

 SoftBank

# Earnings Results for the Fiscal Year Ended March 31, 2023

May 10, 2023  
SoftBank Corp.

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TSE code : 9434

# Disclaimer

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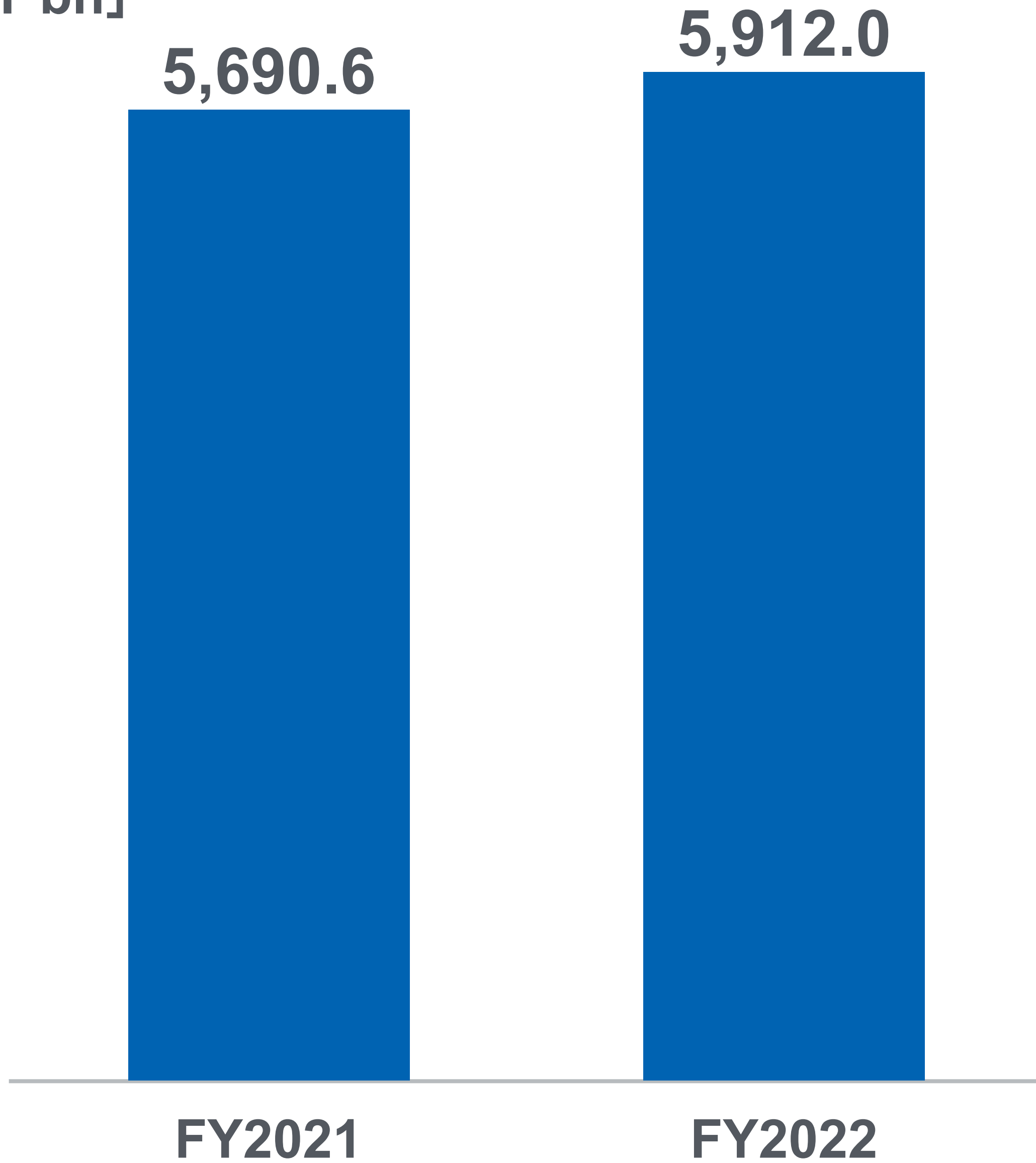
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The Company encourages anyone interested in trading in its common stock to do so on the Tokyo Stock Exchange. The Company’s disclosures are not intended to facilitate trades in, and should not be relied on for decisions to trade, un-sponsored American Depository Receipts (“ADRs”) representing the shares of its common stock. The Company has not and does not participate in, support, encourage, or otherwise consent to the creation of any un-sponsored ADR programs or the issuance or trading of any ADRs issued thereunder. The Company does not represent to any ADR holder, bank or depository institution, nor should any such person or entity form the belief, that (i) the Company has any reporting obligations under the U.S. Securities Exchange Act of 1934 (the “Exchange Act”) or (ii) the Company’s website will contain on an ongoing basis all information necessary for the Company to maintain an exemption from registering its common stock under the Exchange Act pursuant to Rule 12g3-2(b) thereunder. To the maximum extent permitted by applicable law, the Company disclaims any responsibility or liability to ADR holders, banks, depository institutions, or any other entities or individuals in connection with any un-sponsored ADRs representing its common stock.

