³. Segment income also achieved double-digit growth (CAGR of 12% over the past two years) (P41).



Financial Segment

In the Financial segment, we were aiming to become profitable by FY2025, but we achieved profitability in FY2024. This was mainly due to an increase in GMV from QR/barcode payments and credit cards offered by PayPay and PayPay Card, driven by growth in the number of registered users and payments, as well as cost reductions from more efficient sales promotions. Furthermore, PayPay*5 achieved an operating profit of over ¥30.0 billion in FY2024 (P45).

breakdown of all service categories in the segment revenue for FY2023 have been retrospectively adjusted. Figures before FY2022 are before retrospective adjustment of SB Technology Corp.
 *4 From the first quarter of FY2024, SB Technology Corp. and Cybertrust Japan Co., Ltd., etc., which were previously classified under "Other," have been transferred to the "Enterprise segment." As a result, the figures for FY2023 have been retrospectively adjusted. Figures before FY2022 are before retrospective adjustment of SB Technology Corp.
 *5 PayPay Corporation, PayPay Card Corporation, Credit Engine, Inc.



Contents

What Are Our Medium-term Business Strategies?

Medium-term Management Plan

> Growth Strategy

Business Strategies by Segment

Consumer Segment

Enterprise Segment

Media & EC Segment

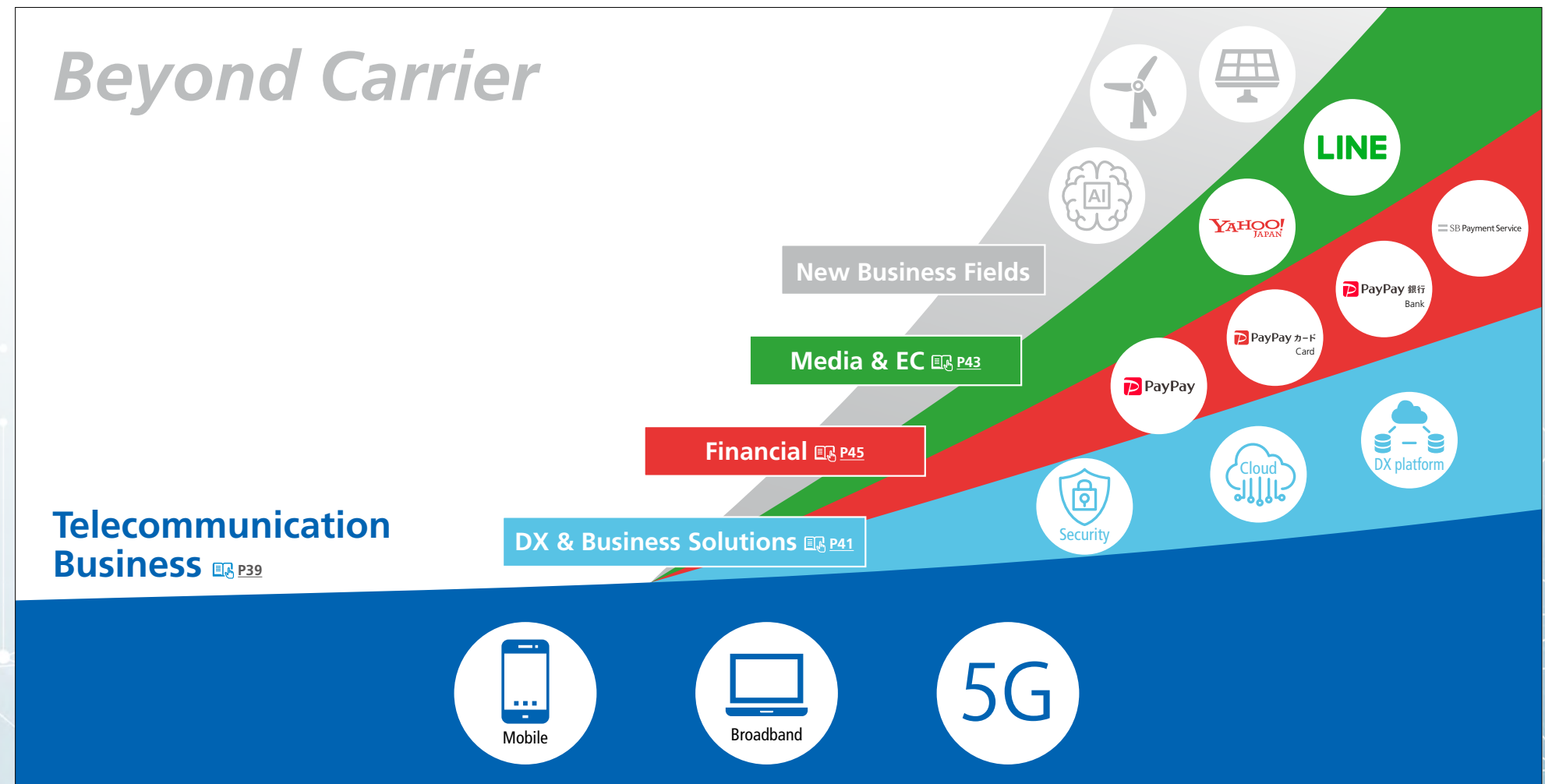
Financial Segment

Interview with Head of
Finance Business Promotion Division,
PayPay

Growth Strategy

Maximize corporate value by creating businesses that go beyond just being a telecommunications carrier

Under our *Beyond Carrier* growth strategy, we aim to maximize our corporate value by pursuing sustainable growth in our core telecommunications business while going beyond just being a telecommunications carrier to actively roll out new businesses in the information and technology fields, including DX & business solutions, financial, media & EC, and new business fields. In addition, by strengthening cooperation between the telecommunications business and these Group businesses, we will strengthen the competitiveness of the telecommunications business and create synergies such as expanding service users and boosting user engagement among Group businesses.





Contents

What Are Our Medium-term Business Strategies?

Medium-term Management Plan

Growth Strategy

> Business Strategies by Segment

Consumer Segment

Enterprise Segment

Media & EC Segment

Financial Segment

Interview with Head of Finance Business Promotion Division, PayPay

Business Strategies by Segment

Consumer Segment

We provide mobile services, broadband services, and electricity services such as *Ouchi Denki* primarily to individual customers in Japan. We also procure mobile devices from mobile device manufacturers and sell them to distributors operating *SoftBank* stores and other establishments, as well as to individuals.



Mobile													
<p>The Company provides mobile communications services under its three brands of <i>SoftBank</i>, <i>Y!mobile</i>, and <i>LINEMO</i> to meet the diverse needs of its users.</p> <ul style="list-style-type: none"> SoftBank Unlimited and high volume data Y!mobile Low and medium volume data LINEMO Online exclusive <p>*1 Including enterprise subscribers</p>	<p>Cumulative number of smartphone subscribers*1 (Millions of subscribers)</p> <table border="1"> <tr><th>FY</th><td>2020</td><td>2021</td><td>2022</td><td>2023</td><td>2024</td></tr> <tr><th>Value</th><td>25.93</td><td>27.58</td><td>29.26</td><td>30.73</td><td>31.77</td></tr> </table>	FY	2020	2021	2022	2023	2024	Value	25.93	27.58	29.26	30.73	31.77
FY	2020	2021	2022	2023	2024								
Value	25.93	27.58	29.26	30.73	31.77								
Broadband	Electricity												
<p>In addition to <i>SoftBank Hikari</i>, the high-speed and large-capacity Internet communications connection service for households that uses an optical fiber network, the Company provides <i>SoftBank Air</i>, 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 <i>SoftBank</i> or <i>Y!mobile</i> smartphones.</p> <p>Cumulative number of broadband subscribers (in service) (Millions of subscribers)</p> <table border="1"> <tr><th>FY</th><td>2020</td><td>2021</td><td>2022</td><td>2023</td><td>2024</td></tr> <tr><th>Value</th><td>8.14</td><td>8.31</td><td>8.39</td><td>8.49</td><td>8.49</td></tr> </table> <p>Legend: SoftBank Hikari (including SoftBank Air), Other</p>	FY	2020	2021	2022	2023	2024	Value	8.14	8.31	8.39	8.49	8.49	<p>From April 2016, the Company has been providing electricity services, including <i>Ouchi Denki</i>. As with broadband, the Company is able to retain smartphone subscribers by providing discounts for users who bundle the service with <i>SoftBank</i> or <i>Y!mobile</i> smartphones.</p> <p>おうちでんき (<i>Ouchi Denki</i>)</p> <p>Sales of goods and others</p> <p>Mainly selling mobile devices to distributors and individual customers.</p>
FY	2020	2021	2022	2023	2024								
Value	8.14	8.31	8.39	8.49	8.49								

Market environments

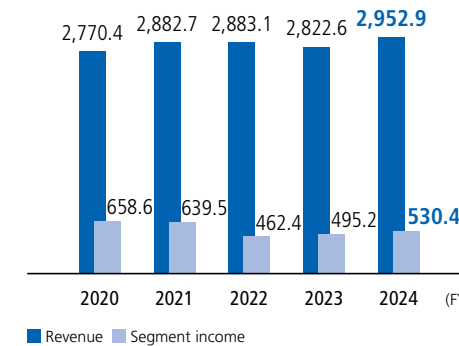
According to a survey by Japan's Ministry of Internal Affairs and Communications*2, 80.5% of individuals in Japan own smartphones as of 2024, indicating that the telecommunications market for individuals is maturing. Accordingly, competition among operators has intensified, raising concerns about the commoditization of telecommunications services, associated price declines, and lower profitability. Meanwhile, data traffic continues to increase due to the transition to 5G and greater use of content such as videos and social media. In this environment, differentiation through diverse rate plans and collaboration with value-added services other than telecommunications is becoming increasingly important.

FY2024 performance

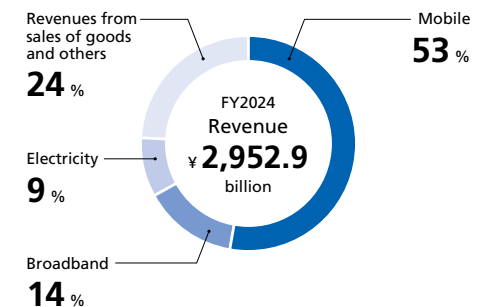
In FY2024, the Consumer segment recorded revenue of ¥2,952.9 billion (up 4.6% year on year) and segment income of ¥530.4 billion (up 7.1% year on year). This was mainly due to an increase in smartphone subscribers, particularly for the *Y!mobile* brand, which led to higher mobile revenue, and the streamlining of customer acquisition costs.

Revenue and segment income*3

(Billions of yen)



Revenue composition



*2 Source: Japan's Ministry of Internal Affairs and Communications, "Communication Usage Trend Survey" (Surveyed in 2024)
 *3 From the first quarter of FY2024, certain subsidiaries that were previously classified under the "Consumer segment" have been transferred to "Other." As a result, the figures for FY2023 have been retrospectively adjusted.



Contents

What Are Our Medium-term Business Strategies?

Medium-term Management Plan

Growth Strategy

> Business Strategies by Segment

Consumer Segment

Enterprise Segment

Media & EC Segment

Financial Segment

Interview with Head of Finance Business Promotion Division, PayPay

Business Strategies by Segment / Consumer Segment

Value creation process

Inputs	Outputs	Outcomes
(End of FY2024) ■ Smartphone subscribers: 31.77 million ■ Broadband subscribers: 8.49 million ■ Electricity subscribers: 1.95 million ■ Number of stores*: 6,400	(Main services and products) ■ Mobile services (<i>SoftBank, Y!mobile, LINEMO</i>) ■ Broadband service (<i>SoftBank Hikari, SoftBank Air</i>) ■ Electricity services (<i>Ouchi Denki</i>)	(FY2024 actual) ■ Revenue: ¥ 2,952.9 billion, segment income: ¥ 530.4 billion (Creation of social value) ■ Provision of an environment in which everyone can access information

* Total of *SoftBank* and *Y!mobile* brands' directly-managed stores, agents, mass merchandisers and other retail channels

Competitive advantages

1. Multi-brand strategy

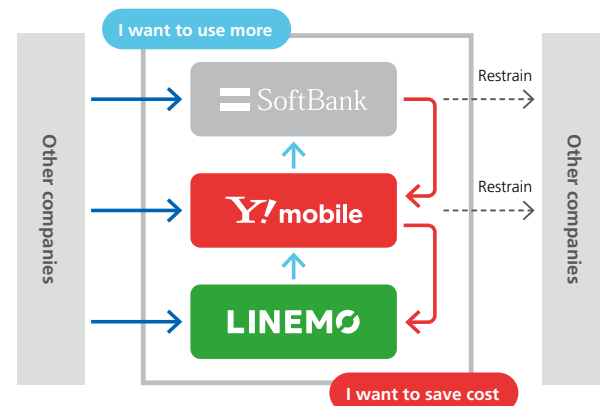
The Company provides three distinct brands: *SoftBank*, which offers unlimited-data plans; *Y!mobile*, featuring lower monthly charges for low to medium volume data users; and *LINEMO*, an online exclusive brand that lets customers complete all procedures and receive support entirely online. By matching price plans to user needs, the Company aims to expand acquisitions of new subscriptions, prevent users from moving outside the Group, and increase ARPU.

2. Synergy with leading services offered by Group companies

The Group operates some of Japan's largest digital platforms, including *LINE*, *Yahoo! JAPAN*, and *PayPay*. By combining these with our mobile communication service, we deliver unique added value. *SoftBank* and *Y!mobile* users can enjoy *LYP Premium* —which provides numerous benefits from *LINE* and *Yahoo! JAPAN*— at no extra charge. In October 2023 we also launched the *Pay-toku* plan, which boosts *PayPay* Point rewards on *PayPay* purchases. Leveraging these synergies differentiates us from competitors and drives growth by deepening engagement across the Group's ecosystem.

3. High-quality communications networks

Commercial 5G service, introduced in March 2020, now covers more than 95% of Japan's population and continues to expand. To date we have delivered ultra-high-speed, large-capacity connections mainly via non-standalone (NSA) 5G. We are now progressively upgrading to standalone (SA) 5G, which will add ultra-low latency and massive-device connectivity, enabling next-generation services that fully exploit 5G's capabilities.



Shopping

Cashless payment/ Finance

SNS



Contents

What Are Our Medium-term Business Strategies?

Medium-term Management Plan

Growth Strategy

Business Strategies by Segment

Consumer Segment

Enterprise Segment

Media & EC Segment

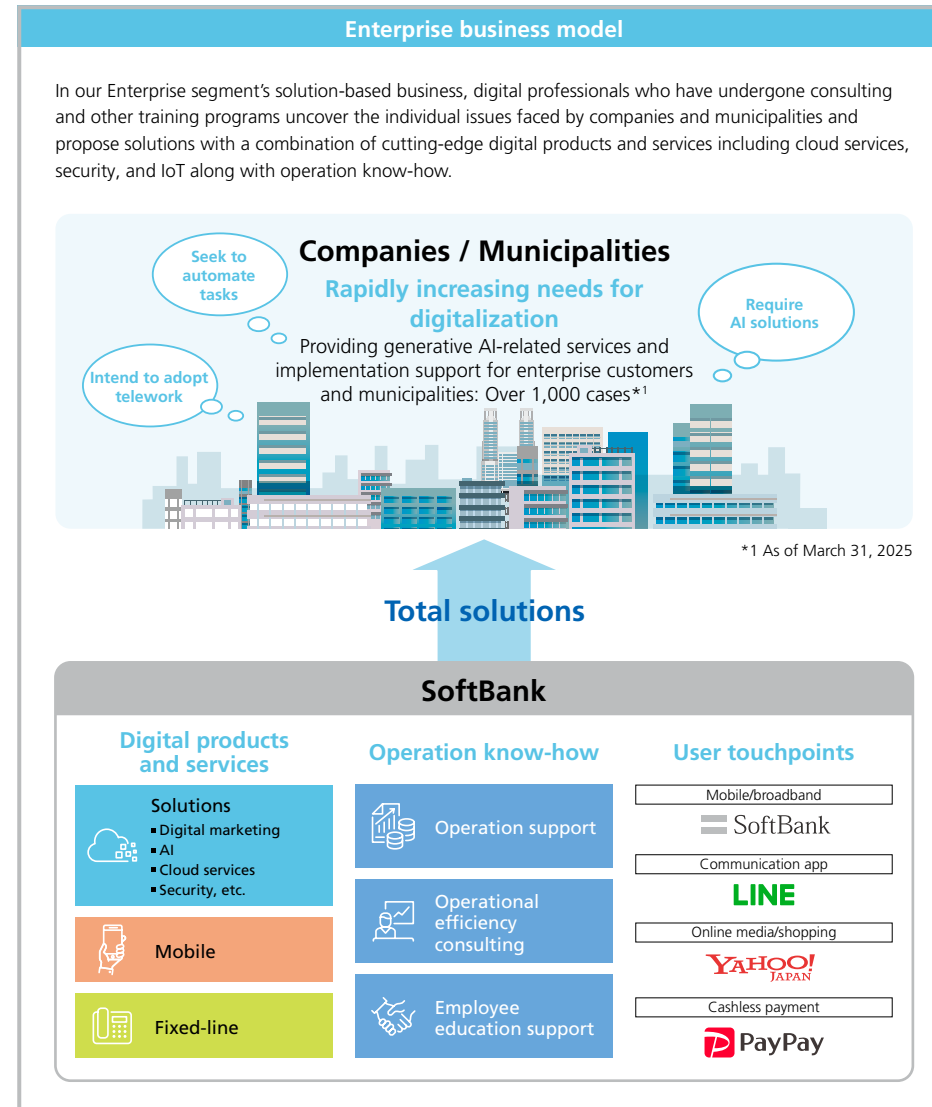
Financial Segment

Interview with Head of Finance Business Promotion Division, PayPay

Business Strategies by Segment

Enterprise Segment

For enterprise customers, we provide a diverse array of corporate services, including mobile services such as mobile lines and mobile device rentals, fixed-line communications services such as fixed-line telephones and data communications, as well as various solutions for enterprises such as data centers, cloud, security, global, AI, IoT, and digital marketing services.



Market environments

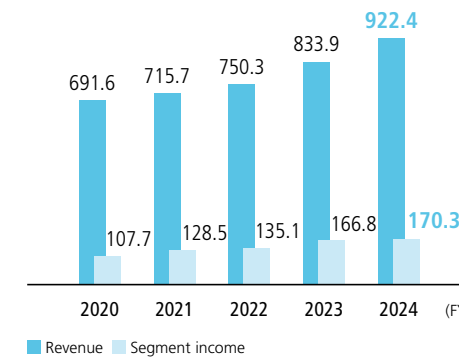
To solve social issues such as labor shortages, many companies are promoting digitalization and DX, and demand for solutions that utilize advanced technologies such as cloud services, security, IoT, and AI is rapidly expanding. In this environment, the source of our competitiveness is our ability to acquire and develop specialized professionals with knowledge of both industry and advanced technologies, and to propose end-to-end solutions to issues that enterprises face. In addition, while demand for telecommunication services for enterprise customers remains stable, an expansion of corporate use cases is expected, driven by factors such as the nationwide rollout of standalone 5G.

FY2024 performance

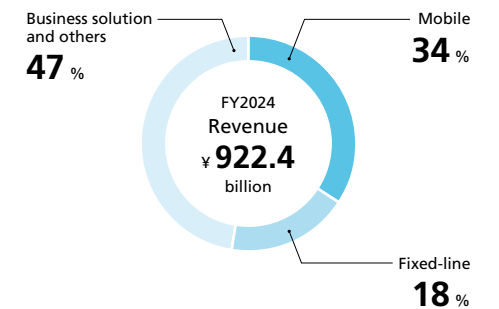
The Enterprise segment recorded revenue of ¥922.4 billion (10.6% increase year on year) and segment income of ¥170.3 billion (2.1% increase year on year) for FY2024 (7.9% increase year on year excluding one-time factors*2). This was mainly due to an increase in the number of mobile subscribers, as well as an increase in revenue from solutions including cloud services, security, and IoT, by capturing enterprise customers' demand for digitalization.

Revenue and segment income*3

(Billions of yen)



Revenue composition



*2 Absence of reversal of provisions associated with litigation

*3 From the first quarter of FY2024, SB Technology Corp. and Cybertrust Japan Co., Ltd., etc., which were previously classified under "Other," have been transferred to the "Enterprise segment." As a result, the figures for FY2023 have been retrospectively adjusted. Figures before FY2022 are before retrospective adjustment of SB Technology Corp.



Contents

What Are Our Medium-term Business Strategies?

Medium-term Management Plan

Growth Strategy

> Business Strategies by Segment

Consumer Segment

Enterprise Segment

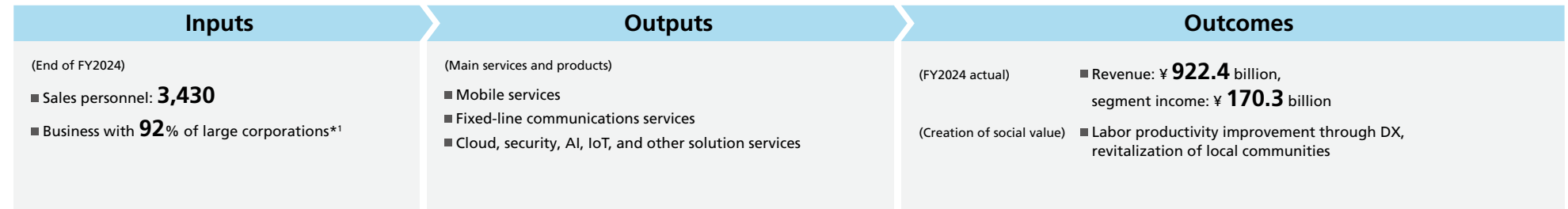
Media & EC Segment

Financial Segment

Interview with Head of Finance Business Promotion Division, PayPay

Business Strategies by Segment / Enterprise Segment

Value creation process



*1 The percentage of listed companies in Japan with annual sales exceeding ¥100 billion that conducted business with SoftBank Corp. in FY2024

Competitive advantages

1. The largest-scale group of B2C platforms in Japan

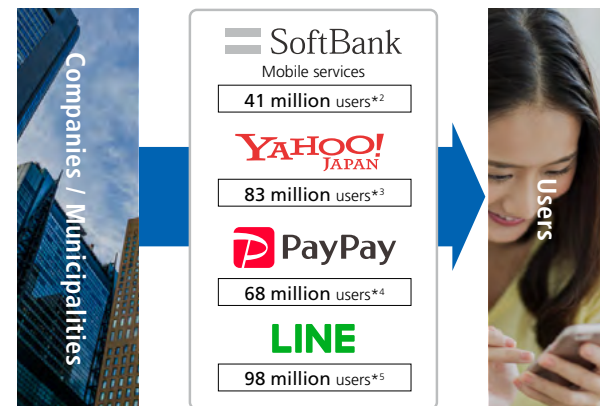
The Company has one of the largest groups of B2C platforms in Japan, with tens of millions of users in diverse fields such as telecommunications, e-commerce, media, communications, and cashless payments. Enterprises and local governments looking to expand their presence online can gain access to a wide range of users in a short space of time by collaborating with the Company, streamlining both the time and cost of marketing.

2. One-stop solution system

The Company addresses the accelerating digitalization needs of enterprises and local governments by delivering a one-stop solution that spans connectivity, cloud, IoT, and security. Also, we are investing in generative AI solutions that elevate and streamline existing business models through AI-driven efficiency and sophistication. Another key strength is that we rigorously deploy advanced solutions internally, refine them with the insights gained, and provide those services to clients.

3. Abundance of digital professionals

With digitalization demand surging in enterprises and local governments, the Company is securing specialists capable of designing and proposing solutions by driving reskilling through targeted training programs and by leveraging an internal job-posting system. In 2024 we strengthened this effort by making SB Technology Corp. a wholly owned subsidiary, concentrating engineering talent and advanced know-how in the Enterprise segment. We are also deploying generative AI tools and RPA to streamline workflows and reallocating the capacity released to new fields such as AI and cloud, bolstering our competitiveness in both the quality and quantity of talent.



*2 Cumulative number of mobile main subscribers (as of March 31, 2025)

*3 Average monthly users from January to October 2024, based on Nielsen's "TOPS OF 2024: DIGITAL IN JAPAN, Top 10 by Total Digital Reach in Japan." Does not include overlap of smartphone and PC users.

*4 Number of users who have registered for a PayPay account (as of March 31, 2025)

*5 Monthly active users in Japan (as of March 31, 2025)



Contents

What Are Our Medium-term Business Strategies?

Medium-term Management Plan

Growth Strategy

> Business Strategies by Segment

Consumer Segment

Enterprise Segment

Media & EC Segment

Financial Segment

Interview with Head of Finance Business Promotion Division, PayPay

Business Strategies by Segment

Media & EC Segment

In the Media & EC segment, we offer services that center on media and commerce, covering online to offline services in a comprehensive manner. In the media field, we provide advertising-related services on the comprehensive Internet service *Yahoo! JAPAN* and communication app *LINE*. In the commerce field, we provide e-commerce services such as *Yahoo! JAPAN Shopping* and *ZOZOTOWN*, and reuse services such as *Yahoo! JAPAN Auction*. In the strategy field, we provide services centered on FinTech, which we are working to develop into new drivers of earnings alongside media and commerce.



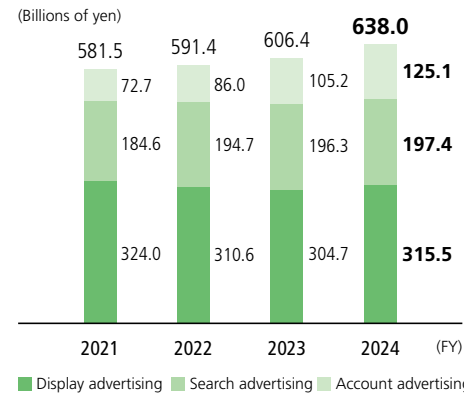
Media

In the media business, which handles Internet advertising, we aim to expand our advertising revenue by leveraging Group assets and strengthening our products.

In this area, the Company offers search advertising, account advertising, and display advertising, as well as digital content such as games and paid membership programs.

Among these, account advertising is a unique product of LY with characteristics of a CRM (Customer Relationship Management) and sales promotion tool. As it is based on a recurring revenue business model that combines a flat-rate fee with pay-as-you-go charges, we expect it to continue to show strong growth.

Advertising revenue

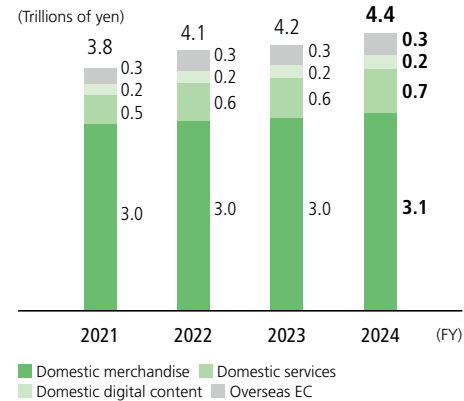


Commerce

In the commerce business, which handles online shopping, we aim for sustainable growth by working to expand e-commerce transaction value through the utilization of Group assets, while continuing to optimize costs and concentrating management resources on highly profitable services.

This area consists of the "shopping business," "reuse business," and "service e-commerce business," and includes services such as *Yahoo! JAPAN Shopping*, *Yahoo! JAPAN Auction*, *ZOZOTOWN*, and *Ikyu*.

EC transaction value



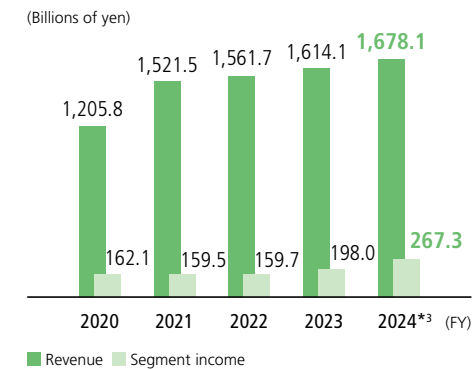
Market environments

According to a survey by Japan's Ministry of Economy, Trade and Industry, in Japan's B2C e-commerce market for merchandise in 2023, the market size was ¥14.676 trillion (4.83% increase year on year), and the e-commerce rate reached 9.38% (0.25 percentage point increase year on year)*1. Although the "stay-at-home demand" has subsided as consumers return to physical stores, the market size continues to expand steadily. Furthermore, while the internet advertising market is expanding steadily against a backdrop of increasing digitalization in society, regulations on the protection of personal information are becoming stricter. Consequently, platform operators that handle internet advertising are required to protect user privacy, ensure thorough information management, and continuously improve ad quality.

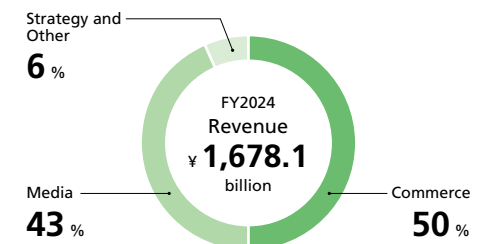
FY2024 performance

The Media and EC segment recorded revenue of ¥1,678.1 billion (4.0% increase year on year) and segment income of ¥267.3 billion (35.0% increase year on year) for FY2024 (20.4% increase year on year excluding one-time factors*2). This was mainly due to an increase in revenue from account advertising, in addition to an increase in the transaction value of the ZOZO Group (ZOZO, Inc. and its subsidiaries) and the ASKUL Group (ASKUL Corporation and its subsidiaries), and a strong performance in the service e-commerce area, which includes travel and restaurant booking.

Revenue and segment income



Revenue composition



*1 Source: Japan's Ministry of Economy, Trade and Industry, "FY2023 E-Commerce Market Survey"

*2 Gain on loss of control of IPX Corporation (formerly LINE Friends Corporation), LINE NEXT Corporation, and ValueCommerce Co., Ltd. recorded in FY2024

*3 Figures for FY2024 are before retrospective adjustment of PayPay Bank Corporation



Contents

What Are Our Medium-term Business Strategies?

Medium-term Management Plan

Growth Strategy

Business Strategies by Segment

Consumer Segment

Enterprise Segment

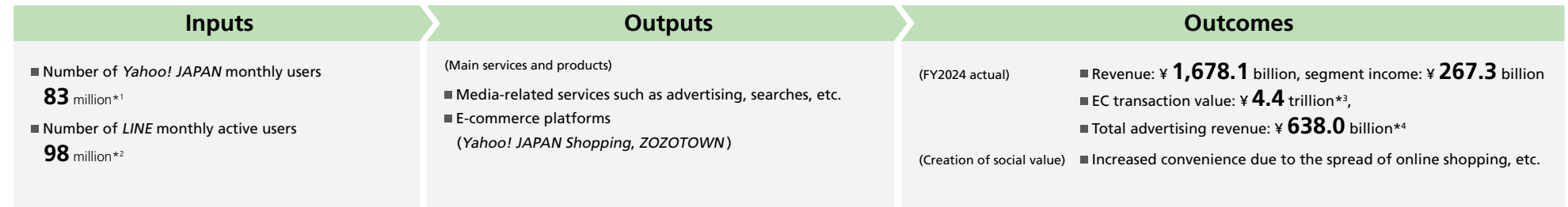
Media & EC Segment

Financial Segment

Interview with Head of Finance Business Promotion Division, PayPay

Business Strategies by Segment / Media & EC Segment

Value creation process



*1 Average monthly users from January to October 2024, based on Nielsen's "TOPS OF 2024: DIGITAL IN JAPAN, Top 10 by Total Digital Reach in Japan." Does not include overlap of smartphone and PC users.
 *2 Monthly active users in Japan (as of March 31, 2025)
 *3 Total transaction values of domestic shopping business, reuse business, other (merchandise), ASKUL Corporation's BtoB-related revenue, domestic services, domestic digital content and overseas e-commerce
 *4 Sum of total advertising revenue of *LINE* and *Yahoo! JAPAN*

Competitive advantages

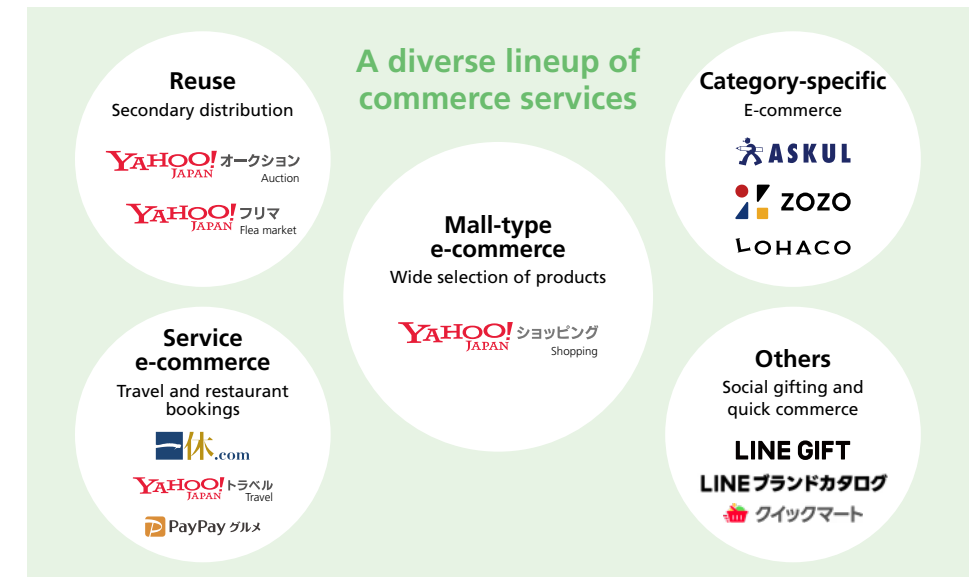
1. Marketing solutions utilizing group assets

LY, which operates Japan's top-class services in both communications and cashless payments, leverages these strengths to offer distinctive marketing solutions. By harnessing the wealth of first-party data—information gathered directly from its diverse touchpoints—LY enhances marketing analytics and, through its communication app, drives repeat purchases. This capability enables end-to-end marketing support, from acquiring new customers to encouraging ongoing use.



2. Commerce services adapted to diversifying needs

As user needs diversify with the expanded use of online shopping, we leverage our diverse business portfolio to offer a variety of commerce experiences and capture a wide range of customers. We provide services like *Yahoo! JAPAN Shopping*, which contains many stores with different scales and formats, *ZOZOTOWN*, one of the biggest online fashion shopping sites in Japan, and also *Yahoo! JAPAN Auction* and *Yahoo! JAPAN Flea Market*, which serve the used goods market.





Contents

What Are Our Medium-term Business Strategies?

Medium-term Management Plan

Growth Strategy

> Business Strategies by Segment

Consumer Segment

Enterprise Segment

Media & EC Segment

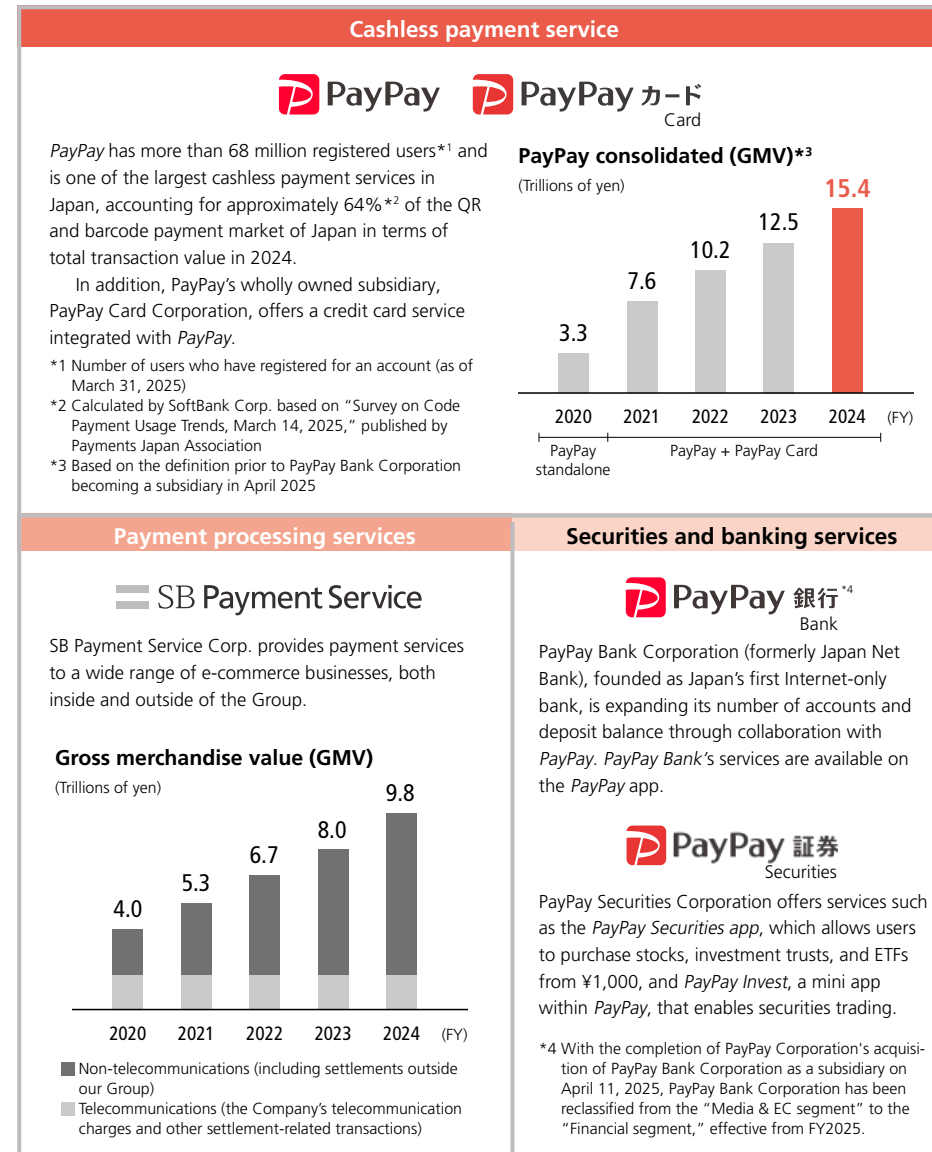
Financial Segment

Interview with Head of Finance Business Promotion Division, PayPay

Business Strategies by Segment

Financial Segment

We provide cashless payment services such as QR and barcode payments and credit card services, as well as smartphone-based securities services mainly for our individual customers. In addition, we provide payment processing services offering one-stop payment solutions for diversified payment methods including credit cards, electronic money, and QR codes mainly for our enterprise customers.



Market environments

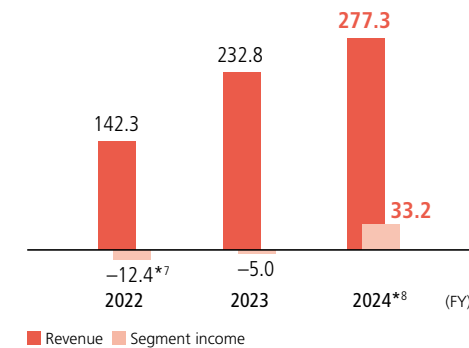
According to a survey by Japan's Ministry of Economy, Trade and Industry*⁵, Japan's cashless payment ratio in 2024 reached 42.8% (¥141.0 trillion). Among the payment methods, QR code payments showed the highest growth rate, with the transaction value increasing by 24.1% year on year. Furthermore, credit cards, which account for the largest share of cashless payments, also continued to see double-digit growth, with the transaction value increasing 10.6% year on year, placing both PayPay and PayPay Card in a high-growth market. As Japan's Ministry of Economy, Trade and Industry has set a future goal of raising this ratio to 80%, one of the world's highest levels, the cashless payment market in Japan is expected to continue to expand.

FY2024 performance

In FY2024, the Financial segment's revenue was ¥277.3 billion (up 19.1% year on year), and segment income was ¥33.2 billion (an improvement of ¥38.2 billion year on year). This was mainly due to an increase in revenue driven by the expansion of PayPay's consolidated gross merchandise value (GMV) and cost reductions from more efficient sales promotion measures. In addition, PayPay*⁶ achieved operating profitability of over ¥30.0 billion in FY2024.

Revenue and segment income

(Billions of yen)



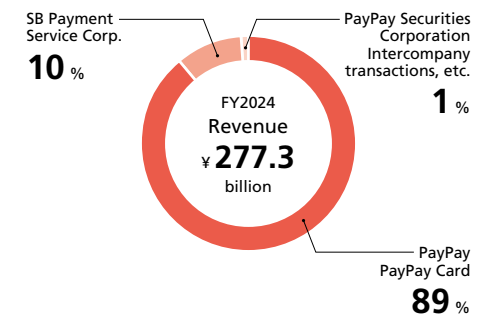
*⁵ Japan's Ministry of Economy, Trade and Industry News Release, "2024 Ratio of Cashless Payment Among the Total Amount Paid by Consumers Calculated" (March 31, 2025)

*⁶ PayPay Corporation, PayPay Card Corporation, Credit Engine, Inc.

*⁷ Following the consolidation of PayPay Corporation as a subsidiary effective October 1, 2022, its financial results have been included from the third quarter of FY2022.

*⁸ The figures for FY2024 are before retrospective adjustments of PayPay Bank Corporation.

Revenue composition





Contents

What Are Our Medium-term Business Strategies?

Medium-term Management Plan

Growth Strategy

Business Strategies by Segment

Consumer Segment

Enterprise Segment

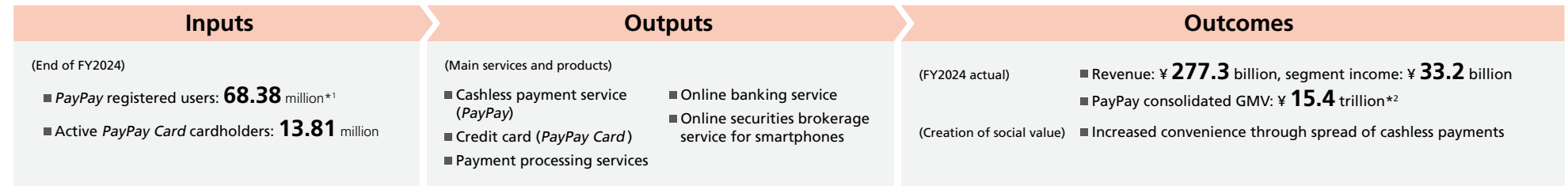
Media & EC Segment

Financial Segment

Interview with Head of Finance Business Promotion Division, PayPay

Business Strategies by Segment / Financial Segment

Value creation process



*1 Number of users who have registered for a PayPay account

*2 The use of the Send/Receive function of PayPay Balance between users is not included. Payments via Alipay and LINE Pay, etc. and payments through PayPay Credit are included. Based on the definition prior to PayPay Bank Corporation becoming a subsidiary in April 2025.

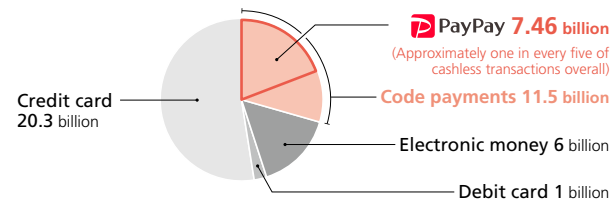
Competitive advantages

1. Overwhelming presence as a payment platform

The number of transactions with PayPay exceeded 7.46 billion in 2024, accounting for approximately one in every five of the 38.8 billion total cashless payments in Japan*3. This gives PayPay an overwhelming presence as a cashless payment service in the country.

The primary advantage of PayPay is its product development capabilities, led by its own talented, multinational engineers from around the globe. By insisting on in-house development, it instantaneously adapts to changes in user needs while also continually enhancing security. In addition, utilizing its strong sales capabilities, it is building a network of merchants broadly throughout Japan. Another unique advantage of PayPay is its marketing capabilities to roll out effective marketing tailored to the business phase.

Number of cashless payments in Japan (2024)*3

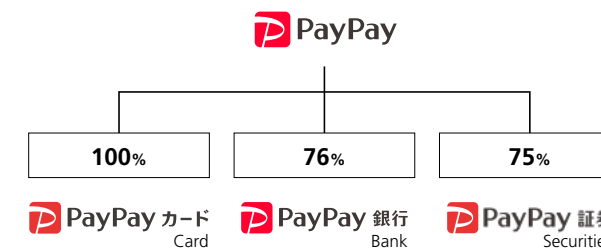


*3 The total number of payments is based on credit card data from the Japan Consumer Credit Association's "Monthly Survey: Credit Card Trends," debit card and electronic money data from the Bank of Japan's "Payment and Settlement Statistics (January 2025)," and QR code payment data from the Payments Japan Association's "Survey on Code Payment Usage Trends (published March 14, 2025)." Calculated by PayPay Corporation. Figures are rounded.

2. Promoting the growth of peripheral financial services by leveraging the strengths of PayPay as a payment platform

Since making PayPay Card a wholly owned subsidiary in October 2022, PayPay has accelerated various initiatives, including the promotion of PayPay Credit, which enables seamless credit card payments within the PayPay app. As a result, the number of active cards issued and credit card transaction value have grown rapidly compared to before the consolidation (P47). In addition, PayPay Securities Corporation is efficiently expanding its user base by offering a mini app within PayPay. PayPay completed the acquisition of PayPay Bank Corporation and PayPay Securities Corporation as subsidiaries in April 2025. Going forward, we will work as an integrated group to further enhance our banking and securities services.

PayPay Group capital structure (As of June 30, 2025)

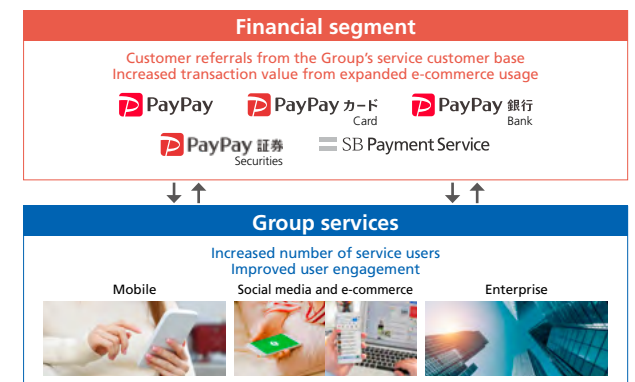


3. Creating synergies through collaboration with Japan's largest services within the Group

The Group has one of Japan's largest collections of B2C platforms, with tens of millions of users in diverse fields such as telecommunications, e-commerce, and social media. The Financial segment collaborates closely with these Group services to create synergies, including customer referrals from the Group's service customer base and an increase in transaction value accompanying the expansion of e-commerce usage. In addition, we are also creating synergies that increase the number of service users and improve user engagement across all Group services.

(Please refer to "Integrated Report 2024," P42, Creation of Group Synergies for details.)

Creating synergies with Group services





Business Strategies by Segment

Contents

What Are Our Medium-term Business Strategies?

Medium-term Management Plan

Growth Strategy

► Business Strategies by Segment

Consumer Segment

Enterprise Segment

Media & EC Segment

Financial Segment

Interview with Head of Finance Business Promotion Division, PayPay

Interview with Head of Finance Business Promotion Division, PayPay

With “user-first” as its motto, a key focus for PayPay is to become the undisputed leader in Japan’s cashless payment market by providing innovative convenience in payment methods



Hiroki Kawata

Division Head, Finance Business Promotion, Finance Business Group, Corporate Officer, PayPay Corporation
Division head, Business Promotion Division, Business Growth Unit, Executive officer, PayPay Card Corporation

Q: It has been more than two years since PayPay Card became a wholly owned subsidiary of PayPay. What was the intention behind this move?

The intention was to create a fully integrated structure where PayPay and PayPay Card operate as one cohesive unit, thereby developing PayPay Card into a key growth driver of our payment business. At the time of PayPay’s establishment, PayPay Card (then YJ Card Corporation) was a wholly owned subsidiary of LY (then Yahoo Japan Corporation). The two companies maintained a cooperative but separate relationship, with each safeguarding its own profits while collaborating where possible. This was, in effect, an “additive” relationship. However, as the PayPay brand expanded its share in the cashless payment market, we concluded that integrated management with the credit card business was indispensable for further growth. By making PayPay Card a wholly owned subsidiary, we deepened our relationship into a fully integrated structure. Within this structure, a clear and shared understanding has been formed: “PayPay Card’s growth is the growth of the PayPay Group.” This has enabled us to shift from an “additive” mindset to a “multiplicative” one, in which we leverage each other’s strengths.

To turn this change in mindset into concrete action, we first focused on strengthening the foundation of the card itself. PayPay Card’s predecessor, Yahoo! JAPAN Card, was positioned as a kind of in-house card that was easy to use for e-commerce on Yahoo! JAPAN. This meant it lacked many features compared to competitors. Therefore, in addition to my role as PayPay’s head of collaboration with PayPay Card, I was also seconded to PayPay Card to serve as the head of business promotion. From that position, I identified the card’s challenges and led the improvements for about two years. We have now finally entered the phase of creating services unique to the PayPay Group. However, PayPay Card’s current market share is still only about 5%. Catching up with and surpassing competitors holding double digit market shares is an urgent task for us. With the policy of making full use of the PayPay app for the benefit of PayPay Card, we are working as a group to expand our share in the cashless payment market.

Q: PayPay has an overwhelming presence in QR code payments. What role does PayPay Card play in this?

The PayPay Group aims to drive a shift away from cash in the Japanese consumer market and raise the country’s cashless payment ratio, which currently stands at 42.8%*1. It also seeks to expand PayPay’s share within that market. While PayPay has secured an overwhelming share in code-based payments, the fastest-growing segment, code-based payments still account for only about 10%*1 of total cashless payments. About 80%*1 of the market is still credit cards. Therefore, to capture the overall cashless payment market, we believe it is necessary for the PayPay Group to increase its presence in the credit card market and gain a larger “share of wallet” from users. This is where



Contents

What Are Our Medium-term Business Strategies?

Medium-term Management Plan

Growth Strategy

Business Strategies by Segment

Consumer Segment

Enterprise Segment

Media & EC Segment

Financial Segment

Interview with Head of Finance Business Promotion Division, PayPay

Business Strategies by Segment / Interview with Head of Finance Business Promotion Division, PayPay

PayPay Card plays a crucial role: capturing the vast market that the PayPay app cannot reach alone.

To fulfill this role, we are focusing on strengthening integration between the PayPay app and PayPay Card. All of PayPay Card's functions are now available on the app, allowing users to check transaction history and complete various procedures seamlessly. This increases the convenience of PayPay Card and attracts more users. Additionally, as users visit the app more frequently, their engagement with the PayPay app increases, which is expected to drive usage of services other than cards. By creating this virtuous cycle in an integrated manner, we are accelerating the growth of the entire group.

*1 Source: Japan's Ministry of Economy, Trade and Industry, news release, "2024 Ratio of Cashless Payment Among the Total Amount Paid by Consumers Calculated" (March 31, 2025)



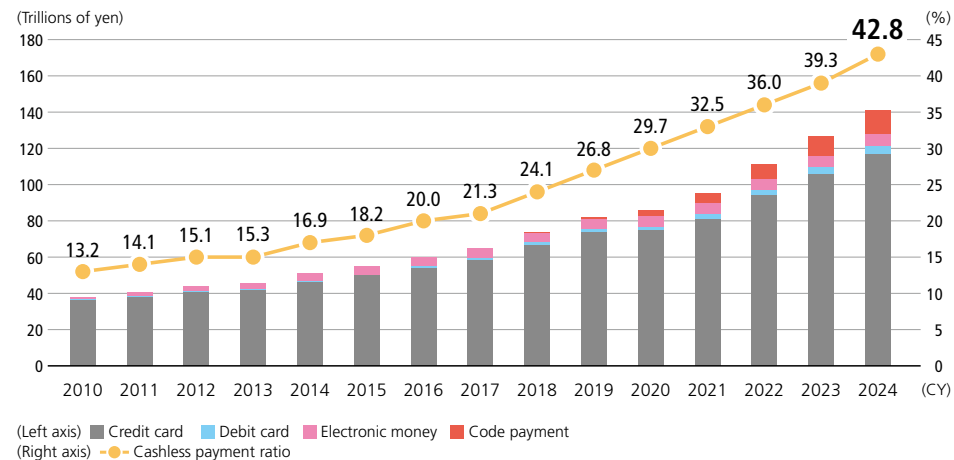
Q: PayPay primarily offers three payment methods. What makes them so innovative?

