



Cover Story

SoftBank's Take on Challenge

Creating innovative series of services and leading the development of telecommunications services in Japan

In 2001, SoftBank started providing *Yahoo! BB*, a high-speed broadband service that uses ADSL, to achieve *almost twice the speed at almost half the price*. In addition to helping spread the Internet throughout Japan, this act radically transformed Japan's telecommunications infrastructure.

Further, SoftBank acquired Vodafone (Japanese subsidiary) to enter the mobile communications business and started providing the *White Plan*, which offers free calls between *SoftBank* customers during certain hours. The Company also anticipated the spread of smartphones and therefore became the first carrier to sell iPhones in Japan. To respond to increasingly diverse customer needs, SoftBank also developed a new brand *Y!mobile* to provide the high communication quality of an MNO*¹ at prices comparable to an MVNO*², ahead of competing companies. Even after four telecom operators were merged in 2015 to form SoftBank as it stands today, the Company has created innovative services one after another to lead the development of telecommunications services in Japan.

*1 Mobile Network Operator
*2 Mobile Virtual Network Operator

2001

Started providing the high-speed broadband service *Yahoo! BB*

2006

Entered the mobile communications business

2007

Started providing *White Plan*

2008

Starting sales of iPhone as sole domestic iPhone distributor

2014

Started providing *Y!mobile* service

2015

Merged four telecom operators*

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

2016

Started providing high-volume, flat-rate data plans

SoftBank's Take on Challenge

Declaring to achieve high returns and high growth while strengthening corporate governance

December

2018

Listed SoftBank

In December 2018, as our parent company SoftBank Group Corp. accelerated its global investments as a strategic holding company, SoftBank was listed on the First Section of the Tokyo Stock Exchange as a core operating company in Japan.

We declared that we aim to achieve both shareholder returns and growth investment by focusing on the telecommunications business and developing highly investment-efficient businesses in collaboration with SoftBank Group Corp. and its portfolio companies. As a public company subject to direct evaluation by the market, we intend to conduct management based on autonomous, transparent, and prompt decision-making. Around the time of our listing, we established the Nominating Committee and the Remuneration Committee, raised our ratio of independent external directors on the Board of Directors to more than 30%, and introduced performance-based remuneration for our Board Directors and executive officers.



SoftBank's Take on Challenge

Acquiring Japan's leading Internet companies as subsidiaries

June
2019

Acquired Z Holdings as a subsidiary



Acquiring Z Holdings as a subsidiary to accelerate the expansion of non-telecommunications services

SoftBank acquired Z Holdings (formerly Yahoo Japan)—which operates *Yahoo! JAPAN*, one of Japan's largest web portals—as a subsidiary, thereby accelerating the expansion of its non-telecommunications services by increasing the synergy with telecommunications services and utilizing each company's services, customer bases, and big data.

November
2019

Z Holdings acquired ZOZO as a subsidiary



Obtaining ZOZOTOWN, one of Japan's largest fashion e-commerce websites

Z Holdings acquired ZOZO, Inc.—which runs ZOZOTOWN, one of Japan's largest fashion e-commerce websites—as a subsidiary and is aiming to secure *Japan's No. 1 e-commerce merchandise transaction value*. Because these companies have a complementary relationship in terms of the products they sell and their customer segments, the business has grown in leaps and bounds.

March
2021

Merged the business of Z Holdings and LINE



Obtaining one of Japan's largest communication services

Through the business integration with LINE, Z Holdings has now become Japan's largest Internet service provider group with touch points with customers that are vital to daily life: "information," "payment," and "communication."

Significance of owning listed subsidiaries and protection of minority interests

SoftBank owns Z Holdings and a number of other listed subsidiaries. SoftBank believes that each listed subsidiary should engage in business while being evaluated in the stock market and that autonomous management that takes into consideration the interests of minority shareholders will contribute to the growth of each company. Prior approval of or reporting to the Company regarding important decision-making at subsidiaries is required. With respect to listed subsidiaries, from the perspective of their independence, the Company limits the items that require such prior approval only to the conclusion of contracts that include clauses that are binding on non-contracting parties such as SoftBank Group Corp. and its subsidiaries and affiliates (including non-compete clauses), so that the Company will not unfairly constrain their decision-making.