# FY2022 Consolidated Results

# Revenue

[JPY bn]

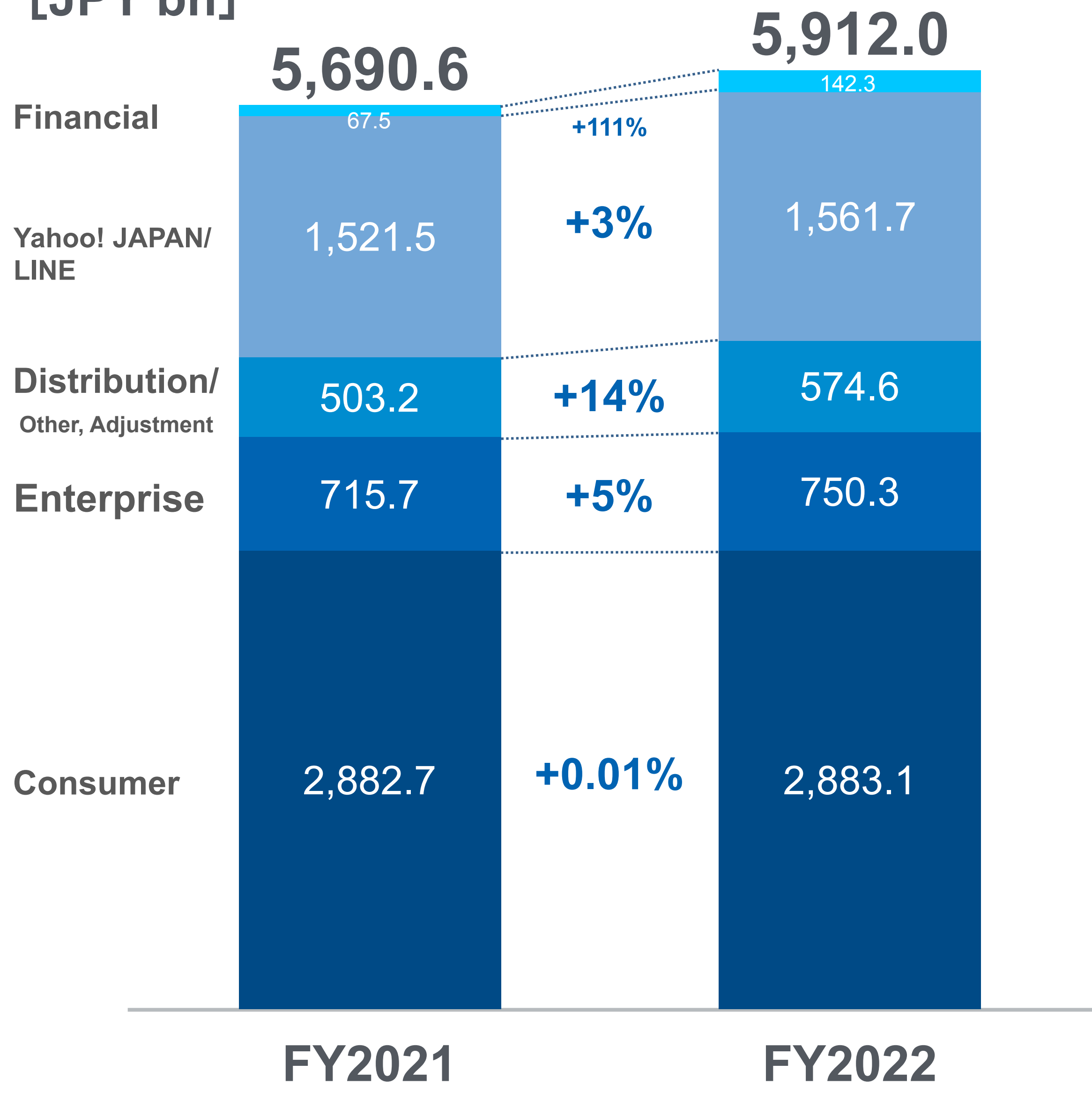


Up 4%

(Notes) Unless otherwise stated, up or down refers to increase or decrease year-on-year, and figures are rounded to the nearest decimal place. Comparative period results (financial figures) have been restated due to a change in accounting policy for transactions under common control in FY22 Q3.

# Revenue by Segment

[JPY bn]

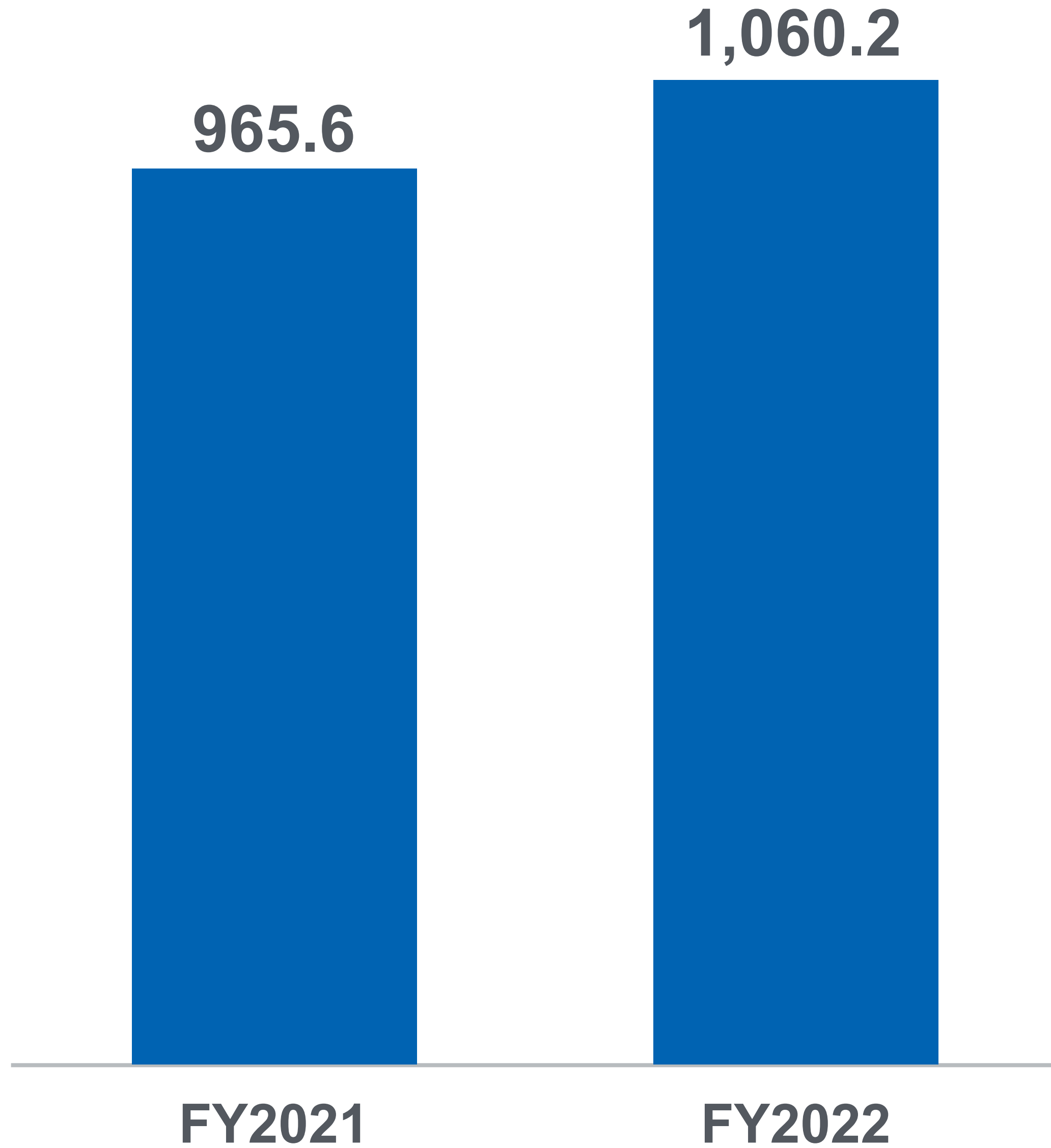


## Revenue increased in all segments

# Operating Income

[JPY bn]