PayPay primarily offers three payment methods: the prepaid "PayPay Balance (Red Screen)," which requires pre-charging; the postpaid "PayPay Credit (Blue Screen)," which is linked to PayPay Card and requires no charging; and a physical card that can be used at merchants accepting international brands. We believe that our ability to meet diverse user needs while providing a consistent user experience through app integration is a unique strength and innovation not found in other companies. The Red Screen and Blue Screen payment methods each have their own characteristics.

The Red Screen has been available since PayPay's launch. Users top up their PayPay Balance from a bank or other source and make payments within that amount. This method is often used by new PayPay users or those accustomed to prepaid payments.

The Blue Screen is designed for frequent PayPay users. By linking a PayPay Card to the app, users can make card payments via QR code. The total amount used is aggregated with the PayPay Card usage and withdrawn from their bank account the following month. This meets the needs of users who want to avoid the hassle of repeated top-ups or prefer to pay in a lump sum the following month, like a credit card. While other companies offer similar systems, a major differentiator is that we can provide the same payment experience with the Blue Screen as we do with the Red Screen. The real innovation of this system is that all payments are completed on a single platform, the PayPay app. In the app's "transaction history," users can view payments made with the Red Screen, Blue Screen, and the physical card in a single list. Furthermore, payments made with the physical

Cashless payment amount and cashless payment ratio in Japan



PayPay payment : three main payment methods

	PayPay Balance (Red screen)	PayPay Credit (Blue screen)	Credit Card
Where it can be used	PayPay merchants	PayPay merchants	Stores that accept international brands
UI	QR Code	QR Code	Physical card (including contactless payment)
Payment method (User perspective)	PayPay Money PayPay Money Lite PayPay Points, etc.	PayPay Card	PayPay Card



Contents

What Are Our Medium-term Business Strategies?

Medium-term Management Plan

Growth Strategy

> Business Strategies by Segment

Consumer Segment

Enterprise Segment

Media & EC Segment

Financial Segment

Interview with Head of Finance Business Promotion Division, PayPay

Business Strategies by Segment / Interview with Head of Finance Business Promotion Division, PayPay

card generate real-time notifications in the app, making it easy to track spending and immediately detect any unauthorized use, thereby enhancing security. This superior management feature is a significant reason why users find *PayPay Card* more convenient than other credit cards. In April 2025, PayPay Bank Corporation became a subsidiary of PayPay, and we also launched *PayPay Debit*, a new payment method that allows for immediate withdrawals from a PayPay Bank account.

Q: Since the integration with PayPay, PayPay Card's card member base, GMV (Gross Merchandise Value), and revolving credit balance have all been growing steadily. What mechanism is driving this?

At the core of this growth is the "product-driven" philosophy that has guided PayPay since its founding. Even before the integration, there was already a vision to create a credit card that would be easy for *PayPay* users to use, but this initiative has accelerated since we became a fully integrated structure. The frequency of communication between the two organizations increased, and many ideas have been born from discussions such as "we want to do this" or "we should do it this way," leading to actual implementation. As a result, we are able to provide an excellent experience to our strong user base of over 70 million*², enabling them to feel that this card is more convenient than any other they currently use.

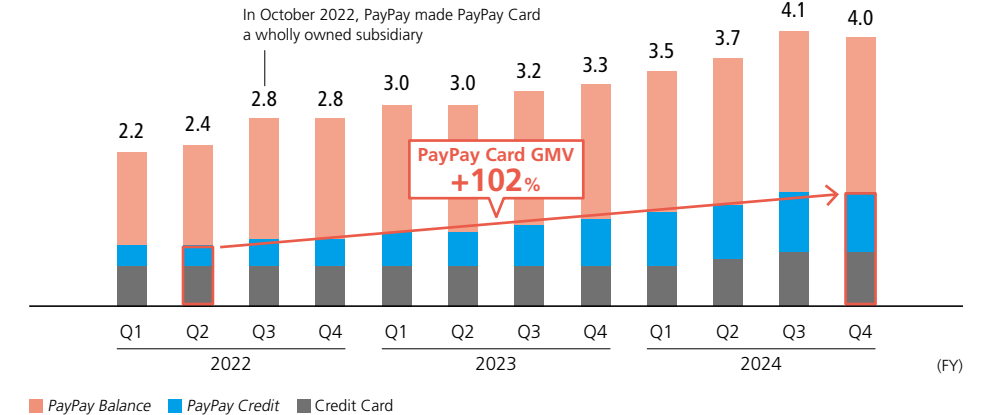
A concrete example of this convenient experience is the alignment of campaigns and services between *PayPay* and *PayPay Card*. For instance, we introduced the popular *PayPay Scratch-off Lottery* to card payments as well. This was a limited-time promotion where users making a payment with the *PayPay* app could scratch a virtual lottery ticket on the app for a chance to win *PayPay Points* equivalent to 0.5% to 100% of the payment amount. By extending this system to card payments, we created an immediate experience where users can check their history on the app and scratch a virtual lottery ticket right after making a card payment. This is a unique strength that can only be offered because the app and card are integrated. In addition to the enjoyment offered by such campaigns, the exceptional convenience of being able to manage all transaction histories on the app strongly motivates users to consolidate their payment methods to *PayPay*, leading to increased usage frequency and higher transaction values. Furthermore, we have provided special perks in the *PayPay Scratch-off Lottery*, such as increasing the chances of winning points when paying with a *PayPay Card* (Blue Screen or physical card), which encourages more frequent use of higher-value payment methods. These initiatives have been successful in boosting GMV.

The increase in the revolving credit balance itself is not the goal. As GMV that can be paid with revolving credit, such as the Blue Screen and the physical card, has grown, we have provided user-friendly features for those who want to use revolving payments. As a result, the balance has naturally increased.

*² As of July 31, 2025

PayPay consolidated GMV (Gross Merchandise Value)*³

(Trillions of yen)

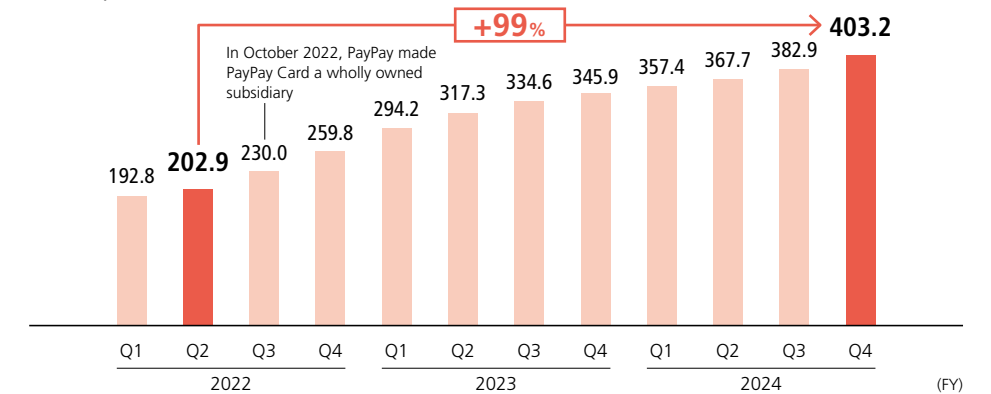


Legend: PayPay Balance (orange), PayPay Credit (blue), Credit Card (grey)

*³ Definition prior to the consolidation of PayPay Bank Corporation as a subsidiary in April 2025

PayPay Card revolving balance

(Billions of yen)





Contents

What Are Our Medium-term Business Strategies?

Medium-term Management Plan

Growth Strategy

> Business Strategies by Segment

Consumer Segment

Enterprise Segment

Media & EC Segment

Financial Segment

Interview with Head of Finance Business Promotion Division, PayPay

Business Strategies by Segment / Interview with Head of Finance Business Promotion Division, PayPay

Q: Can you tell us about the synergies with SoftBank and LY?

While the largest source of new *PayPay Card* users is the *PayPay* app, the next two major pillars are synergies with SoftBank and LY.

Since *PayPay Card* was originally a LY Group company, we have had a close relationship in e-commerce, centered on *Yahoo! JAPAN Shopping*. LY has created an environment where “using *PayPay Card* for its e-commerce services is positioned as more convenient and beneficial,” which leads to the acquisition of new users every month.

In collaboration with SoftBank, we offer benefits such as *PayPay Card Discount* on mobile service charges and point rewards based on the amount paid. Our goal is to make *PayPay Card* the most attractive card for *SoftBank* users. We promote these initiatives through strong customer touchpoints such as *SoftBank* shops nationwide and online channels, which are major sources of user acquisition.

The core of our Group synergy is to provide value that naturally leads users to choose *PayPay Card* in situations where payments are necessary and a large portion of them are made with a credit card, such as with mobile services and e-commerce.

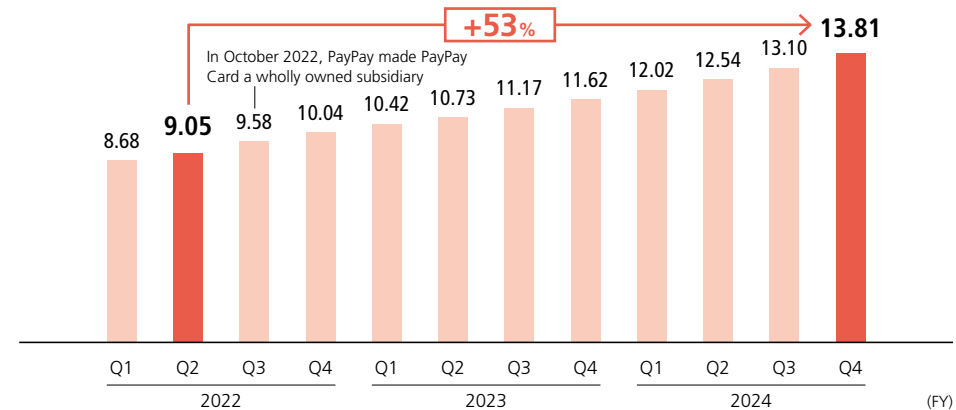
Q: What sets PayPay apart and what are its future aspirations?

What sets us apart is our ability to deliver a truly convenient product and to quickly translate user needs into new features. This is made possible by the PayPay Group’s unique organizational structure, which unites experts from both finance and Internet/app development. The combination of these different areas of expertise allows us to quickly create truly valuable services for users while adhering to laws and regulations.

The motto for developing these services is “user-first.” What we should offer is not just temporary “benefits,” but fundamental “convenience” that leads to continued use. By continuously providing this convenience across all user touchpoints, we will establish ourselves as a service for daily use and build a virtuous cycle of increased usage frequency, higher transaction values, and expanded financial service revenues.

Number of active PayPay Cards issued

(Millions of cards)





Contents

What Is Our Financial Strategy to Support Growth?

CFO Message

What Is Our Financial Strategy to Support Growth?

In this section, the CFO explains our approach to achieving both further growth in the AI domain and a high level of shareholder returns in his own words. It also describes our policies on capital allocation and financial discipline to achieve this.



Contents

What Is Our Financial Strategy to Support Growth?

> [CFO Message](#)



CFO Message

Balancing investment for transformation with record-high profits Accelerating preparations for the next Mid-term Plan

Summary of FY2024 results

Revenue and profit increased in all segments and Mid-term Plan targets achieved ahead of schedule

FY2024, the second year of our Mid-term Plan, was a highly successful year with all segments achieving increases in revenue and profit. All segments even exceeded their upwardly revised plans, allowing us to achieve our Mid-term Plan targets (revenue of ¥6.5 trillion, operating income of ¥970 billion) announced in May 2023, one year ahead of schedule.

In the Consumer segment, profitability improved significantly due to an increase in smartphone subscribers and a stabilization in ARPU, along with thorough cost control, leading to an increase in segment income of more than ¥30 billion from the previous year. In the Enterprise segment, excluding one-time factors recorded in the previous year, we achieved an underlying increase of approximately 8% in segment income. Over the two-year period since the Mid-term Plan was launched in FY2023, we have achieved double-digit growth, progressing

smoothly in line with the initially targeted growth pace. In the Media & EC segment, there was a one-time uplift in segment income from a gain on loss of control over subsidiaries, but even excluding this, the business achieved a 20% increase in profit. In the Financial segment, PayPay maintained GMV growth of over 20% year on year while implementing effective cost control, thus becoming profitable at the segment level.

FY2025 outlook and aspirations

Pursuing record-high profits and laying the groundwork for the next Mid-term Plan

For FY2025, we project operating income, calculated as the sum of all segment income, will reach ¥1.1 trillion, building on our strong performance. Leveraging this solid foundation, we plan to execute upfront investments and R&D of approximately ¥100 billion in "Other/growth investments," including generative AI-related investments, with an eye toward further growth from FY2026 and beyond. Even with these strategic investments, we still project operating income of ¥1 trillion. This level is a significant increase from the Mid-term Plan target announced in May 2023. As I entered my 22nd fiscal year as CFO, there have been few occasions when we have been so well positioned to pursue forward-looking investments and articulate such a positive outlook for the future. I intend to use this great opportunity to formulate the next Mid-term Plan and guide the Company onto a solid growth trajectory.

**Kazuhiko
Fujihara**

Board Director,
Executive Vice President
& CFO



CFO Message

Contents

What Is Our Financial Strategy to Support Growth?

> CFO Message

Regarding revenue, we have raised our initial plan by ¥200 billion to ¥6.7 trillion. This will mark 10 consecutive years of revenue growth since 2015, when four telecom companies*¹ merged to form the current structure. Net income attributable to owners of the Company is projected to be ¥540 billion, exceeding FY2022 figures, which included a re-measurement gain on PayPay of ¥195.2 billion, and setting a new record.

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



AI-related investments

Accelerating growth with AI as a front-runner in Japan

The Company is confident that a “society that coexists with AI” will become a reality, where people can enjoy convenient and comfortable lives as AI is integrated into various products and services. On the other hand, the use of AI is expected to present a challenge in securing the vast amount of power needed for data processing. To address this, the Company is developing “distributed AI data centers” located throughout Japan, with the aim of achieving “Next-generation Social Infrastructure.” (P22)

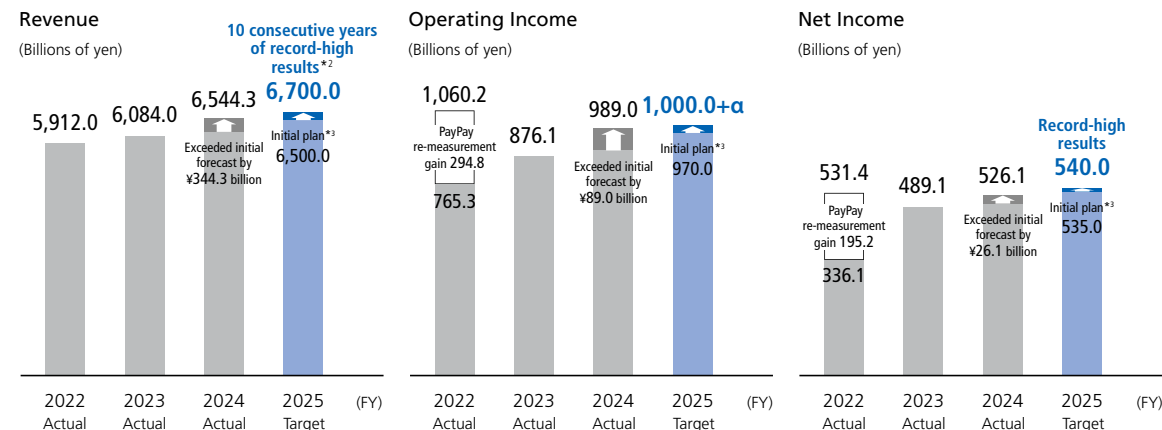
In November 2023, we announced the construction of a large-scale AI data center in Tomakomai City, Hokkaido Prefecture, with a planned investment of ¥35 billion (after considering subsidies of up to ¥30 billion from Japan’s Ministry of Economy, Trade and Industry). This data center will utilize renewable energy from within Hokkaido Prefecture to the maximum extent possible. Furthermore, in March 2025, we acquired the land and buildings of Sharp Corporation’s Sakai

Plant for approximately ¥100 billion, which is expected to ensure access to sufficient power supply. We also plan to invest ¥122 billion in AI computing infrastructure (including GPUs), net of ¥47 billion in subsidies for the Cloud Program from Japan’s Ministry of Economy, Trade and Industry. Of this amount, ¥78 billion has already been invested in existing data centers in the Kanto region over the past two years.

The high demand for data centers and the fact that the Company has already secured power supply are major strengths. Leveraging this advantage, we expect to generate revenue that at least exceeds our cost of capital by leasing our AI computing infrastructure. We will also pursue the upside of providing high-value-added services using our in-house developed Large Language Model (LLM) and generative AI, thereby maximizing the return on invested capital.

We are proud to be a front-runner in AI in Japan. In recent years, as symbolized by the concepts of “sovereign AI” and “sovereign cloud,” AI is becoming a social foundation closely tied to national security and a country’s competitiveness. We intend to use collaboration and support from the government to expand our opportunities for larger challenges and growth.

Mid-term Plan financial targets



*2 Since the merger of four telecom companies in 2015, record-high results have been achieved each year

*3 Target figures of the Mid-term Plan announced in May 2023

*4 From FY2025, PayPay Bank Corporation, which was previously classified under the “Media & EC segment,” has been transferred to the “Financial segment.” As a result, the figures for the “Media & EC segment” and the “Financial segment” for FY2024 have each been retrospectively adjusted by ¥8.5 billion.

*5 As PayPay Corporation, which is classified under the “Financial segment” is preparing for an initial public offering (IPO), FY2025 full-year forecasts for the “Media & EC segment” and the “Financial segment” are disclosed as a combined total.

FY2025 full-year operating income forecasts by segment

(Billions of yen)	FY2024 Actual	FY2025 Forecast	YoY	YoY%
Consumer	530.4	550.0	+19.6	+3.7%
Enterprise	170.3	188.0	+17.7	+10.4%
Distribution	30.4	32.0	+1.6	+5.1%
Media & EC* ⁴	258.8			
Financial* ⁴	41.7	330.0* ⁵	+29.5	+9.8%
Subtotal	1,031.6	1,100.0	+68.4	+6.6%
Other/ Growth Investments	-42.6	-100.0	-57.4	—
Total	989.0	1,000.0	+11.0	+1.1%



CFO Message

Contents

What Is Our Financial Strategy to Support Growth?

> CFO Message

Capital allocation

Generating a high level of primary free cash flow and allocating long-term funds for AI investments

Since its listing, the Company has consistently pursued a policy of “balancing long-term growth with high levels of shareholder returns.” Under this policy, the basic design of our capital allocation is to generate a high level of primary free cash flow*⁶ mainly from the telecommunications business each year, and to ensure a surplus of tens of billions of yen after deducting lease fees for base stations and dividends paid from cash flows from financing activities, to be used for additional growth investments and improving our financial position.

On the other hand, AI-related investments are long-term initiatives aimed at building Next-generation Social Infrastructure. We plan to fund these initiatives with capital-like financing, such as Bond-Type Class Shares and long-term debt such as long-term loans. For this reason, in calculating primary free cash flow*⁶, we exclude these long-term growth investments from cash flows from investing activities. To date, the Company has issued

Bond-Type Class Shares twice, raising a total of ¥320 billion. Of this amount, approximately ¥122 billion (after deducting subsidies) was allocated to building out AI computing infrastructure, and approximately ¥100 billion was used to acquire the land and buildings of Sharp Corporation’s Sakai Plant for the construction of an AI data center. The remaining approximately ¥100 billion is secured as funds for future growth investments.

Diversifying funding base

Securing diverse funding sources and addressing rising interest rates

In July 2025, the Company issued its first foreign currency-denominated ordinary notes (foreign notes). Prior to this, we received credit ratings of “BBB” from S&P and “BBB+” from Fitch, both with a “Stable” outlook. Raising funds through foreign notes is very effective for securing long-term funds in a stable and large-scale manner. By having funding options not limited to Japan, we can implement flexible financial strategies that take into account foreign exchange and global interest

rate trends, which also leads to a reduction in funding costs and a leveling out of repayment schedules.

Furthermore, we are maintaining a structure that allows for additional issuances of Bond-Type Class Shares in the future. We believe this will further strengthen our financial base as one of the diverse funding options for future growth investments. Meanwhile, addressing rising interest rates is also a crucial challenge. About 90% of our interest-bearing debt is raised at a fixed rate, but since a certain amount is refinanced each year, the impact of interest rates is gradually becoming apparent. In this environment, it is important to optimize cash on hand throughout the Group and to streamline intra-Group financial transactions to suppress the increase in interest expenses.

Financial discipline and capital efficiency

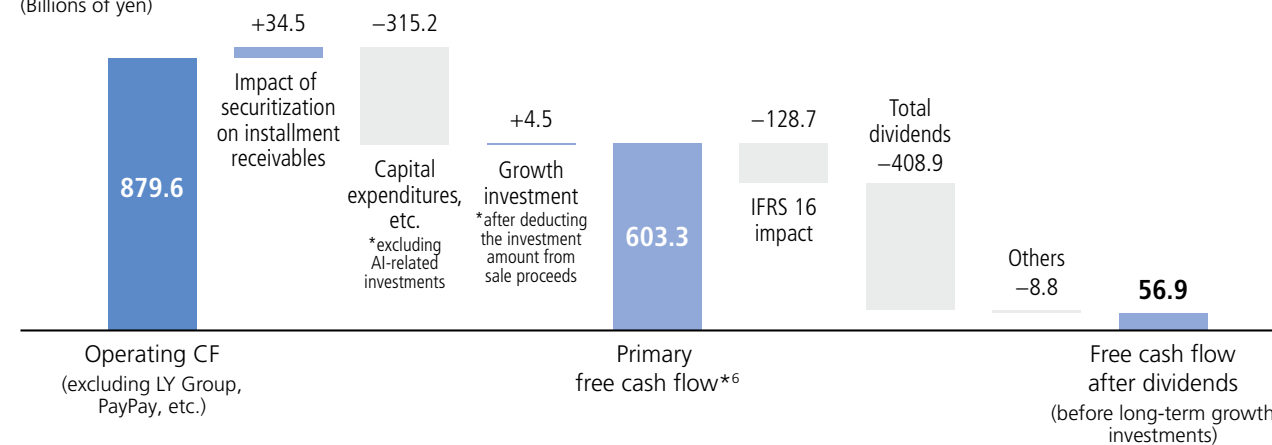
Maintaining high credit ratings and capital efficiency with ROE exceeding 20%

In Japan, the Company has also obtained high long-term credit ratings of “A+” from Rating and Investment Information, Inc. (R&I) and “AA-” from Japan Credit Rating Agency, Ltd. (JCR). To maintain these high credit ratings both in Japan and overseas, we have set a financial discipline target for the adjusted net leverage ratio*⁸, defined as net interest-bearing debt (excluding LY Group and PayPay, etc.) divided by adjusted EBITDA*⁷, to be in the mid-2x range. At the end of FY2024, net interest-bearing debt was approximately ¥3 trillion, almost the same as the end of the previous fiscal year, but due to the increase in adjusted EBITDA, the adjusted net leverage ratio (excluding LY Group, PayPay, etc., and securitization of installment sales receivables) improved from 2.4x at the end of the previous fiscal year to 2.3x.

At the end of FY2024, shareholders’ equity increased by ¥366.6 billion from the end of the previous fiscal year, and the shareholders’ equity ratio was 17% (an increase of 1.7

Primary free cash flow*⁶

(Billions of yen)



*⁶ Primary free cash flow is a measure calculated by adding back the amounts spent as long-term growth investments to adjusted free cash flow (excluding LY Group, PayPay, etc.). Adjusted free cash flow (excluding LY Group, PayPay, etc.) = free cash flow + (proceeds from the securitization of installment sales receivables – repayments thereof) – free cash flow of the LY Group, PayPay, etc. + dividends received from A Holdings Corporation and investment in PayPay Securities Corporation, etc. “LY Group, PayPay, etc.” refers to A Holdings Corporation, LY Corporation and its subsidiaries (LY Group), B Holdings Corporation, PayPay Corporation, PayPay Card Corporation, PayPay Bank Corporation, PayPay Securities Corporation, etc. Long-term growth investments include investments in AI computing infrastructure and AI data centers

*⁷ Adjusted EBITDA = operating income + depreciation and amortization (including loss on disposal of non-current assets) + stock compensation expenses ± other adjustments

*⁸ Excluding net interest-bearing debt and adjusted EBITDA of A Holdings Corporation, LY Corporation and its subsidiaries (LY Group), B Holdings Corporation, PayPay Corporation, PayPay Card Corporation, PayPay Securities Corporation, etc., interest-bearing debt of securitization of installment sales receivables, and cash reserve for securitization of sales receivables



Contents

What Is Our Financial Strategy to Support Growth?

> CFO Message

CFO Message

percentage points from the end of the previous fiscal year). This was contributed by the issuance of Bond-Type Class Shares, and as a result of accumulating net income while continuing to provide a high level of shareholder returns, shareholders' equity has been increased to ¥2.7 trillion.

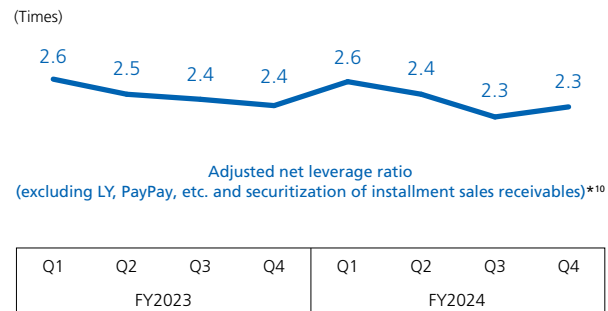
The Company utilizes debt to the maximum extent possible to reduce its weighted average cost of capital (WACC). The WACC for the entire Company, which is primarily a telecommunications business, is at the level of about 5%, and we regularly verify this figure. On the other hand, for new businesses that differ in nature from the existing telecommunications business, the business risks are vastly different, so in making investment decisions for them, we seek a return that significantly exceeds the cost of capital. Currently, the Company's ROE is over 20%, and we will continue to achieve high capital efficiency going forward.

Shareholder returns

Balancing high shareholder returns with growth investments

Since its listing, the Company has consistently adopted the basic policy of "balancing long-term growth with high levels of shareholder returns." We believe that for our shareholders, "growth" is reflected in the stock price, and "returns" are in

Net leverage ratio*9



*9 Net leverage ratio = net interest-bearing debt / adjusted EBITDA (last 12 months for the relevant quarter)

*10 In the second quarter of FY2023, the definition has been changed and PayPay Securities Corporation and PPSC Investment Service Corporation have been included in "LY, PayPay, etc." In accordance with this change, figures for the first quarter of FY2023 have been retrospectively adjusted

*11 The Company has conducted a stock split at a ratio of 10 shares per common share, with the effective date being October 1, 2024. The stock prices prior to October 1, 2024 have been adjusted to reflect this stock split.

the form of dividends. Therefore, we always manage the Company with Total Shareholder Return (TSR) in mind, which is the combination of stock price fluctuations and dividends. TSR is also incorporated into the indicators for the medium-term performance-linked compensation of our directors.

Against the backdrop of our strong recent performance, we recognize that our shareholders' expectations for increased dividends are rising. At the same time, the Company is in a phase with abundant growth opportunities. Therefore, if our performance further exceeds expectations after executing upfront investments, we will consider options such as share repurchases and dividend increases.

Message to the capital markets

Looking 10 years ahead, we will remain a "company that is not afraid of change"

I was appointed CFO in 2004, the year after the Company incurred an operating loss of approximately ¥100 billion in the broadband business. In the more than 20 years since then, we have evolved into a company that can project operating income of ¥1 trillion. This reflects our track record of identifying growth areas and boldly taking on challenges with an eye toward the future.

SoftBank has never rested on past successes but has always

embraced change. We have consistently run at the forefront of the times, based on the belief that "it is not the strongest or the most intelligent who will survive, but those who can adapt to change."

Now, with AI in its early stages, taking on this wave of change is a major opportunity for the Company to evolve. We will continue to take on challenges so that we can look back in 10 years with confidence and say, "that was the right decision." As CFO, I will serve as the Company's compass, pursuing a balance between offense (investing for future leaps) and defense (securing financial soundness). At the same time, I will push forward discussions toward formulating the next Mid-term Plan. I am confident that this approach will lead to the sustainable improvement of corporate value in this age of change and meet the expectations of our shareholders and investors.



Total Shareholder Return (TSR, FY2022 – FY2024)



(FY)	2018	2019	2020	2021	2022	2023	2024
Fiscal year-end stock price*11 (Yen)	124.7	137.5	143.9	142.8	152.9	195.1	208.4
PER (Times)	12.9	13.8	13.9	13.0	13.6	18.9	18.9
PBR (Times)	4.0	6.5	4.4	3.4	3.3	4.1	4.1



Contents

What Is Our Approach to Sustainability?

Sustainability Strategy

Material Issues

What Is Our Approach to Sustainability?

To realize a sustainable society, we have identified six material issues to address under the concept of “a world where all things, information, and minds are connected”. This section describes our sustainability strategy and provides an overview of our material issues.



Sustainability Strategy

Contents

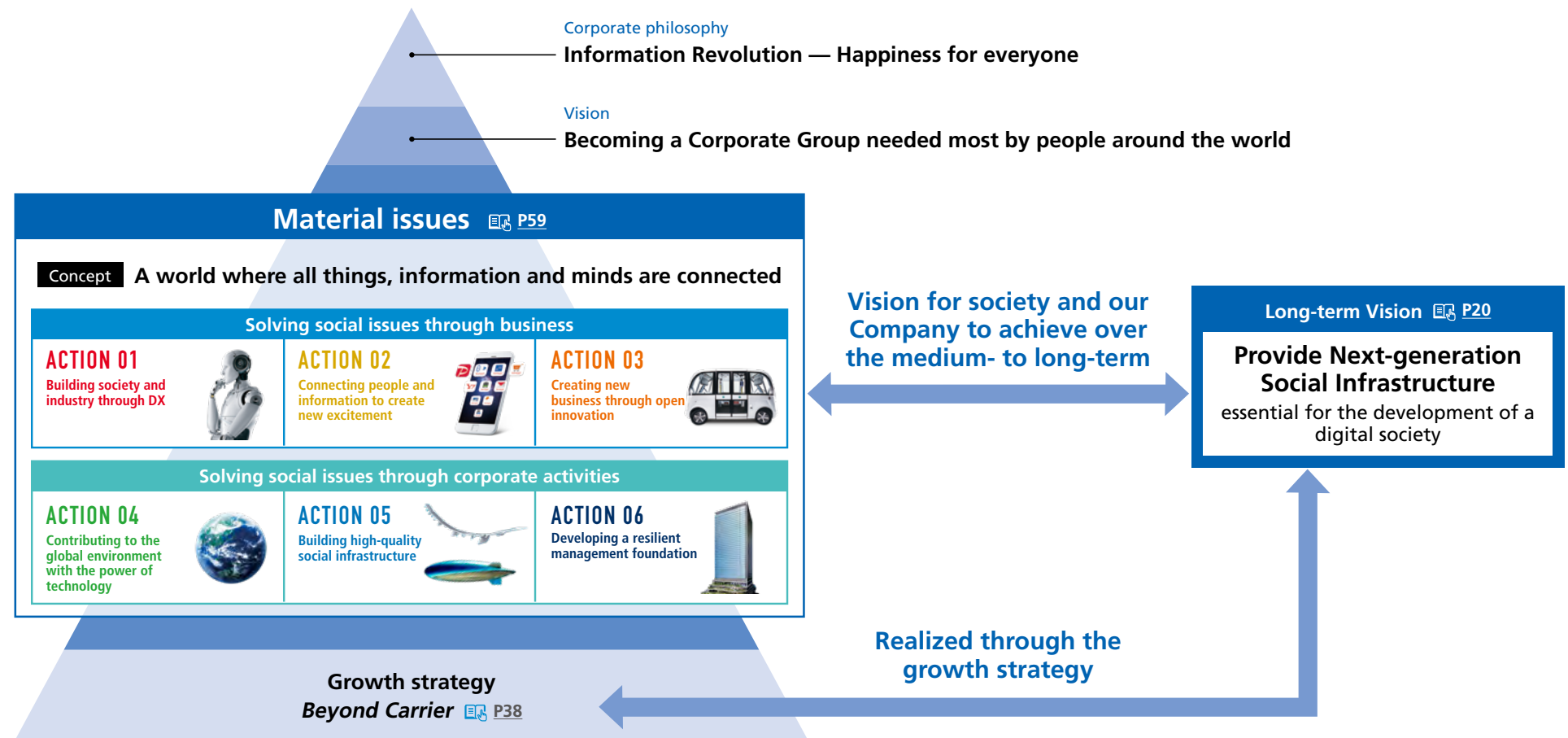
What Is Our Approach to Sustainability?

> [Sustainability Strategy](#)

Material Issues

We have established the concept of “a world where all things, information, and minds are connected” to achieve both our contribution to a sustainable society and our own sustainable growth, and have identified six material issues as themes for realizing this concept. We believe these are not only the embodiment of our corporate philosophy, “Information Revolution — Happiness for everyone,” but also an important compass for promoting our *Beyond Carrier* growth strategy.

Furthermore, our Long-term Vision for 2030 represents the state where our material issues—which are our key medium- to long-term internal and external challenges—have been executed and realized. It also shows the future outlook that will be materialized through the planned and steady execution of our growth strategy. In this way, our Long-term Vision, material issues, and growth strategy maintain a strong, interconnected relationship.





Sustainability Strategy

Contents

What Is Our Approach to Sustainability?

> Sustainability Strategy

Material Issues

To integrate and promote our growth strategy and sustainability, we have established the “Sustainability Basic Policy.” The Board of Directors oversees the progress of our sustainability initiatives and deliberates and resolves important related matters. Furthermore, to strengthen our management oversight functions, we have established the ESG Promotion Committee as an advisory body to the Board of Directors.

Sustainability Basic Policy

At SoftBank, we will work to resolve various social issues through our corporate and business activities to realize a sustainable society in which all things, information and minds are connected.

- We will provide wonder, peace of mind, and delight through a customer-oriented business approach.
- To meet stakeholder expectations, we will continue to challenge ourselves to achieve corporate growth and clearly disclose information.
- Employee satisfaction, pride, uniqueness, and diversity will be encouraged and valued.
- Mutual trust and fair trade with our suppliers will be a priority (to prevent corruption and bribery, etc.).
- To create a better future for everyone, we will continue to drive an information-based society, support education for the next generation, increase communication for our diverse society, protect the environment and manage resources in a sustainable manner, conserve biodiversity, and provide disaster response and relief.

Sustainability oversight structure

To further advance sustainability-driven management, the Board of Directors deliberates and resolves key sustainability matters and oversees the progress of its initiatives. Furthermore, to reinforce governance oversight in the sustainability area, the Company has established the ESG Promotion Committee (chaired by Junichi Miyakawa, President & CEO) as an advisory body to the Board. The Committee convenes, in principle, quarterly (four times a year) and on an ad hoc basis when important issues arise, to monitor the progress of the Group’s sustainability activities and make recommendations to the Board. In its decision-making, the Board gives full consideration to these recommendations, ensuring that sustainability perspectives are properly integrated into the Company’s management.

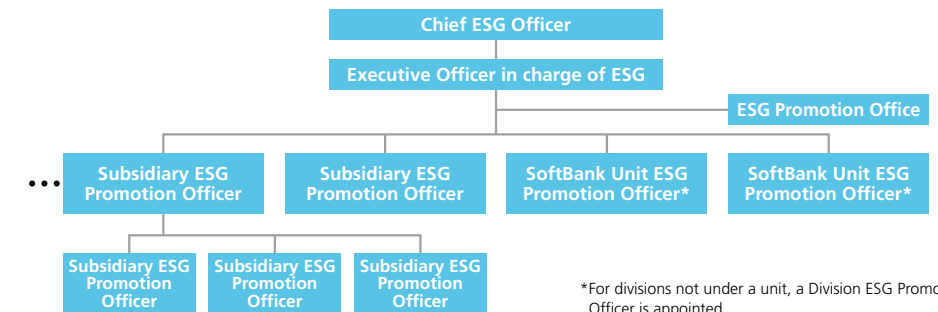
(Note) For the corporate governance system, please refer to [ESG P85](#).

Sustainability execution structure

The President & CEO, as the Chief Officer of ESG Promotion, is responsible for the SoftBank Group’s overall sustainability initiatives, and the Executive Vice President & CHRO serves as the executive officer in charge of ESG promotion. In addition to establishing the ESG Promotion Office to promote the Group’s sustainability activities, we have appointed an ESG promotion officer in each of

our divisions and subsidiaries. These officers carry out various activities tailored to their business operations and work in coordination with the ESG Promotion Office to enhance the effectiveness of these efforts as a unified group. Furthermore, we respond swiftly to sustainability issues by collaborating with the Risk Management Committee, the Environment Committee, and the Committee for the Promotion of Women in the Workforce, among others.

Sustainability promotion structure (as of June 26, 2025)



*For divisions not under a unit, a Division ESG Promotion Officer is appointed.

Annual agenda of ESG Promotion Committee

[FY2024]

Date	Agenda
1st meeting Apr. 16	<ul style="list-style-type: none"> • ESG trends and developments • FY2023 performance review • Results of material issues review • FY2024 KPIs
2nd meeting Jul. 23	<ul style="list-style-type: none"> • Dialogue with experts: Report on the importance and trends of ESG from an investor's perspective • Company-wide promotion of ISSB/SSBJ standards • ESG initiatives for the supply chain • ESG promotion-related (ESG briefing session for investors)
3rd meeting Oct. 22	<ul style="list-style-type: none"> • ESG trends and developments • Progress of KPIs for the first half of FY2024 • Progress on ISSB/SSBJ compliance
4th meeting Jan. 28	<ul style="list-style-type: none"> • Progress on ISSB/SSBJ compliance • Internal carbon pricing-related • ESG promotion-related (SDGs Action Award)

[FY2023]

Date	Agenda
1st meeting Apr. 18	<ul style="list-style-type: none"> • FY2022 performance review • Results of material issues review • FY2023 KPIs
2nd meeting Jul. 24	<ul style="list-style-type: none"> • ESG trends and developments • Dialogue with experts: Net-zero business • Dialogue with leading ESG companies
3rd meeting Oct. 24	<ul style="list-style-type: none"> • ESG trends and developments • Dialogue with companies practicing ESG management • Progress of KPIs for the first half of FY2023
4th meeting Jan. 23	<ul style="list-style-type: none"> • ESG promotion-related (CSRD compliance, ESG briefing for investors, SDGs Action Award) • Dialogue with companies practicing ESG management



Material Issues

Contents

What Is Our Approach to Sustainability?







Sustainability Strategy

➤ **Material Issues**

Under the concept of “a world where all things, information, and minds are connected,” SoftBank has identified six material issues for sustainable growth. These serve as key drivers for both contributing to a sustainable society and enabling our own sustainable growth, forming visionary material issues that guide us toward realizing our future vision.

(Please refer to “Material Issues” on our website for details on material issues, including risks and opportunities and SoftBank’s initiatives.)

Six material issues

	Material issues	Value creation	Target KPIs in FY2025 <small>(Note)</small>	FY2024 results	Related pages
Solving social issues through business	 ACTION 01 Building society and industry through DX Create new industries and provide solutions for transforming various businesses in society by utilizing cutting-edge technologies such as 5G and AI.	(1) Expand and enhance the efficiency of the industrial base through cutting-edge technologies (2) Create new industries through DX (3) Revitalize local communities (regional revitalization)	Revenue from business solution and others • CAGR: 10%*1	27% YoY increase*2	Enterprise Segment P41
	 ACTION 02 Connecting people and information to create new excitement Provide new experiences and enrich the lifestyles of our customers by promoting the adoption of smart devices. Concurrently, create value for both customers and partners by providing attractive platforms that connect people to information.	(1) Realize attractive customer value through the spread of smart devices (2) Provide an environment in which everyone can access information (3) Leveraging ICT to create new lifestyles and enhance the foundations for daily life	1) Smartphone cumulative subscribers: • Continuous expansion of the customer base 2) Cumulative registered PayPay users • 70 million*3	1) 1.04 million 2) 68.38 million	Consumer Segment Financial Segment P39 P45
	 ACTION 03 Creating new business through open innovation Develop cutting-edge technologies and innovative business models by leveraging our relationships with global leading innovative companies. Concurrently, promote the development of a highly-skilled workforce and the establishment of an organization that supports the expansion and penetration of new businesses.	(1) Building a foundation to support business transformation through AI (2) Development of next-generation business initiatives through cutting-edge technologies and business collaborations (3) Build systems to recruit and develop human resources to lead growth and create new businesses	Commercial deployment of homegrown LLMs*4	Construction of a homegrown LLM*4 with 460 billion parameters	What Is Our Long-term Growth Strategy? P19
Solving social issues through corporate activities	 ACTION 04 Contributing to the global environment with the power of technology Contribute to mitigating climate change, promoting a circular economy and the adoption of renewable energy by utilizing cutting-edge technologies to pass on a sustainable global environment to the next generation.	(1) Contribute to the mitigation of climate change through technology and business (2) Promote a recycling-based society (circular economy) (3) Contribute to biodiversity conservation (4) Realize a prosperous society through the spread of renewable energy	• Net zero emissions (Scope 1, 2, 3*5) (FY2050)*6 • Carbon neutrality (Scope 1, 2*5) (FY2030)*6	Scope 1, 2: progress in emissions reduction in line with SBTi*7 standard (Aligned with the IPCC*8 1.5°C scenario) Scope 3: increase in emissions due to expanded calculation boundary and business growth	How Will We Achieve Carbon Neutrality? P71
	 ACTION 05 Building high-quality social infrastructure We are committed to maintaining a constantly connected and stable communication network, while also protecting our customers’ important data. In addition, we will promote the construction of a “Next-generation Social Infrastructure” with a structure that can meet data processing and the demand for electricity, which is expected to increase rapidly due to the accelerated evolution of AI.	(1) Prepare sustainable life infrastructure (2) Construct robust communications infrastructure to contribute to disaster prevention and mitigation (3) Promote data security and privacy protection initiatives	5G deployment plan • Expansion of 5G standalone (SA) coverage: smartphone SA in key areas of all prefectures (FY2026)	21 prefectures completed	Information Security P104 CISO Interview P106 AI Governance P108
	 ACTION 06 Developing a resilient management foundation Conduct corporate governance with integrity to earn the trust of society through ongoing dialogue with stakeholders. In addition, foster innovation and improve the well-being of our employees by developing a progressive workplace environment where diverse human resources can thrive, utilizing cutting-edge technologies and advancing health and productivity management to maintain and improve the health of employees and their families.	(1) Enhance corporate governance and ensure its effectiveness (2) Sustainable development through cooperation with stakeholders (3) Promoting employee well-being and advancing DE&I to maximize human capital (4) Enhance productivity with advanced workplace environments	Ratio of women in management positions • 20% or more (FY2035) 15% or more by FY2030 (double the ratio of FY2021)	9.9%	Human Resource Strategy P62 How Do We Ensure the Effectiveness of Our Governance? P81

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

*1 Calculated by the Group. CAGR: Compound Annual Growth Rate.

*2 From the first quarter of FY2024, SB Technology Corp. and Cybertrust Japan Co., Ltd., etc., which were previously classified under “Other,” have been transferred to the “Enterprise segment.” Also, in the first quarter of FY2024, the Company has revised its business management categories and transferred certain products from “Mobile” and “Fixed-line” to “Business solution and others.” As a result, the figures for the “Enterprise segment” and the breakdown of all service categories in the segment revenue for FY2023 have been retrospectively adjusted. The results for FY2024 are calculated based on figures after retrospective adjustments.

*3 Figure for PayPay Corporation only, mid-term target.

*4 Large Language Models

*5 Scope 1: direct greenhouse gas emissions by the Company itself; Scope 2: indirect emissions from the use of electricity, heat and steam supplied by other companies; Scope 3: indirect emissions other than Scope 1 and 2 (emissions from supply chain associated with the activities of the Company).

*6 Covers the SoftBank Group.

*7 Science Based Targets initiative

*8 Intergovernmental Panel on Climate Change



Contents

What Is Our Approach to Sustainability?

Sustainability Strategy

> Material Issues

Material Issues

Identifying material issues

Our material issues and the value creation are based on the concept of double materiality, as described later. This approach considers not only the impact of society and the environment on our company, but also the impact of our Company on each stakeholder.

Based on the risks and opportunities identified through the Company's comprehensive risk assessment for short-term (within a few years), medium-term (3-5 years, aligned with the Mid-term Plan), and long-term (10-30 years) perspectives, we evaluate our own significance (likelihood of occurrence and impact). Additionally, we recognize the importance as outlined in international guidelines and reports, and assess external significance by considering the positive and negative impacts (scale, severity, likelihood of occurrence, etc.) on stakeholders such as investors, NGOs/NPOs, customers, employees, and suppliers. We evaluate from the perspectives of both internal and external significance, taking into account the opinions of experts and other third parties. After discussions within the ESG Promotion Committee, we identify and determine the material issues with the approval of the Board of Directors.

Each material issue consists of multiple value creation (values generated through our business activities and initiatives) and contributes to the creation of business and business opportunities.

External importance	Internal importance
Based on the significance of issues identified in international guidelines (such as GRI, SASB, and the SDGs), international reports (like WBCSD Vision 2050), and ESG rating agencies, as well as the potential impact on stakeholders—including investors, NGOs/NPOs, customers, employees, and suppliers (scale, severity, likelihood of occurrence, etc.)—we formulate our strategy by assessing two key aspects: the impact of society and the environment on our Company and Group, and the impact of our Company and Group on society and the environment.	Based on the significance (likelihood of occurrence/frequency and impact) of short-, medium-, and long-term risks and opportunities identified through the Company's comprehensive risk assessment, we assess the importance of various issues within our Company and our Group. We then formulate our approach after considering dialogues with experts and investors, and engaging in discussions within the ESG Promotion Committee.

Addressing double materiality

The principle of double materiality is the concept that importance should be considered from two aspects: the financial impacts of society and the environment on the Company, as well as the impacts of corporate activities on society and the environment. The concept is advocated in international guidelines and others. We identify our material issues based on the principle of double materiality, considering not only the impacts of society and the environment on the Company and the Group but also the impacts of our corporate and business activities on society and the environment. In addition, the impacts caused by the Company*1 are considered with respect to both positive and negative impacts on each stakeholder.

Integrate sustainability-related risks into Company-wide risk management

We integrally manage Company-wide risks and opportunities, including those related to sustainability (such as climate change and human capital). In our Company-wide risk management process,

we conduct risk assessments for the Company and its major subsidiaries that incorporate sustainability perspectives, such as the SASB Standards and the CDSB Framework application guidance. Based on these assessments and interviews with our executive officers and risk owners, the Risk Management Committee selects significant risks and opportunities from a Company-wide perspective. Furthermore, the ESG Promotion Committee utilizes the results of these risk assessments to review and re-evaluate our material issues and KPIs from both internal and stakeholder viewpoints, and monitors the progress of our sustainability activities and KPIs.

Materiality map

[Category]

- Building society and industry through DX
- Connecting people and information to create new excitement
- Creating new business through open innovation
- Contributing to the global environment with the power of technology
- Building high-quality social infrastructure
- Developing a resilient management foundation



[20 value creation items]

- 1 Expand and enhance the efficiency of the industrial base through cutting-edge technologies
- 2 Create new industries through DX
- 3 Revitalize local communities (regional revitalization)
- 4 Realize attractive customer value through the spread of smart devices
- 5 Provide an environment in which everyone can access information
- 6 Leveraging ICT to create new lifestyles and enhance the foundations for daily life
- 7 Building a foundation to support business transformation through AI
- 8 Development of next-generation business initiatives through cutting-edge technologies and business collaborations
- 9 Build systems to recruit and develop human resources to lead growth and create new businesses
- 10 Contribution to climate change policy/measures through technology and business
- 11 Promote a recycling-based society (circular economy)
- 12 Contribution to biodiversity conservation
- 13 Realize a prosperous society through the spread of renewable energy
- 14 Prepare sustainable life infrastructure
- 15 Construct robust communications infrastructure to contribute to disaster prevention and mitigation
- 16 Promotion of data security and privacy protection initiatives
- 17 Enhance corporate governance and ensure its effectiveness
- 18 Sustainable growth through cooperation with stakeholders
- 19 Promoting employee well-being and advancing DE&I to maximize human capital
- 20 Enhance productivity with advanced workplace environments

*1 Please refer to "Identifying material issues" on our website for details.
 *2 Refer to the impacts of the environment and society on the Company and Group and the impacts of the Company and Group on the environment and society.
 (Note) Obtained third-party assurance for the material issues identification process (from Japan Quality Assurance Organization).



Contents

What Are Our Initiatives to Enhance Human Capital Value?

Human Resource Strategy

Interview with Executive in charge of Human Resources

Building an Optimal Human Resource Portfolio

Promotion of DE&I, Well-being and Engagement

SoftBank's Human Resource Initiatives

List of Achievements

What Are Our Initiatives to Enhance Human Capital Value?

We believe that “human resources are the drivers of business growth,” and have positioned human resource strategy as the core of our management strategy. This section explains specific human resource measures to realize our Long-term Vision and how this strategy leads to enhancing our corporate value.





Human Resource Strategy SoftBank's HR strategy: Information Revolution — Happiness for everyone

Contents

What Are Our Initiatives to Enhance Human Capital Value?

> Human Resource Strategy

Interview with Executive in charge of Human Resources

Building an Optimal Human Resource Portfolio

Promotion of DE&I, Well-being and Engagement

SoftBank's Human Resource Initiatives

List of Achievements

Based on our belief that talent is the key that drives business growth, we position our human resource strategy as a core element of our management strategy. Our human resources mission is to connect “people” and “business” to achieve growth for both. We believe that creating opportunities for diverse talent to fully demonstrate their capabilities and fostering an accommodating work environment are essential for enhancing corporate value over the medium- to long-term.