SoftBank's Take on Challenge

Acquiring PayPay, a cashless payment service with an overwhelming market share, as a subsidiary

October
2022

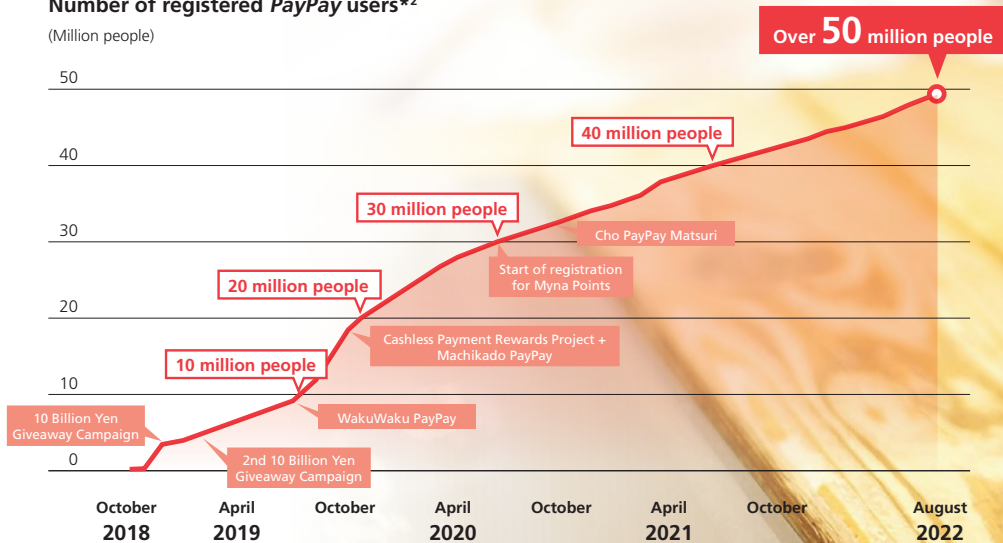
Acquired PayPay as a subsidiary

The cashless payment service *PayPay* has rapidly grown as a social infrastructure, with over 50 million registered users and a 67%*1 share of the Japan's code payment market within 3 years and 10 months since its launch. PayPay became a consolidated subsidiary of the Company and Z Holdings in October 2022, and will expand revenue opportunities by linking PayPay with Z Holdings' services such as *LINE*. We will expand the ecosystem centered on *PayPay* points and increase the corporate value of the entire group through a ripple effect on various existing services.

*1 PayPay GMV as a percentage of total store spending in the code payment market. This figure was calculated by SoftBank based on the "Survey on Code Payment Usage Trends, June 5, 2022," published by the Council for the Promotion of Cashless Society.

Number of registered PayPay users*2

(Million people)