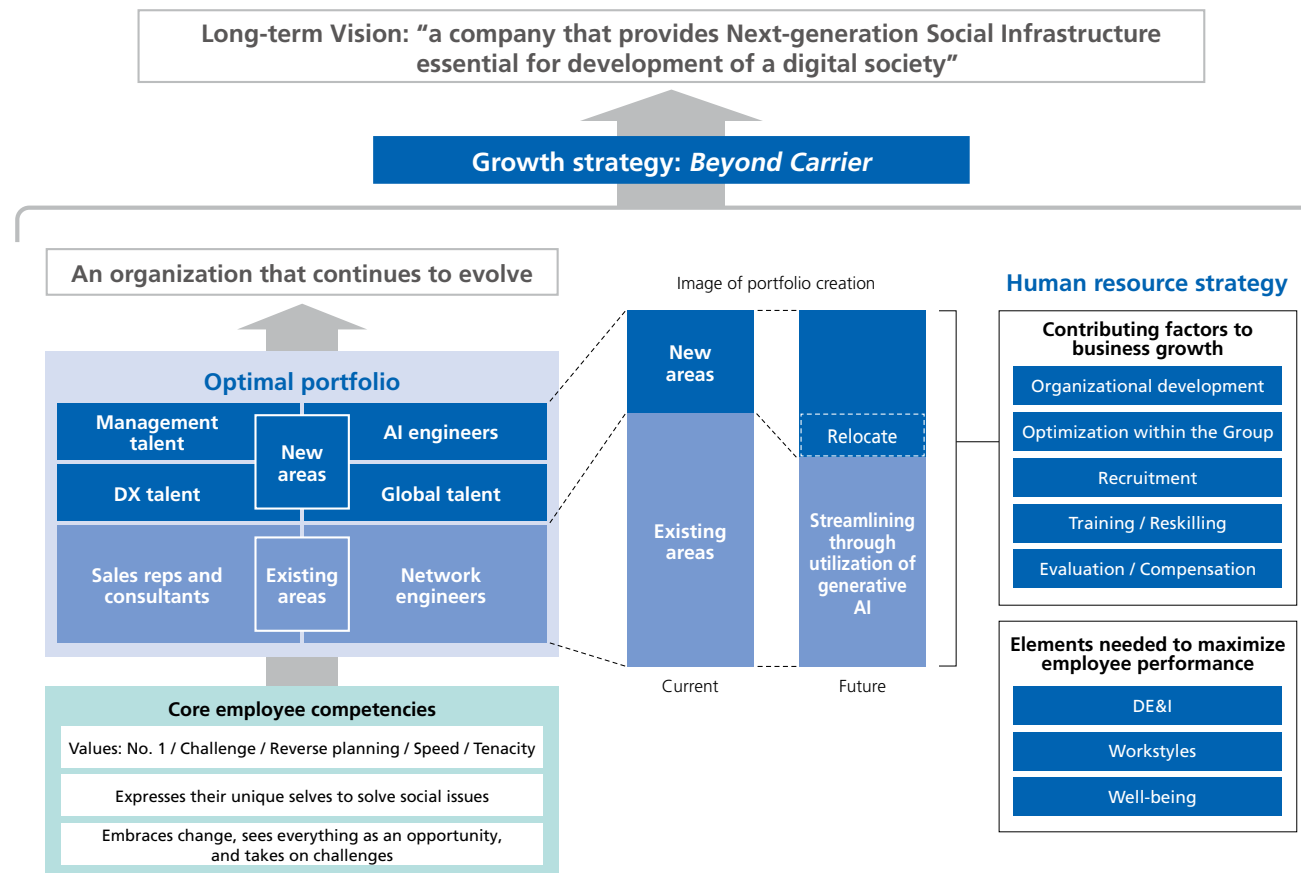
To realize our Long-term Vision of “providing Next-generation Social Infrastructure essential for the development of a digital society,” our human resource strategy aims to build an optimal portfolio centered on strengthening new business areas and improving efficiency in existing ones. In new business areas, we are strengthening the recruitment and development of high-value talent who will create future businesses and drive change, such as “AI engineers,” “DX talent,” “global talent,” and “management talent.” Concurrently, in existing business areas, we aim to maximize the productivity and creativity of the entire organization by mastering the use of generative AI. By

improving efficiency and reallocating employees from existing areas, we are shifting personnel to new business areas, with a focus on AI-related businesses.

Furthermore, in our quest to become “the leading company in Japan for generative AI utilization,” we are promoting the use of generative AI throughout the Company by providing generative AI tools and various training programs. We believe that talent who enjoy change and continuously take on new challenges are a vital driving force for our sustainable growth. Looking ahead to a society that coexists with AI, we are creating an environment where such talent can thrive and find their work rewarding.

We believe that closely integrating our business strategy with our human resource portfolio is crucial for advancing our Long-term Vision. We will continue to promote our human resource strategy to create a positive cycle of employee and Company growth, aiming to be a corporate group that constantly evolves.

HR strategy overview





Human Resource Strategy

Contents

What Are Our Initiatives to Enhance Human Capital Value?

> Human Resource Strategy

Interview with Executive in charge of Human Resources

Building an Optimal Human Resource Portfolio

Promotion of DE&I, Well-being and Engagement

SoftBank's Human Resource Initiatives

List of Achievements

Interview with Executive in charge of Human Resources

An optimal HR portfolio strategy evolving by enabling employees to take on challenges and exercise autonomy



Yasuyuki Genda

Executive Vice President,
Head of Corporate Unit

Q: What role does the human resource strategy play in achieving the Long-term Vision?

Our human resource strategy plays the role of building an optimal HR portfolio, maximizing the potential of our employees, and driving the Company's sustainable growth in line with our Long-term Vision of "providing Next-generation Social Infrastructure essential for the development of a digital society."

Building this optimal HR portfolio means using generative AI to boost productivity and efficiently manage existing business domains, while strategically reallocating human resources to new domains such as generative AI and domestic cloud businesses. By combining the recruitment of specialized talent like AI and security engineers with the reallocation and reskilling of existing employees, we have shifted approximately 1,000 employees to new domains over the past two years, while keeping the number of employees at SoftBank on a standalone basis nearly unchanged.

This optimal HR portfolio is supported by a corporate culture that enables each employee to proactively exercise their capabilities, and by HR systems that promote this culture. We have valued our employees' willingness to chart their own career paths and to take on challenges with a forward-looking attitude. As a result of more than a decade of recruiting and developing such talent, this mindset has become firmly embedded within our organization, as evidenced by the large number of applications we receive whenever we post openings for transfers to new businesses. Behind this lies not so much the system itself, but rather a strong sense of ownership in which employees approach their work as their own responsibility. We believe that as this mindset continues to spread, it will foster the next generation of leaders and drive SoftBank's sustainable growth.

Q: Please tell us about specific initiatives for securing and developing talent.

We maximize the use of internal resources to secure talent in growth areas. For example, in the development of our homegrown LLM *Sarashina*, we first formed the core team through internal transfers, including job postings within the Company. We then expanded the team through external recruitment. This "inside-out" approach to securing talent is now established Company-wide, not just in the AI domain.

We are also diversifying our recruitment channels, utilizing methods that allow us to directly approach highly skilled talent, such as referrals (employee introductions) and direct sourcing (a method where companies directly approach candidates). This enables flexible and agile talent acquisition, moving away from traditional mass recruitment and over-reliance on agencies.



Contents

What Are Our Initiatives to Enhance Human Capital Value?

> Human Resource Strategy

Interview with Executive in charge of Human Resources

Building an Optimal Human Resource Portfolio

Promotion of DE&I, Well-being and Engagement

SoftBank's Human Resource Initiatives

List of Achievements

Human Resource Strategy

Q: What kind of discussions do you have with management regarding human capital?

We have regular discussions with management on topics such as “developing next-generation executive talent,” “how to use generative AI to improve productivity,” and “how to shift people to new departments.” Based on these dialogues, we design our placement measures and training programs for optimizing our HR portfolio.

One example is our “reskilling-based job posting.” When we transferred personnel to our domestic cloud business through an internal recruitment system, not all of the required skills and experience were available within the Company. To address this, we introduced the “reskilling-based job posting,” under which employees who were transferred through this system receive two to three months of training after their transfer to help them acquire the necessary skills.

These mechanisms are the result of a shared understanding with management: “In addition to external recruitment, we must make the most of our internal human capital.” Going forward, we will continue to evolve our organization by optimizing our human resource placement from a medium- to long-term perspective, not just focusing on short-term replenishment.

Q: How do DE&I and well-being connect with the Company's growth strategy and corporate value?

For the human resources department, our most important customers are the “employees.” Therefore, we are focusing on creating a foundation where employees can work with peace of mind over the long term and perform at their best, with DE&I and well-being at the core.

First, we are reviewing our compensation system to balance the financial stability of our employees with their motivation to take on challenges. To address inflation, we implemented base salary increases for three consecutive years from FY2023, thereby supporting stability in employees' livelihoods. Concurrently, we are firmly securing rewards for performance by placing a greater emphasis on performance-linked bonuses. This has helped boost employee engagement, especially among younger employees.

In promoting DE&I, we are addressing the promotion of women in the workforce as a critical management issue. Previously, although there were no gender gaps in performance evaluations, there was a nearly two-fold disparity between men and women in the promotion rates to director and manager positions. This revealed that despite advocating “meritocracy,” we were not fully placing the right people in the right roles. While various factors such as unconscious bias and differences in self-esteem may have contributed to these gaps, we reported this situation to management and reaffirmed the understanding that “an organization that embraces diversity is essential for sustainable global growth.”

We view these DE&I initiatives as contributing factors to corporate value enhancement by serving as a crucial foundation for sustainable growth, even if their direct contribution to short-term profits is not always apparent.

Q: What are the characteristics of SoftBank's culture, and what is your future policy for fostering it?

SoftBank's culture is rooted in our history of achieving “step-change growth.” One of the hallmarks of SoftBank is our ability to constantly change, combining diverse ways of thinking, adaptability to various businesses, flexibility, and a forward-looking mindset.

At the core of this culture are our “Values.” Specifically, the five values—“No. 1,” “Challenge,” “Reverse Planning,” “Speed,” and “Tenacity”—are shared by all employees and serve as the central principles for our daily decision-making and actions. These values are the foundation of our history of repeatedly taking on challenges in new technologies and businesses.

The values of “No. 1” and “Challenge” are particularly important. The mindset of striving for higher goals, instead of settling for “good enough,” drives the evolution of our organization. We view difficulties not as hardships but as challenges, seeking the new perspectives and self-growth that lie beyond. Thus, we aim to create a group that takes action on its own volition, rather than being forced to act. Additionally, the values of “Reverse Planning,” “Speed,” and “Tenacity” are critical in enabling us to deliver results even in uncertain environments, and they form an essential part of the Company's foundation. We recognize that maintaining a culture that embraces diverse values and flexibility, and that enables us to engage in a wide range of businesses, is our strength.

The origin of this culture lies in our corporate philosophy: “Information Revolution—Happiness for Everyone.” SoftBank aims to be a group where people who are serious about making the world a better place come together to achieve this vision. By sharing the value of taking on challenges with our colleagues, we will pass on this essential corporate culture to the next generation.





Human Resource Strategy

Contents

What Are Our Initiatives to Enhance Human Capital Value?

> Human Resource Strategy

Interview with Executive in charge of Human Resources

Building an Optimal Human Resource Portfolio

Promotion of DE&I, Well-being and Engagement

SoftBank's Human Resource Initiatives

List of Achievements

Building an Optimal Human Resource Portfolio

To realize our Long-term Vision, we are focused on developing talent who can excel in new business areas and on improving the work environment. We aim to build an optimal portfolio by implementing various growth support measures that enable employees to learn proactively and by creating systems that enhance compensation for high-value talent.

Measures supporting autonomous growth

We are promoting sustainable business growth through a variety of measures that support the autonomous career development of each employee.

As part of this effort, we offer learning opportunities through "SoftBank University (SBU)" to cultivate talent who can contribute to achieving our corporate philosophy. SBU has a system that allows employees to proactively select training programs tailored to their career goals, enabling practical and effective learning as in-house certified instructors share their expertise.

Through "SoftBank Academia," our successor discovering and development program, we have created a community of diverse individuals, including external executives, lawyers, and students, in addition to our employees. By providing opportunities for interaction with highly motivated members and practical learning, we are fostering the next generation of leaders with broad perspectives.

To support employees' career development, we operate a Group-wide job posting system that invites applications for roles in new businesses and companies, as well as a free-agent system that allows employees to transfer to their desired departments or Group companies. In February 2021, we introduced the SoftBank-style internal secondary job system to match the needs of "employees eager for growth opportunities and chances to demonstrate their abilities" with "organizations requiring external perspectives, experiences, and expertise." Furthermore, employees are permitted to hold second jobs, provided it does not interfere with their primary duties, with the aim of applying diverse experiences to their main role.

To support new business creation, we run the "SoftBank InnoVenture" in-house entrepreneurship program, which enables employees to propose businesses based on their own ideas. We also offer the "Innoventure Lab," where employees can systematically learn about new businesses, thereby actively encouraging their spirit of challenge.

Through these initiatives, we are building a foundation for sustainable business growth by fostering both employee development and organizational revitalization.

Recruitment of high-market-value talent

We have adopted a mission-grade system whereby each employee's scope and grade are based on their mission and work style, rather than personal factors such as age or gender. Grades and compensation are comprehensively evaluated based on three aspects: the mission they undertake, their daily work performance (process), and their achievements and contributions to the organization.

Meanwhile, for specific roles that are essential to achieving our Long-term Vision and whose market value is rapidly increasing—such as AI engineers, business development, and investment planning—we set individually competitive compensation packages, even for new graduates. This allows us to proactively acquire high-value talent in line with our human resource portfolio.

We have also introduced a professional contract system so that we can offer a high level of compensation on fixed-term contracts for projects requiring advanced skills and experience. By flexibly utilizing talent who can make an immediate impact, we can acquire personnel in an agile manner that meets our business needs.

SoftBank University

Established in September 2010

Training program for all employees

SoftBank Academia

Opened in July 2010

Successor development

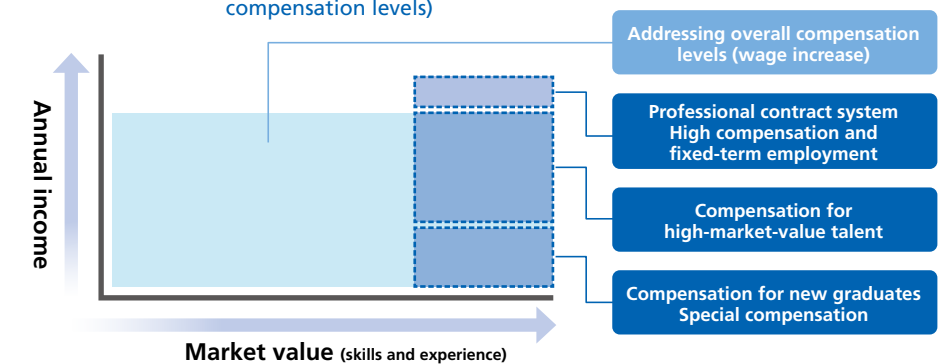
SoftBank InnoVenture

Launched in August 2011

In-house entrepreneurship program

Compensation for high-market-value talent is covered by individual programs

(while a base-up is implemented for overall compensation levels)





Contents

What Are Our Initiatives to Enhance Human Capital Value?

> Human Resource Strategy

Interview with Executive in charge of Human Resources

Building an Optimal Human Resource Portfolio

Promotion of DE&I, Well-being and Engagement

SoftBank's Human Resource Initiatives

List of Achievements

Human Resource Strategy

In-house AI utilization aimed at becoming “the leading company in Japan for generative AI utilization”

We position generative AI as one of the most critical technologies supporting our future business expansion and corporate transformation. We have progressively developed our AI foundation, education, tool implementation, and cultural integration. Generative AI has already become indispensable in our daily operations, and through Company-wide adoption and practice, we aim to enhance the productivity and creativity of the entire organization. In May 2023, we took the first step in our in-house generative AI utilization by providing all employees with *SmartAI-Chat*, an internal tool for business use. Subsequently, we introduced tools like *GitHub Copilot* and the internal information search tool *SmartAI-Employee Support* to improve operational efficiency in areas such as minute-taking, translation, and programming support. These initiatives have promoted AI utilization across a wide range of job functions and facilitated the accumulation of expertise.

Building on these efforts, in May 2025, we provided all employees with *ChatGPT Enterprise* IDs, establishing a foundation for full-scale generative AI utilization at the operational level. This initiative goes beyond merely providing a tool; it aims to empower each employee to transform their own work through collaboration with AI. Looking ahead, we aim to enable employees to create new work styles by developing and utilizing AI agents (mechanisms where AI makes autonomous decisions and executes tasks).

As a measure to support Company-wide utilization, we also offer “AI Campus,” an in-house training program specializing in AI, which allows employees to learn everything from basic knowledge to practical skills according to their interests and job responsibilities. In addition, the “Generative AI Utilization Contest,” held across the SoftBank Group since May 2023, has solicited ideas from employees, receiving over 230,000 submissions to date. Winning proposals are being considered for commercialization by the AI Project Promotion Office, which reports directly to the CEO.

Furthermore, *Axross Recipe*, an AI and DX talent development service, was commercialized through the “SoftBank InnoVenture” program, based on practical technologies developed while accelerating in-house AI utilization. This service offers educational materials based on the know-how of active SoftBank engineers, including case studies and programming from real-world business applications of AI. In this way, we provide practical learning content applicable to on-the-ground operations for both internal and external audiences.

Going forward, we will continue to foster a corporate culture where every employee not only masters AI but also co-creates value with it. As “the leading company in Japan for generative AI utilization,” we aim to become a key provider of Next-generation Social Infrastructure.



Culture of encouraging challenges fosters new growth for AI talent and the organization

With the Company-wide promotion of generative AI, we are actively supporting employees in acquiring AI-related skills and certifications. Through the development of our in-house environment and the provision of learning opportunities, voluntary learning is spreading among employees. As of July 2025, approximately 2,300 employees have passed the JDLA Deep Learning for GENERAL and about 140 have passed the JDLA Deep Learning For ENGINEER. As a result, approximately 10% of all employees* now hold AI-related qualifications, advancing the overall AI literacy of the Company.

This culture of encouraging new challenges is also transforming our organizational structure. The number of employees who have voluntarily transferred to AI and DX-related fields using the job posting system and other schemes has already surpassed 1,000, steadily increasing the talent pool responsible for our “Next-generation Social Infrastructure.” We will continue to promote such autonomous growth and domain shifts to enhance the entire organization’s digital adaptability and capacity for transformation.

* SoftBank Corp. on a standalone basis



Contents

What Are Our Initiatives to Enhance Human Capital Value?

> Human Resource Strategy

Interview with Executive in charge of Human Resources

Building an Optimal Human Resource Portfolio

Promotion of DE&I, Well-being and Engagement

SoftBank's Human Resource Initiatives

List of Achievements

Human Resource Strategy

Promotion of DE&I, Well-being and Engagement

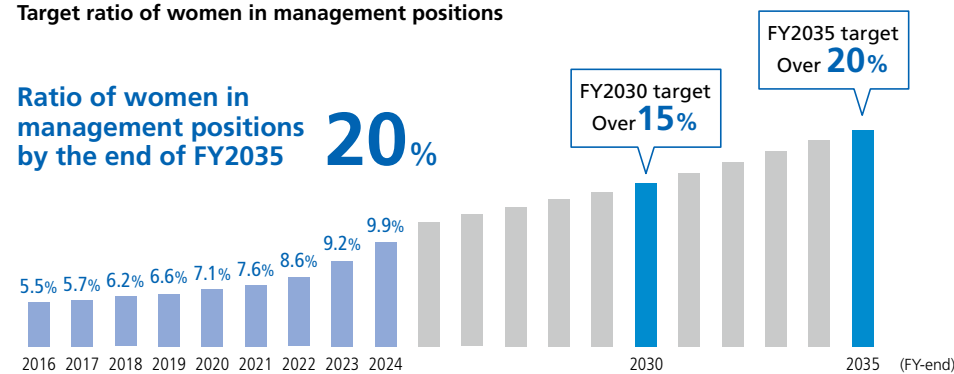
We aim to create an organization where every employee is united in their commitment to our corporate philosophy, where they can freely exchange ideas based on innovative thinking while leveraging each other's strengths to drive innovation. We are committed to promoting DE&I, well-being, and engagement to ensure that every diverse individual can fulfill their potential.

Initiatives for the empowerment of women

We embrace individual diversity, regardless of age, gender, sexual orientation, gender identity, gender expression, nationality, or disability, and aim to promote diversity, equity, and inclusion (DE&I) so all employees can fully harness their abilities. As a first step, we are particularly focused on promoting the active participation of women. To that end, we have set a target of over 20% for the ratio of women in management positions by the end of FY2035. To achieve this goal, we have established the "Committee for the Promotion of Women in the Workforce," to be chaired by the President & CEO and comprising external directors Naomi Koshi and Hiroko Sasaki, as well as some external experts as advisors. This committee deliberates on Company-wide policies for promoting women's advancement. We are continuously taking measures from multiple perspectives to empower women in the workplace, and the progress of each initiative is monitored in meetings spearheaded by those on the frontline. Successful cases from each department are also shared during these meetings. For example, a Company-wide survey revealed that the percentage of women who aspire to hold a management position is lower than that of men. We are therefore running workshops to encourage women to take on the challenge of a managerial role, as well as a mentor program that provides opportunities for female employees to consult with role models. As a result, the number of female employees aspiring to managerial positions has gradually increased. In addition, to eliminate unconscious bias in evaluations and assignments, we conduct training for managers on the topics of nurturing female subordinates and addressing unconscious bias. Also, during our annual promotion assessment, we have a process in place to check for any disparities in promotion rates between men and women in an effort to ensure that unconscious bias does not hinder growth opportunities for women. As a result of these initiatives, while our initial simulation

Target ratio of women in management positions

Ratio of women in management positions by the end of FY2035 **20%**

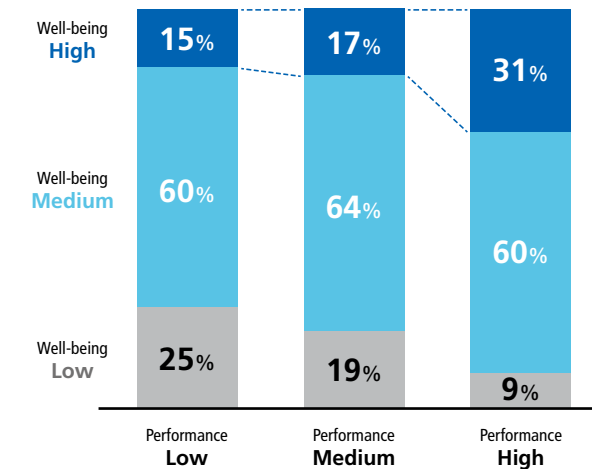


suggested that the percentage of women in management positions would be around 15% by the end of FY2035, the degree of women's advancement is rising annually, making the 20% target increasingly attainable.

Relationship between well-being and performance

We conducted an internal analysis of the relationship between employee well-being and performance using data from our "Engagement Survey." The Engagement Survey, conducted monthly and annually, assesses employee engagement across various items, including company vision, job satisfaction, work environment, interpersonal relationships, and fulfillment. It is generally said that employees with a high level of well-being not only exhibit higher levels of creativity, productivity, and sales, but also have lower turnover rates and fewer workplace accidents. Our analysis revealed that for SoftBank employees as well, a high level of fulfillment leads to high performance. Specifically, among the "high" performance group, 31% reported "high" fulfillment, a significantly higher proportion compared to the "low" and "medium" performance groups. Based on this analysis, we have integrated the promotion of well-being as a key element of our human resource strategy. We believe that "well-being" is a critical driver for maximizing individual performance and sustaining our Company's growth, and we are actively pursuing initiatives in this area.

Relationship between performance and well-being



It is clear that employees with a high level of well-being perform better



Contents

What Are Our Initiatives to Enhance Human Capital Value?

> Human Resource Strategy

Interview with Executive in charge of Human Resources

Building an Optimal Human Resource Portfolio

Promotion of DE&I, Well-being and Engagement

SoftBank's Human Resource Initiatives

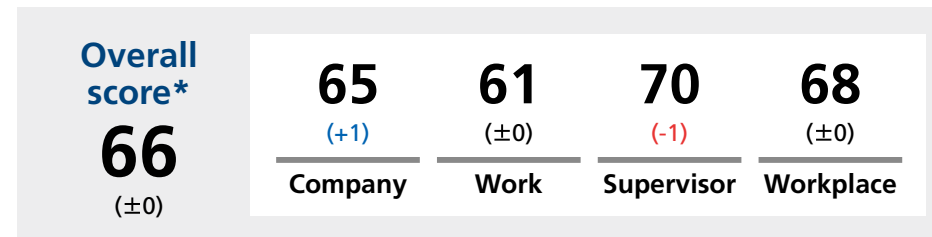
List of Achievements

Human Resource Strategy

Engagement Survey results and areas for improvement

In the FY2024 Engagement Survey (response rate: 96.9%), the overall score was 66, maintaining the same level as the previous year. The company score, a component of the overall score, slightly increased from the previous year, indicating an improvement in employees' positive perception of the Company. We believe this is attributable to our proactive communication about our initiatives, regular messages from management, and ongoing internal communication efforts such as Employee Town Hall meeting and all-hands morning assemblies.

We are promoting the development of action plans and improvement activities at both the Company-wide and departmental levels. Each department also utilizes the results of the monthly surveys to identify organization-specific issues and monitor individual employee well-being, aiming to further vitalize both the organization and its members.



* Overall score: aggregate of results related to company, work, supervisor, and workplace
 Company: items related to the Company, such as internal systems like "evaluation and compensation" and "corporate culture," as well as benefits / Work: items related to work, such as satisfaction with "fulfillment," "autonomy," and "workload appropriateness," as well as purpose and stress / Supervisor: items related to supervisors, such as management aspects like "understanding of abilities" and "appropriate assignments" / Workplace: items related to the workplace environment, such as "open communication" and "interpersonal relationships"
 Scored on a 100-point scale (up to 49: Low; 50-64: Normal; 65-74: High; 75+: Very high)
 Figures in parentheses indicate the difference from the previous year's score

Example of initiatives that contributed to score improvement

Continuous internal and external communication

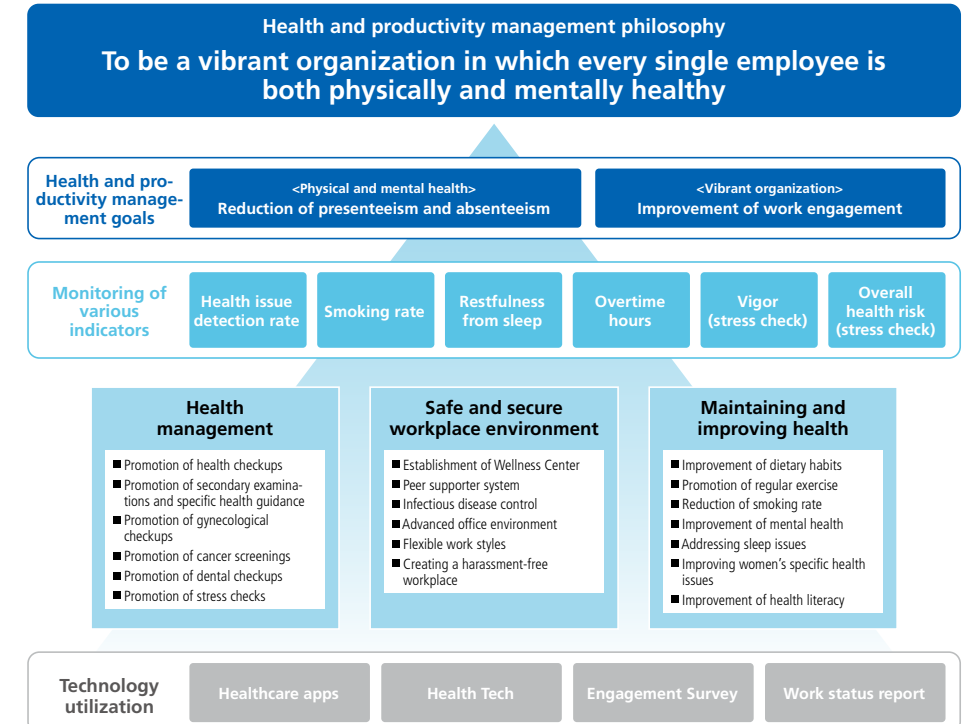
- Proactive communication on business policies and progress, such as Next-generation Social Infrastructure and generative AI
- Communication of various information through internal channels such as Employee Town Hall meeting and all-hands morning assemblies

Health and productivity management initiatives

Our health and productivity management philosophy is to be a "vibrant organization in which every single employee is both physically and mentally healthy." To realize this philosophy, we promote health and productivity management under the supervision of the officer in charge of the

Corporate Unit, with the Well-being Promotion Office established directly under the CHRO (Chief Human Resources Officer). Specifically, we support the maintenance and improvement of employee health by monitoring health management indicators with the following three approaches: (1) "health management," (2) "safe and secure workplace environments," and (3) "maintaining and improving health." Additionally, from a "health management" perspective, we not only encourage employees to undergo annual health checkups but also recommend stress checks to ensure early detection and prevention of issues. In terms of "safe and secure workplace environment," we have established a Wellness Center, developed a healthy office environment, and implemented a peer supporter system and on-site influenza vaccinations. To "maintain and improve health," we support our employees by promoting initiatives aimed at improving diet, encouraging regular exercise, reducing smoking rates, enhancing mental health, addressing sleep issues, improving women-specific health issues, and raising health literacy.

We consider employee health management from a business perspective. We have been recognized for the seventh consecutive year in the "White 500 in the large enterprise category" of the "Certified Health & Productivity Management Outstanding Organizations Recognition Program," a joint initiative by Japan's Ministry of Economy, Trade and Industry (METI) and the Nippon Kenko Kaigi. Furthermore, our health initiatives have been ranked the highest in the "DBJ Employees' Health Management Rated Loan Program" of the Development Bank of Japan.





Human Resource Strategy

Contents

What Are Our Initiatives to Enhance Human Capital Value?

> Human Resource Strategy

Interview with Executive in charge of Human Resources

Building an Optimal Human Resource Portfolio

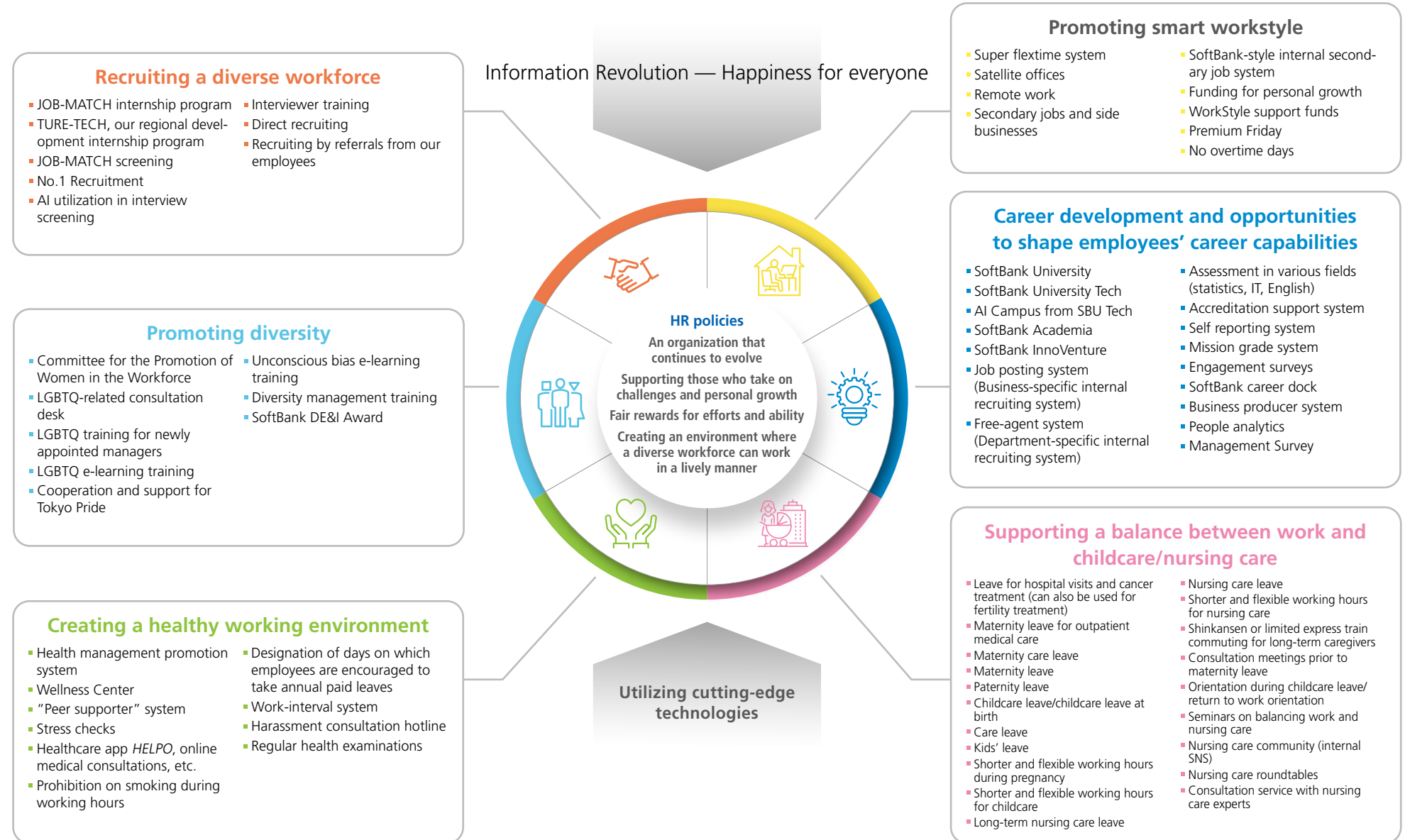
Promotion of DE&I, Well-being and Engagement

SoftBank's Human Resource Initiatives

List of Achievements

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. To this end, we have established HR policies that we value as a company and promote various personnel policies.





Contents

What Are Our Initiatives to Enhance Human Capital Value?

> Human Resource Strategy

Interview with Executive in charge of Human Resources

Building an Optimal Human Resource Portfolio

Promotion of DE&I, Well-being and Engagement

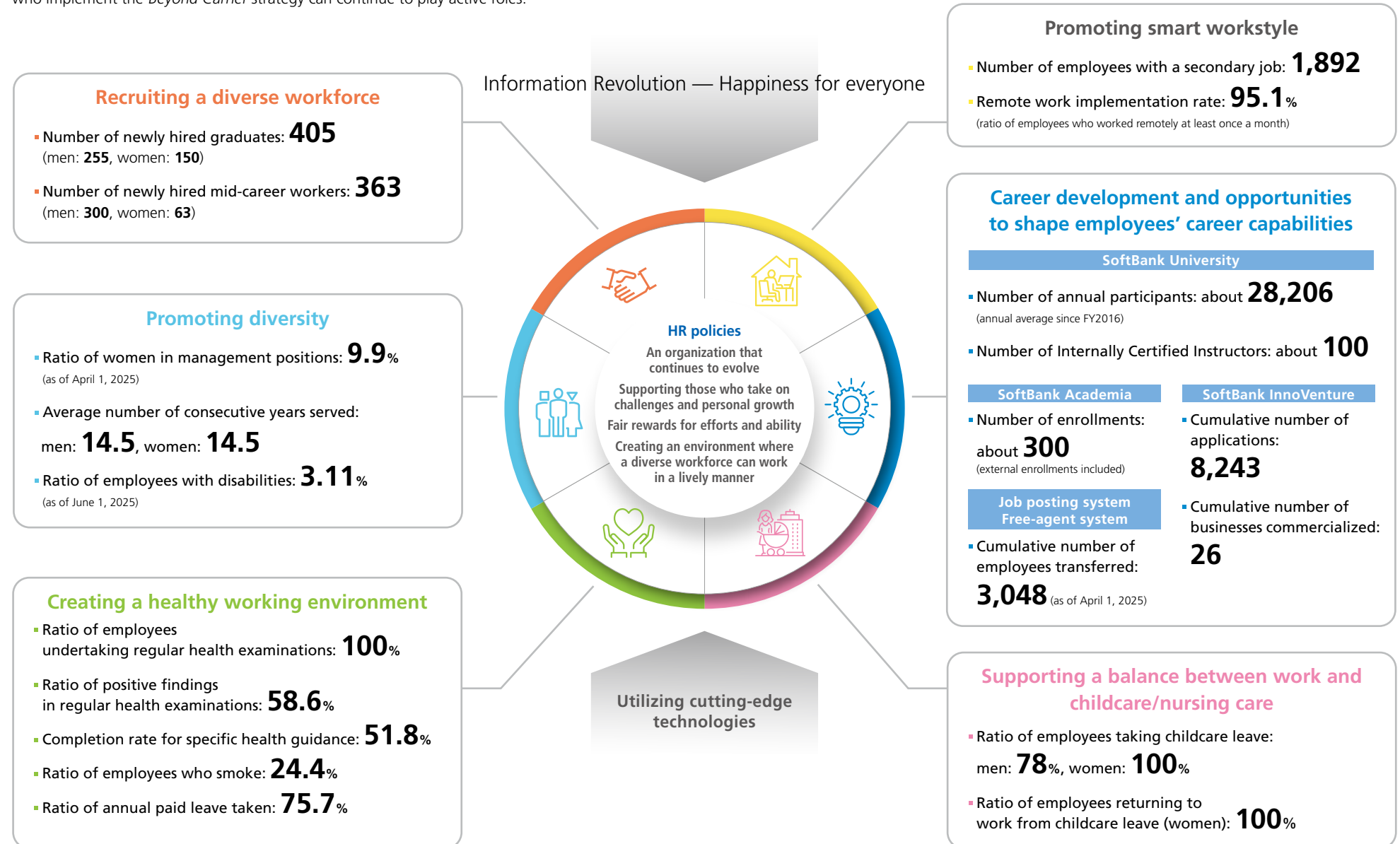
SoftBank's Human Resource Initiatives

List of Achievements

Human Resource Strategy

List of Achievements

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



(Note) Figures are as of March 31, 2025 or for FY2024 unless otherwise indicated; except for "Development of careers and professional capabilities," figures are for SoftBank Corp.



Contents

How Will We Achieve Carbon Neutrality?

Environmental Initiatives

Group-wide Net Zero Initiatives

Disclosure Based on TCFD Recommendations

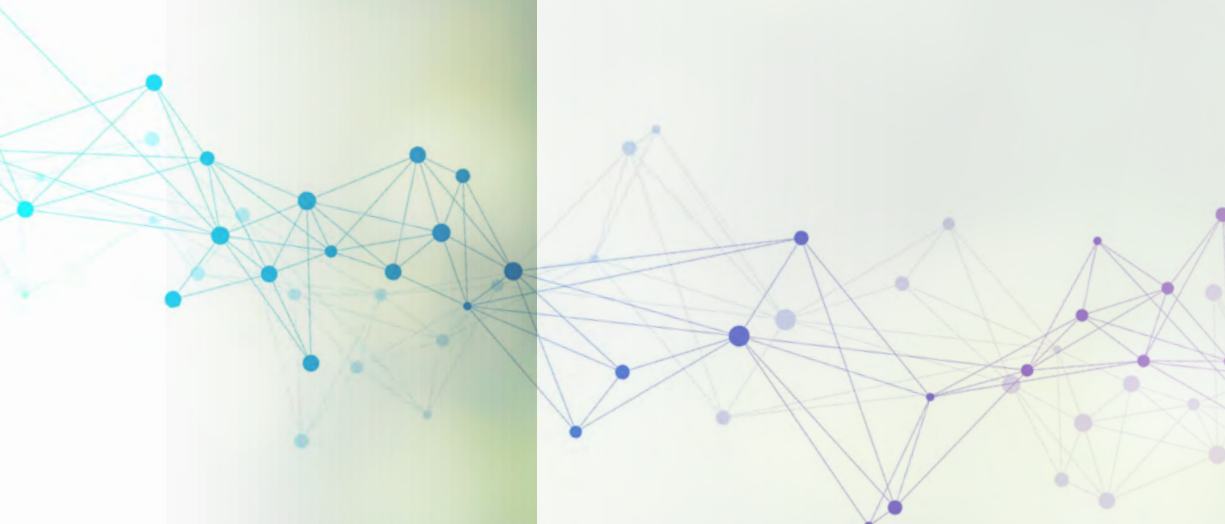
Disclosure Based on TNFD Recommendations

Appropriate Use of Water Resources

Promotion of a Recycling-oriented Society

How Will We Achieve Carbon Neutrality?

Being in the telecommunications business and other businesses that consume a significant amount of electricity, we believe that it is our responsibility as a company to help resolve climate change issues in order to create a sustainable society. This section provides details on our environment-related goals and explains key initiatives we are undertaking to achieve them.





Environmental Initiatives

Contents

How Will We Achieve Carbon Neutrality?

> Environmental Initiatives

- Group-wide Net Zero Initiatives
- Disclosure Based on TCFD Recommendations
- Disclosure Based on TNFD Recommendations
- Appropriate Use of Water Resources
- Promotion of a Recycling-oriented Society

The Company recognizes addressing global environmental issues, including climate change and biodiversity conservation, as a key management priority, and has set “contributing to the global environment with the power of technology” as a material issue. In particular, the Company has established “responding to climate change” and “natural capital and resource circulation” as priority themes and is strengthening its initiatives in these areas. To ensure the effectiveness of these activities, the Company has established the “environmental action guidelines” and put in place an environmental management system. Under this system, the Company aims to provide appropriate disclosure of information on global environmental issues and to contribute to the environment through the use of cutting-edge technologies.

Environmental management system

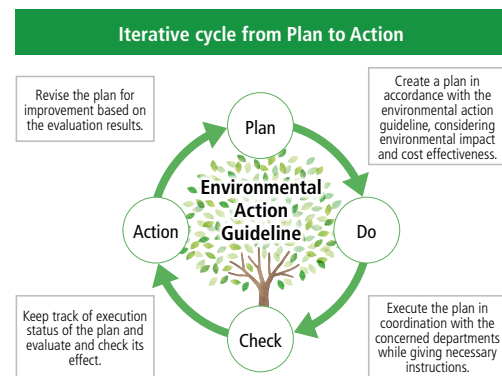
SoftBank has formulated environmental action guidelines and established an environmental management system and administrative framework to promote environmentally-conscious business activities and actively engage in environmental conservation. To make our business activities more environmentally friendly, we place particular importance on measures such as the prevention of global warming, the promotion of recycling used mobile phones, the conservation of resources, and the restriction of the use, inclusion, and emission of specified hazardous substances as defined in the RoHS Directive*.

As public awareness of environmental issues grows, corporations are facing more diverse demands to provide environmentally friendly products and services, to adhere to regulations governing environmental protection, and to achieve energy conservation and resource saving through smart business practices. To respond swiftly to these trends and demands, SoftBank has incorporated a PDCA (plan, execution, confirmation, improvement) cycle to guide our environmental management system and carries out continuous improvements.

In order to promote our environmental management system, we have obtained ISO 14001 certification, the international standard for environmental management systems, for our 19 business sites, including our head office building, network center, and data center, which are designated as Type 1 or Type 2 energy management designated factories, etc.

*EU regulations which prohibit the inclusion of toxic substances in electrical and electronic devices.

PDCA cycle of environmental management system

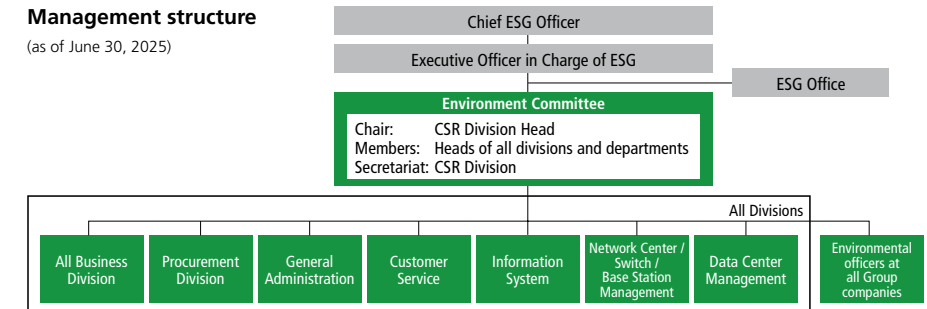


Environmental management structure

To promote Group-wide environmental conservation activities, SoftBank has established the Environment Committee covering environmental matters under the supervision of the Executive Officer in Charge of ESG, which complies with ISO14001 international standard.

Management structure

(as of June 30, 2025)



Compliance with environmental laws and regulations and internal audit implementation

SoftBank strives to comply with environmental laws and regulations based on an environmental management system framework. There were no violations of environmental laws and regulations, including those related to air pollution, water contamination and soil contamination prevention in FY2024.

We conduct regular internal audits to verify that the environmental management system conforms to the requirements of ISO 14001 and is being effectively implemented based on environmental targets. In addition, based on those results, we identify issues, implement corrective measures, and revise the environmental management system for continuous improvement. As a result of external audits we continued to receive ISO 14001 certification in FY2024.

Environmental education

We provide environmental education for our employees via e-learning to acquire and raise awareness of foundational knowledge about environmental concerns. These courses cover key topics such as energy consumption reduction, waste reduction, and water efficiency. Through this training, employees gain a comprehensive understanding of our environmental management initiatives, while also enhancing their individual awareness and understanding of each of these specific environmental challenges. The e-learning courses can be accessed on iPhones and iPads, allowing employees to learn anytime and anywhere. In FY2024, the participation rate for environmental education among employees was 71.4%.

In the contribution assessment that evaluates the performance and contributions to the organization, factors such as “contribution to overall CO2 reduction in society,” which are KPIs of material issues related to climate change, and the results are taken into consideration in determining employee bonuses.

(Note) Please refer to “[Environmental Management](#)” on our website for details.



Group-wide Net Zero Initiatives

Contents

How Will We Achieve Carbon Neutrality?

- Environmental Initiatives
- **Group-wide Net Zero Initiatives**
- Disclosure Based on TCFD Recommendations
- Disclosure Based on TNFD Recommendations
- Appropriate Use of Water Resources
- Promotion of a Recycling-oriented Society

SoftBank supports the TCFD recommendations (P74) and the Paris Agreement, a new international framework for reducing greenhouse gas (GHG) emissions post-2020 which replaces the Kyoto Protocol, and aims to proactively disclose information related to climate change and achieve reduction targets. In addition, the Company has set “contributing to the global environment with the power of technology” as a material issue. To achieve this goal, we will promote the efficient use of electricity by utilizing cutting-edge technology, as well as the introduction, diffusion, and expansion of renewable energy to realize a prosperous society through the widespread adoption of natural energy.

In light of the impact of global risks on the Company, SoftBank recognizes the need to actively address climate change measures, natural capital, and the transition to a circular economy. As a measure against climate change, SoftBank declared “Carbon Neutral 2030” in May 2021, aiming to reduce Scope 1 and 2 GHG emissions—emissions from business processes and energy consumption—to zero by FY2030 through the use of AI, IoT and other cutting-edge technologies for energy conservation. On top of this, in August 2022, we announced our “Net Zero” goal of achieving net zero emissions for the entire supply chain, including Scope 3, by FY2050. Furthermore, to accelerate decarbonization across society, in June 2023 we expanded our “Net Zero” initiatives to include Group companies*1.

At the same time, with respect to our greenhouse gas emissions reduction targets, in addition to the short-term targets that have already been certified, our long-term targets were certified as science-based targets (SBT Net-Zero) by the Science Based Targets initiative (SBTi), an international climate change initiative.

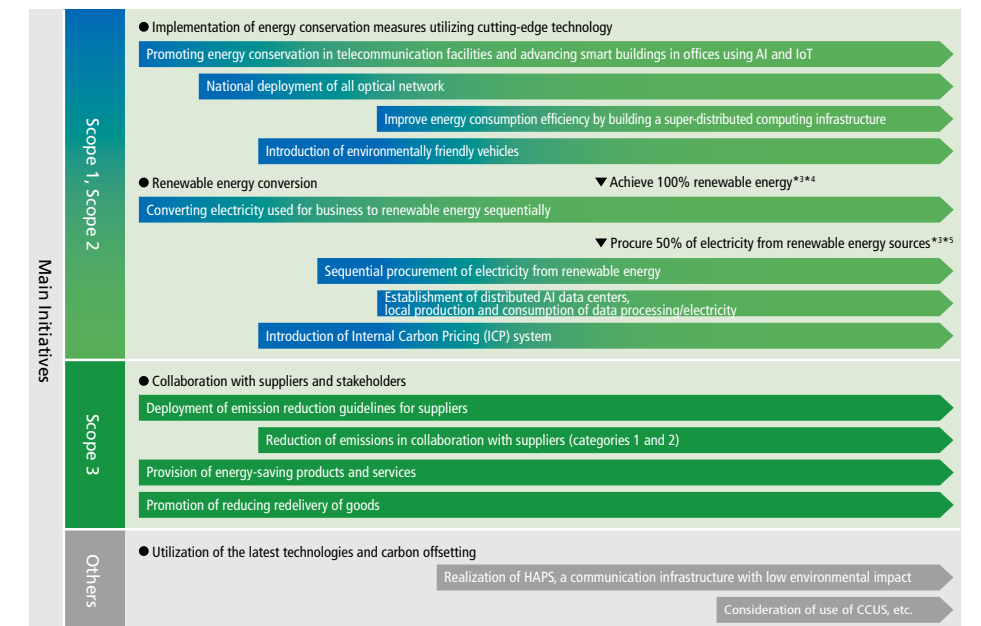
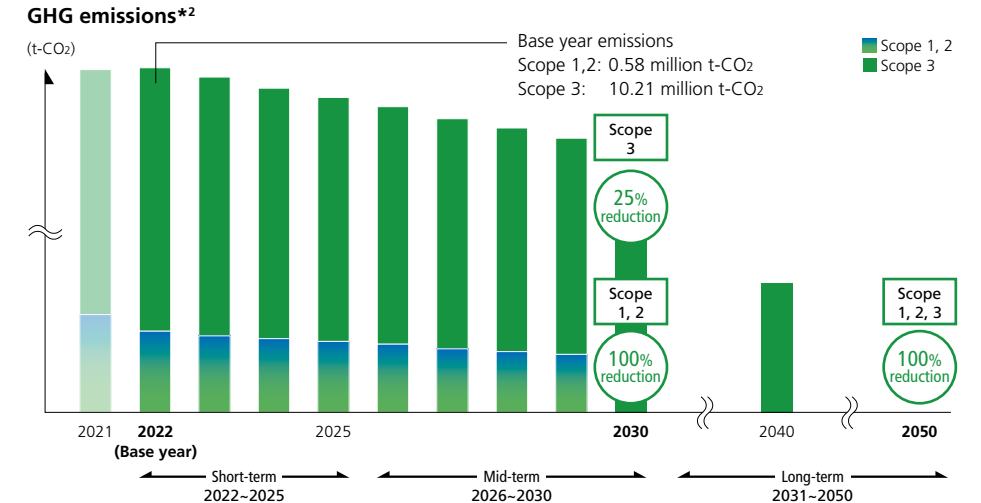
*1 Covers consolidated subsidiaries

Transition plan to Net Zero by 2050

SoftBank Corp. has developed a transition plan to achieve our “Carbon Neutral 2030” and “Net Zero” targets. Our main initiatives to tackle Scope 1 and Scope 2 emissions are the implementation of energy-saving measures through cutting-edge technology and the use of renewable energy for electricity. In the case of Scope 3 emissions, we will hold briefings for suppliers and develop guidelines to promote purchasing activities aimed at achieving net zero.

In addition to the transition plan disclosed here, we will continue to actively disclose information following the recommendations of various disclosure guidelines and initiatives.

*2 The SBT Net Zero target and short-term SBT target have been certified by the SBTi, and the baseline year emissions and reduction targets are presented based on the certified content. This is a transition plan as of June 2025 and may be revised in accordance with future business strategies.



*3 SoftBank Corp. and Wireless City Planning Inc.

*4 Includes the use of non-fossil certificates designated as renewable energy

*5 Electricity generated from renewable energy sources such as wind and solar power



Contents

How Will We Achieve Carbon Neutrality?

Environmental Initiatives

Group-wide Net Zero Initiatives

► Disclosure Based on TCFD Recommendations

Disclosure Based on TNFD Recommendations

Appropriate Use of Water Resources

Promotion of a Recycling-oriented Society

Disclosure Based on TCFD Recommendations

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

With the growing risk of climate change due to global warming, there is a broad trend to assess the financial impact of climate change on a company's business. The TCFD (Task Force on Climate-related Financial Disclosures) is an international initiative established by the Financial Stability Board (FSB) in 2015 to encourage companies to disclose information on the financial implications of the risks and opportunities that climate change presents to their businesses.

We believe that assessing climate-related risks and opportunities in our business activities and proactively disclosing and enhancing information in line with the framework of "governance, strategy, risk management, and indicators and targets" recommended by the TCFD is important for the sustainable growth of the Company.

Governance

In line with our basic policy on sustainability, we have established a corporate governance system to integrate our growth strategy with sustainability and promote it. The Board of Directors deliberates and resolves on important sustainability matters, including climate change and human capital, and supervises the progress of sustainability initiatives. To further strengthen the management oversight function, we have established the ESG Promotion Committee (Chair: Junichi Miyakawa) as an advisory body to the Board. The Committee convenes on a quarterly basis (four times per year, with extraordinary meetings held as necessary) to monitor the progress of the Group's sustainability initiatives (materiality KPIs and others), and to make recommendations to the Board. The Board respects the recommendations of the ESG Promotion Committee and ensures appropriate decision-making. In addition, "sustainability (including climate change and others)" has been included as one of the required skills for directors and Audit & Supervisory Board members. In this way, we promote the incorporation of a sustainability perspective into management. Some of the KPIs for material issues are also linked to executive remuneration.

Risk management

We identify and manage climate change-related risks and opportunities by integrating them with Company-wide risk and opportunity information. Information on climate change-related risks and opportunities identified through our Company-wide risk management process is utilized in formulating plans and considering and improving countermeasures for the realization of net zero. (P60)

Strategy

We recognize that, as a telecommunications operator consuming significant amounts of electricity, particularly through base station equipment, we may be highly exposed to climate change risks. We not only identify the risks and opportunities that climate change presents to the Company but also examine strategies to achieve sustainable growth.



Scenario analyses

We conducted two scenario analyses during this fiscal year to consider strategies for adapting to potential future events caused by climate change: a 1.5°C scenario, in which a rapid transition to a decarbonized society takes place, and a 3–4°C scenario, in which climate change countermeasures do not progress and global warming accelerates. We confirmed the financial impacts on our business, including both upstream and downstream of the value chain.

In the scenario analysis, we used internationally recognized and highly reliable scenarios. The details are as follows.

Estimated temperature rise	Scenarios applied	Future outlook	Time horizon
1.5°C	<ul style="list-style-type: none"> IEA WEO 2024*1 (Net Zero Emission by 2050: NZE / Stated Policies Scenario: STEPS) IPCC *2 (SSP1-1.9) 	Decarbonization efforts accelerate, with the introduction of carbon taxes progressing in many countries toward the realization of net zero. In Japan, the temperature rises by 0.5°C compared with FY2020, and the number of extremely hot days tends to increase. As a result, electricity consumption for air conditioning in offices, shops, and data centers increases.	Short-term: Within several years Mid-term: Around 3–5 years*3 Long-term: Around 10–30 years
3–4°C	<ul style="list-style-type: none"> IEA WEO 2024 (Stated Policies Scenario: STEPS) IPCC (SSP5-8.5) 	The introduction of carbon taxes does not progress, and prices remain low. In Japan, the temperature rises by 1.6°C compared with FY2020, and the number of extremely hot days increases by about 6.9 days. Consequently, demand for air conditioning rises further, leading to higher electricity consumption in offices, shops, and data centers.	

*1 IEA: International Energy Agency

*2 IPCC: Intergovernmental Panel on Climate Change

*3 Time horizon consistent with the Mid-term Plan

Financial impact and probability matrix and business risk assessment matrix

Financial impact

Level	Definitions
4 Significantly high	Tremendous impact on entire business/group
3 High	Tremendous impact on business
2 Medium	Impact on execution of business
1 Low	Minor impact on business

Probability

Level	Definitions
4 Significantly high	Likely to occur multiple times a year
3 High	May occur once every year
2 Medium	May occur once every few years
1 Low	May occur once every 10 years

Business risk assessment

Financial impact	4	Medium	High	Significantly high	Significantly high
	3	Low	Medium	High	Significantly high
	2	Low	Medium	Medium	High
	1	Low	Low	Low	Medium
		1	2	3	4

Probability



Disclosure Based on TCFD Recommendations

Contents

How Will We Achieve Carbon Neutrality?

Environmental Initiatives

Group-wide Net Zero Initiatives

► Disclosure Based on TCFD Recommendations

Disclosure Based on TNFD Recommendations

Appropriate Use of Water Resources

Promotion of a Recycling-oriented Society

Climate change-related risks and opportunities

Based on the situation described above, we identified and listed our climate-related risks and opportunities and conducted scenario analyses with reference to scenarios from the IEA and IPCC. As a result, we identified the risks and their financial impacts for the Company, as shown on the right.

Financial impact of climate-related risks

Increase in recovery costs for base station equipment and others due to the intensification of weather-related disasters

We recognize potential risks such as the decline in forests' disaster prevention functions caused by biodiversity loss, the rising frequency and severity of natural disasters due to global warming, increased costs associated with disaster preparedness and restoration of telecommunications facilities such as base stations, supply chain disruptions leading to procurement difficulties, loss of business opportunities, and secondary damage to surrounding areas from damaged facilities. Based on past costs, our analysis of potential future financial impacts indicates that while recovery costs such as labor expenses are expected to remain limited, disasters are expected to have a significant financial impact on telecommunications facilities, particularly base stations deployed nationwide, due to their large asset scale. In FY2024, as an adaptation measure against flood damage, which is becoming more likely with the increased occurrence of typhoons and linear rainbands, we invested ¥1.9 billion in disaster countermeasures for base stations and network centers. These investments were aimed at reducing equipment damage risks and ensuring stable service continuity during wide-area power outages. Specific investments included mobile base stations, portable base stations, battery replacement and maintenance, and deployment of portable generators. In addition, we recorded ¥0.3 billion in disaster recovery expenses.

Identified risks and financial impacts

Identified risks		Anticipated impacts	Scenario	Magnitude of risks		
				Short-term*	Mid-term*	Long-term*
Physical risks	Acute	Worsening damage due to intensified natural disasters associated with ecosystem degradation	1.5°C	Large	Large	Large
			3–4°C		Large	Large
		Increase in disaster-mitigation costs	1.5°C	Medium	Medium	Medium
			3–4°C		Medium	Medium
	Chronic	Rising temperatures and expansion of water-stressed areas	1.5°C	Medium	Medium	Medium
			3–4°C		Medium	Medium
Transition risks	Market	Expansion of low-carbon and decarbonization markets, shifts in customer behavior, and changes in preferences	1.5°C	Small	Medium	Medium
	Reputation	Heightened preference for low-carbon and decarbonization among stakeholders		Small	Medium	Medium
	Policy and law	Tightening of regulations		Small	Medium	Medium
	Technology	Transition to decarbonization technologies		Medium	Calculations under review	

* Time horizon: short term (within a few years), medium term (3-5 years, aligned with the Mid-term Plan), and long term (approximately 10-30 years).



Disclosure Based on TCFD Recommendations

Contents

How Will We Achieve Carbon Neutrality?

Environmental Initiatives

Group-wide Net Zero Initiatives

► Disclosure Based on TCFD Recommendations

Disclosure Based on TNFD Recommendations

Appropriate Use of Water Resources

Promotion of a Recycling-oriented Society

Indicators and targets

To manage the risks and opportunities that climate change poses to the Company, we manage environmental impact data, including greenhouse gas emissions (Scopes 1, 2, and 3). These emissions are calculated and disclosed for each scope in accordance with the "Greenhouse Gas Protocol (GHG Protocol)," an internationally recognized standard for GHG accounting. In FY2024, GHG emissions amounted to 393,250 t-CO₂ for Scopes 1 and 2, and 11,546,072 t-CO₂ for Scope 3. As a principal target, we have set a carbon neutral goal to achieve net zero GHG emissions from electricity and other energy used in our business activities by FY2030, and we are promoting the use of 100% renewable energy for all electricity consumed in our Group's operations. In addition, by entering into long-term renewable energy procurement agreements and sourcing the electricity used by the Company* from renewable energy generated by wind, solar, and other sources, we are working to reduce GHG emissions, achieve our carbon neutral goal, and contribute to the realization of a decarbonized society. These long-term agreements also support the transition to a business structure less susceptible to surging electricity costs. Furthermore, we are reducing GHG emissions by promoting additional energy-saving measures for our network equipment, such as replacing devices with energy-efficient models and improving the efficiency of air-conditioning systems. The carbon neutral goal covers Scope 1 (direct GHG emissions from the Company's operations) and Scope 2 (indirect emissions from the use of electricity, heat, and steam supplied by other companies).

*Total of the Company and Wireless City Planning, Inc.

Category	Boundary	Coverage	Unit	FY2024				
				Results	Target	Reduction compared to the Base Year (FY2022) (%)		
GHG emissions	Consolidated basis	FY2024: 100.0%	t-CO ₂	GHG Scope 1	9,485	12,000	32.2	
				GHG Scope 2 ★ (market-based)	383,765	508,000	32.2	
				GHG Scope 2 ★ (location-based)	967,525	1,198,000	—	
				GHG Scope 3 ★	11,546,072	9,694,000*1	-23.2	
				Sum of Scope 1 and 2 (market-based)	393,250	520,000	32.2	
				Sum of Scope 1, 2 and 3 (market-based)	11,939,322	10,214,000	-20.0	
GHG emissions (Scope 1, 2)	Consolidated basis	FY2024: 100.0%	t	Carbon Dioxide (CO ₂) from Energy Sources	392,677	—	—	
				Carbon Dioxide (CO ₂) from Non-Energy Sources	0	—	—	
				Methane (CH ₄)	t-CO ₂	57	—	—
				Dinitrogen Monoxide (N ₂ O)	t-CO ₂	12	—	—
				Hydrofluorocarbons (HFCs)	t-CO ₂	504	—	—
				Perfluorocarbons (PFCs)	t-CO ₂	0	—	—
				Sulfur hexafluoride (SF ₆)	t-CO ₂	0	—	—
				Nitrogen trifluoride (NF ₃)	t-CO ₂	0	—	—
	GHG Emissions Intensity (Scope 1, 2)*2	Standalone basis	—	t-CO ₂ Gbps	94	155	—	

★: Examined by a third-party

(Note) The greenhouse gas emissions (Scope 1, 2, and 3), energy consumption, industrial waste and water consumption in FY2024 were examined by Japan Quality Assurance Organization as a third party (Limited guarantee level in accordance with ISO 14064-3 and ISAE 3000).

*1 Setting the target that accounts for the expanded coverage

*2 Greenhouse gas emissions at 1 Gbps



Contents

How Will We Achieve Carbon Neutrality?

Environmental Initiatives

Group-wide Net Zero Initiatives

Disclosure Based on TCFD Recommendations

Disclosure Based on TNFD Recommendations

Appropriate Use of Water Resources

Promotion of a Recycling-oriented Society

Disclosure Based on TNFD Recommendations

SoftBank registered early as a TNFD Adopter in December 2023. We will strive for proactive information disclosure based on the information disclosure framework indicated in the TNFD Final Recommendations.

All of our business activities benefit from ecosystem services provided by biodiversity and natural capital, while at the same time exerting some impact on the environment. We recognize the importance of biodiversity conservation and support the international community's goal of achieving "Nature Positive". Based on this approach, we have defined reducing the impact of our business activities on ecosystems as one of our material issues and are promoting initiatives for the conservation of biodiversity and natural capital.

Governance

To promote ESG, we have established the ESG Promotion Committee as an advisory body to the Board of Directors. The Committee is chaired by the President & CEO, who also serves as Chief ESG Officer, and assumes overall responsibility for the Company's sustainability activities under the supervision of the Board. The Committee consists of the Chair and members designated by the Board of Directors, and convenes, in principle, quarterly and on an ad hoc basis when important issues arise, submitting such matters to the Board for deliberation.

Strategy

We selected natural-related risks in our business activities and identified businesses with high dependence on and impact on biodiversity. As a specific evaluation method, we conducted narrowing down (scoping) based on business scale and ENCORE*1 (Table 1), and visualized the results in a heatmap (Tables 2 and 3). As a result, we identified the telecommunications business as requiring prioritized detailed analysis due to both high dependence and high impact. This is because the construction and operation of telecommunications facilities such as base stations depend on the landslide prevention and soil conservation functions of forests, while at the same time having a high potential to impact terrestrial ecosystems. Based on this analysis, we further conducted scenario analysis to evaluate the magnitude of risks. Covering the business across the entire value chain from upstream to downstream, we identified potential risks projected to arise over the next 30 years, and singled out those with particularly significant financial impacts (Table 4).

As a result, we recognize that physical risks arising from disaster damage to telecommunications facilities may have a major impact on our financial plans. The evaluation results are presented below.

*1 ENCORE: the dependency and impact analysis online tool featured in TNFD

Table 1: Dependence/impact considering the scale of operations of each business

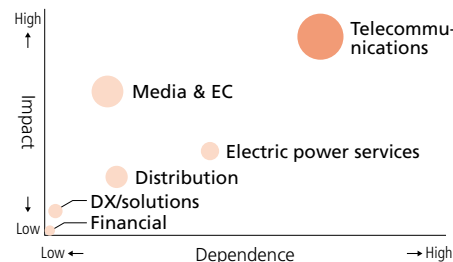


Table 2: Heatmap "Dependence"

Business category	Dependence (Low to High)									
	Bio-remediation	Climate regulation	Dilution by air and ecosystems	Filtration	Flood and storm protection	Groundwater	Mass stabilization and erosion	Surface water	Water flow maintenance	Water quality maintenance
Telecommunication	Low	Medium	Low	Low	High	Low	Low	Low	Low	Low
Electric power services	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
DX/solutions	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Distribution	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Media & EC	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Financial	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low

Table 3: Heatmap "Impact"

Business category	Impact (Low to High)									
	Disturbances	Freshwater ecosystem use	GHG emissions	Marine ecosystem use	Non-GHG air pollutants	Soil pollutants	Solid waste	Terrestrial ecosystem use	Water pollutants	Water use
Telecommunication	Low	Low	Low	Low	Low	Medium	High	High	High	Low
Electric power services	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
DX/solutions	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Distribution	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Media & EC	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low
Financial	Low	Low	Low	Low	Low	Low	Low	Low	Low	Low

(Note) Tables 1 to 3 are intended for prioritizing the scoping of businesses, aiming to achieve relative and objective evaluation results based on business scale and ENCORE. The business classifications are described with reference to the GICS sub-industries used in ENCORE.



Disclosure Based on TNFD Recommendations

Contents

How Will We Achieve Carbon Neutrality?

Environmental Initiatives

Group-wide Net Zero Initiatives

Disclosure Based on TCFD Recommendations

► Disclosure Based on TNFD Recommendations

Appropriate Use of Water Resources

Promotion of a Recycling-oriented Society

Table 4: Risk analysis results

Classification	Business risks	Anticipated impacts	Magnitude of risks		
			Short-term*2	Mid-term*2	Long-term*2
Physical risks	Acute Worsening damage due to intensified natural disasters associated with ecosystem degradation	Increased disaster preparedness and recovery costs for equipment, and revenue loss due to prolonged service outages	Large	Large	Large
	Chronic Expansion of water-stressed areas	Impact on the procurement and securing of water for business operations	Medium	Medium	Medium
Transition risks	Market/reputation Changes in customer behavior and preferences	The delay in responding to market changes leads to a decline in brand image and loss of business opportunities	Small	Medium	Medium
		Insufficient evaluation of information disclosure	Small	Small	Small
	Resource shortage	Increased demand and depletion of raw materials such as rare metals leading to supply shortages and higher procurement costs	Small	Small	Medium
		Tightening of regulations	Increased costs due to the introduction of new tax systems, tightening of regulations, rising litigation risks, etc.	Small	Medium
	Policy and law Technology	Impact on the transition to sustainable new technologies	Increased development costs, transition delay impacting finances, and failures in investments	Medium	Calculations under review

*2 Time horizon: short term (within a few years), medium term (3-5 years, aligned with the Mid-term Plan), and long term (approximately 10-30 years).

Status of business activities in priority areas

For the telecommunications business identified in the aforementioned analysis, we conducted a survey to determine priority areas. From the perspective of biodiversity conservation, we defined important biodiversity areas as domestic nature reserves and other areas protected and managed under laws and international conventions. Using IBAT*3, we confirmed the proximity of these priority areas to our nationwide base stations as well as to the data centers that serve as the core facilities of the Next-generation Social Infrastructure initiative to be deployed across Japan. For the evaluation, we referred to the LEAP approach set out in the TNFD recommendations.

As a result, we found that 15% of our outdoor base stations (excluding rooftop installations, etc.) are located within nature reserves, which we recognize as areas where risks should be prioritized for assessment.

We also confirmed that the AI data center scheduled to open in Tomakomai, Hokkaido in FY2026 is located in proximity to a nature reserve.

*3 IBAT: a biodiversity assessment tool developed by the UN Environment World Conservation Monitoring Centre (UNEP-WCMC), the International Union for Conservation of Nature (IUCN), and Conservation International.

Risk countermeasures and opportunities

Actions taken to reduce business risk can also be significant business opportunities. By utilizing cutting-edge technologies such as AI, IoT, and big data, and by analyzing vast amounts of environmental data through AI's learning function, it is possible to predict the impact on the global environment. The use of cutting-edge technology in environmental issues is attracting attention around the world because it enables us to take various countermeasures based on such predictions. We are striving to maximally utilize cutting-edge technologies such as AI and IoT, which are our strengths, as well as synergies between Group companies in order to contribute to the conservation of biodiversity.

Risk and impact management

Identified and assessed risks related to the earth environment, such as biodiversity and climate change, are integrated into Company-wide risk management. Through regular risk management cycles, we are working to reduce and prevent risks. The Risk Management Committee determines the level of importance of each risk and the persons responsible for dealing with it (risk owner), issues instructions on countermeasures, and reports the status to the Board of Directors.

Metrics and targets

To provide telecommunications services widely and stably as a social infrastructure, it may be necessary to install communication facilities such as base stations in key biodiversity areas.

To contribute to the conservation of biodiversity when installing facilities in key biodiversity areas designated by the country or international treaties, SoftBank has set a target for FY2030 to implement forest conservation in an area that is at least twice the area where the telecommunications facilities are installed in nature reserves or other areas that are important to biodiversity.



Contents

How Will We Achieve Carbon Neutrality?

Environmental Initiatives

Group-wide Net Zero Initiatives

Disclosure Based on TCFD Recommendations

Disclosure Based on TNFD Recommendations

▶ Appropriate Use of Water Resources

Promotion of a Recycling-oriented Society

Appropriate Use of Water Resources

We recognize that water is both necessary for our business activities and an important resource for the local communities in which our business sites are located. Accordingly, we are addressing water risk and promoting the efficient use of water resources on a Company-wide basis. The Environment Committee effectively manages water risk while conducting managerial supervision that ensures both Company-wide response to these risks and efficient water resource utilization.

Water usage management

In order to optimize water usage, we monitor, manage, and analyze water intake status of the entire organization. By repeatedly planning, implementing, evaluating, and improving water usage reduction plans, we aim to reduce environmental impact and comply with laws and regulations, thus contributing to the global environment and society.

Items (Unit)	FY2022	FY2023	FY2024
Water consumption* ¹ (Water withdrawal) (m ³)	731,594	825,936* ²	992,454

*1 For offices that do not have individual meters, calculations are based on the area of the relevant office and actual water consumption within the group.

*2 Due to a change in definition in FY2024, the figures for FY2023 have been retroactively adjusted

(Note) 1. Coverage based on the sales ratio of each Group company in FY2024 is 100%

2. We have obtained third-party verification (limited assurance level in accordance with ISAE 3000).

3. As a long-term target for FY2030, we assume that the demand for water will increase due to business expansion, but we have set the same level of water consumption as the current level by striving for more efficient use, etc.

Efficient use of water resources

We are engaged in water usage management, including setting targets for water consumption and regularly monitoring and evaluating progress.

At our headquarters building, "Tokyo Port City Takeshiba Office Tower," we are implementing water-saving measures to reduce miscellaneous water usage by over 30%. Rainwater collected from the roof and other areas, as well as kitchen wastewater, is collected, stored, sterilized, and reused for toilet flushing. Additionally, on each floor, we have installed water-saving devices such as flow restrictors on hot water supply facilities and sound simulators in toilets to reduce the frequency of flushing. We promote water conservation by disseminating information about these initiatives to all employees through internal intranet and other channels, raising awareness across the organization.

Understanding regions subject to water risk and stress

Using the *Aqueduct* data platform run by the World Resources Institute (WRI), we have identified regions that are subject to water stress and have confirmed that, based on considerations of wastewater pollution risk and reports from surrounding areas, none of our business sites are associated with high overall water risk. In addition, Singapore, where our group company SB Telecom Singapore Pte. Ltd. is headquartered, is considered to be a region with high water stress*³. According to assessments using the *Aqueduct* tool, water stress is projected to increase to 1.4 times the current level by 2040. If the Singapore site were to cease operations, an impact on annual sales of ¥320 million is expected.

Although there is little need for immediate countermeasures in consideration of the scale of the project and the amount of water withdrawn, we recognize the need to collect information and consider the need for countermeasures in light of the increased physical risk due to extreme weather

conditions in the future.

*3 As the end of March, 2025. Ranked 1st among the top 33 Water-stressed Countries: 2040, according to WRI (World Resources Institute).

Support for building new water recycling systems

We are collaborating with WOTA Corporation, with whom we have entered into a capital and business partnership, to address challenges in depopulated areas where maintaining water and sewage systems has become difficult due to population decline, as well as in island regions where stable water access and infrastructure development are hard to achieve. Using WOTA's "Small-Scale, Decentralized Water Reuse System for Household," which enables nearly 100% recycling of all domestic wastewater without relying on existing water and sewage infrastructure, we have been conducting pilot experiments in Toshima Village, Tokyo since June 2023, aiming to establish a new water infrastructure system that supplies water reliably in island regions. In addition, we also sell the water circulation-type handwashing stand *WOSH*, which enables water use even when water and sewage systems are disrupted by disasters, as well as the portable water recycling system *WOTABOX*, which provides warm private shower baths.



Initiatives and KPIs for water resource efficiency in data centers

Data centers use large amounts of water to cool the significant amount of heat generated by servers and network equipment, making the efficient use of water resources an urgent issue in reducing environmental impact. At our data centers, we have adopted highly efficient water-cooling systems, such as "turbo refrigerators" that generate cold air and "chillers" that circulate liquid for cooling, to maximize cooling efficiency. In addition, at the AI data center currently under construction in Tomakomai, Hokkaido, we plan to introduce an air conditioning system that utilizes Hokkaido's cool outside air, thereby aiming to significantly reduce the amount of water required for cooling. Furthermore, we are designing and developing rack-integrated solutions equipped with two-phase DLC (Direct Liquid Cooling) technology, a cooling system that does not use water, as part of our efforts to introduce innovative waste heat solutions.

In addition, we have set a KPI of "promotion of initiatives such as tree planting to contribute to water source replenishment equivalent to 1%*⁴ of water usage for newly developed data centers." In FY2024, we implemented initiatives such as tree planting (2.5 hectares) that contribute to water source replenishment equivalent to one data center.*⁵

*4 Equivalent to 1% of daily water usage at a data center

*5 One data center equivalent is an estimated value based on our model usage (tree planting required for replenishment is 2 hectares or more) (Note) Please refer to "[Appropriate Use of Water Resources](#)" on our website for details.



Promotion of a Recycling-oriented Society

We position the promotion of resource circulation as one of our key management issues. By promoting waste reduction and resource recovery through the efficient use of limited resources, we aim to mitigate environmental impact, enhance corporate trustworthiness and competitiveness, and sustainably increase corporate value. As part of these efforts, we are engaged in reducing, reusing, and recycling industrial waste.

Indicators and targets

To contribute to the creation of a recycling-oriented society, we manage environmental impact data. Our main targets are a recycling rate of 99% or higher for decommissioned base station telecommunications equipment, the collection of 14 million used mobile phones for reuse and recycling (cumulative total for FY2020 to FY2025), and an annual 1% improvement in the recycling rate of industrial waste.

Recycling rate of decommissioned base station telecommunications equipment, number of collected used mobile phones for reuse and recycling, and recycling rate of industrial waste

Items (Unit)		FY2022	FY2023	FY2024
Decommissioned base station telecommunications equipment	Recycling rate (%)	99.96	99.97	99.99
Collected used mobile phones	Number of collected devices for reuse/recycling (units)	2,229,218	2,567,975	2,629,035
Industrial waste	Recycling rate (%)	90.1	94.8	96.0

(Note) The boundary is SoftBank Corp. on a standalone basis.

Industrial waste generated and final disposal amount

Items (Unit)	FY2020	FY2021	FY2022	FY2023	FY2024
Amount of generation (t)	6,313	6,196	6,398	6,696	6,604
Amount of final disposal (t)	831	528	557	301	256

(Note) 1. Coverage in FY2024 is 100% of consolidated sales
 2. The calculation method for final disposal amount has been changed since FY2020.
 3. Third-party verification has been conducted by the Japan Quality Assurance Organization (Limited level of assurance in accordance with ISAE 3000).

Initiatives for promoting a circular economy in business operations

Reduce

We strive to reduce the amount of paper resources used in the sales of mobile phones by making individual packing boxes smaller, digitizing instruction manuals and other bundled documents into applications, and utilizing iPads in our stores. Moreover, to replace the conventional paper-based invoices, we launched an “online charges guide” which allows users to view electronic billing statements over the Internet from a *SoftBank* mobile phone or PC. This has been provided as a basic service to all individual subscribers since October 2006.

Reuse

We efficiently collect and resell mobile phones that we have sold or rented to customers. As the domestic and global markets for used smartphones continue to expand, we will further enhance our value-added services to meet increasingly diverse market needs.

Recycle

As a member of the Mobile Recycle Network (MRN), which engages in mobile phone and PHS recycling activities, we collect not only mobile phones sold by our Company but also those sold by other companies. In FY2024, we collected a total of 2.63 million used mobile phones (417 tons) for reuse and recycling. Having achieved our initial cumulative target of 12 million units (from FY2020 to FY2025), we revised our FY2025 target upward to a cumulative total of 14 million units for the same period, aiming for further increases in collection volume.

In addition, we are promoting the recycling of waste materials from telecommunications equipment such as cables, switches, and utility poles that are generated during the renewal or removal of network facilities.

(Note) Please refer to “[Promotion of a Recycling-oriented Society](#)” on our website for details.



Mobile Recycle Network
 Please cooperate in the recycling of mobile phones and PHS devices.

Waste reduction through the introduction of reusable cups at headquarters

Aiming to reduce environmental impact, we have replaced disposable cups, which had been used as a measure against infectious diseases, with reusable cups in the lounges on each floor of our headquarters. This initiative was fully implemented in April 2025.

The introduced cups are made primarily of biomass plastic (PLA) derived from corn starch, with silicone used for the lids. Through this transition, we expect to reduce waste by approximately 3.5 million paper cups and 1.16 million plastic lids annually, in addition to reducing CO₂ emissions by about 119 tons.

In addition, the introduced cups are planned to be collected and remanufactured after three to four years, contributing not only to waste reduction but also to the promotion of a circular economy through resource circulation.



Biomass plastic cups introduced by our Company

Contents

How Will We Achieve Carbon Neutrality?

Environmental Initiatives

Group-wide Net Zero Initiatives

Disclosure Based on TCFD Recommendations

Disclosure Based on TNFD Recommendations

Appropriate Use of Water Resources

> Promotion of a Recycling-oriented Society



Contents

How Do We Ensure the Effectiveness of Our Governance?

Interview with External Director

Messages from New External Directors

Overview of Corporate Governance System

Evolution of Corporate Governance System

Board of Directors

Overview of Principal Deliberations by the Board of Directors

System to Ensure Independence from the Parent Company

Policy on Governance of Listed Subsidiaries

Nominating Committee and Remuneration Committee / Remuneration for Board Directors

CEO Succession Plan / Skill Matrix (Skill Definition)

Skill Matrix of Board Directors and Audit & Supervisory Board Members

Activities of External Directors and External Audit & Supervisory Board Members

Board Directors and Audit & Supervisory Board Members

Status of Audit

How Do We Ensure the Effectiveness of Our Governance?

Establishing effective corporate governance is essential to achieving sustainable growth in corporate value. This section provides an overview of our corporate governance system, our past initiatives to strengthen it, our stance on parent-subsidary listings, and interview with our external director.





Interview with External Director

Maximizing corporate value by balancing effective governance with agile management

Contents

How Do We Ensure the Effectiveness of Our Governance?

> Interview with External Director

Messages from New External Directors

Overview of Corporate Governance System

Evolution of Corporate Governance System

Board of Directors

Overview of Principal Deliberations by the Board of Directors

System to Ensure Independence from the Parent Company

Policy on Governance of Listed Subsidiaries

Nominating Committee and Remuneration Committee / Remuneration for Board Directors

CEO Succession Plan / Skill Matrix (Skill Definition)

Skill Matrix of Board Directors and Audit & Supervisory Board Members

Activities of External Directors and External Audit & Supervisory Board Members

Board Directors and Audit & Supervisory Board Members

Status of Audit



Naomi Koshi

External Director,
SoftBank Corp.
Partner Lawyer,
Miura & Partners
Co-Founder and CEO,
OnBoard K.K.

Q: What role do you think is required of an external director?

I recognize that in addition to “supervising execution of duties by directors” as stipulated by the Companies Act, an equally important role of external directors is to work toward enhancing corporate value. The Company has set forth the *Beyond Carrier* strategy and positioned the acceleration of its growth as a leading AI company as a key agenda item for the Board of Directors. The Board of Directors, including external directors, is responsible for discussing strategies for new business fields, including AI, and presenting these strategies to shareholders in a clear and accessible manner. Additionally, because the Company has a parent company, protecting the interests of minority shareholders is also an important responsibility.

Q: How has the Board of Directors changed since external directors became the majority?

In June 2024, external directors came to comprise a majority of the Board of Directors, further enhancing its diversity. The current external directors are experts in a wide range of fields, including global management, AI and technology, accounting, finance, legal affairs, and the promotion of women in the workforce. This diverse background allows for active discussions from multiple perspectives, even on specialized and cutting-edge issues such as AI governance and security, where established solutions do not yet exist. I believe this is extremely important for advancing business while taking on risks.

Q: In the context of parent-subsidary listings, what points do you focus on to protect minority shareholders and manage conflicts of interest?

Our relationship with our parent company, SoftBank Group Corp., brings strategic opportunities to the Company, such as our partnership with U.S.-based OpenAI. However, because both companies are listed, when conducting transactions with SoftBank Group Corp., we must ensure thorough governance that protects the interests of our minority shareholders, with a particular focus on conflicts of interest. When dealing with matters involving SoftBank Group Corp., we must negotiate contract terms from the perspective of SoftBank’s growth and risks. Furthermore, especially with respect to matters concerning OpenAI, I believe it is necessary to not only consider conflicts of interest but also to carefully review the balance of risk and return in a field where business models have not yet been established, and make the best decisions to maximize our corporate value.

With respect to LY, while the Company is its parent, we must also be mindful that LY has responsibilities to its own minority shareholders. After I was appointed as an external director, there was an information security incident at LY, which caused concern not only among shareholders but also customers. Regarding this issue, I believe that as the parent company, we have a responsibility to ensure and strengthen the security of our Group companies (📄 P106). On the business side, I think it is important to continue working together on initiatives such as AI.



Contents

How Do We Ensure the Effectiveness of Our Governance?

> Interview with External Director

Messages from New External Directors

Overview of Corporate Governance System

Evolution of Corporate Governance System

Board of Directors

Overview of Principal Deliberations by the Board of Directors

System to Ensure Independence from the Parent Company

Policy on Governance of Listed Subsidiaries

Nominating Committee and Remuneration Committee / Remuneration for Board Directors

CEO Succession Plan / Skill Matrix (Skill Definition)

Skill Matrix of Board Directors and Audit & Supervisory Board Members

Activities of External Directors and External Audit & Supervisory Board Members

Board Directors and Audit & Supervisory Board Members

Status of Audit

Interview with External Director

The Company had established a Special Committee, consisting solely of external directors, to deliberate important matters where conflicts of interest could be a concern, such as transactions with the parent company or mergers and acquisitions. In June 2024, because external directors came to comprise a majority of the Board of Directors, it was determined that this function could be sufficiently fulfilled by the Board of Directors in accordance with the Corporate Governance Code, and the Special Committee was abolished. However, because I believed a forum for independent external directors alone to consider the interests of minority shareholders was extremely important, I proposed maintaining such an independent venue. As a result of this proposal, the “Independent External Directors’ Meeting” was newly established. This new meeting effectively takes over the role of the Special Committee, and it is a mechanism that further strengthens the governance functions of external directors.

Q: Could you tell us about the challenges in promoting DE&I and what countermeasures are being taken?

Since being appointed as an external director, I have served as an advisor to the Company’s Committee for the Promotion of Women in the Workforce. The Company has a goal of increasing the ratio of women in management positions to 20% or more by the end of FY2035. To achieve this goal, a strong commitment from top management is extremely important. At the Company, President & CEO Miyakawa serves as the chair of the Committee for the Promotion of Women in the Workforce and communicates a clear message. I also find it distinctive that the Company analyzes data and surveys in detail and identifies issues based on that analysis. As a result of data analysis, issues have been identified, such as a difference in the promotion rate to management positions despite no gender bias in the personnel evaluation itself, and this has led to countermeasures (P67).

Furthermore, a structural issue seen not only at the Company but across Japanese society is that the percentage of women who wish to become managers is lower than that of men. This is likely due to time constraints from household chores and childcare, as well as a sense of anxiety that “I may not be able to do the job.” In response to this, the Company is strengthening its mentoring system, providing opportunities for women who are not yet managers to learn from mentors in management positions about how to do the job and the rewards it brings. As a result of these efforts, women are now aiming for promotions while raising children, even in job categories where there were previously few women in management positions. I am confident that if the Company promotes workstyle reforms and a shift in mindset among managers, enabling them to eliminate unconscious bias and assign and support challenging tasks, it will be fully capable of achieving its goal.

Q: From an external director’s perspective, what are the characteristics of SoftBank’s corporate culture?

The Company’s corporate culture has two characteristics. The first is “the management’s commitment to achieving goals, and the frontline sales capabilities that support it.” The management team has a strong determination to achieve the targets of the Mid-term Plan without fail, even in a challenging external environment, and progress is reviewed by the Board of Directors. This “ability to

see goals through to completion” has permeated every employee, which encourages proactive behavior. These execution capabilities are supported by the frontline sales capabilities that accurately identify customer issues and continue to provide value. In a Consumer segment meeting I attended at the beginning of the fiscal year, the Company-wide goals discussed by the Board of Directors were broken down into departmental goals, with the background and significance also shared. As a result, employees do not simply pursue the immediate numerical targets but act with a management mindset and a sense of ownership.

The second characteristic is “speed.” In a rapidly changing business environment, quick decision-making is essential to seize opportunities. Despite being a large corporation, the Company has built a system that allows for decision-making at a speed that exceeds that of a startup, and it leverages its agility to adapt to change. At the same time, it is important to have a mechanism that ensures thorough risk assessment. I have been working to ensure that sufficient information, including risk-related information, is provided before Board of Directors meetings to facilitate earlier discussions. I believe that balancing agile decision-making with the supervision function, and optimizing the balance between risk-taking and risk management will lead to improved corporate value.

Q: What are your expectations for the next Mid-term Plan?

For growth from FY2026 and beyond, I expect the full-scale promotion of the *Beyond Carrier* strategy, particularly the expansion of AI-related businesses. Since business models in the AI field are still not established, it is important to present to shareholders a concrete path to profitability. Additionally, because large-scale AI investments may take time to generate returns, we must continuously review the appropriate balance between growth investment and shareholder returns. Drawing on my expertise as a lawyer, I will fulfill my duties as an external director by ensuring that the Company can boldly advance new businesses while taking on risks, from the perspectives of AI governance, security, contract terms, and other legal and risk management aspects.





Messages from New External Directors

Contents

How Do We Ensure the Effectiveness of Our Governance?

Interview with External Director

> Messages from New External Directors

Overview of Corporate Governance System

Evolution of Corporate Governance System

Board of Directors

Overview of Principal Deliberations by the Board of Directors

System to Ensure Independence from the Parent Company

Policy on Governance of Listed Subsidiaries

Nominating Committee and Remuneration Committee / Remuneration for Board Directors

CEO Succession Plan / Skill Matrix (Skill Definition)

Skill Matrix of Board Directors and Audit & Supervisory Board Members

Activities of External Directors and External Audit & Supervisory Board Members

Board Directors and Audit & Supervisory Board Members

Status of Audit



Hideaki Karaki
Independent External Director

President, Hideaki Karaki CPA Office
Chair of the Contract Monitoring Committee, Japan International Cooperation Agency

For approximately 40 years as a certified public accountant, I have been engaged in accounting audits for Japanese and international companies, gaining knowledge and experience related to corporate governance systems as well as financial and accounting systems. Most recently, as a committee member of the Japanese Institute of Certified Public Accountants, I contributed to improving governance for the entire industry by working to establish the ideal form of quality management systems at auditing firms.

In accounting audits, it is essential to have a deep understanding of the audited company's business environment through discussions with management and site visits. Based on that, I identify potential issues as audit risks and discuss solutions with management. As an external director, I intend to apply this audit perspective to further strengthen the Company's governance by maintaining an "inquiring mind" and constructively debating the Company's business risks and potential issues at Board of Directors meetings.

I recognize SoftBank as a unique company that combines an unwavering mission to serve as a telecommunications infrastructure provider with a strong entrepreneurial spirit to rapidly launch new businesses. As a certified public accountant, I have seen many cases where top-down management becomes stronger in organizations with a strong entrepreneurial spirit, causing employees to become passive. However, through repeated dialogue with the Company's employees prior to my appointment, I became confident that a corporate culture that "welcomes open and candid discussion" is deeply rooted in the Company. I believe that this culture of accepting "healthy debate" enables me to actively make proposals as an external director regarding potential issues, utilizing my knowledge and experience, and contribute to enhancing corporate value and strengthening governance through constructive debate. I am committed to supporting the Company's sustainable growth with a more robust governance system.



Akiko Nakajo
Independent External Director

Advisor, Japan Institute for Health Security
Committee Member,
Waseda University
Strategic Policy Committee

I have worked with the leading media and platforms of the day at the intersection of information and technology, serving as Deputy Head of Bloomberg L.P. Japan and Director of YouTube Japan at Google LLC. My mission is to use technology to build an ecosystem where users and business partners can gain concrete value. Drawing on these experiences, I aim to make proposals that enable SoftBank to swiftly roll out services while maintaining trust.

The Company aims to contribute to social development by embedding AI services deeply in the daily lives of users. To realize this, I believe there are issues the entire organization must address, such as establishing a robust governance system, thoroughly managing risks, and ensuring AI-related ethics and transparency. I intend to discuss these matters to improve the quality of management and governance and contribute to enhancing corporate value.

Even before my appointment, I felt that SoftBank possesses remarkable agility and continues to evolve without fear of failure. After my appointment, this impression has only strengthened, and I once again felt the "passion" that fills the Company. Under a bright and open corporate culture, each employee is full of vitality, and I believe this positive energy is the source of the Company's strength. I am delighted to have become a member of SoftBank as an external director. I will do my best to meet the expectations of our stakeholders.



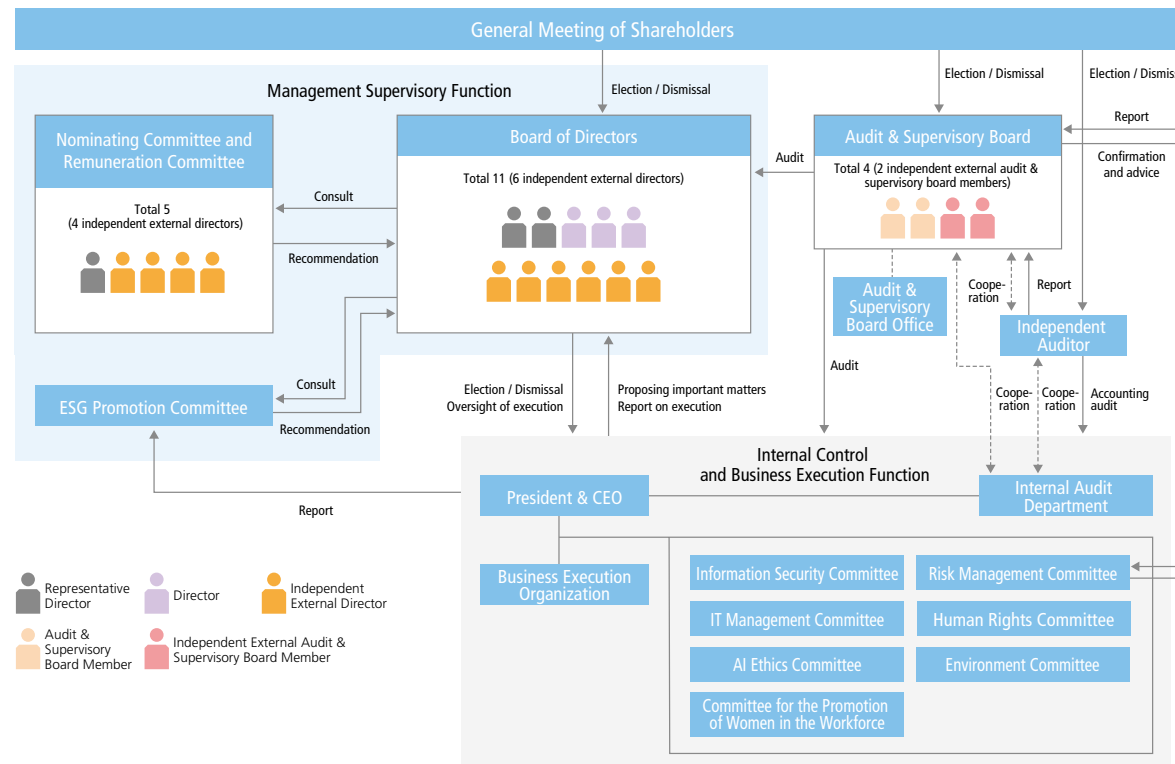
Overview of Corporate Governance System

Contents

How Do We Ensure the Effectiveness of Our Governance?

- Interview with External Director
- Messages from New External Directors
- **Overview of Corporate Governance System**
- Evolution of Corporate Governance System
- Board of Directors
- Overview of Principal Deliberations by the Board of Directors
- System to Ensure Independence from the Parent Company
- Policy on Governance of Listed Subsidiaries
- Nominating Committee and Remuneration Committee / Remuneration for Board Directors
- CEO Succession Plan / Skill Matrix (Skill Definition)
- Skill Matrix of Board Directors and Audit & Supervisory Board Members
- Activities of External Directors and External Audit & Supervisory Board Members
- Board Directors and Audit & Supervisory Board Members
- Status of Audit

Corporate governance system (As of June 26, 2025)



Nominating Committee and Remuneration Committee

Number of meetings in FY2024
 Nominating Committee **2**
 Remuneration Committee **4**

Each committee is composed of a total of five members, including the President & CEO and independent external directors, and chaired by an independent external director to ensure its independence. Both committees deliberate and determine recommendations to be submitted to the General Meeting of Shareholders. The Nominating Committee deals with the election and dismissal of Board Directors and the nomination of Representative Directors, while the Remuneration Committee handles remuneration for Board Directors. [P91](#)

(Note) The Special Committee was abolished on June 20, 2024, after independent external directors came to constitute a majority of the Company's Board of Directors.

ESG Promotion Committee

Number of meetings in FY2024 **4**

Chaired by the President & CEO, the committee is composed of independent external directors and executive officers appointed by the chairperson. It monitors the progress of the Group's ESG activities (such as KPIs on material issues) and makes recommendations to the Board of Directors. [P58](#)

Board of Directors

Number of meetings in FY2024 **12**

The Board of Directors consists of 11 Board Directors, six of whom are independent external directors, with a majority of the Board Directors consisting of independent external directors. It decides on matters required by law or the Articles of Incorporation as well as on important matters related to business execution by the Company in accordance with the Board of Directors Rules. In addition, the Board of Directors supervises each Board Director's business execution. [P87](#)

Audit & Supervisory Board

Number of meetings in FY2024 **16**

The Audit & Supervisory Board establishes an audit policy, plan, and priority audit items for each fiscal year and, in principle, meets once a month. To review the status of the execution of duties by Board Directors in light of the priority audit items, it receives regular reports from departments related to the internal control system and evaluates the appropriateness of business execution. [P98](#)

Internal Audit Department

Number of meetings in FY2024 **17**

Established as an independent organization directly under the President & CEO, the Internal Audit Department formulates a risk-based annual audit plan and conducts internal audits of the overall duties of the Company. It also performs company-wide internal control audits of its subsidiaries and associates (mainly consolidated subsidiaries). [P98](#)

Risk Management Committee

Number of meetings in FY2024 **2**

The Risk Management Committee meets semiannually and consists of members including the President & CEO, vice President, the CFO, and others. Audit & Supervisory Board Members and related directors also attend its meetings. The committee determines the severity of risks and who should take responsibility (risk owners), issues instructions for what measures are to be taken, and reports on the progress thereof to the Board of Directors. [P100](#)



Contents

How Do We Ensure the Effectiveness of Our Governance?

Interview with External Director

Messages from New External Directors

Overview of Corporate Governance System

Evolution of Corporate Governance System

Board of Directors

Overview of Principal Deliberations by the Board of Directors

System to Ensure Independence from the Parent Company

Policy on Governance of Listed Subsidiaries

Nominating Committee and Remuneration Committee / Remuneration for Board Directors

CEO Succession Plan / Skill Matrix (Skill Definition)

Skill Matrix of Board Directors and Audit & Supervisory Board Members

Activities of External Directors and External Audit & Supervisory Board Members

Board Directors and Audit & Supervisory Board Members

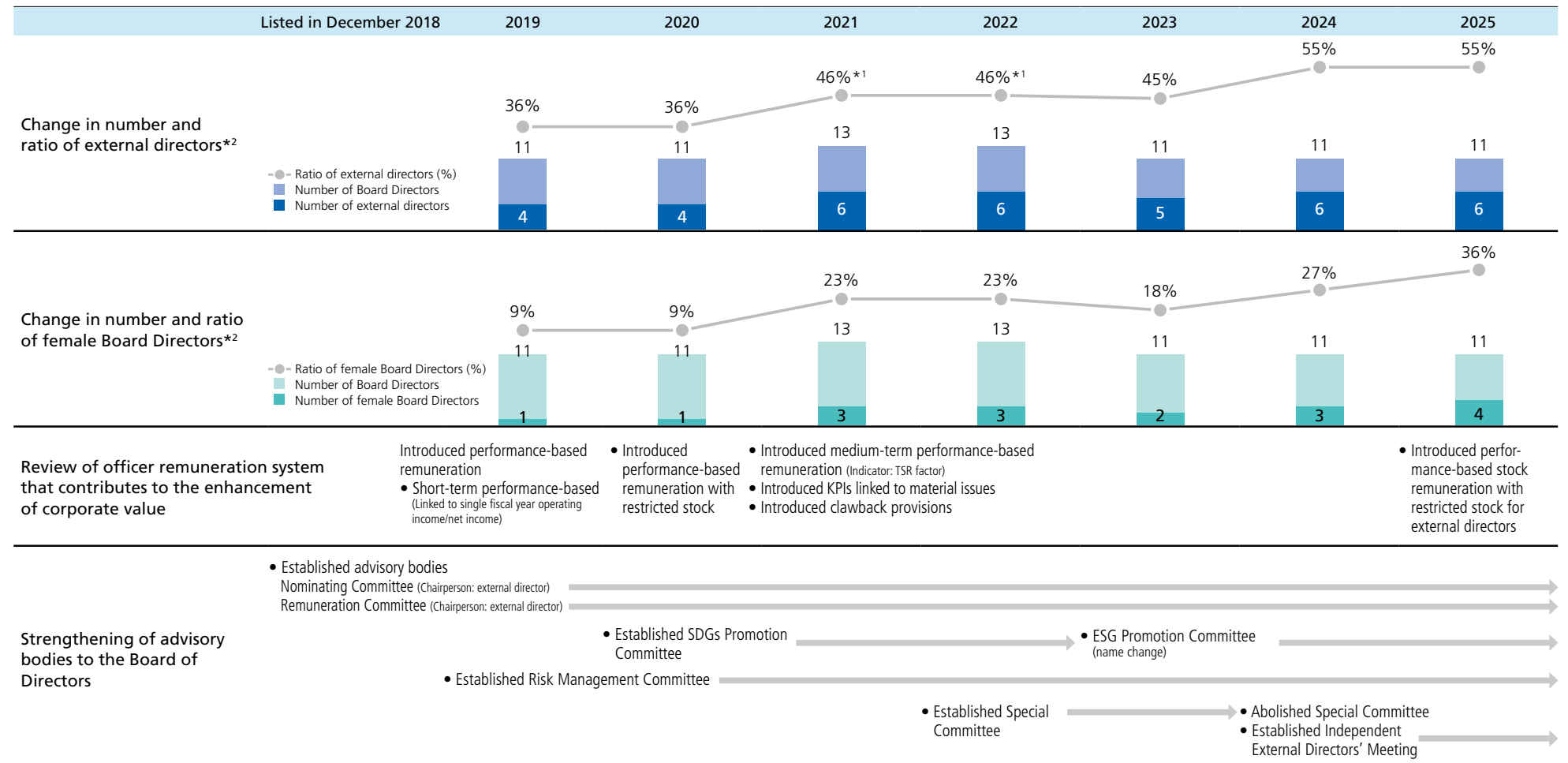
Status of Audit

Evolution of Corporate Governance System

Since being listed in December 2018, the Company has been constantly working to strengthen its corporate governance. 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 toward the sustainable enhancement of the Company's corporate value and to promote further sharing of value with investors and shareholders. Furthermore, in 2021, we 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 material issues identified for the Company's sustainable growth (P59)) into our index for determining short-term performance-based remuneration. In addition, in order to promote the integration of our

growth strategy and sustainability, we established the ESG Promotion Committee (formerly SDGs Promotion Committee) in 2020, chaired by the President & CEO. As an advisory body to the Board of Directors, the committee makes recommendations on sustainability activities to the Board of Directors, and also reports on its activities four times a year as well as on an ad hoc basis when necessary.

The Company has been increasing the ratio of independent external directors to a majority on its Board of Directors since June 2024, in order to ensure fairness and transparency in management, enhance corporate value, and make prompt and accurate decisions. In 2025, we appointed six of the 11 Board Directors (including four women) as independent external directors.



*1 Five members were independent external directors, ratio of independent external directors was 38%.
 *2 The changes in the number and ratio of external directors and female directors are as of the end of June of each year.



Contents

How Do We Ensure the Effectiveness of Our Governance?

Interview with External Director

Messages from New External Directors

Overview of Corporate Governance System

Evolution of Corporate Governance System

> Board of Directors

Overview of Principal Deliberations by the Board of Directors

System to Ensure Independence from the Parent Company

Policy on Governance of Listed Subsidiaries

Nominating Committee and Remuneration Committee / Remuneration for Board Directors

CEO Succession Plan / Skill Matrix (Skill Definition)

Skill Matrix of Board Directors and Audit & Supervisory Board Members

Activities of External Directors and External Audit & Supervisory Board Members

Board Directors and Audit & Supervisory Board Members

Status of Audit

Board of Directors

The Company's Board of Directors is a decision-making body for important matters and an oversight body for the status of business execution. It also plays a role in steering management to improve long-term corporate value. The Company's Articles of Incorporation stipulates that the number of Board Directors must be 15 or less. Their terms of office last until the conclusion of the Annual General Meeting of Shareholders held with respect to the final fiscal year ending within one year after election. The Board of Directors elects, as candidates for Board Director, those who are considered the most suitable for the position in consideration of their nationality, ethnicity, gender, and age, based on discussions by the Nominating Committee.