*2 Total number of users with registered accounts

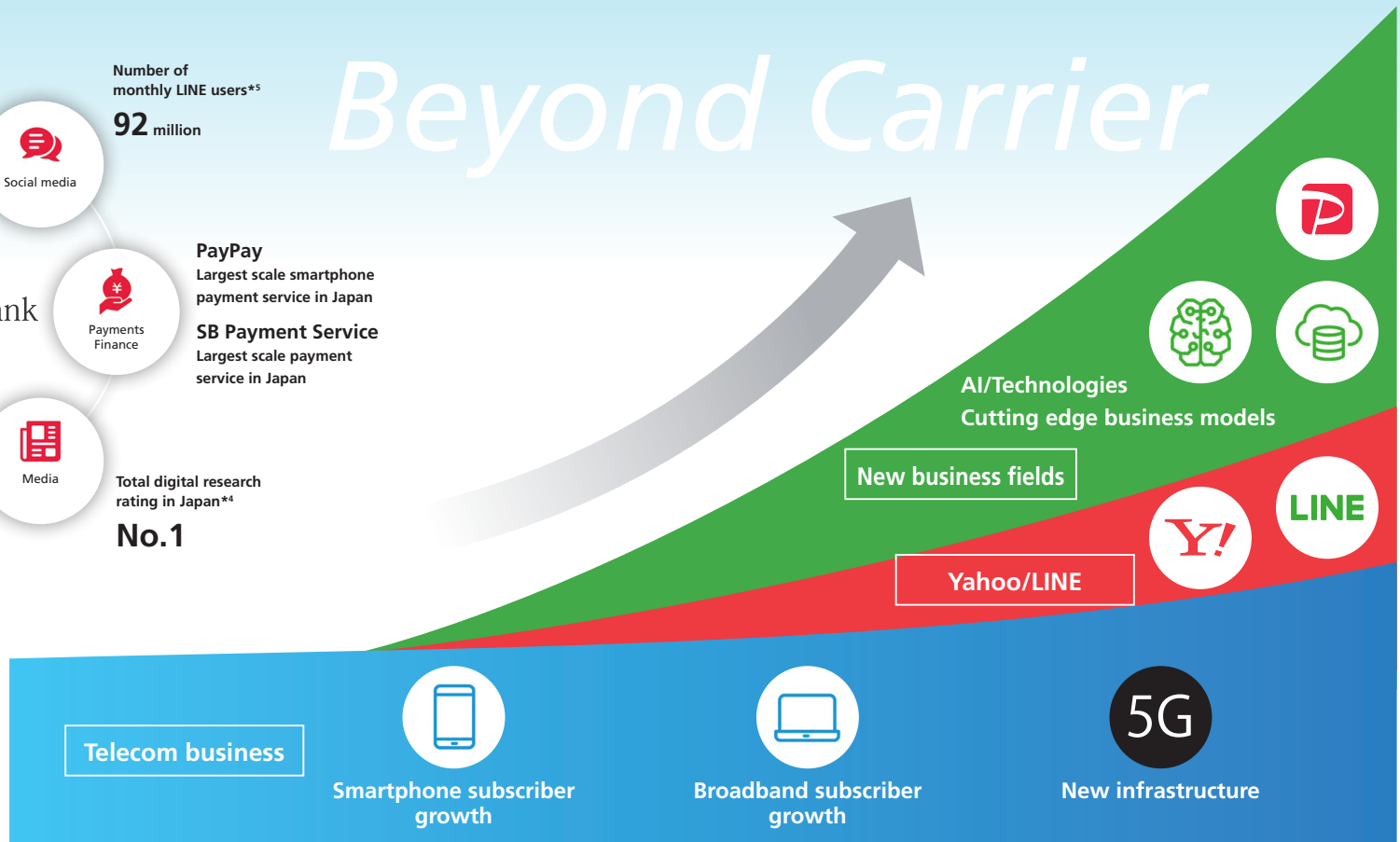
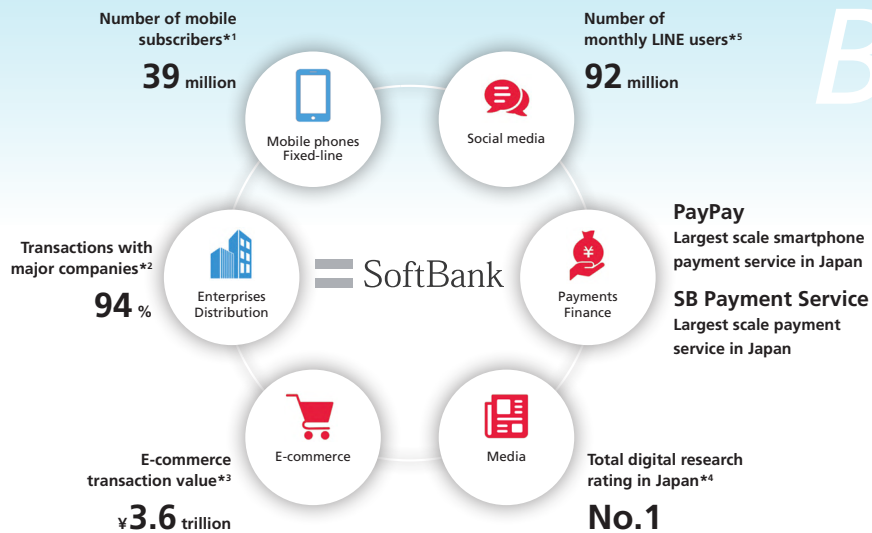


SoftBank's Take on Challenge

A comprehensive digital platform provider of Japan's top-class ICT services

In line with our growth strategy of *Beyond Carrier*, we are expanding our business domain into social media, payment, media, and e-commerce through the acquisition of Z Holdings and the launch of *PayPay*, while pursuing stable growth of our telecommunications business. For enterprises, we provide a variety of solutions ranging from network construction, data centers, cloud services, security, AI/IoT, and digital marketing. We continue to evolve into a comprehensive digital platform providing Japan's top-class ICT (Information and Communication Technology) services.

Beyond Carrier



*1 Cumulative number of mobile subscribers (main) (as of the end of March 2022)

*2 Approximate percentage of major listed companies (companies with revenue of at least ¥100 billion) that SoftBank Corp. does business with (as of the fiscal year ended March 31, 2022)

*3 Result for the fiscal year ended March 31, 2022. The e-commerce transaction value is the total sum of the merchandise transaction value and service and digital transaction value.

*4 Source: Nielsen's *TOPS OF 2021: DIGITAL IN JAPAN*

*5 LINE = Number of monthly users (as of March of 2022)