As of June 2025, there are 11 Board Directors serving, including six independent external directors, who hold constructive and lively discussions from diverse perspectives, including outside perspectives. Furthermore, the Company has introduced an executive officer system for ensuring clarification of the management supervisory function and strengthening the business execution function of the Board of Directors, as well as expediting management.

Evaluation of effectiveness of Board of Directors

In order to ensure its further effectiveness and to improve its functions, an analysis and evaluation of the effectiveness of the Board of Directors is carried out each year by the Board.

Evaluation process

[Subjects of evaluation]

Five internal directors, six external directors, and four Audit & Supervisory Board Members

[Method of evaluation]

Method of evaluation: Questionnaire-based survey (in a signed form) and/or interview

Evaluation period: December 2024 to June 2025

[Question Items]

1. Strategies and implementation thereof
2. Risk and crisis management
3. Corporate ethics
4. Business restructuring (mergers, acquisitions, divestitures or business alliances)
5. Group governance
6. Management evaluation, remuneration, and succession planning
7. Dialogue with stakeholders
8. Structure and operation of the Board of Directors

Status of the response to issues in FY2023

1. Medium- to long-term strategies

To enhance corporate value over the medium- to long-term, we believe that aligning strategies across the Group and coordinating them with our financial strategy is essential. Based on the opinion that ongoing strategic discussions focusing on Group-wide synergies are necessary, we have continuously discussed strategies for each business and the Group as a whole. Furthermore, regarding post-investment evaluation, we have acted on the view that the supervisory function of the Board of Directors should be strengthened. This is achieved by better organizing post-investment management indicators and the information necessary for making exit decisions. Accordingly, we have reviewed the comparison between the initial investment plans and actual results, as well as any necessary countermeasures, on a quarterly basis.

In interviews, the following opinions were voiced:

- Vigorous discussions are being conducted with greater depth at Board meetings, strategic discussions, and roundtable meetings.
- Reorganization of the Financial segment is progressing.
- Post-investment progress is being managed quantitatively and being reported to and discussed by the Board.

2. Next-generation human resources strategies

To secure talent who will lead our next-generation businesses, we believe it is necessary to recruit and develop highly skilled personnel with cutting-edge technological expertise, in addition to making continuous investments in human capital and ensuring organizational diversity. Based on this view, we held in-depth discussions on securing next-generation core talent. Furthermore, in line with opinions that we need to identify and cultivate future leaders at an early stage to drive sustainable growth of the entire Group, we continuously reviewed and discussed the progress of our succession plan and specific action plans.

In interviews, the following opinions were voiced:

- Each business is preparing a succession plan, and its progress is being confirmed and discussed at the roundtable meetings.

3. Group governance and risk management

Regarding group governance and risk management, we have acted on opinions that the Board of Directors should provide continuous supervision from the perspective of ensuring the Group's sustainable growth and reliability. Accordingly, we have held discussions on the nature of capital relationships and reviewed the status of our response to information leakage issues. Furthermore, with new and unconventional risks such as geopolitical risks and economic security emerging, we have embraced the view that we must update our risk recognition and organize information in light of these changes. Based on this, we have discussed new risk themes, including economic security and AI data governance.

In interviews, the following opinions were voiced:

- Material risks are being managed on a sufficiently high level.
- A large number of subsidiaries are being appropriately organized and reported.

Overview of the results of the FY2024 evaluation of the effectiveness of the Board of Directors

It was confirmed that the Company's Board of Directors has been making improvements every year toward the vision of corporate governance envisaged by the Company, and that a high level of effectiveness has been ensured overall. In addition, in the course of the FY2024 evaluation of the effectiveness of the Board of Directors, there was confirmation of the status of responses to the issues raised in the FY2023 evaluation and priority issues to be addressed going forward. Details of the priority issues to be addressed and initiatives based on the opinions expressed through interviews, etc., to further ensure the effectiveness and strengthen the functions of the Board of Directors, are as follows:

Priority issues

1. Medium- to long-term strategies

- (Opinions of FY2024)
It is necessary to formulate the next Mid-term Plan for the entire Group with AI strategy at its core.
- (Initiatives)
Hold in-depth discussions on the Group's overall growth strategy in preparation for formulating the next Mid-term Plan.

2. Next-generation human resources strategies

- (Opinions of FY2024)
It is necessary to deepen discussions regarding succession plans for the executive management layer and strategies for securing professional talent, and also to consider the optimization of the workforce composition across the entire Group.
- (Initiatives)
Hold ongoing discussions on the development policy for the executive management layer and the Group's human resource strategy in line with the next Mid-term Plan.

3. Group governance and risk management

- (Opinions of FY2024)
It is necessary to deepen discussions on the effectiveness of Group-wide governance and risk management, and to address risks in light of a changing environment.
- (Initiatives)
Hold ongoing discussions on the nature of Group-wide collaboration and our response policy in light of changes in the external environment, such as the increasing risk of cyberattacks and the global situation.



Contents

How Do We Ensure the Effectiveness of Our Governance?

- Interview with External Director
- Messages from New External Directors
- Overview of Corporate Governance System
- Evolution of Corporate Governance System
- Board of Directors

Overview of Principal Deliberations by the Board of Directors

- System to Ensure Independence from the Parent Company
- Policy on Governance of Listed Subsidiaries
- Nominating Committee and Remuneration Committee / Remuneration for Board Directors
- CEO Succession Plan / Skill Matrix (Skill Definition)

Skill Matrix of Board Directors and Audit & Supervisory Board Members

Activities of External Directors and External Audit & Supervisory Board Members

Board Directors and Audit & Supervisory Board Members

Status of Audit

Overview of Principal Deliberations by the Board of Directors

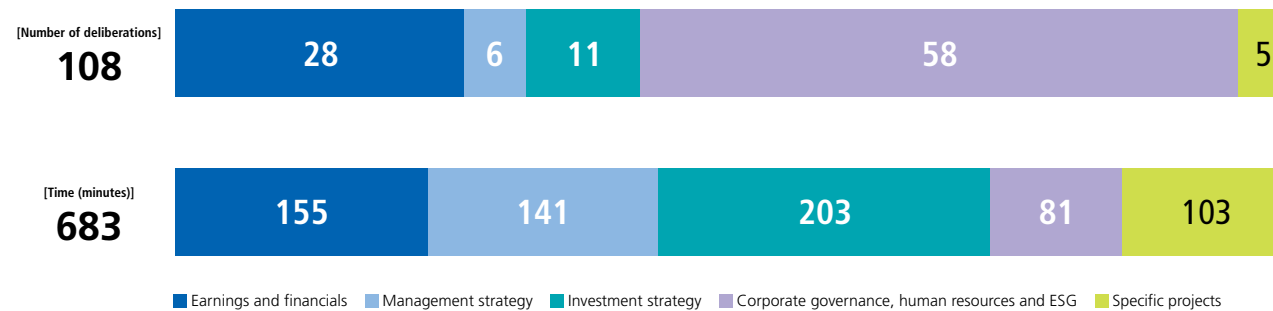
The Company's Board of Directors meets in principle once a month to continuously deliberate on key issues such as management strategy, finance, governance, ESG, and AI investments. In addition, the Board of Directors regularly holds strategic discussions after each meeting to deepen its understanding of medium- to long-term management issues and future directions. In FY2024, the Board of Directors and the strategic discussions together deliberated on 108 proposals and spent a total of 683 minutes.

Furthermore, we hold preliminary briefings for external directors and Audit & Supervisory Board Members prior to each Board of Directors meeting. The Board Director, Executive Vice President & CFO and others attend these briefings, where the relevant divisions provide detailed explanations of proposals and hold Q&A sessions to promote understanding. When issues are raised, we have an operational structure in place to address them before submitting them to the Board of Directors. In FY2024, a total of 2,435 minutes were spent on these preliminary briefings.

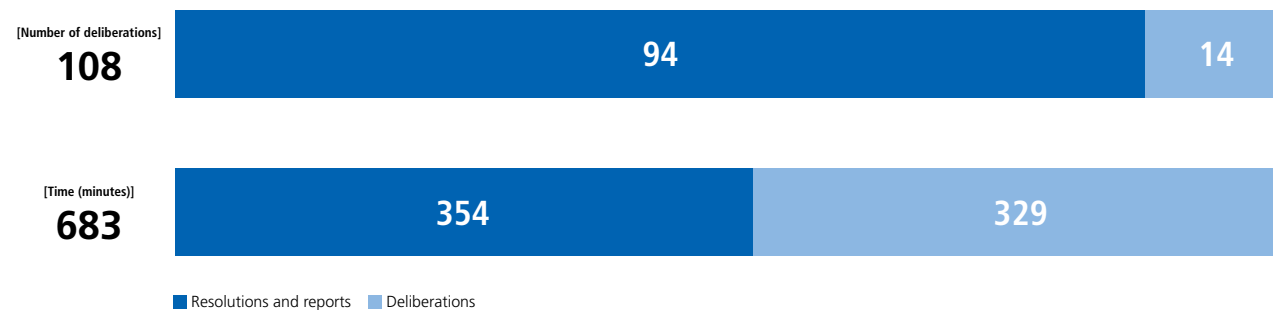
In addition to the growth strategies for both the Consumer and Enterprise segments, we engaged in continuous discussions on the medium- to long-term strategies of LY and PayPay, aiming to enhance the overall competitiveness of the Group. As part of our AI strategy, we promoted the development of Next-generation Social Infrastructure through discussions on the construction of an AI data center at Sharp Corporation's Sakai Plant and the introduction of the advanced corporate AI *Cristal intelligence*. We also worked to strengthen global communication infrastructure, including investments in international submarine cables.

On the financial front, decisions on capital policy were made swiftly, such as the issuance of Series 2 Bond-Type Class Shares and the application for a tender offer for treasury stock by LY. Through these deliberations by the Board of Directors and strategic discussions, we are striving to sustainably enhance corporate value and secure the trust of shareholders and stakeholders.

Overview of deliberations by agenda at Board of Directors meetings and strategic discussions



Number and time spent on deliberations at Board of Directors meetings and strategic discussions



Principal deliberations of the Board of Directors and strategic discussions (FY2024)

April:	Management strategy / Deliberation on Enterprise segment strategy
May:	Management strategy / Deliberation on Consumer segment strategy
June:	Corporate governance / Resolution concerning revision of the Board of Directors Rules AI strategy / Deliberation on construction of an AI data center at Sharp Corporation's Sakai Plant
July:	Earnings and financials / Resolution concerning application for a tender offer for treasury stock by LY
August:	Earnings and financials / Resolution concerning the issuance of Series 2 Bond-Type Class Shares
September:	Specific project / Deliberation on investments in international submarine cables
October:	Management strategy / Deliberation on medium- to long-term strategies Deliberations on LY's growth strategy
December:	AI strategy / Resolution concerning the construction of an AI data center at Sharp Corporation's Sakai Plant
January:	AI strategy / Resolution concerning the advanced enterprise AI <i>Cristal intelligence</i> Management strategy / Deliberations on PayPay's medium- to long-term strategies Management strategy / Deliberations on LY's medium- to long-term strategies
March:	Financial results and finance / Resolution concerning the budget plan for FY2025



System to Ensure Independence from the Parent Company

Contents

How Do We Ensure the Effectiveness of Our Governance?

Interview with External Director

Messages from New External Directors

Overview of Corporate Governance System

Evolution of Corporate Governance System

Board of Directors

Overview of Principal Deliberations by the Board of Directors

> System to Ensure Independence from the Parent Company

Policy on Governance of Listed Subsidiaries

Nominating Committee and Remuneration Committee / Remuneration for Board Directors

CEO Succession Plan / Skill Matrix (Skill Definition)

Skill Matrix of Board Directors and Audit & Supervisory Board Members

Activities of External Directors and External Audit & Supervisory Board Members

Board Directors and Audit & Supervisory Board Members

Status of Audit

Guidelines on transactions with the controlling shareholder

The Group conducts transactions with companies within the parent company group. To ensure an independent perspective, the Company has established “Related Party Regulations” and a “Related Party Transactions Management Manual” for transactions with related parties, including SoftBank Group Corp. The Board of Directors approves each important transaction on a case-by-case basis to ensure that the transaction is rational from a management perspective and that its terms and conditions are appropriate compared to those of external transactions. For transactions of particular

importance, we have a system in place to hold a “Independent External Directors’ Meeting,” comprised solely of independent external directors, to conduct a preliminary review from the perspective of protecting the interests of minority shareholders. In addition, with regard to related party transactions that do not fall under the category of important transactions, the Finance and Accounting Division monitors the aggregate amount and details of such transactions once a year in principle.

Parent-subsidiary listings

The Company listed its shares on the First Section of the Tokyo Stock Exchange (now the Prime Market) 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 investment company that aims to maximize the corporate value of the entire SoftBank Group through global investment activities including the SoftBank Vision Fund. SoftBank Group Corp. invests in companies with excellent AI business models and services from around the world, focusing on the impact of AI on creating new industries. The Company, on the other hand, operates various businesses built on a relatively stable telecommunications business, mainly in Japan. As the nature of the two businesses differ, the expected investment results from investing in each company will also differ. By listing our shares independently, we believe we will be able to provide investment opportunities that balance stable shareholder returns with growth as an operating company that leverages its position as a SoftBank Group company. In addition, since SoftBank Group Corp. is an investment company without operating divisions, we believe the possibility of conflicts of interest between the Company and SoftBank Group Corp. is considered low.

Second, due to the difference in business nature between SoftBank Group Corp. and the Company, the two companies need different management resources 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.

As of the end of FY2024, the Company had 229 subsidiaries, including several listed. The Group values the independence of its subsidiaries. It believes that each listed subsidiary should engage in business while being evaluated in the capital market, and that autonomous management that takes into consideration the interests of minority shareholders will contribute to the growth of each company. While ensuring the independence of listed subsidiaries, we aim to create synergies and continue to evolve and grow together, thereby maximizing the corporate value of our Group. The Company has established the “Subsidiaries and Associates Management Regulations” for the purpose of managing the companies in which the Company invests, and requires prior approval 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 associates (including non-compete clauses). This ensures that the Company will not unfairly constrain their decision-making.



Contents

How Do We Ensure the Effectiveness of Our Governance?

Interview with External Director

Messages from New External Directors

Overview of Corporate Governance System

Evolution of Corporate Governance System

Board of Directors

Overview of Principal Deliberations by the Board of Directors

System to Ensure Independence from the Parent Company

› Policy on Governance of Listed Subsidiaries

Nominating Committee and Remuneration Committee / Remuneration for Board Directors

CEO Succession Plan / Skill Matrix (Skill Definition)

Skill Matrix of Board Directors and Audit & Supervisory Board Members

Activities of External Directors and External Audit & Supervisory Board Members

Board Directors and Audit & Supervisory Board Members

Status of Audit

Policy on Governance of Listed Subsidiaries





The Group is engaged in a variety of businesses in the information and technology fields under the shared corporate philosophy of “Information Revolution — Happiness for everyone.” While valuing and ensuring the independence of its subsidiaries, the Group aims to create synergies and continue to evolve and grow together with them, with a view to maximizing the corporate value of the Group. On the other hand, the Company makes decisions on its holding policy for each listed subsidiary on a case-by-case basis, taking into account their strategic positioning within the Group. In this context, SB Technology Corp. was made a wholly owned subsidiary in September 2024.

In terms of listed subsidiaries, the Company, from the standpoint of independence, values their proprietary management decision-making and respects their business activities based on their autonomous deliberations and determination of business strategies and relevant measures. As part of its Group management method, the Company has established the “Subsidiaries and Associates

Management Regulations” for the purpose of managing investees, requiring prior approval or reporting to the Company regarding important decision-making at subsidiaries. At the same time, for listed subsidiaries, to minimize such approvals and reporting, 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 associates (including non-compete clauses). This ensures that the Company will not unfairly constrain their decision-making.

The Company believes that it is desirable for each listed subsidiary to conduct its business while being evaluated in the capital market and to carry out autonomous management that takes into account the interests of minority shareholders, which will contribute to its growth. At this time, the Company deems that it is desirable for each listed subsidiary to remain listed.

Listed subsidiaries

Company name	Significance of ownership	Ratio of independent external directors (as of the end of June 2025)
LY	LY provides national services such as <i>Yahoo! JAPAN</i> , one of the largest Internet services and <i>LINE</i> , a communication app in Japan. In June 2019, Z Holdings Corporation (formerly Yahoo Japan Corporation), the predecessor of LY, became a consolidated subsidiary of the Company. Through intra-group reorganization, LY aims to accelerate synergy creation, improve its product development and earning capabilities, and generate new value. Both the Company and LY believes that there are a wide range of synergies that can be created by the collaboration between our two companies, and the collaboration will be a key factor in our <i>Beyond Carrier</i> strategy to achieve growth in the non-telecom business fields. On the other hand, LY operates a highly neutral Internet media business and has a broad customer base that is not limited to users of the Company. The Company believes that securing a certain degree of independence of LY will contribute to the enhancement of its business relationships and ultimately to the increase of its corporate value. The Company believes that maintaining the independence and autonomy of LY as a listed company, optimally allocating management resources based on an integrated strategy, and maximizing synergies, will contribute to improving the corporate value of the Group as a whole.	 66.7 % (4 out of 6 members)
Cybertrust Japan Co., Ltd.	Cybertrust Japan Co., Ltd. specializes in providing <i>Trust Services</i> focused on electronic authentication and security. The company was listed on the stock exchange in April 2021. <i>Trust Services</i> are highly public infrastructure in the digital society and are required to be provided in a neutral and impartial manner. The Company believes that maintaining the independence and autonomy of Cybertrust Japan Co., Ltd. as a listed company, while supporting its autonomous management that takes into account the interests of minority shareholders, will contribute to the sustainable growth of the company and the improvement of the corporate value of the Group as a whole.	 42.9 % (3 out of 7 members)
ITmedia Inc.	ITmedia Inc. specializes in media management that provides IT-related information on the Internet. The Company made it a subsidiary in April 2018 for the purpose of pursuing business synergy and expanding businesses into a brand range of domains. The Company believes that maintaining the independence and autonomy of ITmedia Inc. as a listed company and a media company, while it collaborates with other companies in the Group will contribute to improving the corporate value of the Group as a whole.	 55.6 % (5 out of 9 members)
eMnet Japan co. Ltd.	eMnet Japan co. Ltd. is mainly engaged in the Internet advertisement business. The Company made it a subsidiary in June 2021 for the purpose of collaborating as peers in the same industry and creating synergy. In contrast with the Company's customer base, which mainly comprises large companies, eMnet Japan co. Ltd. has a broad reach in various regions mainly among small- to medium-sized enterprises. Therefore, the Company believes that maintaining the independence and autonomy of eMnet Japan co. Ltd. as a listed company, while it collaborates with other companies in the Group through the mutual exchange of human resources and the mutual utilization of knowledge and technologies in the digital field, will contribute to improving the corporate value of the Group as a whole.	 37.5 % (3 out of 8 members)



Contents

How Do We Ensure the Effectiveness of Our Governance?

- Interview with External Director
- Messages from New External Directors
- Overview of Corporate Governance System
- Evolution of Corporate Governance System
- Board of Directors

Overview of Principal Deliberations by the Board of Directors

System to Ensure Independence from the Parent Company

Policy on Governance of Listed Subsidiaries

> Nominating Committee and Remuneration Committee / Remuneration for Board Directors

CEO Succession Plan / Skill Matrix (Skill Definition)

Skill Matrix of Board Directors and Audit & Supervisory Board Members

Activities of External Directors and External Audit & Supervisory Board Members

Board Directors and Audit & Supervisory Board Members

Status of Audit

Nominating Committee and Remuneration Committee / Remuneration for Board Directors

Nominating Committee and Remuneration Committee

The Company has voluntarily established the Nominating Committee and the Remuneration Committee. As of June 30, 2025, each committee is composed of a total of five members, including the President & CEO and four independent external directors, and chaired by an independent external director to ensure its independence. Both committees deliberate and determine recommendations to be submitted to the General Meeting of Shareholders. The Nominating Committee deals with the election and dismissal of Board Directors and the nomination of Representative Directors, while the Remuneration Committee handles remuneration for Board Directors.

Main topics discussed at the Nominating Committee and the Remuneration Committee

(From September 2024 to May 2025)

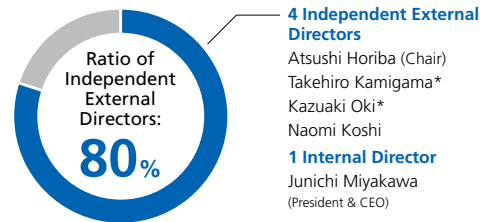
[Nominating Committee]

Structure of the Board of Directors, election of Board Directors, nomination of Representative Directors, Board Director expertise in relation to skill matrix

[Remuneration Committee]

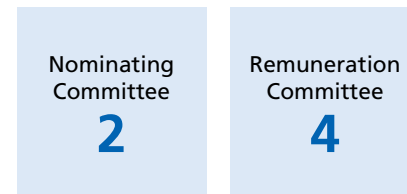
Remuneration by position, performance-linked indicators, disclosure documents, individual remuneration amounts

Composition of the Nominating and Remuneration Committees (FY2024)



*External Directors Takehiro Kamigama and Kazuaki Oki resigned as of June 26, 2025.

Number of meetings held in FY2024



Determination process of remuneration and others

Meeting body	Remuneration Committee				Board of Directors
Date	December 20, 2024	February 27, 2025	March 26, 2025	April 24, 2025	May 15, 2025
Agenda items	Regarding compensation for external directors and revisions to the compensation system	Confirmation of short-term performance-based indicators	Confirmation of short-term performance-based indicators Partial change to director remuneration	Confirmation of short-term performance-based indicators Approval and determination of remuneration amount for each officer Confirmation of disclosure documents Confirmation and determination of recommendations of Remuneration Committee	Decision on partial changes to director remuneration Confirmation of recommendations of Remuneration Committee

Remuneration for Board Directors

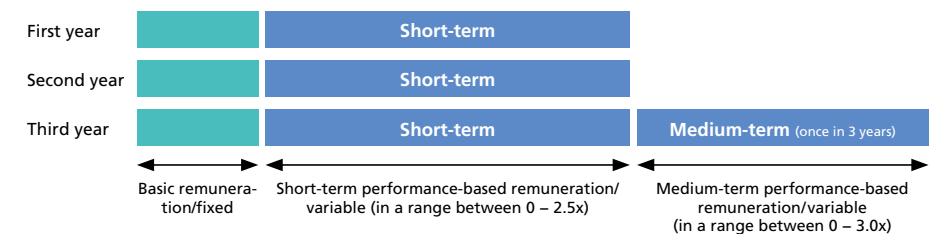
Outline of the policy and the method for determining the remuneration of Officers

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

The process of determining the remuneration of Board Directors includes three steps. First, the Human Resources Division formulates the policy for determining remuneration. Second, the method devised in line with this policy is referred to the Remuneration Committee for consultation. With input from the Committee, the Board of Directors approves the method. To determine the amounts of remuneration of individual Board Directors, the General Meeting of Shareholders decides on the cap on the total amount of remuneration. The President & CEO then decides on the allocation while respecting the recommendations of the Remuneration Committee as well as the resolutions of the Board of Directors. The Remuneration Committee, in line with the executive remuneration policy, reviews the total remuneration and individual amount and makes recommendations to the Board of Directors. It is our policy to pay only fixed remuneration to internal and external Audit & Supervisory Board Members who audit the Directors' execution of business. However, from FY2025, we have changed our policy to grant share-based remuneration to external directors who are in a position independent of business execution. Under the Group's payment policy, the remuneration of Board Director Masayoshi Son is to be excluded from the scope of actual payment since the remuneration of Directors who concurrently hold posts in the Group companies is paid from the main company.

Structure of the remuneration of Board Directors

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





Contents

How Do We Ensure the Effectiveness of Our Governance?

- Interview with External Director
- Messages from New External Directors
- Overview of Corporate Governance System
- Evolution of Corporate Governance System
- Board of Directors
- Overview of Principal Deliberations by the Board of Directors
- System to Ensure Independence from the Parent Company
- Policy on Governance of Listed Subsidiaries

Nominating Committee and Remuneration Committee / Remuneration for Board Directors

- CEO Succession Plan / Skill Matrix (Skill Definition)
- Skill Matrix of Board Directors and Audit & Supervisory Board Members
- Activities of External Directors and External Audit & Supervisory Board Members
- Board Directors and Audit & Supervisory Board Members
- Status of Audit

Nominating Committee and Remuneration Committee / Remuneration for Board Directors

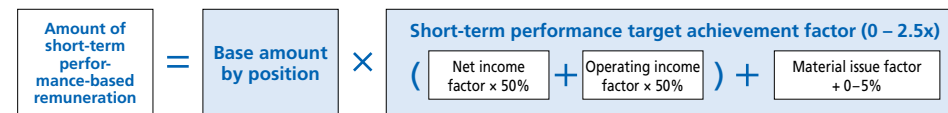
Basic remuneration (Cash payments)

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

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

Short-term performance-based remuneration is paid annually in a certain period of time after the end of each fiscal year to eligible Board Directors in the form of restricted shares that are subject to transfer restrictions until their retirement. Under the basic policy of the Company, the composition ratio between the basic remuneration and the short-term performance-based remuneration is, in principle, 1:1.9 to 1:3.2, in accordance with the nature of duties performed by individual Board Directors and their actual performance.

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



Performance targets (FY2024)

Indicators	Target (Millions of yen)	Result (Millions of yen)
Net income attributable to owners of the Company	500,000	526,133
Operating income	900,000	989,016

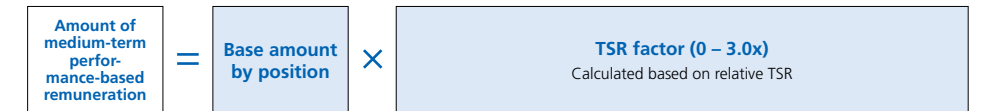
Materiality targets and results (FY2024)

Material issues	Indicators	Target	Result
Contributing to the global environment with the power of technology	Base station renewable energy ratio*1	90% or more	92.5%*2
	Expansion of 5G standalone (SA) coverage:		
Building high-quality social infrastructure	Smartphone SA in key areas of all prefectures	Number of prefectures: 26	Number of prefectures: 21
	Number of major network accidents	Zero	1
	Number of major accidents involving information security	Zero	Zero
Connecting people and information to create new excitement	Cumulative smartphone subscribers	Net additions of around 1 million subscribers per year	1.04 million net additions
Building society and industry through digital transformation (DX)	Revenue from business solution and others CAGR (compound annual growth rate)	10% or more	27% increase year on year*3
Developing a resilient management foundation	Inclusion in DJSI World*4	Successfully included	Successfully included

*1 Measure to achieve carbon neutrality by FY2030.
 *2 In calculating the amount to be paid, the Company uses the figure determined as of the Company's predetermined record date.
 *3 From the first quarter of FY2024, SB Technology Corp. and Cybertrust Japan Co., Ltd., etc., which were previously classified under "Other," have been transferred to the "Enterprise segment." Also, in the first quarter of FY2024, the Company has revised its business management categories and transferred certain products from "Mobile" and "Fixed-line" to "Business solution and others." As a result, the figures for the "Enterprise segment" and the breakdown of all service categories in the segment revenue for FY2023 have been retrospectively adjusted. The results for FY2024 are calculated based on figures after retrospective adjustments.
 *4 Currently Dow Jones Best-in-Class World Index

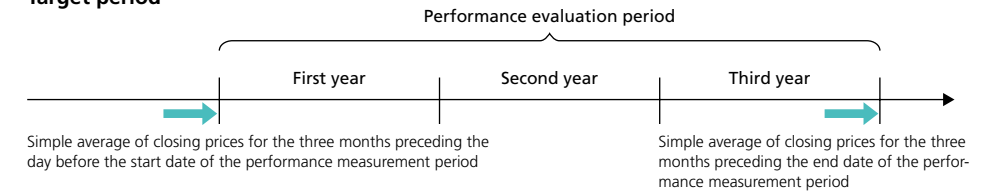
Medium-term performance-based remuneration (Share-based payment)

Medium-term performance-based remuneration is paid once every three years in a certain period of time after the end of each fiscal year to eligible Board Directors in the form of restricted shares that are subject to transfer restrictions until their retirement. Under the basic policy of the Company, the composition ratio between the basic remuneration and the medium-term performance-based remuneration is, in principle, 1:1.1 to 1:2.1, in accordance with the nature of duties performed by individual Board Directors and their actual performance. Total shareholder return (TSR*5) is used as a performance-linked indicator that determines medium-term performance target achievement, in order to further promote value sharing with stakeholders and to raise awareness among Board Directors of medium- to long-term share price improvements. The amount of medium-term performance-based remuneration is determined by multiplying the base amount as determined by position, by a TSR factor (0 to 3.0 times) corresponding to relative TSR in the past three years.

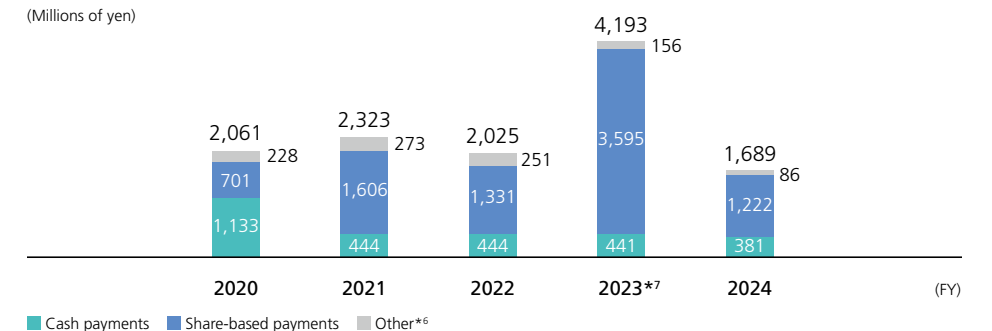


*5 The Company's TSR = (simple average of the closing prices of the Company's common stock on the Tokyo Stock Exchange for the three months preceding the end date of the performance measurement period + cumulative amount of dividends of surplus per share paid by the Company during the performance measurement period) / simple average of the closing prices of the Company's common stock on the Tokyo Stock Exchange for the three months preceding the day before the start date of the performance measurement period x 100

Target period



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



*6 Amount of expenses related to stock options
 *7 The total remuneration for FY2023 includes the amount paid in accordance with medium-term performance-based remuneration, which is paid once every three years.



Contents

How Do We Ensure the Effectiveness of Our Governance?

- Interview with External Director
- Messages from New External Directors
- Overview of Corporate Governance System
- Evolution of Corporate Governance System
- Board of Directors
- Overview of Principal Deliberations by the Board of Directors
- System to Ensure Independence from the Parent Company
- Policy on Governance of Listed Subsidiaries
- Nominating Committee and Remuneration Committee / Remuneration for Board Directors

➤ **CEO Succession Plan / Skill Matrix (Skill Definition)**

- Skill Matrix of Board Directors and Audit & Supervisory Board Members
- Activities of External Directors and External Audit & Supervisory Board Members
- Board Directors and Audit & Supervisory Board Members
- Status of Audit

CEO Succession Plan / Skill Matrix (Skill Definition)

CEO Succession Plan

Candidates to succeed the CEO are appointed as Board Directors and Executive Officers, whereby future successors are developed and their suitability are overseen. For CEO succession, after discussing the qualifications and abilities required of the next CEO, such as the ability to form a vision and knowledge of technology and finance, the Nominating Committee defines candidate requirements based on strategy and selects several internal candidates. While allowing candidates to gain specific experience through actual company management and business operations, the Nominating Committee regularly monitors and, if necessary, reviews the requirements, processes and candidates, also taking into consideration 360-degree evaluations and various internal and external communications. Through this protocol, it is ensured that the most appropriate successor can be nominated for the business environment at that time.



Skill Matrix (Skill Definition)

To achieve long-term corporate value enhancement, we have defined the skills required of Board Directors and Audit & Supervisory Board Members as follows. The aim is to structure the Board of Directors and Audit & Supervisory Board to ensure a balance of knowledge, experience, and abilities, as well as diversity in the areas of management, finance, legal/risk, digital/technology, sales/marketing, global, and sustainability.

Item	Sub-item	Description
Management	Corporate Management	Based on the Group's shared corporate philosophy of "Information Revolution – Happiness for everyone," extensive and deep knowledge and experience in corporate management are required to formulate and implement management strategies and plans over the medium- and long-term, and to supervise the effectiveness of such strategies and plans.
Finance	Finance / Accounting / Banking / Investment	Extensive and deep knowledge and experience in finance, accounting, banking, investment, etc. are required to achieve the financial targets set forth in the Group's Mid-term Plan, to formulate and implement strategies for achieving both growth and high shareholder returns, and to supervise these strategies appropriately.
Legal / Risk	Legal / Risk / Labor-management / Compliance	Extensive and deep knowledge and experience in legal affairs, risk management, labor-management, compliance, etc. are required to implement and supervise appropriate risk management, including compliance with domestic and foreign laws and regulations related to the management and business of the Group.
Digital / Technology	Information & Communications technology / High-tech	Extensive and deep knowledge and experience in advanced technologies in the information technology field in addition to the information and communications technology as a core business are required to realize the Group's vision of becoming "the corporate group needed most by people around the world," and a corporation that provides Next-generation Social Infrastructure essential for the development of a digital society, as well as to promote the growth strategy <i>Beyond Carrier</i> and aim to maximize corporate value.
Sales / Marketing	Business Strategy / Marketing / Sales	Extensive and deep knowledge and experience in business strategy, marketing and sales are required to plan and accurately implement the Group's various businesses both in Japan and overseas, and to improve profit.
Global	Global Business	Extensive and deep knowledge and experience in overseas business management and the business environment are required to plan and accurately implement the Group's global business.
Sustainability	Sustainability Strategy / ESG	Extensive and deep knowledge and experience in sustainability management that supports corporate sustainability, including environment (including climate change), society, and governance, are required to contribute to the creation of a sustainable society and to formulate, integrate, and promote strategies for the Group to continue to grow sustainably, as well as to supervise these strategies appropriately.



Skill Matrix of Board Directors and Audit & Supervisory Board Members (As of June 26, 2025)

As the guiding force of the Company's management, the Board of Directors makes decisions on important matters and supervises the status of business operations by each Board Director by grasping issues and risks associated with the execution of strategies from multiple perspectives. The Audit & Supervisory Board confirms the appropriateness of the status of Board Directors' execution of their duties. Based on such functions, the Company appoints the Board Directors and Audit & Supervisory Board Members with a high level of specialized knowledge, experience, and insight, bearing in mind the balance of knowledge, experience, and abilities as well as diversity.

◎ Primary Skills ○ Supplementary Skills

Name	Title / Position at the Company	Major career	Gender	Management	Finance	Legal / Risk	Digital / Technology	Sales / Marketing	Global	Sustainability
		Major career / credentials of External Officers	Male : M Female: F	Corporate Management	Finance / Accounting / Banking / Investment	Legal / Risk / Labor-management / Compliance	Information & Communications technology / High-tech	Business Strategy / Marketing / Sales	Global Business	Sustainability / ESG
Yasuyuki Imai	Director & Chairman		M	○				◎		
Junichi Miyakawa	President & CEO, Representative Director, Chair of the Board of Director		M	◎			○		○	○
Jun Shimba	Representative Director & COO		M	○				◎		
Kazuhiko Fujihara	Board Director, Executive Vice President & CFO		M	○	◎				○	
Masayoshi Son	Board Director, Founder		M	◎			○		○	
Atsushi Horiba	External Director	Chairman, HORIBA, Ltd.	M	◎			○		○	○
Naomi Koshi	External Director	Lawyer, Mayor (2 terms)	F			◎			○	○
Maki Sakamoto	External Director	Vice president, The University of Electro-Communications	F				◎			
Hiroko Sasaki	External Director	Founder, ChangeWAVE Inc.	F	○						◎
Hideaki Karaki	External Director	Certified Public Accountant	M		◎				○	
Akiko Nakajo	External Director	Managing Director, YouTube Japan, Google Japan G.K.	F	○			○	◎		
Shuji Kojima	Full-time Audit & Supervisory Board Member (External)	President, Mizuho Dream Partner, Ltd.	M		○	◎				
Eiji Shimagami	Full-time Audit & Supervisory Board Member		M			◎				
Kazuko Kimiwada	Audit & Supervisory Board Member		F		◎				○	
Yoko Kudo	Audit & Supervisory Board Member (External)	Certified Public Accountant in the state of California	F		◎				○	

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

Contents

How Do We Ensure the Effectiveness of Our Governance?

Interview with External Director

Messages from New External Directors

Overview of Corporate Governance System

Evolution of Corporate Governance System

Board of Directors

Overview of Principal Deliberations by the Board of Directors

System to Ensure Independence from the Parent Company

Policy on Governance of Listed Subsidiaries

Nominating Committee and Remuneration Committee / Remuneration for Board Directors

CEO Succession Plan / Skill Matrix (Skill Definition)

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

Activities of External Directors and External Audit & Supervisory Board Members

Board Directors and Audit & Supervisory Board Members

Status of Audit



Activities of External Directors and External Audit & Supervisory Board Members

Contents

How Do We Ensure the Effectiveness of Our Governance?

Interview with External Director

Messages from New External Directors

Overview of Corporate Governance System

Evolution of Corporate Governance System

Board of Directors

Overview of Principal Deliberations by the Board of Directors

System to Ensure Independence from the Parent Company

Policy on Governance of Listed Subsidiaries

Nominating Committee and Remuneration Committee / Remuneration for Board Directors

CEO Succession Plan / Skill Matrix (Skill Definition)

Skill Matrix of Board Directors and Audit & Supervisory Board Members

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

Board Directors and Audit & Supervisory Board Members

Status of Audit

The activities of each external director and external Audit & Supervisory Board Member for FY2024 are as follows.

Name	Position in the Company	Attendance at Board of Directors meetings* ¹	Attendance at Nominating & Remuneration Committee meetings	Number of the Company shares held* ²	Major activities and overview of duties relating to expected roles
Atsushi Horiba <small>Independent Officer</small>	Lead Independent External Director Chair of Nominating and Remuneration Committees	91.7% (11/12)	Nominating Committee 100% (2/2) Remuneration Committee 100% (4/4)	46,900 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 a minority shareholders' standpoint, to fully perform his role of management supervision. In addition, attends the Remuneration Committee and Nominating Committee by serving as Chair of the committees, and makes comments as appropriate.
Takehiro Kamigama* ³ <small>Independent Officer</small>	External Director Nominating and Remuneration Committee Member	91.7% (11/12)	Nominating Committee 50% (1/2) Remuneration Committee 75% (3/4)	—	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 a minority shareholders' standpoint, to fully perform his role of management supervision. In addition, attends the Remuneration Committee and Nominating Committee as a member of the committees, and makes comments as appropriate.
Kazuaki Oki* ³ <small>Independent Officer</small>	External Director Nominating and Remuneration Committee Member	100% (12/12)	Nominating Committee 100% (2/2) Remuneration Committee 100% (4/4)	10,000 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 a minority shareholders' standpoint, to fully perform his role of management supervision. In addition, attends the Remuneration Committee and Nominating Committee as a member of the committees, and makes comments as appropriate.
Naomi Koshi <small>Independent Officer</small>	External Director Nominating and Remuneration Committee Member	100% (12/12)	Nominating Committee 100% (2/2) Remuneration Committee 100% (4/4)	—	Makes necessary remarks from a professional perspective as a lawyer, as well as her extensive knowledge and experience in areas such as municipal government and promotion of women's career advancement, and also expresses her opinions from a minority shareholders' standpoint, to fully perform her role of management supervision. In addition, attends the Remuneration Committee and Nominating Committee as a member of the committees, and makes comments as appropriate.
Masaki Sakamoto <small>Independent Officer</small>	External Director	100% (12/12)	—	—	Makes necessary remarks based on her extensive knowledge and experience as a university professor specializing in informatics, and also expresses her opinions from minority shareholders' standpoint, to fully perform her role of management supervision.
Yuko Sasaki <small>Independent Officer</small>	External Director	100% (12/12)	—	2,700 shares	Makes necessary remarks based on her deep knowledge and experience in overall management as the manager of a company promoting organizational change and DE&I, and also expresses her opinions from minority shareholders' standpoint, to fully perform her role of management supervision.

Name	Position in the Company	Attendance at Board of Directors meetings	Attendance at Audit & Supervisory Board meetings	Number of the Company shares held* ²	Expected role and main activities
Shuji Kojima <small>Independent Officer</small>	External Audit & Supervisory Board Member	100% (12/12)	100% (16/16)	30,600 shares	Makes necessary remarks to ensure the appropriateness of decision making from an expert perspective based on extensive knowledge and experience related to human resources, compliance, risk management, and finance and accounting.
Yoko Kudo <small>Independent Officer</small>	External Audit & Supervisory Board Member	100% (12/12)	93.8% (15/16)	50,400 shares	Makes necessary remarks to ensure the appropriateness of decision-making from an expert perspective based on extensive knowledge and experience concerning finance and accounting.

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

*2 As of June 26, 2025

*3 External Director Takehiro Kamigama and Kazuaki Oki resigned on June 26, 2025.



Board Directors and Audit & Supervisory Board Members (As of June 26, 2025)

Contents

How Do We Ensure the Effectiveness of Our Governance?

Interview with External Director

Messages from New External Directors

Overview of Corporate Governance System

Evolution of Corporate Governance System

Board of Directors

Overview of Principal Deliberations by the Board of Directors

System to Ensure Independence from the Parent Company

Policy on Governance of Listed Subsidiaries

Nominating Committee and Remuneration Committee / Remuneration for Board Directors

CEO Succession Plan / Skill Matrix (Skill Definition)

Skill Matrix of Board Directors and Audit & Supervisory Board Members

Activities of External Directors and External Audit & Supervisory Board Members

> Board Directors and Audit & Supervisory Board Members

Status of Audit

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

Yasuyuki Imai

Director & Chairman



After a stint with KAJIMA CORPORATION that started in April 1982, Mr. Imai joined SOFTBANK Corp. (currently SoftBank Group Corp.) in April 2000. Since taking office as the Company's Corporate Officer in October 2007, he has served in prominent positions at the Company, primarily head of the Enterprise segment. Since becoming the Company's Representative Director & COO in April 2017, he has contributed to the Company's growth. He has supervised the entire Group as the Company's Director & Chairman since April 2024.

Kazuhiko Fujihara

Board Director,
Executive Vice President
& CFO



After a stint with Toyo Kogyo Co., Ltd. (currently Mazda Motor Corporation) that started in April 1982, Mr. Fujihara joined SOFTBANK Corp. (currently SoftBank Group Corp.) in April 2001. Since taking office as the Company's Managing Executive Officer (CFO) in April 2006, he has consistently played a key role in the overall management of the Company as the person responsible for the financial area, mainly management planning, finance, accounting, and purchasing, and contributed to the Company's growth. In April 2018, he was appointed as Board Director, Executive Vice President & CFO of the Company. He is a certified public accountant in the State of Illinois in the US.

Junichi Miyakawa

President & CEO,
Representative Director,
Chair of the Board of
Director

○△



Mr. Miyakawa became Representative Director & President of KK Momotaro Internet in December 1991 and has served as president and representative director of several telecommunications companies, including Nagoya Metallic Communications Corp. (currently the Company) in June 2000. He has extensive knowledge of cutting-edge technologies, and has contributed to the growth of the Company primarily as the head of the technology unit since taking office as Director & Executive Vice President (CTO) of Vodafone K.K. (currently the Company) in April 2006. Before joining the Group, he established and managed his own telecommunications company, and more recently, has served as President of multiple Group companies, accumulating a proven track record in management. From April 2021, he assumed a leadership role as President & CEO of the Company, directing management and business operations with the aim of further growing the Company's core telecommunications business while expanding into areas outside of telecommunications.

Masayoshi Son

Board Director, Founder



Mr. Son founded SOFTBANK Corp. (currently SoftBank Group Corp.) in September 1981. He became Chairman of the Board, President & CEO of Vodafone K.K. (currently the Company) in April 2006 and has been serving as Board Director, Founder of the Company since April 2021. As the founder of SoftBank Group Corp., Mr. Son has extensive knowledge and experience in corporate management, business strategy, M&A, etc.

Jun Shimba

Representative Director
& COO



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



Board Directors and Audit & Supervisory Board Members

Contents

How Do We Ensure the Effectiveness of Our Governance?

Interview with External Director

Messages from New External Directors

Overview of Corporate Governance System

Evolution of Corporate Governance System

Board of Directors

Overview of Principal Deliberations by the Board of Directors

System to Ensure Independence from the Parent Company

Policy on Governance of Listed Subsidiaries

Nominating Committee and Remuneration Committee / Remuneration for Board Directors

CEO Succession Plan / Skill Matrix (Skill Definition)

Skill Matrix of Board Directors and Audit & Supervisory Board Members

Activities of External Directors and External Audit & Supervisory Board Members

> Board Directors and Audit & Supervisory Board Members

Status of Audit

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

Atsushi Horiba



Lead Independent External Director

Independent Officer



Having served as Representative Director of HORIBA, Ltd. for 32 years since 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.

Naomi Koshi



External Director

Independent Officer



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 and risk management of the Company.

Maki Sakamoto



External Director

Independent Officer



Ms. Sakamoto specializes in informatics as a professor at the University of Electro-Communications and has extensive knowledge and experience in AI and other technologies. 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.

Hiroko Sasaki



External Director

Independent Officer



Ms. Sasaki founded her own companies with a vision to transform companies and has extensive management experience, including assisting hundreds of companies with organizational transformation, management human resource development, and resolving issues facing people trying to maintain a career while burdened with nursing care. She has also served as a member of expert committees on the promotion of diversity at several large companies, and the Company expects her to give advice on the overall management of the Company.

Hideaki Karaki

External Director

Newly appointed Officer Independent Officer



Mr. Karaki has extensive knowledge and experience in corporate accounting, cultivated over many years as a certified public accountant. The Company expects him to supervise the Company's management with his knowledge and experience, and give guidance on the Company's overall management.

Akiko Nakajo

External Director

Newly appointed Officer Independent Officer



Ms. Nakajo has served as Deputy Japan Representative, Bloomberg L.P. and as Managing Director, YouTube Japan, Google Japan G.K., and has extensive experience in corporate management and deep insight into the utilization of technology for corporate digital transformation (DX) and innovation. The Company expects her to supervise the Company's management based on her knowledge and experience, and give guidance on the Company's overall management.

Shuji Kojima

Full-time Audit & Supervisory Board Member

(External) Independent Officer



Mr. Kojima has extensive knowledge and experience relating to human resources, compliance, and risk management 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.

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 has extensive knowledge and experience related to governance, compliance, and risk management. 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.

Kazuko Kimiwada

Audit & Supervisory Board Member



Ms. Kimiwada has extensive knowledge and experience as a certified public accountant, and serves as Executive Corporate Officer, Head of Accounting Unit at SoftBank Group Corp. The Company expects her to conduct audits based on her professional knowledge and experience.

Yoko Kudo

External Audit & Supervisory Board Member

Independent Officer



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



Contents

How Do We Ensure the Effectiveness of Our Governance?

- Interview with External Director
- Messages from New External Directors
- Overview of Corporate Governance System
- Evolution of Corporate Governance System
- Board of Directors
- Overview of Principal Deliberations by the Board of Directors
- System to Ensure Independence from the Parent Company
- Policy on Governance of Listed Subsidiaries
- Nominating Committee and Remuneration Committee / Remuneration for Board Directors
- CEO Succession Plan / Skill Matrix (Skill Definition)
- Skill Matrix of Board Directors and Audit & Supervisory Board Members
- Activities of External Directors and External Audit & Supervisory Board Members
- Board Directors and Audit & Supervisory Board Members

> Status of Audit

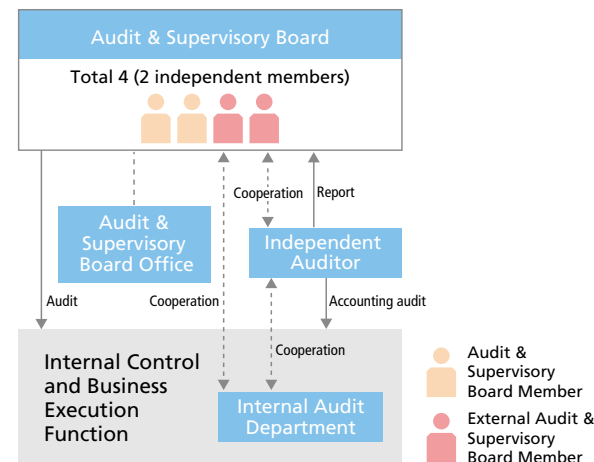
Status of Audit

Management of the 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. It consists of four expert Audit & Supervisory Board Members rich in knowledge and expertise, including two external Audit & Supervisory Board Members. The Audit & Supervisory Board meets once a month in principle. It examines risks and issues in the five areas of Board Directors, business execution, subsidiaries, internal audits, and accounting audits. It also sets annual activity plans, and makes proposals and recommendations to Board Directors and executive departments on matters recognized through audit activities. In particular, in the "Audit of Group Management," we are working to increase the number of interviewees and the frequency of interviews.

The Audit & Supervisory Board Office has been established to support the duties of all Audit & Supervisory Board Members. The Office comprises four dedicated personnel who act under the direction of the Audit & Supervisory Board Members to gather information, investigate matters, and provide other assistance. In addition, the external directors, Audit & Supervisory Board, and its Members work together through active discussions and exchanges of opinions as necessary at Board of

Structure and cooperation framework of auditing



Directors meetings. In FY2024, the Audit & Supervisory Board met 16 times, with each meeting taking an average of about two hours.

Overview of the internal audit activities

Established as an independent organization directly under the President & CEO, the Internal Audit Department conducts internal audits of the overall duties of the Company as well as company-wide internal control audits of its subsidiaries and associates (mainly consolidated subsidiaries), by formulating a risk-based annual audit plan based on the philosophy of "audits that contribute to management."

The annual audit plan is submitted to the Board of Directors for resolution each year. The process of formulating the plan not only incorporates the perspective of company-wide risks recognized by the two Representative Directors and 65 members of management (board directors, external directors, unit heads, executive officers, division heads, etc.), but also takes into consideration the opinions of the Audit & Supervisory Board Members and Independent Auditor (Deloitte Touche Tohmatsu LLC). In addition, at the end of the first half of the fiscal year, management interviews are conducted again to review the annual audit plan on a rolling basis, which enhances internal audits in line with changes in the management and business environment and risks surrounding the Company.

In FY2024, to confirm the effectiveness of our responses to the Company's key risks, a total of 17 internal audits were conducted, including company-wide audits on topics such as "effectiveness of company-wide BCP" and "appropriateness of company-wide human resource allocation," in addition to audits focusing on legal compliance and operational effectiveness in each business and area.

Structure, independence, and audit quality of the internal audit system

The Internal Audit Department specializes in conducting internal audits (the Internal Control Division and Compliance Department are responsible for evaluating the internal control reporting system and compliance investigations, respectively). It

has a total of 25 personnel (as of the end of FY2024), all of whom are dedicated to internal audit work. In conducting internal audits, the Department complies with the International Professional Practices Framework (IPPF) established by The Institute of Internal Auditors, based on the Internal Audit Regulations approved by the Board of Directors.

In addition, ensuring the independence of internal audits is included as an item in the internal quality evaluation conducted annually to determine compliance with the IPPF standards within the organization, and the results of the evaluation are reported to the Board of Directors. Moreover, in accordance with IPPF standards, the Company has undergone external quality evaluations once every five years since 2013, for a total of three evaluations, and has received a "generally conforms" (GC) evaluation for all of them. In the most recent evaluation conducted in FY2023, there were no issues raised in any of the items checked.

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

Audit & Supervisory Board Members receive explanations of auditing policies and plans from the IA, and exchange information and opinions with the IA regarding those matters. They receive reports on the progress or results of the audits conducted during and at the end of the fiscal year (including quarterly reviews). Full-time Audit & Supervisory Board Members cooperate with the IA by exchanging information and opinions with the IA on a monthly basis, as well as attending the accounting audits conducted by the IA. Audit & Supervisory Board Members regularly provide opportunities to exchange information with the Company's Internal Audit Department and Internal Control Division, cooperating organically with them, including requesting them to conduct investigations as necessary.

The IA receives explanations of audit plans from the Internal Audit Department, and the Internal Audit Department receives regular explanations of audit results and other information from the IA.



Contents

How Do We Identify and Respond to Risks?

Risk Management

Addressing Risks That Have Significant Impact on the Company

Information Security

CISO Interview

AI Governance

How Do We Identify and Respond to Risks?

To achieve sustainable business growth, a solid foundation is essential for appropriately managing increasingly diverse and complex risks and maintaining the trust of customers and society. This section explains our initiatives in areas such as risk management, information security, and AI governance. In addition, the CISO describes our efforts to enhance security governance across the entire Group.



Risk Management

Contents

How Do We Identify and Respond to Risks?

> Risk Management

Addressing Risks That Have Significant Impact on the Company

Information Security

CISO Interview

AI Governance

At SoftBank, we work to mitigate and prevent risks by building an organizational structure to identify risks throughout the Company, implementing preventive measures, and executing periodical risk management cycles.

Risk management structure

In order to identify Company-wide risks from various angles and prevent the materialization of risks, we have established a management system based on the concept of a “three-line model.” The first line is where each department in the head office conducts reviews that includes risks when devising various measures and policies on the ground, while also carrying out risk management in their own departments. The second line is where the Risk Management Division, an organization independent from business departments, headed by a the head of the Risk Management Division charged with overseeing risk management, conducts Company-wide and comprehensive identification of risks and confirmation of the status of measures taken (conducted twice a year), and reports to the Risk Management Committee. The Risk Management Committee, which includes the President & CEO, COO, CFO, etc. as members and in which the Audit & Supervisory Board members and heads of the relevant departments also participate, determines the level of importance and the risk manager (risk owner) for each risk, gives instructions to take measures, etc. and through the head of the Risk Management Division, reports the status to the Board of Directors. The committee also supervises risks that may have a significant impact on the Group (including telecommunications service risk, information security risk, and information systems risk) with a Director experienced in information security (President & CEO Junichi Miyakawa) playing a central role.

The Internal Audit Office conducts an independent audits the entire risk management system and situation from a position independent from the first and second lines.

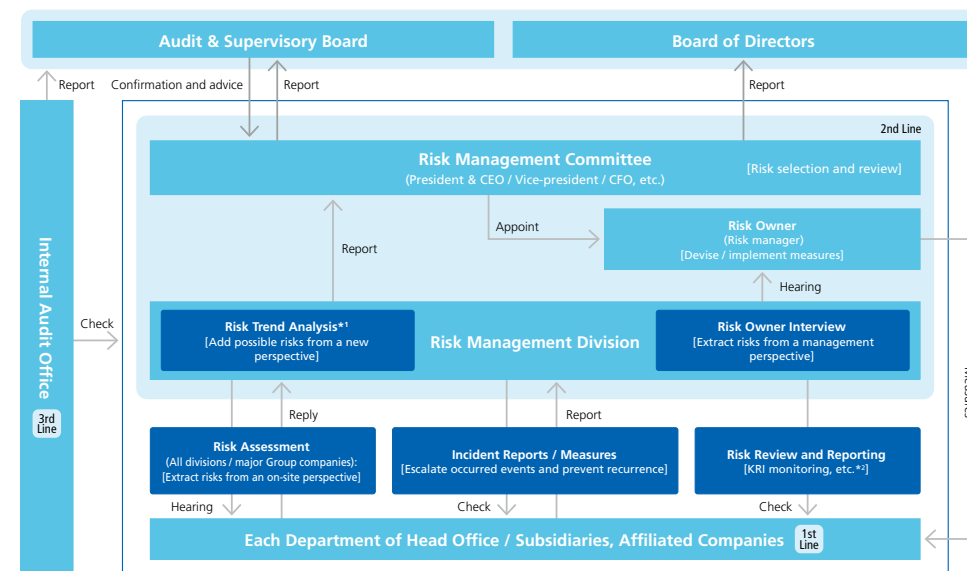
The head of the Risk Management Division reports the content of reviews by the Risk Management Committee, including the risk identification process, to external (non-executive) directors who supervise the execution of company operations. In addition, the division head reports to the Audit & Supervisory

Board and reflects the confirmations and advice on risk management methods and areas for improvement received from external (non-executive) directors and the Audit & Supervisory Board members in our risk management measures.

In addition, we establish a reporting system for subsidiaries and affiliated companies, and conduct periodic checks of business-related risks identified by each subsidiary and affiliated company and counter-measure status, from the standpoint of risk management for the Group overall.

We strive to prevent any incidents, but in the unlikely event that one does occur, the department where the incident occurred acts as the first line in identifying the details and impact of the incident and reporting to the Risk Management Division in accordance with the reporting standards stipulated by the incident impact determination criteria. The Risk Management Division evaluates the impact of each incident and promptly reports any incidents that may have a significant impact on the management of the Group to management, external directors (non-executive), and the Audit & Supervisory Board members, etc.

Furthermore, in terms of considering and implementing measures to reduce the impact of incidents and prevent recurrence, each department in the head office, as the first line, proactively reviews and implements specific measures, while the Risk Management Division has established a system as the second line to verify and evaluate the content of these measures and the status of their implementation, and provide advice and guidance as necessary. While promoting highly effective response measures by the first line that are suited to the actual situation on the ground, the second line provides appropriate supervision based on the risk management framework and rules, working to prevent the recurrence of incidents and minimize their impact.



*1 Risk trend analysis: a technique where the latest news and public information is analyzed to provide material for identifying risks from new perspectives.

*2 KRI: Key Risk Indicators

(Note)1 The head of the Risk Management Division and the head of the Internal Audit Office independently report on risk management and audits to the Board of Directors based on their respective capacities.

2 We are working to further improve our risk management system through by outside evaluation of risk management by a third-party organization. This includes an annual evaluation of internal control in accordance with the internal control reporting system stipulated by the Financial Instruments and Exchange Act and SSAFE18.

3 Please refer to “[Risk Management](#)” on our website for details.



Risk Management

Contents

How Do We Identify and Respond to Risks?

> Risk Management

Addressing Risks That Have Significant Impact on the Company

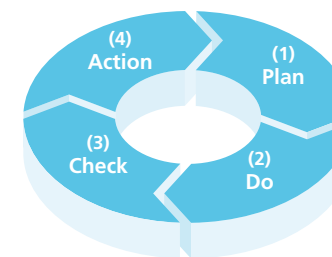
Information Security

CISO Interview

AI Governance

Risk management methods

When devising various policies and measures, not only are we reviewing potential risks in conjunction with business opportunities, we are also implementing a PDCA cycle, as illustrated below, on a regular basis to identify, select, and assess a wide range of risks for the Group, through which we are working to uncover, mitigate, and prevent increasingly complex and diverse risks before they occur.



PDCA cycle

(1) Plan	The Risk Management Division conducts risk assessments using a risk classification table (compiled from risk scenarios relevant to SoftBank and its subsidiaries and associates), interviews with the heads of each division in the Company and the management of our principal subsidiaries and associates, interviews with each risk owners for the fiscal year, and the Risk Management Committee identifies risks that have a significant impact on the Company based both on perspectives from the field and from the perspective of management and appoints risk owners. We do this to conduct a more multifaceted risk analysis aimed at identifying risks from various viewpoints by collecting information by means of providing information beforehand, such as external environment reports that include risks and opportunities, and raising questions that include short-term and medium- to long-term viewpoints.
(2) Do	Risk owners review and implement measures, etc. for risks based on those that the Risk Management Committee has determined to have a significant impact on the Company.
(3) Check	The Risk Management Division monitors the status of measures by risk owners on a monthly basis, and reports to management and the Risk Management Committee. Based on these reports, the Risk Management Committee checks the implementation status, etc. of measures, reviews risks, and checks the necessity, etc. of additional measures.
(4) Action	Risk owners examine and implement improvements and additional measures, etc. for any additional measures that are determined to be necessary by the Risk Management Committee.

We have implemented a system to broadly identify risks and opportunities, assess their significance and priority, and incorporate them into countermeasures and various initiatives.

During risk assessments and interviews, we not only consider traditional risks but also include opportunities. Additionally, we evaluate their impact by establishing time horizons: short-term (within a few years), medium-term (approximately 3 to 5 years), and long-term (approximately 10

Yearly schedule

	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
Disclosure			★ Securities Report									
Board of Directors*3							Reporting on status of measures C		Input on measure status reporting, risk-related information through training, etc. C			
Risk Management Committee							Around October C Risk Management Committee (interim report)				Around February P Risk Management Committee (risk selection and review)	
Risk Owner								D Devise and implement measures to address risks			A Devise/implement additional measures to address priority risk	
Risk Management Division							C Checks on the status of measures (first half)		C Checks on the status of measures (second half)			
	C KRI monitoring (monthly)											
Department of Head Office / Subsidiaries, Affiliated Companies												P Risk assessment

*3 Includes advance briefings for External Directors and Audit & Supervisory Board Members.

to 30 years), aiming for a more accurate analysis.

Consolidated risks are addressed through countermeasures led by the Risk Management Committee. Meanwhile, information on opportunities is shared across departments and utilized in the development of sustainability strategies and the establishment of materiality.



Contents

How Do We Identify and Respond to Risks?

> Risk Management

Addressing Risks That Have Significant Impact on the Company

Information Security

CISO Interview

AI Governance

Risk Management

Addressing Risks That Have Significant Impact on the Company

Based on the likelihood of occurrence and the magnitude of potential effect, we assess and identify risks that have a significant impact on our Company by classifying them into four levels in the matrix on the right. Furthermore, from the identified risks, we comprehensively evaluate and prioritize the risks that require immediate attention and take appropriate countermeasures to reduce risks and prevent issues before they occur.

Impact			Probability		
Level		Definitions	Level		Definitions
4	Significantly high	Tremendous impact on entire business/Group	4	Significantly high	Likely to occur multiple times a year
3	High	Tremendous impact on business	3	High	May occur once every year
2	Medium	Impact on execution of business	2	Medium	May occur once every few years
1	Low	Minor impact on business	1	Low	May occur once every 10 years

Risk related to management strategy

Risk items	Typical risk examples	Risk reduction measures
a. Changes to economic conditions, regulatory or market environments, and competition with other companies		
<ul style="list-style-type: none"> Domestic political conditions Competitors' situations Customer expectations Amendments to laws 	<ul style="list-style-type: none"> Economic fluctuations Demographic changes Product/service defects 	<ul style="list-style-type: none"> Risk of increased competition in the telecommunications industry due to new entrants from other industries and the rapid spread of services from startups competing with the Group's services Risk of providing products or services with major defects that cause damage to customers
b. Adapting to technology and business models		
<ul style="list-style-type: none"> Technological innovation 	<ul style="list-style-type: none"> Risk of the Group being unable to respond appropriately or in a timely manner to changes in the market such as the emergence of new technologies (including generative AI and AI agents) or business models 	<ul style="list-style-type: none"> Adopt services, products, and sales methods that suit consumer orientation Thorough quality control during manufacturing and development stages
c. Leakage or inappropriate use of information (including privacy information) and inappropriate use of products and services provided by the Group		
<ul style="list-style-type: none"> Leakage or loss of information due to cyber attacks Inappropriate use of information assets Inappropriate use of products/services 	<ul style="list-style-type: none"> Risk of information leakage, loss, etc. due to intentional or negligent actions of the Group or unauthorized access such as cyber attacks by a third party Risk of losing society's confidence and trust in the Group due to an error arising from inadequate management and utilization of our information assets resulting in social criticism Risk of lowered confidence and trust due to misuse (crimes such as fraud, etc.) of apps or payment services provided by the Group 	<ul style="list-style-type: none"> Research the newest technology and market trends, conduct verification testing to introduce technically superior services, consider alliances with other companies, etc. Limit work areas related to confidential information and establish access control rules; monitor and prevent unauthorized access due to cyber attacks from outside the company; separate and isolate access and networks according to information security levels Establish guidelines and conduct training Periodic monitoring of unauthorized use
d. Destabilization of the international situation		
<ul style="list-style-type: none"> Procurement of equipment, facilities, etc. 	<ul style="list-style-type: none"> Risk of delays in transportation of telecommunications business equipment and facilities due to regulations and restrictions imposed on aircraft, ships, and so forth by countries in conflict or other countries involved 	<ul style="list-style-type: none"> Adopt services, products, and sales methods that suit consumer orientation Thorough quality control during manufacturing and development stages
e. Stable provision of network services		
<p>(a) Telecommunication network failures</p>	<ul style="list-style-type: none"> Risk of being unable to maintain telecommunications service quality due to increased network traffic or an inability to secure necessary frequency bands 	<ul style="list-style-type: none"> Adopt services, products, and sales methods that suit consumer orientation Thorough quality control during manufacturing and development stages
<p>(b) Unpredictable circumstances such as natural disasters</p>	<ul style="list-style-type: none"> Risk of a natural disaster, pandemic, etc. preventing normal operation of telecommunication networks or information systems 	<ul style="list-style-type: none"> Adopt services, products, and sales methods that suit consumer orientation Thorough quality control during manufacturing and development stages

(Note) Please refer to "Addressing risks that have significant impact on the company" on our website for details.



Contents

How Do We Identify and Respond to Risks?

> Risk Management

Addressing Risks That Have Significant Impact on the Company

Information Security

CISO Interview

AI Governance

Risk Management

Risk related to management strategy

Risk items	Typical risk examples	Risk reduction measures
f. Corporate acquisition, business alliances, establishment of joint ventures, organizational restructuring within the Group		
<ul style="list-style-type: none"> Investment and loans 	<ul style="list-style-type: none"> Risk of investee companies being unable to perform as expected; risk of business partnerships and joint ventures not producing expected results 	<ul style="list-style-type: none"> Conduct sufficient due diligence when considering each investment to make investment decisions in accordance with the prescribed approval process
g. Dependence on other companies' management resources		
(a) Outsourcing <ul style="list-style-type: none"> Inappropriate management of information by outsourced companies 	<ul style="list-style-type: none"> Risk of outsourced companies being unable to perform work as expected Risk of infringing on customers' human rights as a result of an outsourced company fraudulently acquiring Group and customer information or using it for other purposes 	<ul style="list-style-type: none"> Conduct periodic audits of outsourced companies' work Evaluate and select the supplier in accordance with our purchasing rules
(b) Use of other companies' facilities <ul style="list-style-type: none"> Other companies' management resources 	<ul style="list-style-type: none"> Risk of becoming unable to continue using communication line facilities owned by other operators 	<ul style="list-style-type: none"> Use multiple operators' communication line facilities
(c) Procurement of various equipment <ul style="list-style-type: none"> Supply disruptions Delivery delays 	<ul style="list-style-type: none"> Risk of supply disruptions, delivery delays, etc. in the procurement of telecommunication equipment, etc. 	<ul style="list-style-type: none"> Build networks by procuring equipment from multiple suppliers
h. Use of the <i>SoftBank</i> brand		
<ul style="list-style-type: none"> Brand use 	<ul style="list-style-type: none"> Risk that our actions negatively impact the trust or interests of SoftBank Group Corp. and we become unable to use the <i>SoftBank</i> brand 	<ul style="list-style-type: none"> Bolster the system for checking prior to using the brand, release materials related to brand use, and conduct training
i. Service interruption or degradation due to related system failure		
<ul style="list-style-type: none"> System failures 	<ul style="list-style-type: none"> Risk of becoming unable to continuously provide service for customer-facing systems, the <i>PayPay</i> cashless payment service etc. due to human error, equipment/system problems, cyber attack by a third party, hacking, or other unauthorized access 	<ul style="list-style-type: none"> Add redundancy to the network and clarify recovery procedures in case of failure or other accidents
j. Training and securing human resources		
<ul style="list-style-type: none"> Human resources (hiring, training) Labor management (overwork, etc.) Human rights Diversity 	<ul style="list-style-type: none"> Risk of being unable to secure engineers or other human resources necessary for business operation as planned Risk of reducing society's trust and confidence in SoftBank due to being unable to meet social demands for consideration for basic human rights Risk of reducing society's trust and confidence in SoftBank due to being unable to meet social demands for respecting diversity and demonstrating their full potential 	<ul style="list-style-type: none"> Adopt a remuneration system that considers the expertise of human resources with high market value Establish a human rights policy and human rights due diligence process; conduct risk assessments Ensure Company-wide awareness of efforts related to diversity; conduct training
k. Climate change		
<ul style="list-style-type: none"> Increasing damage from natural disasters Biodiversity 	<ul style="list-style-type: none"> Risk of higher restoration and maintenance costs due to an increase in disaster-affected facilities and worsening of damage Risk of financial losses due to impacts on supply chains from the loss of biodiversity 	<ul style="list-style-type: none"> Promote redundancy of core networks and secure communications in the event of a disaster, etc. Conduct risk assessment on the impacts that business has on biodiversity

(Note) Please refer to "[Addressing risks that have significant impact on the company](#)" on our website for details.



Contents

How Do We Identify and Respond to Risks?

> Risk Management

Addressing Risks That Have Significant Impact on the Company

Information Security

CISO Interview

AI Governance

Risk Management

Information Security

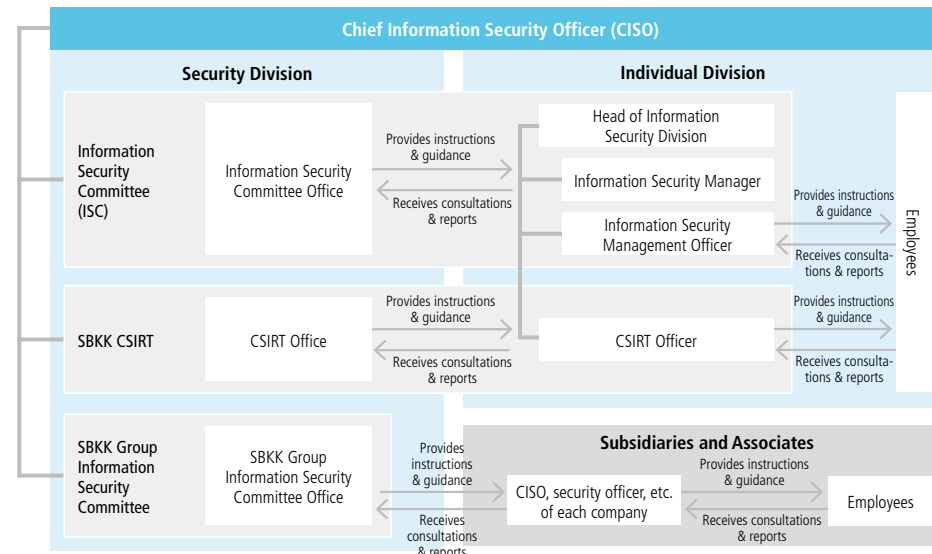
Information security

Policy

We have formulated and continue to adhere to our “Information Security Policy” so that we can keep the trust of our customers and the wider community by implementing sweeping and advanced solutions to counter the risk of information leaks. In addition, we take the utmost care in handling the personal data of our customers, in accordance with our “Privacy Policy,” and give due consideration to the rights of our customers. Furthermore, we have taken the initiative in protecting privacy by ensuring compliance with various laws and regulations, guidelines set by the government, and other standards, as well as by joining a certified personal information protection organization as a designated business operator.

Meanwhile, security risks have become increasingly diversified and advanced, highlighted by the sophistication of cyber attacks, the increase in persistent attacks by international hacker groups, attacks targeting teleworking environments, and cases of internal fraud. We constantly monitor and study these kinds of threats, but at the same time, we proactively employ cutting-edge technology to develop advanced security environments, while also working to further enhance our 24 hours a day, 365 days a year security surveillance and rapid response framework. Furthermore, we run training sessions to instill a heightened level of security awareness among all employees, while constantly keeping our security policies and rules up to date in step with the times.

Information security governance



We have established the Information Security Committee (ISC), chaired by the Chief Information Security Officer (CISO) and comprising managers of information security from each department, to promote information security measures across the entire Company. Moreover, through the creation of the SoftBank Computer Security Incident Response Team (SoftBank CSIRT), we are making every effort to prevent the occurrence of security incidents and to minimize damage by swiftly responding to incidents. We have also created the SBKK Group Security Committee, which is chaired by the CISO and comprised of the information security managers at affiliate companies in an effort to collaborate closely on the implementation of policies and various measures at each affiliated company.

Security measures

To protect the facilities that provide customer information and telecommunication services and to ensure the safe use of our products and services, we have established five levels of security areas in our facility environment and strictly manage them at each level. In addition, security analysts monitor security 24 hours a day, 365 days a year at the Security Operation Center (SOC). Furthermore, we are constantly advancing our information security measures by collaborating internally and with other organizations, and by reviewing our measures using the National Institute of Standards and Technology’s (NIST) Cybersecurity Framework (CSF) and the Center for Internet Security’s (CIS) CIS Controls.

(Note) Please refer to “[Information Security](#)” on our website for details.

Continuous security enhancement

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

[Technological measures]

(1) Monitoring technology

While the early detection of incidents is becoming increasingly difficult due to the growing complexity of attack techniques in recent years, the number of detected incidents is on the rise each day. SoftBank strives to improve the quality of monitoring by continuously upgrading detection methods, implementing analysis and solutions by referring to threat intelligence (information useful to detecting and blocking attacks), and automating response operations so that no signs of attack are missed.



Contents

How Do We Identify and Respond to Risks?

> Risk Management

Addressing Risks That Have Significant Impact on the Company

Information Security

CISO Interview

AI Governance

Risk Management

(2) Monitoring of threats and attacks

By monitoring communication log data collected from digital devices, such as PCs and smartphones, and machines such as servers, we anticipate and determine threats from multiple angles: suspicious communications inside or outside of our organization, potential malware infections, and others. We have built information sharing processes with security organizations we belong to and with security vendors to ensure we are aware of the latest trends by reviewing incidents at other companies and reports on vulnerabilities and attacks.

We aim to detect sophisticated and complex attacks as early as possible by implementing Security Information and Event Management (SIEM), a tool to detect the latest attacks, whereby various data logs can be collected and correlation analysis be performed.

(3) Monitoring of telecommunication networks security

Since telecommunications networks serve as social infrastructure, expectations for their reliability and quality are higher than ever before. SoftBank, as a telecommunications provider, performs different kinds of monitoring to provide a stable telecommunications network. Monitoring security is one part of this effort.

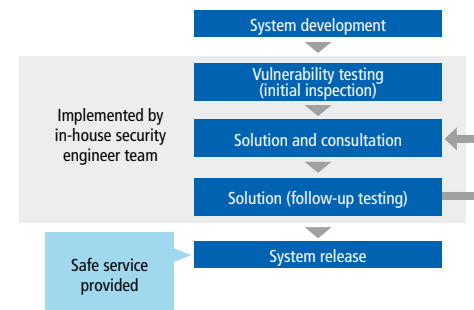
What 5G networks can bring include not only higher speeds but also ultra-low latency and massive device connectivity. It is expected that 5G will enable a variety of use cases like remote operations and autonomous driving. SoftBank is building an even more stringent security monitoring system to respond to changes in data traffic caused by DDoS attacks and to counter cyberattackers' attempts to access 5G equipment.

Use cases of 5G network features

Ultra-low latency	Remotely-controlled robots, autonomous driving, telemedicine - all previously considered difficult due to latency.
Massive device connectivity	Accelerated power of IoT that will revolutionize industries and society, with more things and sensors connected to networks.

(4) Security testing

If SoftBank launches services with deficient equipment or latent vulnerabilities, our network and system could be subject to attacks, potentially resulting in harm to customers. Our security engineer team carries out complete vulnerability testing and issues instructions to address any vulnerabilities detected so that we can provide safe services.



Since new vulnerabilities can emerge even after the release of a service we continue vulnerability testing and follow-ups to minimize security risks.

(5) Enhancement of internal security environment

We are responding to sophisticated attacks by utilizing various security solutions including MDM (Mobile Device Management) and EDR (Endpoint Detection and Response). Additionally, we carry out simulation exercises on targeted attack e-mails, to help strengthen our internal network security.

Some solutions and technologies that we have internally implemented and verified effectiveness are offered to enterprise customers as security services.

[People-led enhancements]

(1) Employee training

In order to ensure appropriate handling of information at the workplace as well as to raise awareness of information and cyber security, we provide classroom training, e-learning programs, security drills to executives and employees while constantly updating security rules.

At our internal training, we place particular importance on the "protection of personal information" and "secrecy of communications," and we continue to work on improving our employees' knowledge and ethics.

Useful materials and educational videos on information security are available on the company intranet portal for employees to access at any time.

(2) Training of security experts

Our security experts work hard not only to collect and share information on threats and solutions but also to improve their technical skills and knowledge so that they can guard against ever-changing security threats. SoftBank encourages them to obtain security qualifications to build their expertise.

Qualifications held by our security experts	CISSP, Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Registered Information Security Specialist (RISS), GIAC qualifications, CEH, AWS Certified Security - Specialty, among others.
---	--



Risk Management

Contents

How Do We Identify and Respond to Risks?

> Risk Management

Addressing Risks That Have Significant Impact on the Company

Information Security

CISO Interview

AI Governance

| CISO Interview

Continuously strengthening Group-wide security governance to protect corporate value

**Tadashi Iida**

Chief Information Security Officer

Q In November 2023, our subsidiary, LY, publicly announced a data breach incident caused by unauthorized access, which subsequently led to administrative guidance from Japan's Ministry of Internal Affairs and Communications. As a parent company, how do you view the challenges in security governance?

SoftBank and NAVER Corporation (hereinafter "NAVER") each hold a 50% stake in A Holdings Corporation, the parent company of LY. This incident originated from unauthorized access to a system of a NAVER-affiliated company, leading to the leak of some user information from the *LINE* app. In response, the Japan's Ministry of Internal Affairs and Communications issued administrative guidance stating that "LY's outsourcing partner was a NAVER-associated company with strong capital influence over LY, and adequate management of the outsourcing partner was not carried out." We take this matter very seriously as well.

Going forward, we will accurately and swiftly revise our security policies in line with changes in the business environment surrounding SoftBank and Group companies. We will also more rigorously monitor compliance status across all Group companies. Furthermore, we will step up efforts to strengthen security across the entire Group by implementing continuous risk reduction measures.

Q LY is currently implementing measures to prevent a recurrence in response to the administrative guidance. As the parent company, how do you evaluate these efforts and their progress to date?

LY has positioned security enhancement as a top management priority. The company has secured a budget of ¥15 billion for FY2024 and is steadily implementing the following recurrence prevention measures.

Measures to prevent recurrence:

- Ending outsourcing to the NAVER group and completely separating the network and authentication platforms previously shared with the group
- Thoroughly implementing technical countermeasures, such as strengthening access control and monitoring systems under its own leadership
- Raising the standards for the entire LY Group to a level equivalent to SoftBank's security governance policies and countermeasures
- Implementing employee security education using common training materials and conducting regular audits

We highly commend these initiatives as they demonstrate LY's strong risk management awareness and implementation capabilities.



Contents

How Do We Identify and Respond to Risks?

> Risk Management

Addressing Risks That Have Significant Impact on the Company

Information Security

CISO Interview

AI Governance

Risk Management

In addition, LY holds a “Group CISO Board” every two weeks*, consisting of CISOs from its key group companies. As the CISO of the parent company, I attend every meeting. I closely examine the scope and security level of each initiative and provide detailed feedback and ask in-depth questions as needed. This meeting is generally held online to accommodate participating group companies located overseas. However, we created an opportunity at the end of 2024 for all related parties to meet in person at LY’s head office to engage in deeper discussions. I feel this opportunity has further strengthened collaboration and allowed various measures to proceed more smoothly than before.

*As of June 2025, the frequency of the meeting has been changed to once a month.

Q What lessons have you learned from this incident?

We previously minimized intervention in security governance for LY, respecting its autonomy and independence as a listed company. However, this incident served as a catalyst for us to realize that as a parent company, we should be more deeply involved in the following issues that could significantly impact the corporate value of the entire Group, regardless of whether a company is listed or not.

Issues that could significantly impact the corporate value of the entire Group:

- Confirming the presence of personal information and confidentiality of communications handled at overseas offices
- Assessing the degree of dependence on service providers in specific countries
- Verifying that systems comply with domestic regulations and guidelines

Going forward, we will implement more rigorous security measures across all Group companies and further enhance the overall level of security governance within the organization.

Q Going forward, how do you plan to strengthen security governance for the entire Group, not only for LY but also for other listed subsidiaries?

First, we believe it is essential to further strengthen and maintain close communication channels with each Group company.

To quickly identify important issues and take action before potential risks materialize, it is crucial to establish smooth information sharing and good relationships based on trust, even during normal times. Therefore, we will create multi-layered communication channels, from executives and security officers to mid-level managers and front-line staff, to deepen mutual understanding more than ever.

This will create a system that enables early exchange of information and consultation not only when incidents occur, but also when there are signs or potential risks. In the future, we will also unify security governance frameworks, policies, and risk visualization methods across the Group and establish a mechanism to grasp the risk status of the entire company in real time.

Q What initiatives are in place for SoftBank’s unlisted subsidiaries?

For unlisted Group companies, we provide more practical support compared to those of the listed Group companies and involvement based on each company’s business characteristics and risk profile, as follows.

Practical support and involvement for unlisted Group companies:

- Conducting risk assessments and audits for each company, and establishing reporting systems and response procedures for when incidents occur
- Providing security awareness training programs for all employees, as well as specialized training programs for security personnel and system developers
- Assisting in the implementation of various security solutions to protect devices and systems
- When necessary, seconding our specialists to support building in-house capabilities for continuous improvement of security posture

Through these initiatives, we are further strengthening the information security foundation of the entire Group and helping each company establish a robust security framework while maintaining its independence.

Q Could you share your aspirations for the future?

As our *Beyond Carrier* strategy has deepened, our Group has expanded its business beyond telecommunications into diverse fields such as media, e-commerce, and payment/finance. We are now advancing the development of “Next-generation Social Infrastructure” to support a society that coexists with AI. I believe that for this to be realized, it is essential for us to uphold security and earn unwavering trust of society.

Based on the lessons learned from this incident, we are determined to continuously strengthen security governance while respecting the autonomy and independence of each company, and to steadfastly protect our corporate value.





Contents

How Do We Identify and Respond to Risks?

> Risk Management

Addressing Risks That Have Significant Impact on the Company

Information Security

CISO Interview

AI Governance

Risk Management

AI Governance

As the use of AI rapidly advances across various fields in Japan and overseas, companies are responsible for handling AI appropriately to provide safe and reliable services. We are actively building our AI governance through discussions in the “AI Ethics Committee,” an advisory board for appropriate AI development and operations, to advance the practice of responsible AI.

Basic policy

Under our *Beyond Carrier* strategy, we are working to provide innovative services and promote DX by going beyond just being a traditional telecommunications carrier and leveraging cutting-edge technologies such as AI and IoT. Among these cutting-edge technologies, AI has been widely used in all industries in recent years and is expected to see more diverse applications and become increasingly sophisticated in the future. On the other hand, depending on how it is used, it is possible that AI could yield discriminatory assessments or selection, disseminate misinformation or false information, and infringe on the rights of others. This highlights the need for ethical considerations and caution when using the technology.

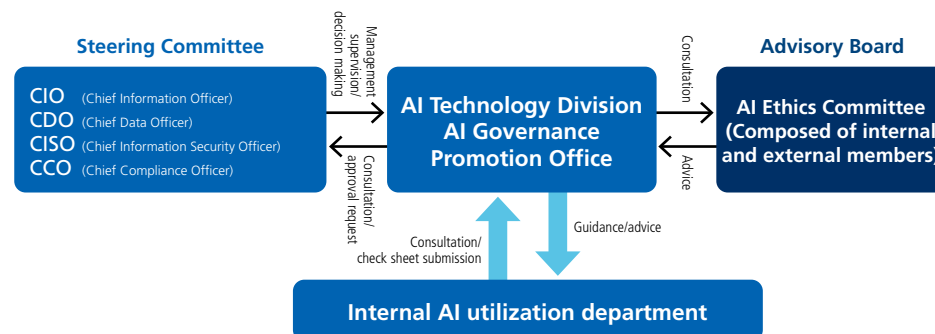
In light of this, in July 2022, we formulated the “[SoftBank AI Ethics Policy](#)” for the purpose of ensuring the appropriate use of AI and delivering safe and reliable services to customers. More specifically, the policy sets out six main guidelines: (1) human-centeredness, (2) respect for fairness, (3) pursuit of transparency and accountability, (4) ensuring safety, (5) privacy protection and security, and (6) development of AI human resources and literacy. We will operate our business and develop services in accordance with these guidelines.

In addition, we have put in place a framework to adopt this policy throughout the Group, and as of April 2025, 75 Group companies have decided to implement it.

Promotion system

AI governance is promoted by the AI Technology Division, the strategic division for our AI business.

AI governance promotion and execution system



We have established the AI Governance Promotion Office as an independent, specialized department within this division to oversee governance related to internal AI utilization. The Steering Committee, which includes our CIO (Chief Information Officer), CDO (Chief Data Officer), CISO (Chief Information Security Officer), and CCO (Chief Compliance Officer), performs management and supervision.

In addition, the “AI Ethics Committee,” composed of members from both inside and outside the Company, provides advice as an advisory board.

AI Ethics Committee

To address ethical issues in AI and implement “responsible AI*,” we established the AI Ethics Committee in April 2024 as an advisory board on overall AI ethics. The committee is chaired by our Senior Vice President & CISO and consists of six external experts with a wide range of expertise in areas such as AI ethics, technology, data governance, finance, law, and ESG, along with five internal executive officers and employees.

The committee met four times in FY2024 to exchange information on a wide range of topics, including the status of AI utilization at SoftBank, our AI governance initiatives, AI regulatory trends in Japan and overseas, and AI ethics from an ESG and institutional investor perspective. As AI technology rapidly evolves and its associated challenges become more complex on a global scale, we will continue to incorporate the diverse perspectives and insights of external experts to achieve objective and highly effective AI governance based on the perspectives of users.

AI Ethics Committee FY2024 agenda

Meeting month	Agenda
1st meeting: July 2024	<ul style="list-style-type: none"> Status of SoftBank’s AI utilization SoftBank’s AI governance initiatives
2nd meeting: October 2024	<ul style="list-style-type: none"> Trends in AI regulation in Japan and overseas and corporate requirements SB Intuitions’ initiatives in developing homegrown LLMs Current status and challenges of large-scale data crawling in LLMs
3rd meeting: December 2024	<ul style="list-style-type: none"> AI ethics from ESG and institutional investor perspectives Initiatives for the safety of large language models
4th meeting: March 2025	<ul style="list-style-type: none"> Fair cultural representation in LLMs SoftBank’s risk-based approach and risk assessment case studies

* Enterprises and organizations responsibly address issues and potential risks such as ethics, privacy, and security related to AI, and develop and provide reliable and fair AI services.



Contents

How Do We Identify and Respond to Risks?

> Risk Management

Addressing Risks That Have Significant Impact on the Company

Information Security

CISO Interview

AI Governance

Risk Management

Major initiatives

Establishing AI governance operations to support business implementation

We have established processes to be followed at each stage of AI-related business: “planning/design,” “development/procurement,” and “operation.” During planning/design, we assess the severity and impact of risks using a proprietary risk assessment framework based on references such as the EU AI Act. We also conduct discussions based on a predefined checklist to identify potential risks such as unethical information, copyright infringement, and data bias. For high-risk projects in particular, we hold review meetings that include executive officers. After development, we use the checklist again to confirm the status of responses to potential risks and ensure safety, transparency, and accountability, and also hold council meetings with departments involved in AI risk and governance. After the start of operations, we continuously monitor for issues such as deterioration in prediction accuracy, trends in laws and regulations, and the need for system policy revisions, and prepare for unexpected risks by providing appropriate information to users. Through this consistent process, we achieve a balance between innovation and governance.

Overall process

Planning/Design	Development/Procurement	Operation
Consultation/Guidance	Check/Guidance	Review/Evaluation
<ul style="list-style-type: none"> Unethical information Copyright infringement Data bias 	<ul style="list-style-type: none"> Safety Transparency Accountability 	<ul style="list-style-type: none"> Prediction accuracy degradation Regulatory trends System policy review

Implement **risk-based measures (risk-based approach)** for each project

Promotion of AI ethics and governance education

In our AI governance promotion strategy, we position “AI ethics and governance education” as a top-priority measure. We conduct ongoing awareness-raising activities for all employees, including executive officers, through annual e-learning training, biannual study sessions, and monthly email newsletters. The training focuses on key themes such as AI incident case studies from Japan and overseas, points to consider when using generative AI (such as bias, information leakage, copyright infringement, and hallucinations), and social trends surrounding AI ethics, aiming to improve the AI literacy and ethical awareness of all employees.

Various initiatives

e-learning	Online study session	Email newsletter delivery
<p>ソフトバンクにおけるAIガバナンスとは① AI倫理に関するインシデントから学ぶ②</p>	<p>日程：8月19日（水）18:00-18:30 形式：Zoom対話型 対象：AI倫理/ガバナンスをより深く理解されたい方 AIと著作権について関心がある方</p> <p>テーマ AIの著作権関連の現状</p> <p>アジェンダ 1. AIガバナンスについて、著作権関連インシデント紹介 (講師：SBKK AIガバナンス推進室) 2. 法的な観点でのAIと著作権 (講師：SBKK 知的財産部) 3. AI技術と著作権について (講師：LINE ヤマウ)</p>	<p>AIガバナンスニュース Vol.5</p> <p>AIガバナンス推進の最新動向 AI活用における留意点を掲載します</p> <p>本日のテーマ AIの透明性と説明責任</p>
<p>Once a year, e-learning on AI ethics and governance is provided for all employees. The content is explained in an easy-to-understand manner using manga and other materials.</p>	<p>Study sessions on themes related to AI ethics and governance are held twice a year.</p>	<p>Company-wide newsletter on themes related to AI ethics and governance is distributed monthly.</p>

Participation in the “Hiroshima AI Process Reporting Framework” to achieve responsible AI

The “Hiroshima AI Process” is a G7-led framework for international rule-making on generative AI. In this process, “International Guiding Principles” for all AI stakeholders and an “International Code of Conduct” for organizations developing advanced AI systems were established. Furthermore, a “Reporting Framework” (hereinafter, “the Framework”) has been created for AI development companies and others to self-assess and report on their level of compliance with this Code of Conduct. This has established a system to promote responsible AI development throughout the international community.

We have endorsed the purpose of this international consensus-building and announced our participation in the Framework. Going forward, we will utilize the Framework to self-assess and report on our governance status, including risk management and ensuring transparency based on our AI Ethics Policy. By doing so, we will fulfill our accountability to society and promote responsible AI development as a member of the international community.



Contents

How Do We Fulfill Our Social Responsibilities?

Human Rights

Compliance

Supply Chain

How Do We Fulfill Our Social Responsibilities?

We believe that having high ethical standards across all business activities and fulfilling our responsibilities as a member of society form the foundation of our management. This section describes our initiatives in areas such as human rights, compliance, and supply chain management.





Contents

How Do We Fulfill Our Social Responsibilities?

> Human Rights

Compliance

Supply Chain

Human Rights

We have established the “[SoftBank’s Human Rights Policies](#)” and follow international human rights principles such as the “Universal Declaration of Human Rights” and the United Nations’ “Guiding Principles on Business and Human Rights.” We also value the diversity of the people we work with and prohibit discrimination and human rights violations in all of our services, products, and business activities. Furthermore, we require our suppliers, subcontractors, and business partners to respect and refrain from violating human rights in accordance with these principles.

Promotion system

Under the concept of the “[SoftBank’s Human Rights Policies](#)” approved by the Board of Directors, SoftBank’s human rights promotion activities are centered on the “Human Rights Committee,” which is chaired by the President & CEO, and whose members include directors in charge of businesses and departments. Since FY2020, the “Human Rights Committee” has held annual meetings to promote our human rights activities through daily operations such as managing human rights due diligence, investigating and addressing potential human rights violations, and enhancing internal awareness of human rights through the planning and implementation of human rights-related training programs. Matters deliberated by the “Human Rights Committee” are discussed and reported at the Board of Directors meetings.

Human rights due diligence

In accordance with the United Nations’ “Guiding Principles on Business and Human Rights,” we have established a human rights due diligence process to clarify, evaluate, and identify human rights issues that are at risk of negative impacts. This process ensures the respect for the human rights of all stakeholders affected by our business activities.

Human rights due diligence process



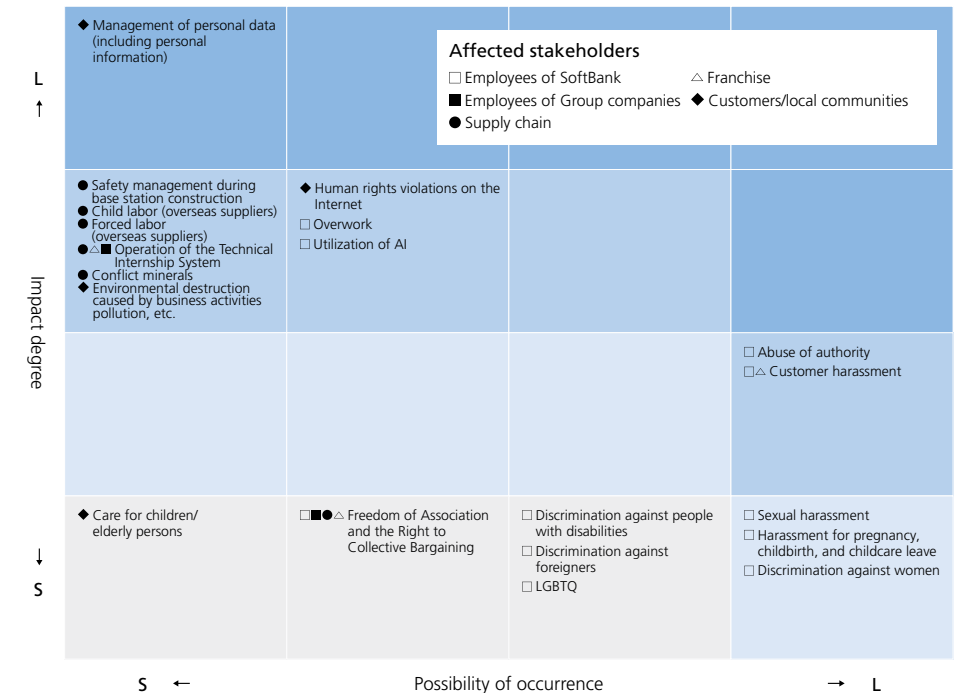
Mapping human rights risks

We have mapped human rights issues that are at risk of negative impacts due to our business activities. Based on the human rights due diligence process, we have identified and evaluated the actual and potential human rights impacts of these risks.

For human rights risks that are actually occurring, we will work to resolve the problems by removing negative impacts and, if necessary, implement appropriate remedies for victims. We will also implement appropriate measures to mitigate potential risks.

The mapping is conducted by evaluating the residual risk values after various countermeasures have been implemented for each risk item. Moreover, the mapping items will be reviewed on an ongoing basis.

Human rights risks mapping





Contents

How Do We Fulfill Our Social Responsibilities?

> Human Rights

Compliance

Supply Chain

Human Rights

Identification and assessment of negative human rights impacts

As part of our human rights due diligence, we have been conducting assessments to identify human rights risks in key segments since FY2020. The key themes, targeted segments, and assessment results for the FY2024 assessment are as follows.

Key themes in assessment

1. Basic attitude toward human rights and major initiatives
2. Prohibit forced labor, trafficking in persons and child labor (avoidance of complicity in human rights abuses)
3. Prohibition of harassment and discrimination
4. Reduction of working hours
5. Appropriate wages and benefits
6. Employees freedom of association and right to organize
7. Respect for the environment, local communities, and indigenous rights

(Note) Please refer to "[Human Rights Self-Assessment Items](#)" for details.

Targeted segments

1. Value chain
 - (1) Key suppliers
 - (2) Sales agents operating *SoftBank* stores and *Y!mobile* stores
2. Our Group companies: Own business (the Group), joint ventures (associates, etc.)
3. Investment targets at the time of considering investment
4. Employees of the Company

(Note) Please refer to "[List of assessment results](#)" for details.

Human rights assessment by segment

Human rights assessment for the value chain

As part of our value chain initiatives, FY2020 and onwards, we have been conducting ongoing self-assessments of our key suppliers and sales agents who operate *SoftBank* stores and *Y!mobile* stores, which are our main sales channels and points of contact with customers etc., regarding their human rights initiatives and whether they are complicit in human rights abuses. In cases where human rights risks are identified in this assessment, efforts are being made to resolve and correct the problem. The assessment will be conducted regularly, and we will continue to monitor and propose improvements in order to further reduce risks.

(Note) Please refer to "[Human rights assessment for the value chain](#)" on our website for details.

Human rights assessment for Group companies

We conducted a human rights self-assessment targeting 121 domestic and overseas subsidiaries and 22 affiliated companies. In FY2024, we added new items related to customer harassment to the existing questionnaire to assess the current status and enhance prevention and awareness. As a result of the assessment, no actual human rights violations were identified. However, for six companies (including two associates) where potential risks were identified, we not only issued requests for improvement, but also provided practical support, including manuals, survey templates, and educational materials for employees. We will continue our efforts to reduce human rights risks and enhance Group-wide awareness through ongoing monitoring and improvement proposals.

Human rights assessment for investment targets at the time of considering investment

In addition to conducting human rights assessments for existing business activities, we also conduct human rights assessments from the perspective of respecting human rights when launching new

businesses. The assessment items cover important issues related to human rights, such as prohibition of forced labor, prohibition of discrimination, prohibition of harassment, respect for the right to organize, and prohibition of child labor, and passing the assessment has become one of our investment criteria.

(Note) Please refer to "[Investment targets at the time of considering investment](#)" on our website for details.

Human rights assessment for our employees

As part of our human rights due diligence, we conduct personnel interview measures and surveys with employees and take direct or indirect remedial measures when problems are found.

Conduct HR interviews/roundtable discussions with employee

The HR Division conducted HR interviews with employees from FY2015 to FY2021 to understand the condition of employees (cumulative total of 26,100 employees). If any risks related to human rights were identified, we promptly took remedial action in cooperation with the relevant divisions. Furthermore, since FY2022, we have been holding roundtable discussions between the Head of the HR and General Affairs Division and employees at nine major offices nationwide. In FY2024, to facilitate more in-depth dialogue, we focused the sessions on four key offices, with a total of 82 participants. We will continue to place importance on dialogue with employees to understand and improve the actual situation onsite.

Conducted human rights survey for employees

Every year, we conduct training and provide educational content to employees on human rights, with a focus on discrimination and harassment. In addition, all employees are informed of a consultation service in the event of human rights violations, and efforts are made to prevent human rights violations before they occur. In cases where human rights violations do occur, we handle them strictly in accordance with the regulations. Furthermore, we conduct an annual survey of all employees to identify any actual or potential human rights violations. In FY2024, a survey was conducted to 24,600 employees, and no responses were received requesting remedy for human rights violations in the workplace. However, based on the results of the survey, we have identified eight issues (five of which are key issues) that could become human rights risks, and we are working with the divisions in charge to examine and implement measures to reduce these risks. The results of this survey and risk mitigation measures are made available to employees. We will continue to respect the human rights of our employees through continuous surveys and monitoring.

(Note) Please refer to "[Survey on Human Rights for Employees](#)" for details.

Response to customer harassment

In order to maintain a healthy relationship with our customers and ensure an appropriate working environment for employees at both the Company and our subcontractors, we have developed "Our Approach to Customer Harassment." Based on a manual published by Japan's Ministry of Health, Labour and Welfare, we have defined actions that constitute customer harassment and outlined how we will respond to such actions.

We are implementing various measures to address customer harassment, including the establishment of a consultation service and the distribution of response manuals to stores and call centers.

(Note) Please refer to "[Our Approach to Customer Harassment](#)" on our website for details.



Contents

How Do We Fulfill Our Social Responsibilities?

- Human Rights
- **Compliance**
- Supply Chain

Compliance

We define compliance as “not merely about complying with laws and regulations, but also about meeting society’s higher ethical and moral expectations.” Based on the “[SoftBank Code of Conduct](#),” which all executive officers and employees of SoftBank and its Group companies must follow, we strive to achieve compliance with a strong sense of ethics and responsibility in our daily operations. Adherence to the Code of Conduct is also incorporated into the competency evaluations of employees, including those in management positions.

Compliance promotion system

Our Board of Directors appoints the Chief Compliance Officer (CCO) as the highest authority for compliance. The CCO plans and implements the necessary measures to establish and strengthen our compliance system to ensure adherence to laws, regulations, and the Code of Conduct, and to prevent violations. The Compliance Department, which assists the CCO in the performance of their duties, works with the compliance managers and promoters in each division to ensure thorough compliance through activities such as inspections and training in the course of daily operations.

The Compliance Department regularly reports to the CCO on compliance violations, including bribery and corruption, and any conduct that may violate the Code of Conduct. The CCO is responsible for supervising the overall management of and response to violations. The status of these matters is also regularly reported to the Board of Directors and the Audit & Supervisory Board.

We also promote awareness of the “[SoftBank Code of Conduct](#)” among all employees (including temporary employees) working in the Group, including SoftBank and its subsidiaries and associates, to encourage compliance with laws, regulations, and corporate ethics in their daily operations.

The Code of Conduct, its promotion system, and the reporting system for violations are verified by independent third party.

Compliance Hotline

In order to discover, ameliorate, or prevent compliance risks in business activities at an early stage, including bribery and corruption, we have established a “Compliance Hotline” under the responsibility of the CCO. This is a channel for all executives and employees of the Company and its subsidiaries, as well as suppliers (including freelancers), to report and consult on any compliance violations or potential violations they become aware of. The Compliance Department receives reports and consultations, confirms the intent of the reporter, and determines the response policy after consulting with the relevant departments. To confirm the facts, the Compliance Department conducts timely and appropriate investigations, including interviews with the relevant parties. All reports are treated as confidential. If any violations are discovered as a result, corrective measures are swiftly implemented, and feedback on the investigation’s outcome is provided to the reporter as appropriate. We prohibit any disadvantageous treatment, including retaliation, against reporters under our internal reporting regulations under any circumstances, and any individual who engages in such conduct will be subject to disciplinary action.

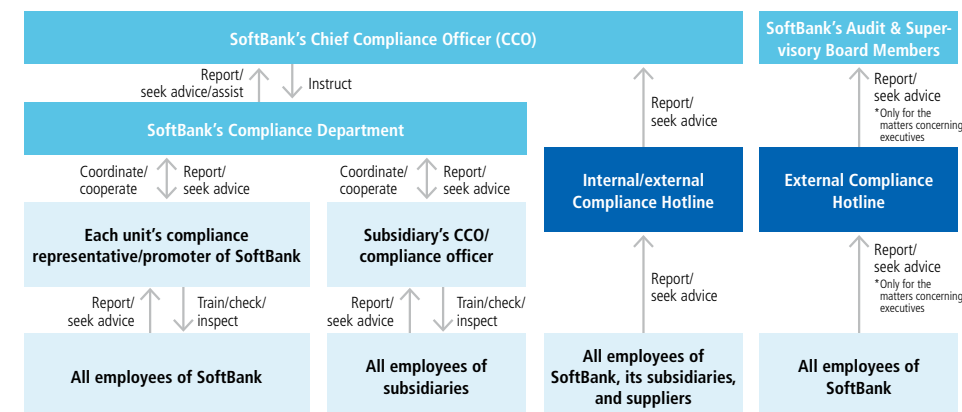
To make the “Compliance Hotline” easy to use, various reporting methods are available such as direct reports in person, by telephone, email, or postal mail. We also accept anonymous reports. We have two contact points: an internal contact point handled by the Compliance Department, and an external contact point handled by an external law firm. Reporters may use either contact point. For cases involving executives, it is possible to consult with and report to an Audit & Supervisory Board Member, who is independent of the management, through the external contact point. For overseas subsidiaries, we have established a global helpline that allows reporting in local languages. The methods for using each “Compliance Hotline” are explained and publicized through training.

Our Code of Conduct reflects the content of compliance with laws and regulations and the execution of internal rules. Even within the Code of Conduct, disciplinary measures are to be appropriately implemented in case of compliance violations.

In FY2024, there were 255 reports and consultations related to compliance violations, including those made through the “Compliance Hotline”. Of these, 28 cases were under investigation as of the end of March 2025. There were 35* confirmed cases of compliance violations, and necessary disciplinary measures were taken against those responsible in accordance with our regulations.

* Breakdown of violations (improper business: 10 cases; security violations: 5 cases; business negligence: 0 case; harassment: 10 cases; corruption and bribery: 0 case; other: 10 cases)
 (Note) Please refer to “[ESG Data](#)” on our website for trends in the number of consultations and reports regarding compliance violations.

Compliance Hotline system





Contents

How Do We Fulfill Our Social Responsibilities?

Human Rights

➤ **Compliance**

Supply Chain

Compliance

Compliance initiatives

<p>Various training programs</p>	<p>We conduct tiered training programs such as management training and training for new and mid-career hires, as well as theme-based training. We also provide training for subsidiary executives and compliance officers. Additionally, we offer department-specific risk-based training on topics such as disguised subcontracting, harassment, bribery, and prevention of conflicts of interest transactions.</p>
<p>Compliance awareness month</p>	<p>Every year we hold a “Compliance awareness month” to promote compliance awareness among executives and employees. During this month, all employees take a “compliance test” based on practical and concrete case studies to self-assess their knowledge and understanding of compliance. At the same time, we annually require all employees to submit a confirmation pledging to comply with the “SoftBank Code of Conduct.” We also conduct annual training for senior management on compliance topics that require special attention in our business.</p>
<p>Anti-corruption initiatives</p>	<p>The “SoftBank Code of Conduct” stipulates the appropriate relationship with politics and government and prohibits any act that leads to corruption. We are committed to fair transactions based on compliance with the anti-corruption laws of each country. With reference to the “Business Principles for Countering Bribery” (published by Transparency International), we ensure that all executives and employees of the Group are prohibited from any form of bribery. We will continue to strengthen our anti-corruption initiatives.</p> <p>In our “Rules Concerning the Maintenance of Proper Relationships with Civil Servants, etc.,” and “Internal Approval Request Regulation,” we have established a system to prevent employees from being involved in corrupt practices, either directly or indirectly. This includes application and screening procedures regarding the provision of entertainment, gifts, and anything of value to civil servants, application and screening procedures regarding the appointment of agents, internal procedures involving political contributions, donations and sponsorship, the creation and storage of such records, and prohibition of facilitation payments. In addition, we conduct periodic monitoring from an anti-corruption perspective at least once a year. To date, there have been no cases of prosecution for corrupt practices.</p> <p>We ask our business partners and suppliers to comply with the “Supplier Ethics and Rules of Conduct,” which prohibits bribery in any form.</p> <p>(Note) Please refer to “SoftBank Anti-Bribery and Corruption Policy” on our website for details.</p>
<p>Responsible political engagement</p>	<p>We believe in engaging with politics and policy in good faith to contribute to the formulation and promotion of policies that benefit not only our key stakeholders but also society as a whole. The “SoftBank Code of Conduct,” approved by the Board of Directors, stipulates the appropriate relationship with politics and government.</p> <p>We also emphasize a neutral stance toward political parties and politicians, and comply with the Public Offices Election Act, the Political Funds Control Act, and other laws and regulations related to politics. We strictly prohibit donations to individual politicians that are prohibited by law, and donations to specific political organizations or parties that exceed the amounts permitted by law.</p> <p>Political contributions are subject to approval by the Board of Directors, and if made within the scope of laws and regulations, appropriate information is disclosed on the “Compliance” of our website. We made no political contributions in FY2024.</p> <p>(Note) Please refer to “ESG Data” on our website for details.</p>
<p>Distribution of the Compliance Handbook</p>	<p>To help employees deepen their understanding of the Code of Conduct and put it into practice, we have posted a “Compliance Handbook” on our internal intranet. This handbook contains explanations of laws and regulations, case studies, and other relevant information, enabling employees to access it anytime.</p>



Contents

How Do We Fulfill Our Social Responsibilities?

Human Rights

Compliance

➤ **Supply Chain**

Supply Chain

To achieve sustainable development together with our suppliers, SoftBank has established various policies, including the “[Procurement Policy](#)” and the “[Supplier Ethics and Rules of Conduct](#).” Based on these policies, we promote procurement activities that emphasize sustainability aspects such as the environment, human rights, and fair trade, aiming to build a supply chain that earns the trust of society.

Basic policy

Procurement Policy

In order to maintain fair and positive relationships with suppliers, the “[Procurement Policy](#)” stipulates the following eight items: “provision of fair opportunities for competition,” “selection of suppliers based on rational and clear criteria,” “compliance with laws,” “management of confidential information provided by suppliers,” “mutual confidence-building with suppliers,” “environmental conservation,” “prohibition of mixing private relations,” and “commitment to sustainability.” All procurement activities conducted by the Procurement Department are carried out in accordance with this basic policy.

Supplier Ethics and Rules of Conduct

In order to deal with sustainability-related issues together with suppliers, provide reliable and safe products and services to customers, and conduct business activities which are trusted by society, we have established the “[Supplier Ethics and Rules of Conduct](#)” and request that all suppliers comply with these rules.

Environmental Action Guidelines and Green Procurement Guidelines

To contribute to the sustainable development of society by actively working to maintain and conserve the global environment through our business, we have established the “Environmental Action Guidelines,” as well as the “[Green Procurement Guidelines](#)” which indicate our fundamental approach to green procurement for our suppliers.

These guidelines are in accordance with the contents of the “Ecology Guideline for the ICT Industry,” which was formulated by the ICT Ecology Guideline Council*1 in response to a proposal by the workshop concerning the ecological response in the information and telecommunications field hosted by Japan’s Ministry of Internal Affairs and Communications. Our goal in establishing these guidelines is to promote the procurement of products which contribute to the reduction of CO₂ emissions.

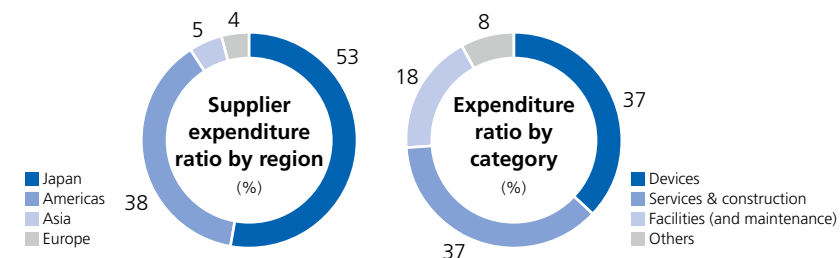
We highly value voluntary and proactive proposals from our suppliers and will engage in business activities that emphasize the environment by working together on environmental conservation activities.

*1 A council inaugurated on June 26, 2009, by five organizations (Telecommunications Carriers Association, Telecom Services Association, Japan Internet Providers Association, Communications and Information Network Association of Japan, and the ASP-SaaS-IoT Cloud Consortium (ASPIC)) to further strengthen industry-wide efforts to combat global warming.

Supply chain overview and supplier selection criteria

Overview

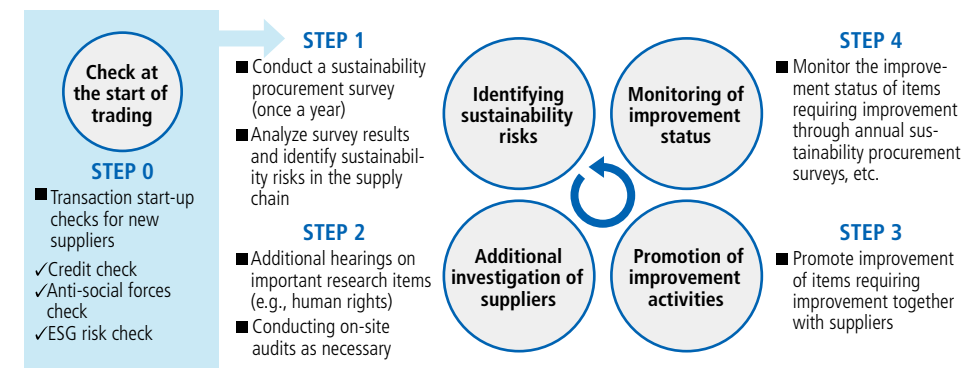
Our supply chain extends to various countries and regions around the world. In FY2024, the supplier expenditure ratio by region was 53% in Japan, 38% in the Americas, 5% in Asia, and 4% in Europe. By category, the supplier expenditure ratio was 37% for devices, 37% for services and construction, 18% for facilities (and maintenance), and 8% for others.



Supplier selection and evaluation cycle

When selecting suppliers, we evaluate them based on quality, price, delivery, supply stability, and reliability, etc., and conduct business only with those who meet our minimum standards. We also conduct ongoing supplier risk assessments that include a sustainability perspective. As part of our risk assessment, we have established a PDCA cycle that includes establishing the “[Supplier Ethics and Rules of Conduct](#),” conducting sustainability procurement surveys, evaluating suppliers and identifying issues, and conducting on-site inspections and audits of suppliers, thereby reducing risks in the supply chain. In our procurement activities, we regularly review supplier selection criteria, the content of supplier surveys, and audit criteria and items to ensure they are in line with our “Supplier Ethics and Rules of Conduct.” When starting new business with a supplier, we evaluate and select them in accordance with our procurement regulations and conclude a basic transaction agreement that includes compliance with our “Supplier Ethics and Rules of Conduct.” Furthermore, for the selection of some telecommunications equipment, IT equipment, and facility equipment installed as part of our telecommunications infrastructure, we apply a certain weighting to environmental, social, and governance (ESG) aspects in our supplier evaluations.

Overall picture of initiatives for building a sustainable supply chain





Contents

How Do We Fulfill Our Social Responsibilities?

Human Rights

Compliance

➤ **Supply Chain**

Supply Chain

Significant suppliers

We have more than 2,000 suppliers worldwide. In our supply chain management, in addition to transaction volume and substitutability, we consider environmental, social, and governance aspects, and designate significant suppliers as those covering the top 80% or more of the previous fiscal year's purchase amount. For these significant suppliers, we conduct focused and appropriate supply chain management.

(Note) Please refer to "[Significant suppliers](#)" on our website for details.

Building a sustainable supply chain

Sustainability procurement survey

We conduct an annual sustainability procurement survey of our significant suppliers in order to identify potential "sustainability risks" in our supply chain and take appropriate measures. We believe it is important for suppliers to understand the initiatives of other companies to achieve better ESG performance, so we evaluate the survey results and provide feedback, including comparisons with other companies.

In FY2024, we introduced EcoVadis*² to create an environment where suppliers can reference outstanding initiatives, including comparisons with other companies. As a result of risk assessments, we identify suppliers with deficiencies or issues, including sustainability challenges, and request them to create corrective action plans to promote improvement. If a supplier fails to meet minimum ESG requirements through audits or other means, we issue a corrective action advisory and encourage continuous improvement. For serious non-conformities, if corrective measures are not presented within 90 days, we may suspend business with the supplier based on a comprehensive judgment that takes business activities into consideration.

For an overview of the survey and the results for FY2024, please refer to our website, "[Sustainability Procurement Survey](#)."

*² A sustainability assessment service consisting of four parts: "Environment," "Labor Practices and Human Rights," "Ethics," and "Sustainable Sourcing."

Responsible sourcing of minerals

To fulfill our social responsibility in procurement activities, we work with our suppliers to promote initiatives to avoid the use of products containing conflict minerals that fund rebel groups committing human rights abuses.

Specifically, our Supplier Ethics and Rules of Conduct stipulates that conflict minerals (tantalum, tin, tungsten, and gold) that fund armed groups committing human rights abuses in the Democratic Republic of the Congo and its neighboring countries must not be used, and we require our suppliers to comply with this.

(Note) Please refer to "[Responsible sourcing of minerals](#)" on our website for details.

Efforts toward sophistication

Collaboration with other companies

As part of our engagement in related initiatives, we participate in the Supply Chain Subcommittee of the Global Compact Network Japan (GCNJ), collaborating with companies from various industries. Aiming for sustainable supply chain management across a wide range of industries, we work to share practical challenges related to social and environmental issues, including human rights abuses in supply chains, and to create outputs that support their resolution. We have also announced a collaboration on sustainable procurement among telecommunications carriers with NTT, Inc. and KDDI CORPORATION. We hold regular meetings and have created a common SAQ*³ for the telecommunications industry to standardize sustainability questionnaires and reduce the burden on our suppliers.

From FY2024, we have introduced the third-party evaluation platform EcoVadis*² and a common SAQ*³ for the three companies (NTT, Inc., KDDI CORPORATION, and SoftBank) to further strengthen engagement with our suppliers.

In FY2024, we published a handbook introducing initiatives we would like our suppliers to implement, such as sustainability efforts and concepts, and measurement of their own CO₂ emissions, to support their activities aimed at improving supply chain sustainability. The three companies have also jointly started third-party audits of suppliers and are proposing improvements based on the audit results.

*³ A sustainability questionnaire standardized by NTT, Inc., KDDI CORPORATION, and SoftBank in FY2023. The SAQ is structured to be shared between buyers and suppliers regardless of industry, identifies items such as environment, human rights and labor, health and safety, fair trade and ethics, quality and safety, and information security.

Reduction of greenhouse gas emissions through the supply chain (Scope 3)

We are working to achieve "Net Zero" by FY2050, which aims for zero emissions of all greenhouse gases related to our business activities. This includes not only greenhouse gases emitted from electricity used in our business activities (Scope 1 and 2) but also from our entire supply chain (Scope 3).

A vast majority of our greenhouse gas emissions are from our supply chain (Scope 3). Therefore, decarbonizing the entire supply chain is essential, and promoting this effort together with our suppliers is indispensable. In FY2023, we established the "Guidelines for Reducing Greenhouse Gas Emissions in the Supply Chain" to outline our basic approach toward promoting Net Zero, and we will advance our procurement activities based on these guidelines.

(Note) Please refer to "[Guidelines for Reducing Greenhouse Gas Emissions in the Supply Chain](#)" on our website for details.

Internal carbon pricing

To strongly advance our response to climate change, we expanded our internal carbon pricing (ICP) system in FY2024. Targeting Scopes 1 and 2, we have set an implicit price*⁴ of ¥18,000/t-CO₂ for certain capital investments that yield CO₂ emission reduction effects, thereby promoting the adoption of equipment that further advances decarbonization.

*⁴ A carbon price set based on the Company's past performance, benchmarking against peer prices, etc.



Contents

Data Section

- Performance Highlights (Financial)
- Performance Highlights (Non-Financial)
- Market Data
- Review and Analysis of FY2024
- Consolidated Financial Statements
- External Evaluation
- Corporate Data / Stock Information

Data Section





Performance Highlights (Financial)

Contents

Data Section

> Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

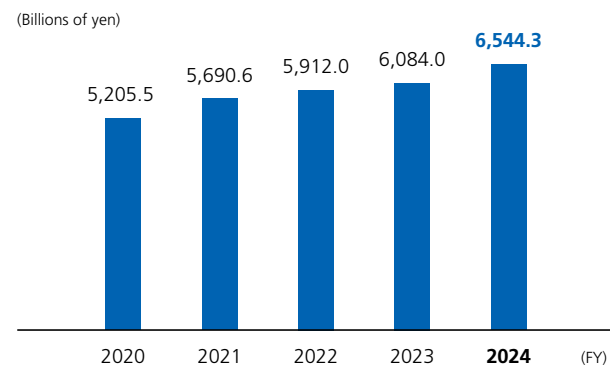
Review and Analysis of FY2024

Consolidated Financial Statements

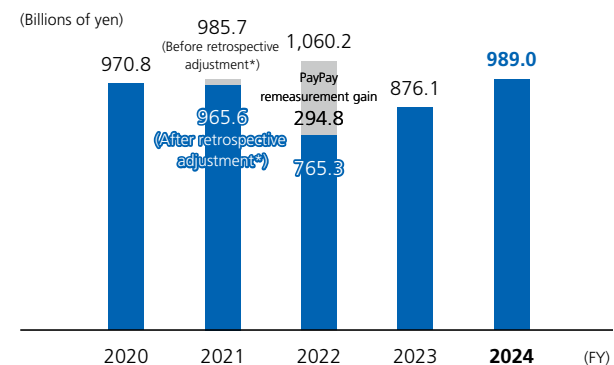
External Evaluation

Corporate Data / Stock Information

Revenue ¥ **6,544.3** billion

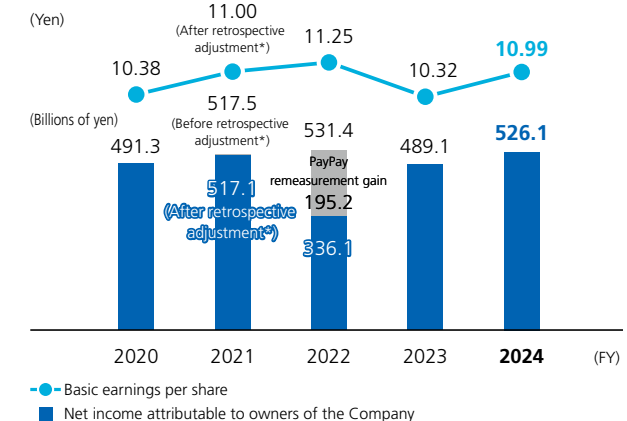


Operating income ¥ **989.0** billion

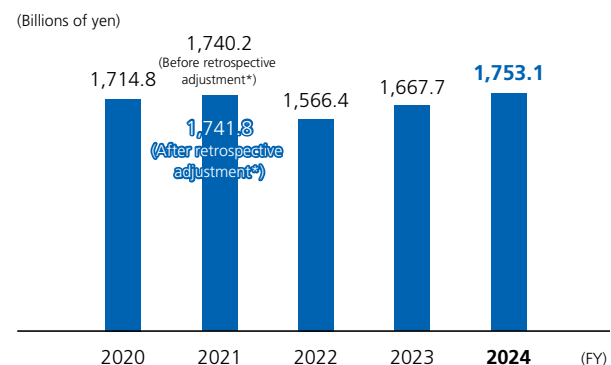


Net income attributable to owners of the Company ¥ **526.1** billion

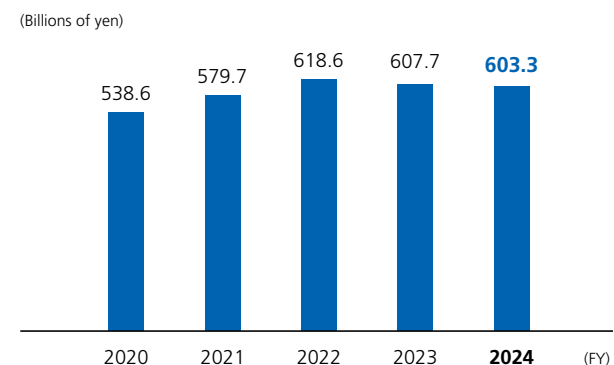
Basic earnings per share*2 ¥ **10.99**



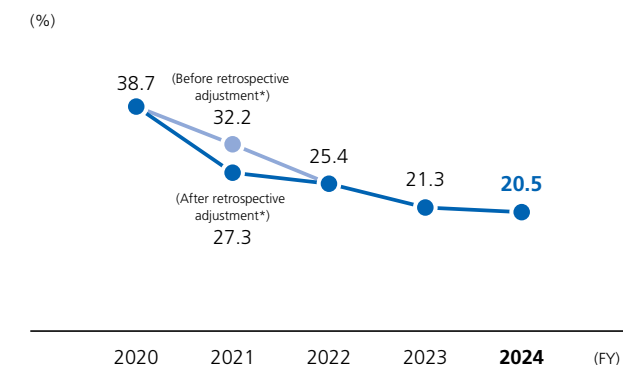
Adjusted EBITDA*3 ¥ **1,753.1** billion



Primary free cash flow*4 ¥ **603.3** billion



ROE (Ratio of net income to equity attributable to owners of the Company)*5*6 **20.5%**



*The accounting policy for transactions under common control has been changed from the book-value method to the acquisition method from the third quarter of FY2022. Accordingly, the accounting treatment for the consolidation of Yahoo Japan Corporation*1 in the first quarter of FY2019 has been retrospectively adjusted, and figures for FY2021 have been restated to reflect the retrospective adjustment.

*1 Currently LY Corporation

*2 Calculated after deducting dividends related to Bond-Type Class Shares. The Company has conducted a stock split at a ratio of 10 shares per common share, with the effective date being October 1, 2024. The basic earnings per share prior to October 1, 2024 have been adjusted to reflect this stock split.

*3 Basic earnings per share is calculated after deducting dividends related to Bond-Type Class Shares.

*4 Primary free cash flow is a measure calculated by adding back the amounts spent as long-term growth investments to adjusted free cash flow (excluding LY Group, PayPay, etc.). Adjusted free cash flow (excluding LY Group, PayPay, etc.) = free cash flow + (proceeds from the

securitization of installment sales receivables – repayments thereof) – free cash flow of the LY Group, PayPay, etc. – loans to Board Directors, + other items such as dividends received from A Holdings Corporation and investment in PayPay Securities Corporation. "LY Group, PayPay, etc." refers to A Holdings Corporation, LY Corporation and its subsidiaries (LY Group), B Holdings Corporation, PayPay Corporation, PayPay Card Corporation, PayPay Securities Corporation, etc. Long-term growth investments have occurred from FY2023 onwards and include investments in AI computing infrastructure, AI data centers, and Cubic³, etc.

*5 The figure for FY2020 has been retrospectively adjusted to reflect the completion of provisional accounting treatment related to the business merger of Z Holdings Corporation*1 with LINE Corporation*1.

*6 Net income attributable to owners of the Company ratio (ROE) = net income attributable to owners of the Company / average of total equity attributable to owners of the Company at the beginning and end of the relevant period



Contents

Data Section

> Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

Review and Analysis of FY2024

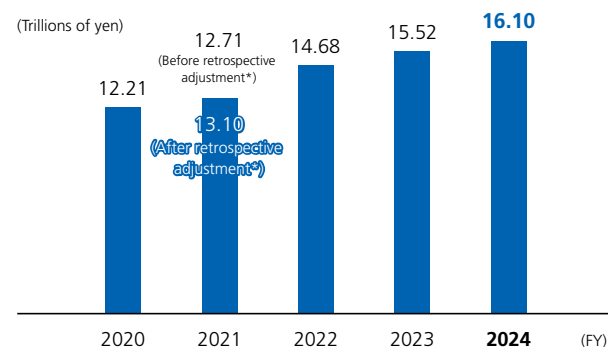
Consolidated Financial Statements

External Evaluation

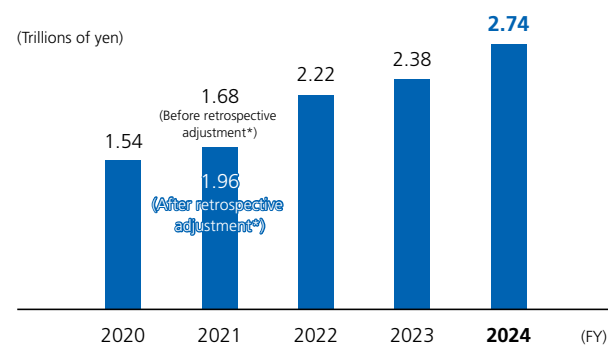
Corporate Data / Stock Information

Performance Highlights (Financial)

Total assets*5 ¥ 16.10 trillion



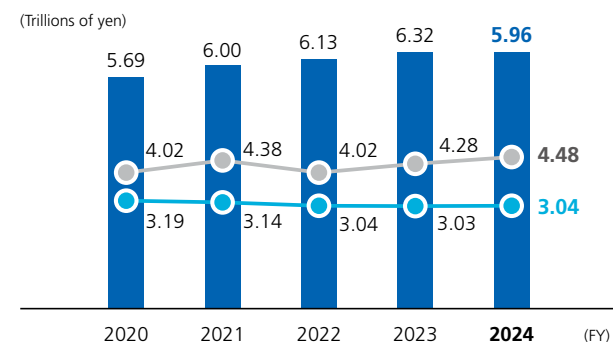
Total equity attributable to owners of the Company ¥ 2.74 trillion



Interest-bearing debt ¥ 5.96 trillion

Net interest-bearing debt*7 ¥ 4.48 trillion

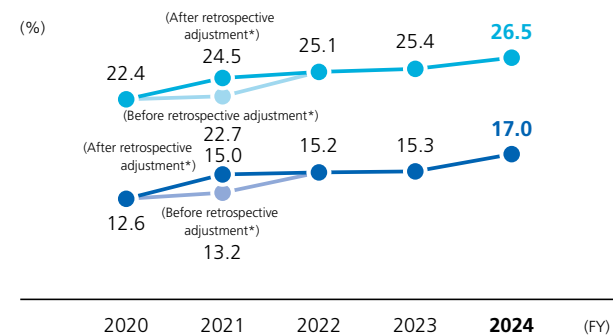
Net interest-bearing debt (excluding LY, PayPay, etc. and securitization of installment sales receivables*8) ¥ 3.04 trillion



Legend:
 -●- Net interest-bearing debt
 -●- Net interest-bearing debt (excluding LY, PayPay, etc. and securitization of installment sales receivables)
 ■ Interest-bearing debt

Ratio of equity attributable to owners of the Company to total assets*5*11 17.0%

Ratio of total equity to total assets 26.5%



Legend:
 -●- Ratio of equity attributable to owners of the Company to total assets
 -●- Ratio of total equity to total assets

Credit ratings*9

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

A+

Japan Credit Rating Agency, Ltd. (JCR)

AA-

S&P Global Ratings Japan

BBB^{*10}

Fitch Ratings Japan

BBB+

*The accounting policy for transactions under common control has been changed from the book-value method to the acquisition method from the third quarter of FY2022. Accordingly, the accounting treatment for the consolidation of Yahoo Japan Corporation*1 in the first quarter of FY2019 has been retrospectively adjusted, and figures for FY2021 have been restated to reflect the retrospective adjustment.

*7 Net interest-bearing debt = interest-bearing debt – cash and cash equivalents – cash reserve for securitization of sales receivables

*8 "Excluding LY, PayPay, etc. and securitization of installment sales receivables" refers to the exclusion of the net-interest bearing debt of A Holdings Corporation, LY Corporation and its subsidiaries, B Holdings Corporation, PayPay Corporation, PayPay Card Corporation and PayPay Securities Corporation, etc. as well as the interest-bearing debt of securitization of installment sales receivables and cash reserve for securitization of sales receivables.

*9 The Company has maintained its issuer credit ratings obtained from Rating and Investment Information, Inc. (R&I) on September 9, 2025, Japan Credit Rating Agency, Ltd. (JCR) on August 21, 2025, S&P Global Ratings Japan Inc. (S&P) on December 12, 2024, and Fitch Ratings Japan Limited (Fitch) on December 12, 2024.

*10 S&P's stand-alone credit profile (credit profile of SoftBank Corp. on a stand-alone basis) is bbb+.

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



Contents

Data Section

Performance Highlights (Financial)

> Performance Highlights (Non-Financial)

Market Data

Review and Analysis of FY2024

Consolidated Financial Statements

External Evaluation

Corporate Data / Stock Information

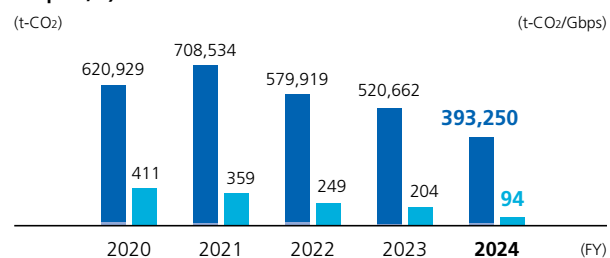
Performance Highlights (Non-Financial)

Environment-related (E)

We manage environmental impact data to address the risks and opportunities presented by climate change. Our key goals include achieving "Carbon Neutral 2030," which aims for net zero greenhouse gas (GHG) emissions (Scope 1 and 2) by FY2030, and "Net Zero," which targets net zero GHG emissions (Scope 1, 2, and 3) across our entire supply chain by FY2050. To achieve these goals, we are reducing GHG emissions associated with electricity consumption at all our sites and facilities, including base stations.

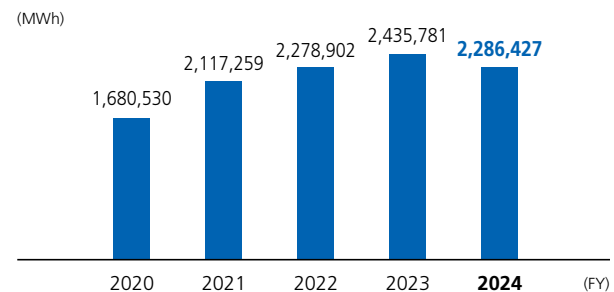
Sum of Scope 1 and 2 (market-based)*1 **393,250** t-CO₂

GHG emissions intensity (emissions per communication volume in Scope 1, 2)*2*3 **94** t-CO₂/Gbps



■ Scope 1 ■ Scope 2
 ■ GHG emissions intensity (emissions per communication volume in Scope 1, 2)
 *1 The boundary (scope of reporting) is SoftBank Corp. on a consolidated basis.
 *2 The boundary (scope of reporting) is SoftBank Corp. on a standalone basis.
 *3 Greenhouse gas emissions per 1 Gbps communication volume

Energy consumption (electric power)*1*4 **2,286,427** MWh

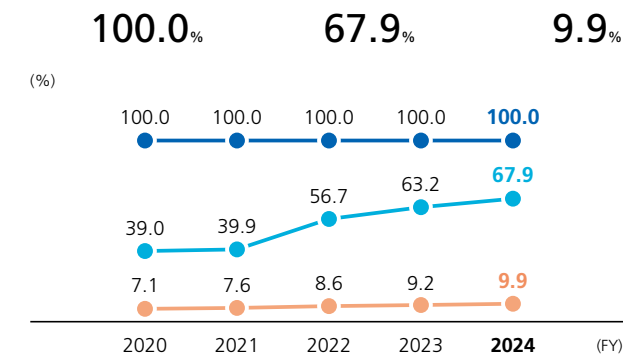


*4 Electricity consumption in FY2030 is estimated to be 3,500,000 MWh. We have set a goal to transition all of our electricity usage to renewable energy (includes the use of non-fossil certificates designated as renewable energy).

Society-related (S)

We have set a goal to increase the ratio of women in management positions to 20% or more by FY2035. To achieve this, we have established the "Committee for the Promotion of Women in the Workforce" and are promoting related initiatives. We also encourage male employees to take childcare leave, and the take-up rate is improving year by year.

Ratio of employees taking childcare leave (women) **100.0%**
Ratio of employees taking childcare leave (men) **67.9%**
Ratio of women in management positions*5 (SoftBank standalone basis) **9.9%**



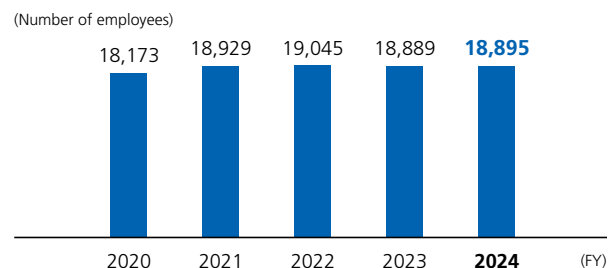
●- Ratio of employees taking childcare leave (women) (SoftBank + major subsidiaries)
 ●- Ratio of employees taking childcare leave (men) (SoftBank + major subsidiaries)
 ●- Ratio of women in management positions (SoftBank standalone basis)
 *5 As of April 1 of each year

Society-related (S)

We have established a remote work environment that utilizes IT tools such as online conferencing systems and business chat, enabling flexible workstyles.

Number of employees (SoftBank standalone basis) **18,895**

Ratio of remote work implementation*6 (SoftBank standalone basis) **95.1%**



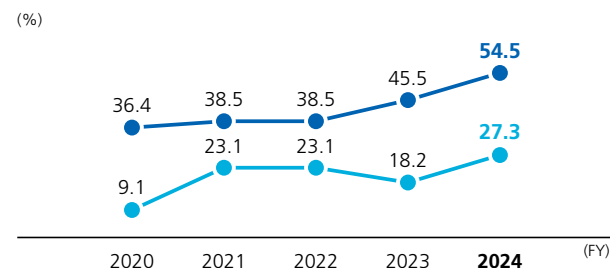
■ Number of employees (SoftBank standalone basis)
 *6 Ratio of employees who worked remotely at least once a month

Governance-related (G)

From June 2024, SoftBank has strengthened the supervisory function of the Board of Directors by appointing six independent external directors (including four women as of June 2025), which is a majority of the Board of Directors comprising 11 directors.

Ratio of independent external directors **54.5%**

Ratio of female directors **27.3%**



●- Ratio of independent external directors
 ●- Ratio of female directors

Number of information security incidents*7 (FY)

FY	2020	2021	2022	2023	2024
Number of incidents	0	0	0	0	0

*7 Disclosed in accordance with SoftBank Corp.'s information security policy

Cases of leakage of personal information, theft or loss of data*8 (FY)

FY	2020	2021	2022	2023	2024
Cases	0	0	0	0	0

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



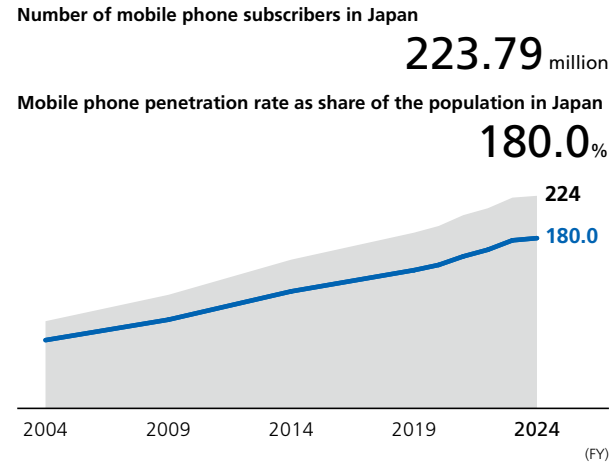
Contents

Data Section

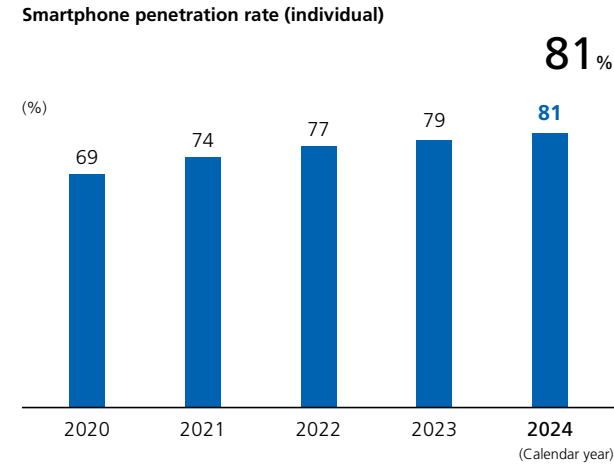
- Performance Highlights (Financial)
- Performance Highlights (Non-Financial)
- ▶ **Market Data**
- Review and Analysis of FY2024
- Consolidated Financial Statements
- External Evaluation
- Corporate Data / Stock Information

Market Data

Japan's telecom market

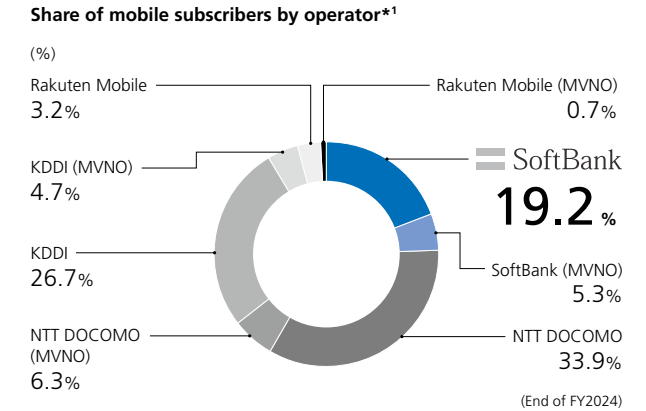


■ Number of mobile phone subscribers (millions of subscribers)
 ■ Penetration rate as share of population (%)
 Source: Compiled by the Company based on Japan's Ministry of Internal Affairs and Communications, "Announcement of Quarterly Data on the Number of Telecommunications Service Contracts and Market Share (FY2024 Q4 (End of March))" and "Counts of population, vital events and households derived from the Basic Resident Registration (As of January 1, 2025)"



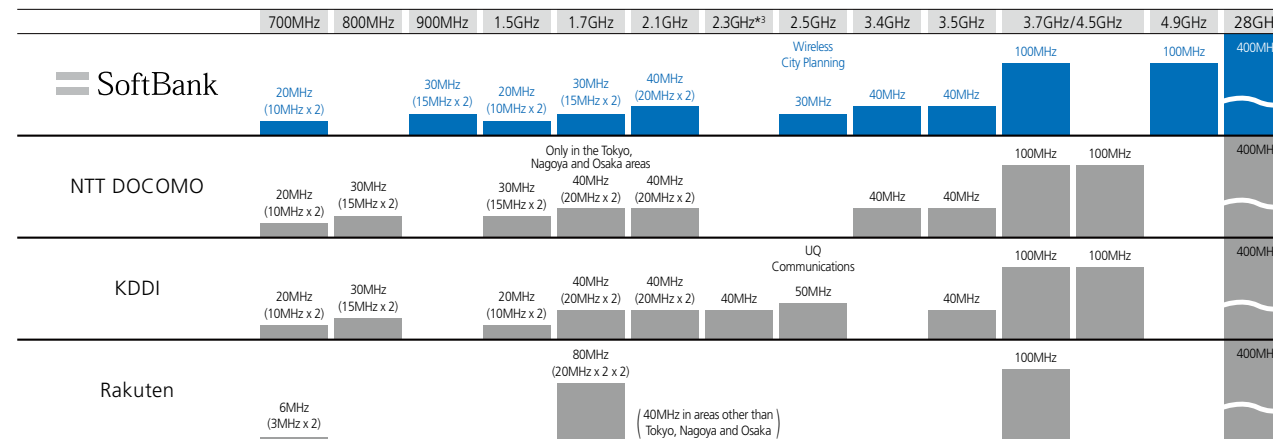
Source: Japan's Ministry of Internal Affairs and Communications, "Communication Usage Trend Survey" (Surveyed in 2024)

Competitive landscape



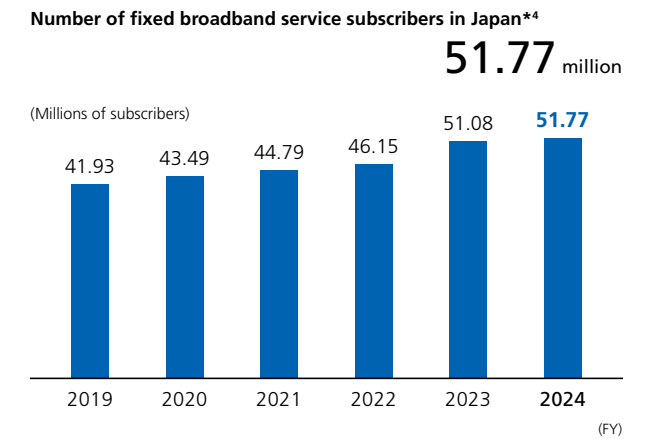
*1 Total number of mobile phone and BWA subscribers
 Source: Japan's Ministry of Internal Affairs and Communications, "Announcement of Quarterly Data on the Number of Telecommunications Service Contracts and Market Share (FY2024 Q4 (End of March))"

Status of frequency allocation*2



*2 Based on the disclosed materials of Japan's Ministry of Internal Affairs and Communications and of each company as of May 2025
 *3 Used for dynamic spectrum sharing with broadcasting and other public services

Broadband



*4 Total of FTTH, DSL, CATV Internet and fixed wireless broadband subscribers
 Source: Japan's Ministry of Internal Affairs and Communications, "Announcement of Quarterly Data on the Number of Telecommunications Service Contracts and Market Share (FY2024 Q4 (End of March))"



Contents

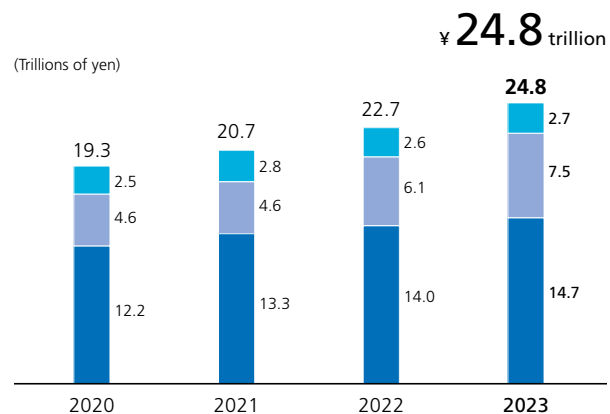
Data Section

- Performance Highlights (Financial)
- Performance Highlights (Non-Financial)
- ▶ **Market Data**
- Review and Analysis of FY2024
- Consolidated Financial Statements
- External Evaluation
- Corporate Data / Stock Information

Market Data

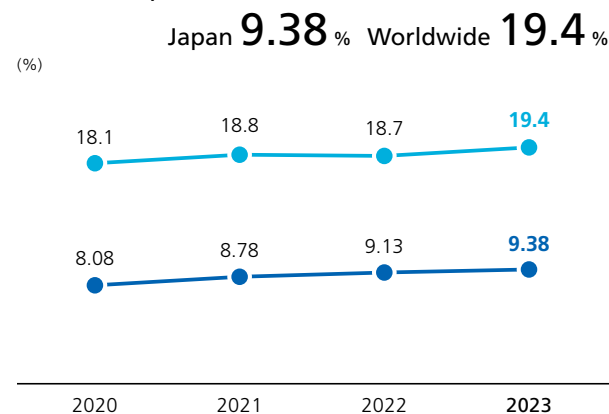
E-commerce (EC) market

Scale of the domestic B2C EC market



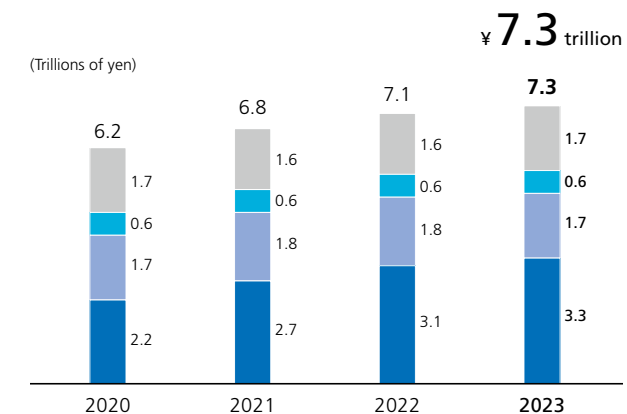
■ B2C EC market in merchandising sector ■ B2C EC market in service sector
 ■ B2C EC market in digital sector
 Source: Japan's Ministry of Economy, Trade and Industry, "FY2023 E-Commerce Market Survey"

B2C EC market penetration rate



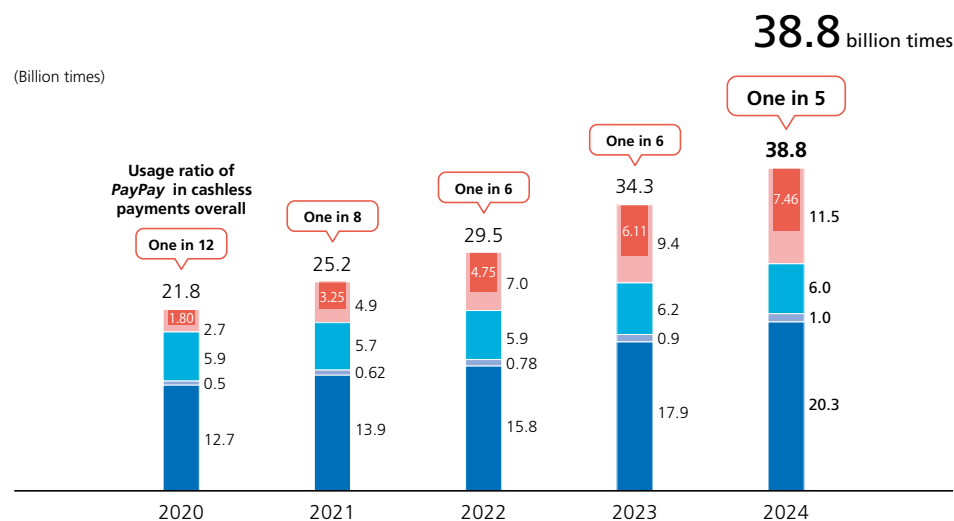
● Japan ● Worldwide (estimate)
 Source: Japan's Ministry of Economy, Trade and Industry, "FY2023 E-Commerce Market Survey"

Advertising costs in Japan



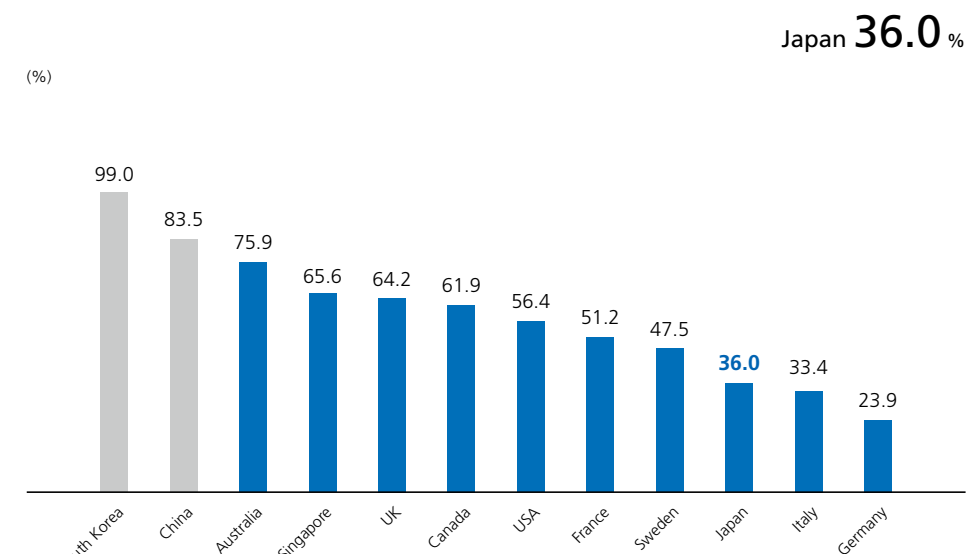
■ Internet advertising ■ Television advertising
 ■ Other advertising (newspapers, magazines, radio) ■ Promotional media advertising
 Source: Dentsu Inc., "2023 Advertising Expenditures in Japan"

Cashless payments



■ Credit card ■ Debit card ■ Electronic money ■ Code payment ■ PayPay
 Source: Figures for 2020 and 2021 were taken from "Summary of the Study Group on the Future of Cashless Payments" published by Japan's Ministry of Economy, Trade and Industry. Figures from 2022 onward were calculated by PayPay Corporation based on the total number of credit card transactions in "Monthly Survey: Credit Card Trends" published by Japan Consumer Credit Association, the number of debit card and e-money transactions in "Payment and Settlement Statistics (January 2025)" published by the Bank of Japan, and the number of code payments in "Code Payment Usage Trend Survey" by Payments Japan Association published on March 14, 2025. All decimal numbers are rounded to the nearest whole number.

Ratio of cashless payments



Source: Payments Japan Association, "Cashless Roadmap 2024" (December 2024)



Contents

Data Section

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

> Review and Analysis of FY2024

Consolidated Financial Statements

External Evaluation

Corporate Data / Stock Information

Review and Analysis of FY2024

Management environment

The management environment in FY2024, despite a continued uncertain outlook due to geopolitical risks, inflation and pronounced currency volatility, Japan's economy followed a modest recovery trend driven by, among other factors, robust capital expenditure demand from large corporations. Meanwhile, changes in people's lifestyles, such as telework, online shopping, and growing use of contactless payment, which were driven by the COVID-19 pandemic, as well as the worsening labor shortage have made the digitalization of companies and government essential. Digitalization will become a driving force that will transform Japan's society in the future, by facilitating improvement in productivity and the creation of innovation. Furthermore, the emergence of generative AI, which can generate a variety of content such as text, images, and programming code, will accelerate the speed of this transformation.

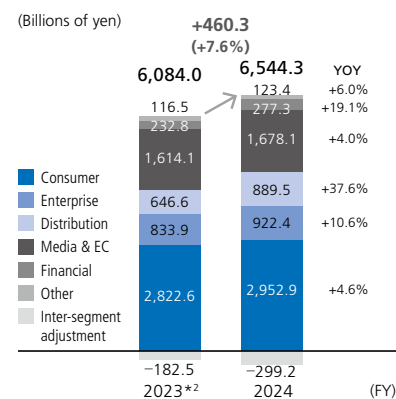
Overview of consolidated results of operations and results by segment

■ Revenue

For FY2024, revenue increased by ¥460.3 billion (7.6%) year on year to ¥6,544.3 billion, increasing across all segments. Revenue increased by ¥242.9 billion*¹ in the Distribution segment mainly due to solid increase in revenue from ICT related products and recurring revenue products for enterprise customers, as well as from the effect of inter-segment transactions related to AI computing infrastructure, by ¥130.3 billion in the Consumer segment mainly due to increases in revenues from sales of goods and others and mobile revenue, by ¥88.5 billion in the Enterprise segment mainly due to an increase in demand for solutions associated with digitalization, by ¥64.0 billion in the Media & EC segment mainly due to increased media revenue and commerce revenue, and by ¥44.5 billion in the Financial segment mainly due to an increase in gross merchandise value of QR code payments and credit card services conducted by PayPay and PayPay Card.

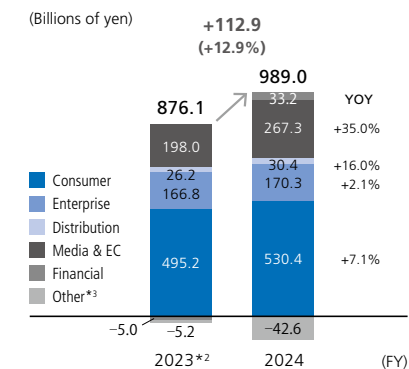
*1 Excluding the effect of inter-segment transactions related to AI computing infrastructure, the revenue increase was ¥162.1 billion.

*2 From the first quarter of FY2024, certain subsidiaries that were previously classified under the "Consumer segment" have been transferred to "Other," and SB Technology Corp. and Cybertrust Japan Co., Ltd., etc., which were classified under "Other," have been transferred to the "Enterprise segment." As a result, the figures for the "Consumer segment," "Enterprise segment," and "Other" for FY2023 have been retrospectively adjusted.



■ Operating income

For FY2024, operating income increased by ¥112.9 billion (12.9%) year on year to ¥989.0 billion, increasing across all segments. The Media & EC segment saw an increase of ¥69.3 billion in operating income mainly due to the recording of profits associated with the loss of control of subsidiaries in the LY Group and increase in media income. Furthermore, operating income increased by ¥38.2 billion in the Financial segment, by ¥35.2 billion in the Consumer segment, by ¥4.2 billion in the Distribution segment, and by ¥3.4 billion in the Enterprise segment. Notably, with an increase in gross merchandise value of QR code payments and credit card services conducted by PayPay and PayPay Card, the Financial segment has turned profitable in FY2024.

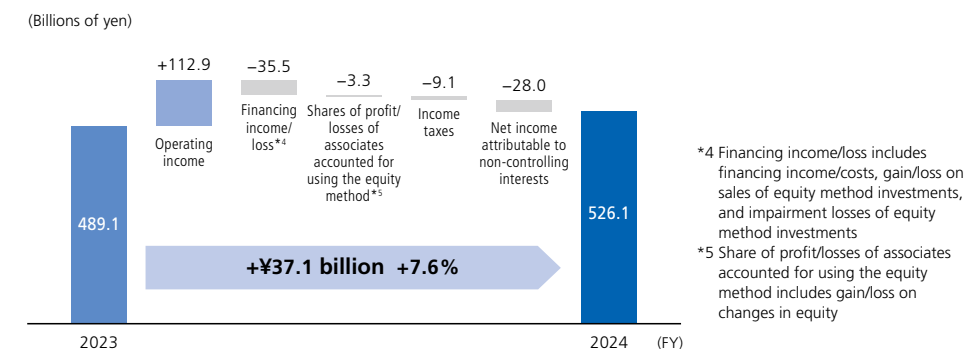


*3 "Other" includes inter-segment adjustments (FY2023: ¥4.9 billion, FY2024: -¥6.1 billion)

■ Net income attributable to owners of the Company

For FY2024, net income attributable to owners of the Company increased by ¥37.1 billion (7.6%) year on year to ¥526.1 billion. This is mainly due to the aforementioned significant increase in operating income, while the increase was partly offset by losses on valuation of investment securities held, the absence of the gain on changes in equity interest associated with the change in the LY Group's equity interest in Webtoon Entertainment Inc., which had been recorded in the same period of the previous year, as well as the recording of loss on valuation of put options for equity method affiliates. Net income attributable to non-controlling interests increased by ¥28.0 billion (27.6%) year on year to ¥129.2 billion, mainly due to an increase in net income at the LY Group.

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



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

*5 Share of profit/losses of associates accounted for using the equity method includes gain/loss on changes in equity



Contents

Data Section

- Performance Highlights (Financial)
- Performance Highlights (Non-Financial)
- Market Data
- **Review and Analysis of FY2024**
- Consolidated Financial Statements
- External Evaluation
- Corporate Data / Stock Information

Review and Analysis of FY2024

■ Adjusted EBITDA

For FY2024, adjusted EBITDA*1 increased by ¥85.5 billion (5.1%) year on year to ¥1,753.1 billion, mainly due to an increase in operating income.

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

■ Consumer segment

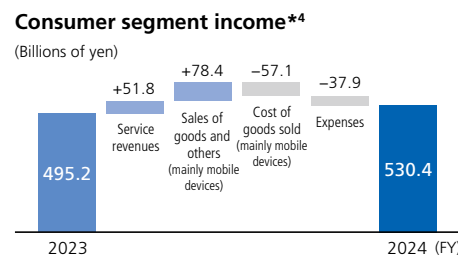
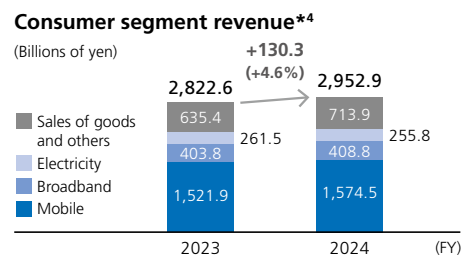
In the Consumer segment, the Company provides services, such as mobile services, broadband services and electricity services, including the *Ouchi Denki* (Home Electricity) service, to individual customers in Japan. The Company procures mobile devices from mobile device manufacturers and sells the mobile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

Revenue for FY2024 increased by ¥130.3 billion (4.6%) year on year to ¥2,952.9 billion. Within Consumer segment revenue, service revenue increased by ¥51.8 billion (2.4%) year on year to ¥2,239.0 billion, and revenue from sales of goods and others increased by ¥78.4 billion (12.3%) year on year to ¥713.9 billion. Within service revenue, mobile revenue increased by ¥52.6 billion (3.5%). The increase mainly reflected the decrease of customer acquisition measures which is deducted from revenue and the growth in smartphone subscribers, led primarily by the *Y!mobile* brand. Annual average revenue per user, which had decreased ¥120 in FY2023, was flat year on year in FY2024. This was due to the downward pressure from the growing number of users on the low-priced *Y!mobile* brand being absorbed by the increased penetration of the new price plans introduced in October 2023. Broadband revenue increased by ¥4.9 billion (1.2%). This increase was mainly due to an increase in subscribers of the *SoftBank Hikari* fiber-optic service*2. Electricity revenue decreased by ¥5.7 billion (2.2%). This decrease was mainly due to decreases in subscribers of the *Ouchi Denki* (Home Electricity) service. The increase in revenues from sales of goods and others was mainly due to an increase in unit prices of smartphones.

Operating expenses*3 were ¥2,422.4 billion, an increase of ¥95.0 billion (4.1%) year on year. This increase was mainly due to increases in the cost of goods of smartphones, etc., and sales promotion expenses. As a result, segment income increased by ¥35.2 billion (7.1%) year on year to ¥530.4 billion.

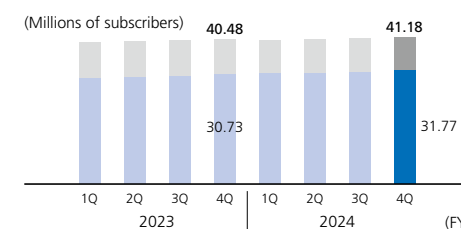
*2 Includes subscribers of *SoftBank Air*

*3 Operating expenses include cost of sales, selling, general and administrative expenses, and other operating income and other operating expenses.



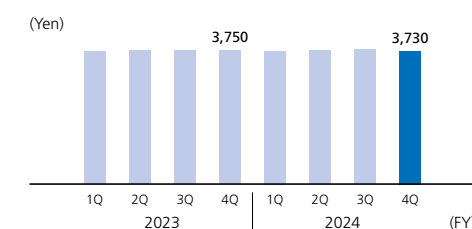
*4 From the first quarter of FY2024, certain subsidiaries that were previously classified under the "Consumer segment" have been transferred to Other. As a result, the figures for FY2023 have been retrospectively adjusted.

Cumulative number of subscribers*5



*5 Includes enterprise subscribers
*6 Main subscribers: smartphones, feature phones, tablets, mobile data communication devices, *Wireless Home Phone*, and others

ARPU (main subscribers)*7



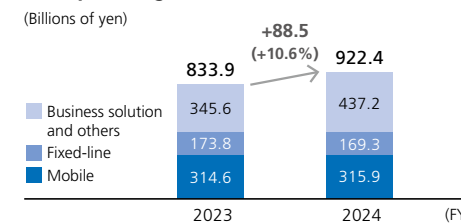
*7 ARPU: Average Revenue Per User per month (rounded to the nearest ¥10). Revenue deductions relating to reward points and programs supporting handset payments are not included in the calculation of ARPU.

■ Enterprise segment

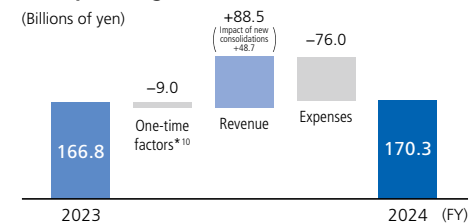
In the Enterprise segment, the Group provides a wide range of services for enterprise customers. These include mobile services such as mobile lines and mobile device rental, fixed-line communications services such as fixed-line telephones and data communications, as well as various solutions for enterprises such as data center, cloud, security, global, AI, IoT, and digital marketing services.

Revenue for FY2024 increased by ¥88.5 billion (10.6%) year on year to ¥922.4 billion. Within Enterprise segment revenue, mobile revenue increased by ¥1.3 billion (0.4%) to ¥315.9 billion, fixed-line revenue decreased by ¥4.4 billion (2.6%) to ¥169.3 billion, and business solution and others revenue increased by ¥91.6 billion (26.5%) to ¥437.2 billion. The increase in mobile revenue was mainly due to an increase in telecommunications revenue from a growth in the number of subscribers. The decrease in fixed-line revenue was mainly due to a decrease in the number of subscribers to telephone services. The increase in business solution and others revenue was mainly due to taking over the business of WeWork Japan GK, increased revenue mainly from cloud services, security solutions and IoT solutions as a result of capturing enterprise customers' demand for

Enterprise segment revenue*8



Enterprise segment income*9



*8 From the first quarter of FY2024, SB Technology Corp. and Cybertrust Japan Co., Ltd., etc., which were previously classified under "Other," have been transferred to the "Enterprise segment." Also, in the first quarter of FY2024, the Company has revised its business management categories and transferred certain products from "Mobile" and "Fixed-line" to "Business solution and others." As a result, the figures for the "Enterprise segment" and the breakdown of all service categories in the segment revenue for FY2023 have been retrospectively adjusted.

*9 From the first quarter of FY2024, SB Technology Corp. and Cybertrust Japan Co., Ltd., etc., which were previously classified under "Other," have been transferred to the "Enterprise segment." As a result, the figures for FY2023 have been retrospectively adjusted.

*10 Absence of reversal of provisions associated with litigation



Review and Analysis of FY2024

Contents

Data Section

- Performance Highlights (Financial)
- Performance Highlights (Non-Financial)
- Market Data
- **Review and Analysis of FY2024**
- Consolidated Financial Statements
- External Evaluation
- Corporate Data / Stock Information

digitalization, and the effect of the consolidation of Cubic³. Operating expenses were ¥752.1 billion, an increase of ¥85.0 billion (12.7%) year on year. This increase was mainly due to the effect of the aforementioned business succession of WeWork Japan GK and the consolidation of Cubic³, an increase in costs following the abovementioned increase in business solution and others revenue, and the absence of reversal of provisions for litigation recorded in the previous fiscal year. As a result, segment income increased by ¥3.4 billion (2.1%) year on year to ¥170.3 billion.

■ Distribution segment

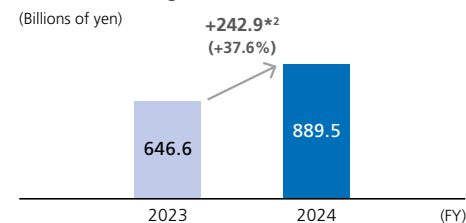
In the Distribution segment, the Group provides cutting-edge products and services that quickly capture the ever-changing market environment. For enterprise customers, the Group offers products and services primarily addressing cloud services and advanced technologies including AI. For individual customers,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

Revenue for FY2024 increased by ¥242.9 billion (37.6%) year on year to ¥889.5 billion. This increase was mainly due to solid growth in ICT related products and recurring revenue products for enterprise customers such as cloud and SaaS, which have been strategic areas of focus, the effect of inter-segment transactions related to AI computing infrastructure*¹, and increased sales of PCs due to migration from Windows 10, which is reaching the end of its support.

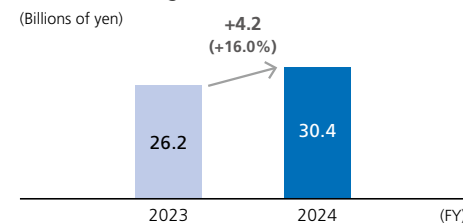
Operating expenses were ¥859.1 billion, an increase of ¥238.7 billion (38.5%) year on year. This increase was mainly due to an increase in cost of sales associated with the increase in revenue. As a result, segment income increased by ¥4.2 billion (16.0%) year on year to ¥30.4 billion.

*¹ These transactions refer to revenue to "Other," resulting from SB C&S Corp.'s sale of AI computing infrastructure, which was purchased from NVIDIA, to SoftBank Corp.

Distribution segment revenue



Distribution segment income



*² Includes the increase in revenue of ¥80.8 billion from SB C&S Corp.'s sale of AI computing infrastructure, which was purchased from NVIDIA, to SoftBank Corp.

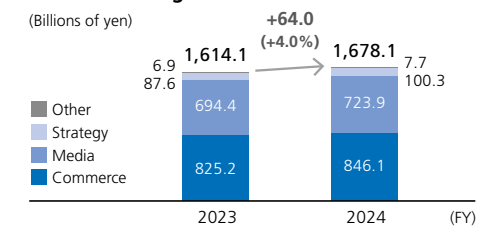
■ Media & EC segment

In the Media & EC segment, the Group offers services that center on media and commerce, covering online to offline services in a comprehensive manner. In the media field, the Group provides advertising-related services on its comprehensive Internet service, *Yahoo! JAPAN*, and communication app, *LINE*. In the commerce field, the Group provides online shopping services such as *Yahoo! JAPAN Shopping* and *ZOZOTOWN*, and reuse services such as *Yahoo! JAPAN Auction*. In the strategy field, the Group provides services centered on FinTech, which the Group is working to develop into new drivers of earnings alongside media and commerce.

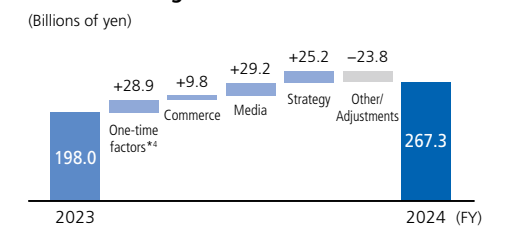
Revenue for FY2024 increased by ¥64.0 billion (4.0%) year on year to ¥1,678.1 billion. Within Media & EC segment revenue, media revenue increased by ¥29.5 billion (4.2%) to ¥723.9 billion, commerce revenue increased by ¥20.9 billion (2.5%) to ¥846.1 billion, strategy revenue increased by ¥12.7 billion (14.5%) to ¥100.3 billion, and other revenue increased by ¥0.8 billion (12.1%) to ¥7.7 billion. The increase in media revenue mainly reflected an increase in revenue from account advertising. The increase in commerce revenue was mainly due to an increase in transaction value of the ZOZO Group (ZOZO, Inc. and its subsidiaries) and the ASKUL Group (ASKUL Corporation and its subsidiaries), as well as a strong performance by service e-commerce, which handles travel and restaurant booking. The increase in strategy revenue mainly reflected an increase in revenue in the FinTech field such as PayPay Bank Corporation.

Operating expenses were ¥1,410.8 billion, a decrease of ¥5.4 billion (0.4%) year on year. This decrease mainly reflected the recording of gain on loss of control over subsidiaries for IPX Corporation, LINE NEXT Corporation, and ValueCommerce Co., Ltd. and decrease in impairment losses in companies such as LY, while there were increases in sales promotion expenses, expenses for security measures, and cost of sales associated with the increase in revenue. As a result, segment income increased by ¥69.3 billion (35.0%) year on year to ¥267.3 billion.

Media & EC segment revenue*³



Media & EC segment income*³



*³ In the third quarter of FY2024, the LY Corporation and its subsidiaries revised its management categories and transferred certain services previously categorized under "Media" to "Commerce." Accordingly, the breakdown of "Media" and "Commerce" in the "Media & EC segment" revenue for FY2023 has been retrospectively adjusted to reflect these changes. Changes in segment income are calculated based on the restated figures of FY2023.

*⁴ One-time factors include gain on business transfer associated with the transfer of AI Company business operated by LINE Corporation (currently LY Corporation) to LINE WORKS Corp. (formerly Works Mobile Japan Corporation), gain on loss of control of a subsidiary arising from the exclusion of JDW Co., Ltd., which handles "LINE TAXI" in Taiwan, resulting from a third party's investment in it, compensation received for damages, and impairment loss of idle assets, all of which were recorded in FY2023, as well as the gain on loss of control of IPX Corporation (formerly LINE Friends Corporation), LINE NEXT Corporation, and ValueCommerce Co., Ltd. in FY2024.



Contents

Data Section

- Performance Highlights (Financial)
- Performance Highlights (Non-Financial)
- Market Data
- **Review and Analysis of FY2024**
- Consolidated Financial Statements
- External Evaluation
- Corporate Data / Stock Information

Review and Analysis of FY2024

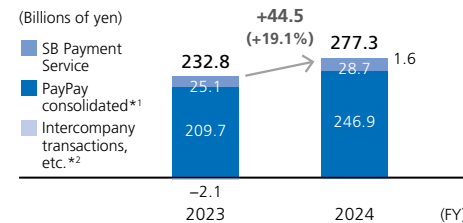
■ Financial segment

In the Financial segment, the Group provides cashless payment services such as QR and barcode payments and credit card services, development and provision of marketing solutions for merchants, financial services such as asset management, and provision of payment processing services offering one-stop payment solutions for diversified payment methods including credit cards, electronic money, and QR codes.

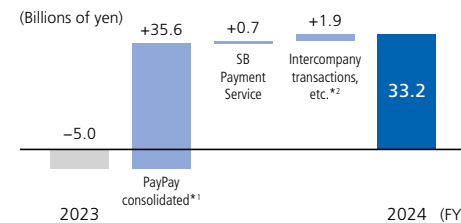
Revenue for FY2024 increased by ¥44.5 billion (19.1%) year on year to ¥277.3 billion. This increase was mainly due to an increase in gross merchandise value of QR code payments and credit card services conducted by PayPay and PayPay Card.

Operating expenses were ¥244.1 billion, an increase of ¥6.3 billion (2.7%) year on year. This increase was mainly due to an increase in sales promotion expenses related to point rewards, etc., due to the aforementioned increase in gross merchandise value of QR code payments and credit card services conducted by PayPay and PayPay Card, while there were cost reductions associated with optimizing fixed costs. As a result, segment income increased by ¥38.2 billion year on year to ¥33.2 billion, transitioning this segment to profitability.

Financial segment revenue



Financial segment income



*1 PayPay Corporation on a consolidated basis (including PayPay Corporation and PayPay Card Corporation; net of internal transactions between the two companies). Calculated independently by the Company by making relevant IFRS adjustments. Non-audited.

*2 Includes PayPay Securities Corporation standalone figures and intercompany transactions in the Financial segment, other than those between PayPay Corporation and PayPay Card Corporation.

Overview of consolidated financial position

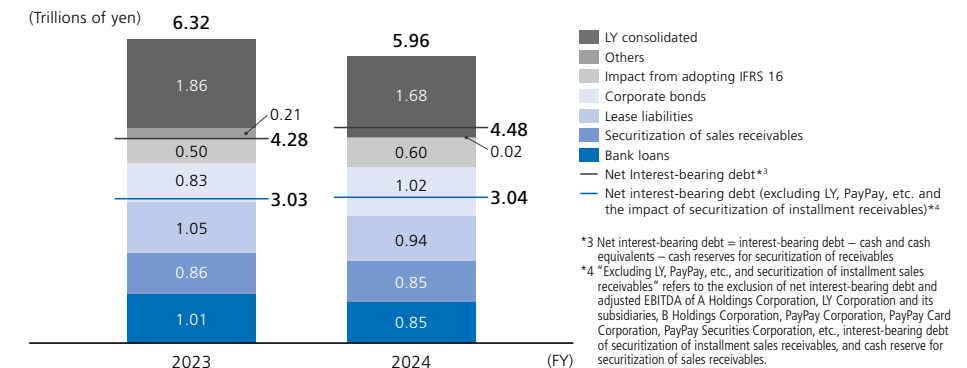
■ Assets

Total assets amounted to ¥16,102.2 billion as of March 31, 2025, an increase of ¥580.3 billion (3.7%) from the previous fiscal year-end. This was mainly due to an increase of ¥374.4 billion in other financial assets, an increase of ¥224.8 billion in investment securities in banking business, an increase of ¥198.2 billion in property, plant and equipment, an increase of ¥144.6 billion in trade and other receivables, and an increase of ¥87.0 billion in right-of-use assets, while there was a decrease of ¥557.3 billion in cash and cash equivalents. The increase in property, plant and equipment was due to the acquisition of the land and buildings of Sharp Corporation's Sakai Plant and AI computing infrastructure. The increase in right-of-use assets was due to the effect of the business succession of WeWork Japan GK, as the future facility usage rights specified in the succeeded real estate lease contracts was recognized as assets.

■ Liabilities

Total liabilities amounted to ¥11,836.8 billion as of March 31, 2025, an increase of ¥250.6 billion (2.2%) from the previous fiscal year-end. This mainly reflected an increase of ¥293.6 billion in trade and other payables and an increase of ¥152.8 billion in deposits for banking business, while there was a decrease of ¥358.7 billion in interest-bearing debt. Interest-bearing debt decreased mainly due to the contractual repayment of various loans, despite increases from the issuance of corporate bonds and the recording of lease liabilities due to the effect of the business succession of WeWork Japan GK.

Interest-bearing debt/Net interest-bearing debt*3



*3 Net interest-bearing debt = interest-bearing debt – cash and cash equivalents – cash reserves for securitization of receivables
 *4 "Excluding LY, PayPay, etc., and securitization of installment sales receivables" refers to the exclusion of net interest-bearing debt and adjusted EBITDA of A Holdings Corporation, LY Corporation and its subsidiaries, B Holdings Corporation, PayPay Corporation, PayPay Card Corporation, PayPay Securities Corporation, etc., interest-bearing debt of securitization of installment sales receivables, and cash reserve for securitization of sales receivables.

Consolidated statement of financial position

(Billions of yen)

(FY)	2023	2024	Variance	Main reasons for variance
Cash and cash equivalents	1,992.9	1,435.5	-557.3	Decreased mainly due to decrease in short-term financing and PayPay Card debt reduction
Trade and other receivables	2,661.0	2,805.6	+144.6	Increase in trade receivables of PayPay Card
PP&E/ Right-of-use assets	2,431.0	2,716.2	+285.2	Increase in PP&E (property, plant and equipment) mainly due to the acquisition of land and buildings of Sharp Corporation's Sakai Plant and AI computing infrastructure. Right-of-use assets increased mainly due to business succession by WeWork Japan GK.
Goodwill/ Intangible assets	4,554.9	4,600.0	+45.1	
Other assets	3,882.1	4,544.9	+662.8	Increase in investment securities in PayPay Bank and increase in housing and personal loan balance of PayPay Bank Corporation and long-term installment sales receivables of SoftBank
Total assets	15,521.9	16,102.2	+580.3	
Interest-bearing debt	6,320.9	5,962.2	-358.7	Decreased mainly due to contractual repayment of various loans
Other liabilities	5,265.4	5,874.7	+609.3	Increase in accounts payable and deposit of PayPay and increase in savings accounts and fixed deposits at PayPay Bank Corporation
Total liabilities	11,586.3	11,836.8	+250.6	
Total equity	3,935.6	4,265.4	+329.7	Increased due to factors such as recording of net income and the issuance of Bond-Type Class Shares, partially offset by dividend payments.



Contents

Data Section

Performance Highlights (Financial)

Performance Highlights (Non-Financial)

Market Data

> Review and Analysis of FY2024

Consolidated Financial Statements

External Evaluation

Corporate Data / Stock Information

Review and Analysis of FY2024

■ Equity

Total equity amounted to ¥4,265.4 billion as of March 31, 2025, an increase of ¥329.7 billion (8.4%) from the previous fiscal year-end. Equity attributable to owners of the Company increased by ¥366.6 billion. This mainly reflected an increase of ¥526.1 billion due to the recording of net income for FY2024 and an increase of ¥223.8 billion due to the issuance of new shares including Series 2 Bond-Type Class Shares, while there was a decrease of ¥408.9 billion due to payment of cash dividends.

Overview of consolidated cash flows

■ Cash flows from operating activities

In FY2024, net cash inflow from operating activities was ¥1,367.9 billion, an increase of ¥128.2 billion in cash inflow year on year. This increase mainly reflected an increase in EBITDA, a decrease in income taxes paid, and an increase in income taxes refunded.

■ Cash flows from investing activities

In FY2024, net cash outflow from investing activities was ¥995.2 billion, an increase of ¥67.6 billion in cash outflow year on year. This was mainly due to the acquisition of the land and buildings of Sharp Corporation's Sakai Plant and AI computing infrastructure, which more than offset the acquisition of shares for the consolidation of Cubic³ in FY2023 and lower expenditures in the telecommunications business for FY2024. Cash flows from investing activities include an expenditure of ¥166.9 billion related to long-term growth investments.

■ Cash flows from financing activities

In FY2024, net cash outflow from financing activities was ¥956.4 billion. While there were cash inflows of ¥1,894.3 billion from fund procurement, including bank loans, leases, corporate bonds, the securitization of receivables, and issuance of Series 2 Bond-Type Class Shares, there were cash outflows of ¥2,850.7 billion for factors including the contractual repayment of loans, payment of cash dividends, and acquisition of shares in subsidiaries.

■ Primary free cash flow*¹

In FY2024, primary free cash flow was positive ¥603.3 billion, a decrease of ¥4.3 billion year on year. This increase mainly reflected the dividends received by the Company from A Holdings Corporation in connection with proceeds from its sale of LY shares during the second quarter of FY2024, while there was a decrease in income from the securitization of installment sales receivables.

*1 Primary free cash flow is a measure calculated by adding back the amounts spent as long-term growth investments to adjusted free cash flow (excluding LY Group, PayPay, etc.). Adjusted free cash flow (excluding LY Group, PayPay, etc.) = free cash flow + (proceeds from the securitization of installment sales receivables – repayments thereof) – free cash flow of the LY Group, PayPay, etc. + other items such as dividends received from A Holdings Corporation and investment in PayPay Securities Corporation. "LY Group, PayPay, etc." refers to A Holdings Corporation, LY Corporation and its subsidiaries (LY Group), B Holdings Corporation, PayPay Corporation, PayPay Card Corporation, PayPay Securities Corporation, etc. Long-term growth investments include investments in AI computing infrastructure, AI data centers, and Cubic³, etc.

■ Capital expenditures

In FY2024, capital expenditures were ¥912.8 billion, an increase of ¥261.9 billion year on year. This increase was mainly due to increased investments in AI computing infrastructure and AI data centers, as well as increased capital expenditures by the LY Group. Additionally, during the third quarter of FY2024, ¥66.5 billion*² was recorded under intangible assets as the establishment license fee for specified base stations using the 4.9 GHz band.

*2 The payment period for the establishment license fee for specified base stations is 16 years. The fee is calculated at present value, considering that it is a long-term payment over the certification period.

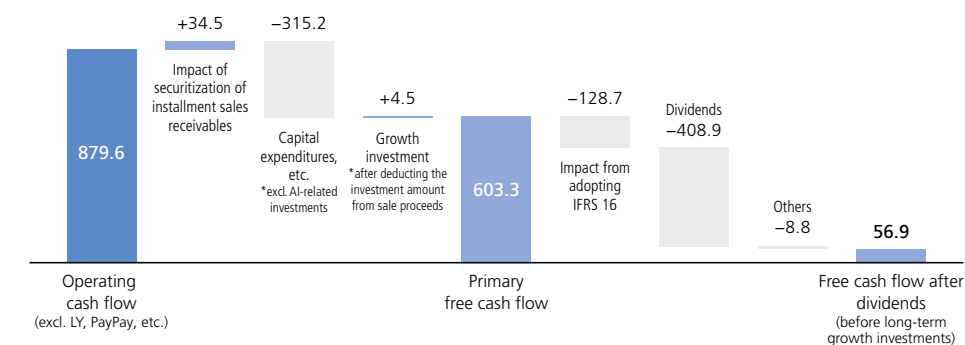
■ Research and development expenses

The Group aims to provide various services centered around telecommunications and is therefore undertaking research and development of such cutting-edge technologies as AI, IoT, robotics, 6G, HAPS*³, digital twin, autonomous driving, and quantum technology. The Group stepped up its R&D spending mainly in the areas of HAPS, AI, advertising-related services and applications R&D, bringing research and development expenses for FY2024 to ¥73.9 billion, compared to ¥60.4 billion a year earlier. The Group's goal is to provide customers with a stable supply of advanced products and services, and to develop a medium- to long-term roadmap for ICT within the Group. In line with this goal, the Group is actively pursuing research and development and commercialization opportunities.

*3 HAPS (High Altitude Platform Station): generic name for a system that provides telecommunication services over wide areas by operating an unmanned aircraft that continually flies in the stratosphere for extended periods of time like a telecommunication base station.

Primary free cash flow*¹

(Billions of yen)





Consolidated Financial Statements

Contents

Data Section

- Performance Highlights (Financial)
- Performance Highlights (Non-Financial)
- Market Data
- Review and Analysis of FY2024
- > Consolidated Financial Statements**
- External Evaluation
- Corporate Data / Stock Information

Consolidated Statement of Financial Position

SoftBank and its consolidated subsidiaries

	(Millions of yen)	
	March 31, 2024	March 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	¥ 1,992,873	¥ 1,435,525
Trade and other receivables	2,660,995	2,805,640
Other financial assets	229,715	260,236
Inventories	155,059	191,451
Other current assets	186,810	165,803
Subtotal	5,225,452	4,858,655
Assets classified as held for sale	42,577	—
Total current assets	5,268,029	4,858,655
Non-current assets		
Property, plant and equipment	1,768,812	1,966,995
Right-of-use assets	662,183	749,157
Goodwill	2,049,404	2,068,492
Intangible assets	2,505,511	2,531,480
Contract costs	319,140	384,500
Investments accounted for using the equity method	251,488	273,148
Investment securities	272,788	255,068
Investment securities in banking business	522,232	747,056
Other financial assets	1,755,627	2,099,465
Deferred tax assets	46,529	65,128
Other non-current assets	100,163	103,051
Total non-current assets	10,253,877	11,243,540
Total assets	¥15,521,906	¥16,102,195

	(Millions of yen)	
	March 31, 2024	March 31, 2025
LIABILITIES AND EQUITY		
Current liabilities		
Interest-bearing debt	¥ 2,381,632	¥ 1,646,524
Trade and other payables	2,535,072	2,828,640
Contract liabilities	128,307	137,223
Deposits for banking business	1,643,155	1,795,965
Other financial liabilities	1,722	2,742
Income taxes payable	125,933	122,844
Provisions	33,287	52,932
Other current liabilities	226,596	248,336
Subtotal	7,075,704	6,835,206
Liabilities that directly relate to assets classified as held for sale	9,582	—
Total current liabilities	7,085,286	6,835,206
Non-current liabilities		
Interest-bearing debt	3,939,255	4,315,628
Other financial liabilities	45,312	104,741
Provisions	99,491	142,392
Deferred tax liabilities	301,852	322,232
Other non-current liabilities	115,063	116,625
Total non-current liabilities	4,500,973	5,001,618
Total liabilities	11,586,259	11,836,824
Equity		
Equity attributable to owners of the Company		
Common stock	214,394	228,162
Capital surplus	736,052	927,067
Retained earnings	1,475,775	1,594,862
Treasury stock	-75,822	-29,221
Accumulated other comprehensive income	26,675	22,760
Total equity attributable to owners of the Company	2,377,074	2,743,630
Non-controlling interests	1,558,573	1,521,741
Total equity	3,935,647	4,265,371
Total liabilities and equity	¥15,521,906	¥16,102,195



Consolidated Financial Statements

Contents

Data Section

- Performance Highlights (Financial)
- Performance Highlights (Non-Financial)
- Market Data
- Review and Analysis of FY2024
- **Consolidated Financial Statements**
- External Evaluation
- Corporate Data / Stock Information

Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

SoftBank and its consolidated subsidiaries

	(Millions of yen)	
	FY2023	FY2024
Revenue	¥ 6,084,002	¥ 6,544,349
Cost of sales	-3,150,653	-3,384,115
Gross profit	2,933,349	3,160,234
Selling, general and administrative expenses	-2,081,765	-2,200,591
Other operating income	30,172	43,195
Other operating expenses	-5,688	-13,822
Operating income	876,068	989,016
Gain on changes in equity interest	20,435	4,564
Share of losses of associates accounted for using the equity method	-22,198	-9,650
Financing income	12,921	11,676
Financing costs	-61,415	-117,352
Gain on sales of equity method investments	5,227	3,713
Impairment loss on equity method investments	-25,126	-1,910
Profit before income taxes	805,912	880,057
Income taxes	-215,647	-224,771
Net income* ¹	590,265	655,286
Net income attributable to		
Owners of the Company	489,074	526,133
Non-controlling interests	101,191	129,153
	¥ 590,265	¥ 655,286
		(Yen)
Earnings per share attributable to owners of the Company* ²		
Basic earnings per share	10.32	10.99
Diluted earnings per share	10.12	10.84

*1 All net income of SoftBank Corp. and its subsidiaries for FY2023 and FY2024 was generated from continued operations.

*2 The Company conducted a 10-for-1 stock split of its common stock, effective October 1, 2024. Basic earnings per share and diluted earnings per share have been calculated on the basis that the stock split had been conducted at the beginning of FY2023.

	(Millions of yen)	
	FY2023	FY2024
Net income	¥ 590,265	¥ 655,286
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	-308	2,707
Changes in the fair value of equity instruments at FVTOCI	2,651	-3,424
Share of other comprehensive income (loss) of associates accounted for using the equity method	479	97
Total items that will not be reclassified to profit or loss	2,822	-620
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	-1,071	-3,805
Cash flow hedges	-132	7,219
Exchange differences on translation of foreign operations	20,545	-14,846
Share of other comprehensive income (loss) of associates accounted for using the equity method	9,754	-14,163
Total items that may be reclassified subsequently to profit or loss	29,096	-25,595
Total other comprehensive income (loss), net of tax	31,918	-26,215
Total comprehensive income	622,183	629,071
Total comprehensive income attributable to		
Owners of the Company	499,960	524,159
Non-controlling interests	122,223	104,912
	¥ 622,183	¥ 629,071



Consolidated Financial Statements

Contents

Consolidated Statement of Changes in Equity

SoftBank and its consolidated subsidiaries
FY2023 and FY2024

Data Section

Performance Highlights (Financial)
Performance Highlights (Non-Financial)
Market Data
Review and Analysis of FY2024
> Consolidated Financial Statements
External Evaluation
Corporate Data / Stock Information

	Equity attributable to owners of the Company						Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)	Total		
As of April 1, 2023	204,309	685,066	1,392,043	-74,131	17,658	2,224,945	1,458,122	3,683,067
Comprehensive income								
Net income	—	—	489,074	—	—	489,074	101,191	590,265
Other comprehensive income (loss)	—	—	—	—	10,886	10,886	21,032	31,918
Total comprehensive income	—	—	489,074	—	10,886	499,960	122,223	622,183
Transactions with owners and other transactions								
Cash dividends	—	—	-406,935	—	—	-406,935	-45,589	-452,524
Issuance of new shares	70,085	67,180	—	—	—	137,265	—	137,265
Transfer from common stock to capital surplus	-60,000	60,000	—	—	—	—	—	—
Purchase of treasury stock	—	—	—	-100,000	—	-100,000	—	-100,000
Disposal of treasury stock	—	-12,535	—	27,175	—	14,640	—	14,640
Cancellation of treasury stock	—	-71,134	—	71,134	—	—	—	—
Changes from business combinations	—	—	—	—	—	—	13,528	13,528
Changes from loss of control	—	—	—	—	—	—	-6,490	-6,490
Changes in interests in existing subsidiaries	—	8,600	—	—	—	8,600	16,989	25,589
Share-based payment transactions	—	-1,009	—	—	—	-1,009	—	-1,009
Transfer from accumulated other comprehensive income (loss) to retained earnings	—	—	1,869	—	-1,869	—	—	—
Other	—	-116	-276	—	—	-392	-210	-602
Total transactions with owners and other transactions	10,085	50,986	-405,342	-1,691	-1,869	-347,831	-21,772	-369,603
As of March 31, 2024	214,394	736,052	1,475,775	-75,822	26,675	2,377,074	1,558,573	3,935,647
As of April 1, 2024	214,394	736,052	1,475,775	-75,822	26,675	2,377,074	1,558,573	3,935,647
Comprehensive income								
Net income	—	—	526,133	—	—	526,133	129,153	655,286
Other comprehensive income	—	—	—	—	-1,974	-1,974	-24,241	-26,215
Total comprehensive income	—	—	526,133	—	-1,974	524,159	104,912	629,071
Transactions with owners and other transactions								
Cash dividends	—	—	-408,894	—	—	-408,894	-124,638	-533,532
Issuance of new shares	113,768	109,985	—	—	—	223,753	—	223,753
Transfer from common stock to capital surplus	-100,000	100,000	—	—	—	—	—	—
Purchase of treasury stock	—	—	—	-0	—	-0	—	-0
Disposal of treasury stock	—	-22,610	—	46,601	—	23,991	—	23,991
Cancellation of treasury stock	—	—	—	—	—	—	—	—
Changes from business combinations	—	—	—	—	—	—	—	—
Changes from loss of control	—	4,831	—	—	—	4,831	-12,034	-7,203
Changes in interests in existing subsidiaries	—	-17	—	—	—	-17	-4,931	-4,948
Share-based payment transactions	—	-1,050	—	—	—	-1,050	—	-1,050
Transfer from accumulated other comprehensive income (loss) to retained earnings	—	—	1,941	—	-1,941	—	—	—
Other	—	-124	-93	—	—	-217	-141	-358
Total transactions with owners and other transactions	13,768	191,015	-407,046	46,601	-1,941	-157,603	-141,744	-299,347
As of March 31, 2025	228,162	927,067	1,594,862	-29,221	22,760	2,743,630	1,521,741	4,265,371

(Millions of yen)



Consolidated Financial Statements

Contents

Data Section

Performance Highlights (Financial)
Performance Highlights (Non-Financial)
Market Data
Review and Analysis of FY2024
> Consolidated Financial Statements
External Evaluation
Corporate Data / Stock Information

Consolidated Statement of Cash Flows

SoftBank and its consolidated subsidiaries
FY2023 and FY2024

	(Millions of yen)	
	FY2023	FY2024
Cash flows from operating activities		
Net income	¥ 590,265	¥ 655,286
Depreciation and amortization	743,808	748,014
Loss on disposal of property, plant and equipment and intangible assets	25,321	21,978
Gain relating to loss of control over subsidiaries	-10,284	-43,195
Financing income	-12,921	-11,676
Financing costs	61,415	117,352
Share of losses (gains) of associates accounted for using the equity method	22,198	9,650
Gain on sales of equity method investments	-5,227	-3,713
Impairment loss on equity method investments	25,126	1,910
Gain on change in equity	-20,435	-4,564
Income taxes	215,647	224,771
(Increase) decrease in trade and other receivables	-325,141	-321,107
(Increase) decrease in inventories	2,744	-39,375
Purchases of mobile devices leased to enterprise customers	-49,164	-49,462
Increase (decrease) in trade and other payables	284,461	290,076
Increase (decrease) in consumption taxes payable	8,090	-4,899
Increase (decrease) in deposits in banking business	170,895	152,810
(Increase) decrease in loans in banking business	-135,185	-194,654
Other	-14,363	72,936
Subtotal	1,577,250	1,622,138
Interest and dividends received	6,543	11,789
Interest paid	-62,922	-78,451
Income taxes paid	-321,493	-243,266
Income taxes refunded	40,311	55,661
Net cash inflow from operating activities	¥1,239,689	¥1,367,871

	(Millions of yen)	
	FY2023	FY2024
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	¥ -554,074	¥ -746,657
Proceeds from sales of property, plant and equipment and intangible assets	1,838	3,125
Payments for acquisition of investments	-96,062	-86,700
Proceeds from sales/redemption of investments	23,601	59,395
Purchase of investment securities in banking business	-328,014	-344,567
Proceeds from sales/redemption of investment securities in banking business	127,586	123,714
Proceeds from (payments for) obtaining control of subsidiaries	-67,528	-350
Proceeds from (payments for) losing control of subsidiaries	-6,890	-21,909
Other	-28,064	18,766
Net cash outflow from investing activities	-927,607	-995,183
Cash flows from financing activities		
Increase (decrease) in short-term interest-bearing debt, net	181,328	-417,203
Proceeds from interest-bearing debt	1,905,910	1,649,994
Repayment of interest-bearing debt	-2,064,536	-1,872,502
Proceeds from issuance of shares	136,233	221,055
Proceeds from payments from non-controlling interests	34,202	23,249
Payments for purchase of treasury stock	-100,000	-0
Cash dividends paid	-406,752	-408,836
Cash dividends paid to non-controlling interests	-45,697	-124,909
Other	2,214	-27,277
Net cash outflow from financing activities	-357,098	-956,429
Effect of exchange rate changes on cash and cash equivalents	11,733	-6,618
Increase (decrease) in cash and cash equivalents due to the transfer of assets classified as held for sale	-33,011	33,011
Increase (decrease) in cash and cash equivalents	-66,294	-557,348
Cash and cash equivalents at the beginning of the period	2,059,167	1,992,873
Cash and cash equivalents at the end of the period	¥ 1,992,873	¥ 1,435,525



Contents

Data Section

- Performance Highlights (Financial)
- Performance Highlights (Non-Financial)
- Market Data
- Review and Analysis of FY2024
- Consolidated Financial Statements
- ▶ External Evaluation
- Corporate Data / Stock Information

External Evaluation

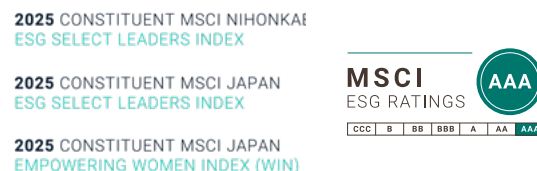
ESG Evaluation

Dow Jones Best-in-Class World Index*1 Dow Jones Best-in-Class Asia Pacific Index*2

SoftBank has been selected for the third consecutive year as a component of the "Dow Jones Best-in-Class World Index," one of the world's leading global ESG indices, and for the fourth consecutive year as a component of the "Dow Jones Best-in-Class Asia Pacific Index." SoftBank is the only company in Japan selected in the "Telecommunication Services" industry group for the "Dow Jones Best-in-Class World Index."

MSCI Nihonkai ESG Select Leaders Index ◎ MSCI Japan ESG Select Leaders Index MSCI Japan Empowering Women Index (WIN) ◎

SoftBank has been selected as a member of the "MSCI Nihonkai ESG Select Leaders Index," selected by Morgan Stanley Capital International. In addition, the Company has been selected as a member of the "MSCI Japan ESG Select Leaders Index" and the "MSCI Japan Empowering Women Index (WIN)," which is comprised of companies with excellent performance in gender diversity. Furthermore, SoftBank has received "AAA," the highest ranking, in the "MSCI ESG Ratings," a global rating on ESG investments, since 2023.



S&P/JPX Carbon Efficient Index ◎

SoftBank has been selected as a constituent stock of the "S&P/JPX Carbon Efficient Index," an index that determines the weighting of constituent stocks by focusing on the disclosure of environmental information and the level of carbon efficiency (carbon emissions per unit of sales).



FTSE4Good Index Series FTSE Blossom Japan Index ◎ FTSE Blossom Japan Sector Relative Index ◎

Since 2020, SoftBank has been a component of two ESG indices defined by FTSE Russell: the "FTSE Blossom Japan Index" as well as the "FTSE4Good Index Series," one of the world's leading ESG indices. Since 2022, SoftBank became a component of the "FTSE Blossom Japan Sector Relative Index."



SOMPO Sustainability Index

SoftBank has been selected as a member of the "SOMPO Sustainability Index," which is operated by SOMPO Asset Management Co., Ltd. This index is utilized by the company's "SOMPO Sustainable Management" to broadly invest in companies with a high ESG rating.



Nikkei SDGs Management Survey 2024

In the "6th NIKKEI Sustainable Management Awards, SDGs Edition," which comprehensively evaluates a company's "SDGs management" from the four fields of "SDGs Strategy and Economic Value," "Social Value," "Environmental Value," and "Governance." SoftBank received the "Grand Prize," the highest evaluation, for the second year in a row, becoming the first company to achieve back-to-back wins. The Company was also selected as a "Prime Seat Company," which recognizes companies that have continuously received high evaluations. In the "NIKKEI Sustainable Management Survey, SDGs Edition," SoftBank has received a 5-star rating for the fourth consecutive year.



DX Stock 2025

In recognition of its efforts to solve social issues through new businesses, SoftBank was selected for the fifth consecutive year as a "Digital Transformation Stock 2025" by Japan's Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information-technology Promotion Agency, Japan. In addition, the Company was selected for the first time as a "DX Grand Prix Company."



SX Brand 2025

SoftBank was selected as an "SX Brand 2025" by Japan's Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. This is the first time SoftBank has been selected as an SX Stock. (Note) SX: Sustainability Transformation



CDP 2024 Climate Change

In recognition of its strategy and response to climate change, SoftBank received a "B" rating from the CDP (headquarters: London, UK), an international non-profit organization that conducts environmental assessments of major corporations and cities around the world. In addition, the Company has been selected for the highest rating, the "Leadership Board," for the fourth consecutive year in recognition of its efforts to address climate change throughout its supply chain.



An International Climate Change Initiative By SBT

The short-term targets outlined in our "Carbon Neutral 2030," which aim for zero greenhouse gas emissions by FY2030, and the long-term targets of our "Net Zero," aiming for zero greenhouse gas emissions by FY2050, have been recognized by the "Science Based Targets initiative (SBTi)" as "Science Based Targets (SBT)," which are based on scientific evidence.



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. FTSE Russell is a trademark of FTSE International Limited and Frank Russell Company.
 *1 Formerly Dow Jones Sustainability World Index
 *2 Formerly Dow Jones Sustainability Asia Pacific Index
 ◎: A major ESG investment index adopted as a passive investment benchmark by Japan's Government Pension Investment Fund (GPIF), the world's largest public pension fund.



External Evaluation

Contents

Data Section

- Performance Highlights (Financial)
- Performance Highlights (Non-Financial)
- Market Data
- Review and Analysis of FY2024
- Consolidated Financial Statements
- ▶ External Evaluation
- Corporate Data / Stock Information

Labor Practices

Next-generation certification mark (Kurumin)

SoftBank is certified by Japan's Minister of Health, Labour and Welfare as a "child-rearing support company" that supports the balance of work and child-rearing. Following the acquisition of "Kurumin" certification in 2011, the Company obtained "Platinum Kurumin" certification in 2017, which is granted to companies that have implemented initiatives at a higher level.



Eruboshi

SoftBank has received the "Eruboshi" designation (class 3) from Japan's Minister of Health, Labour 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 was awarded a "Gold ranking," the highest ranking in the "PRIDE Index," an evaluation of companies' internal initiatives regarding LGBTQ and other sexual minorities, for the eighth year in a row since 2017.



KENKO Investment for Health (White 500)

As a company that considers employee health management from a business perspective and proactively works on health and productivity management, SoftBank has been recognized for the seventh consecutive year under the "KENKO Investment for Health (White 500)." This program is jointly promoted by Japan's Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.



NIKKEI Smart Work Survey

SoftBank has been awarded a 5-star rating in the "Nikkei Smart Work Management Edition of the Nikkei Sustainable Survey," which selects leading companies that aim to maximize corporate value by fully leveraging human resources and accelerating investment in talent to drive innovation and enhance productivity. Furthermore, we received the "NIKKEI Smart Work Award 2025" in the Technology Utilization category, which selects leading companies that achieve sustainable growth through workstyle reforms.



Website

"Gomez IR Site Ranking" 2024 Gold Prize (No. 1 in ranking)



FY2024 All Japanese Listed Companies' Website Ranking AAA Website



"Daiwa IR 2024 Internet IR Award" Best Excellence Award



"Gomez ESG Site Ranking" 2024 Excellent Company





Corporate Data / Stock Information

Contents

Data Section

- Performance Highlights (Financial)
- Performance Highlights (Non-Financial)
- Market Data
- Review and Analysis of FY2024
- Consolidated Financial Statements
- External Evaluation

> Corporate Data / Stock Information

Corporate data

Company name	SoftBank Corp.
Representative	Junichi Miyakawa, President & CEO Jun Shimba Representative Director & COO
Corporate headquarters	1-7-1 Kaigan, Minato-ku, Tokyo 105-7529
Established	December 9, 1986
Number of employees	55,070 (Consolidated basis) 18,895 (Standalone basis) (As of March 31, 2025)
Business 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, 2025)

Common stock	¥228,162 million
Shares authorized	80,109,603,000 shares
Shares issued	Common shares 47,751,490,700 shares Series 1 Bond-Type Class Shares 30,000,000 shares Series 2 Bond-Type Class Shares 25,000,000 shares (Treasury stock, common shares: 184,234,180 shares)
Stock exchange registration	Tokyo Stock Exchange, Prime Market
Number of shares constituting one trading unit	100 shares
Number of shareholders	Common shares 1,360,538 Series 1 Bond-Type Class Shares 20,593 Series 2 Bond-Type Class Shares 31,727

Principal shareholders (Top 10 shareholders)

Name		Number of shares held (Thousands)	Shareholding ratio (%)
SoftBank Group Japan Corporation	Common shares	19,148,581	40.21
The Master Trust Bank of Japan, Ltd. (Trust Account)	Common shares	4,991,838	10.48
	Common shares	1,762,446	
Custody Bank of Japan, Ltd. (Trust Account)	Series 1 Bond-Type Class Shares	26	3.70
	Series 2 Bond-Type Class Shares	14	
SMBC Nikko Securities Inc.	Common shares	626,460	1.32
STATE STREET BANK WEST CLIENT - TREATY 505234	Common shares	623,971	1.31
STATE STREET BANK AND TRUST COMPANY 505001	Common shares	414,703	0.87
JP MORGAN CHASE BANK 385781	Common shares	391,677	0.82
JPMorgan Securities Japan Co., Ltd.	Common shares	385,418	0.81
Goldman Sachs Japan Co., Ltd. BNYM	Common shares	286,254	0.60
JP MORGAN CHASE BANK 385632	Common shares	250,861	0.53

- (Notes) 1. On October 3, 2024, the Company issued 25,000,000 Series 2 Bond-Type Class Shares, which were listed on the Prime Market of the Tokyo Stock Exchange on October 4, 2024.
2. The Company has conducted a stock split at a ratio of 10 shares per common share, with the effective date being October 1, 2024. As a result, shares authorized increased by 72,098,642,700 shares, and shares issued of common stock increased by 42,911,435,430 shares.
3. The total number of shares of common stock issued increased by 83,854,500 shares due to the exercise of stock acquisition rights.
4. Percentage of total shares issued is calculated excluding treasury stock (184,234,180 shares).
5. The above numbers of shares held include those held by The Master Trust Bank of Japan, Ltd. and Custody Bank of Japan, Ltd. that are related to trust operations.

Our Websites

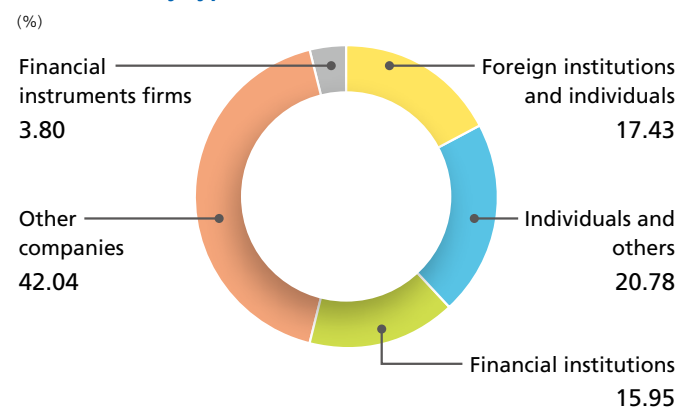
• Investor Relations

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

• Sustainability

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

Breakdown by type of shareholder (As of March 31, 2025)



(Note) The treasury stock is included in "Individuals and others."

Stock price chart



SoftBank Corp.