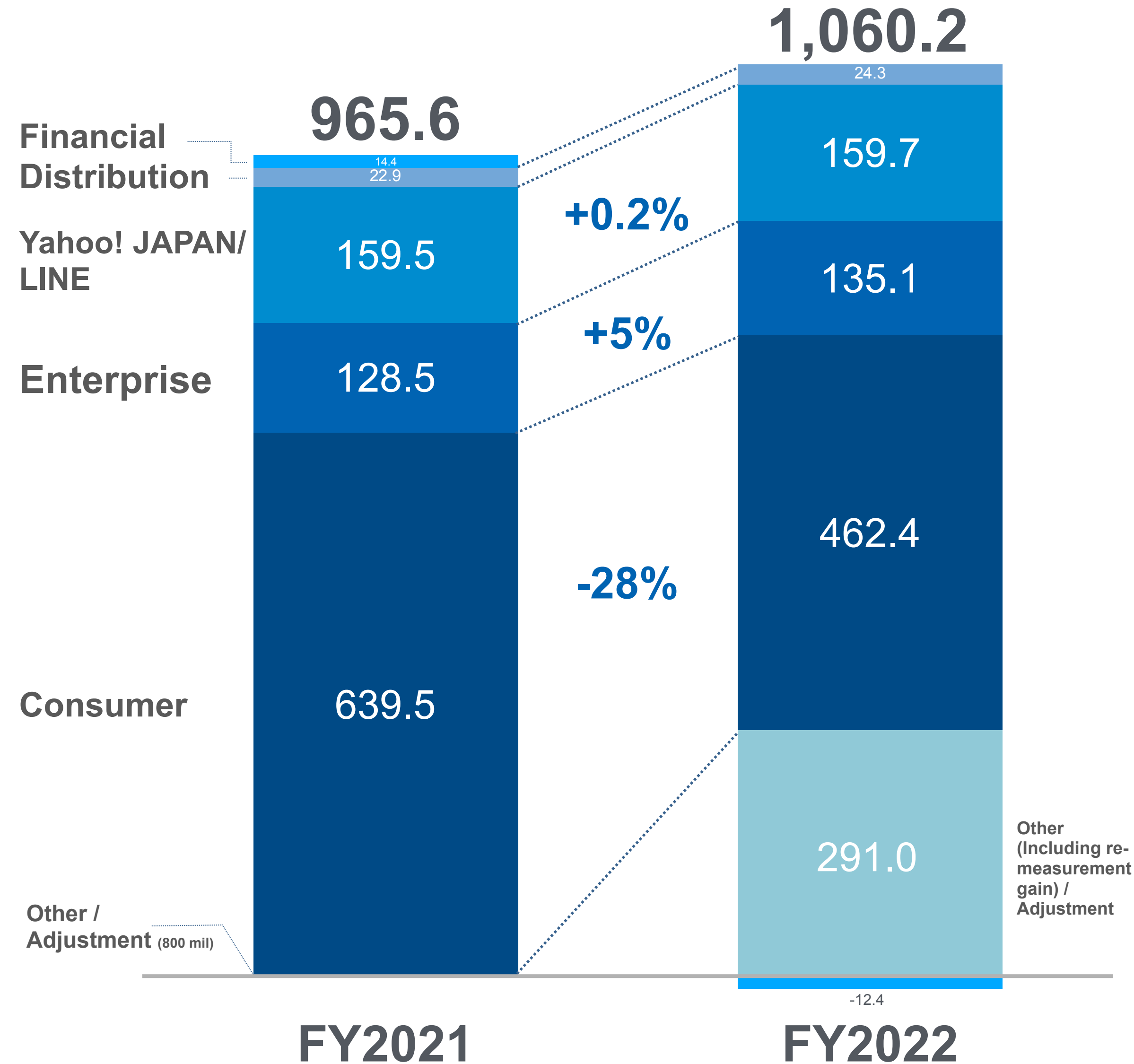
SoftBank



Up 10%

# Operating Income by Segment

[JPY bn]

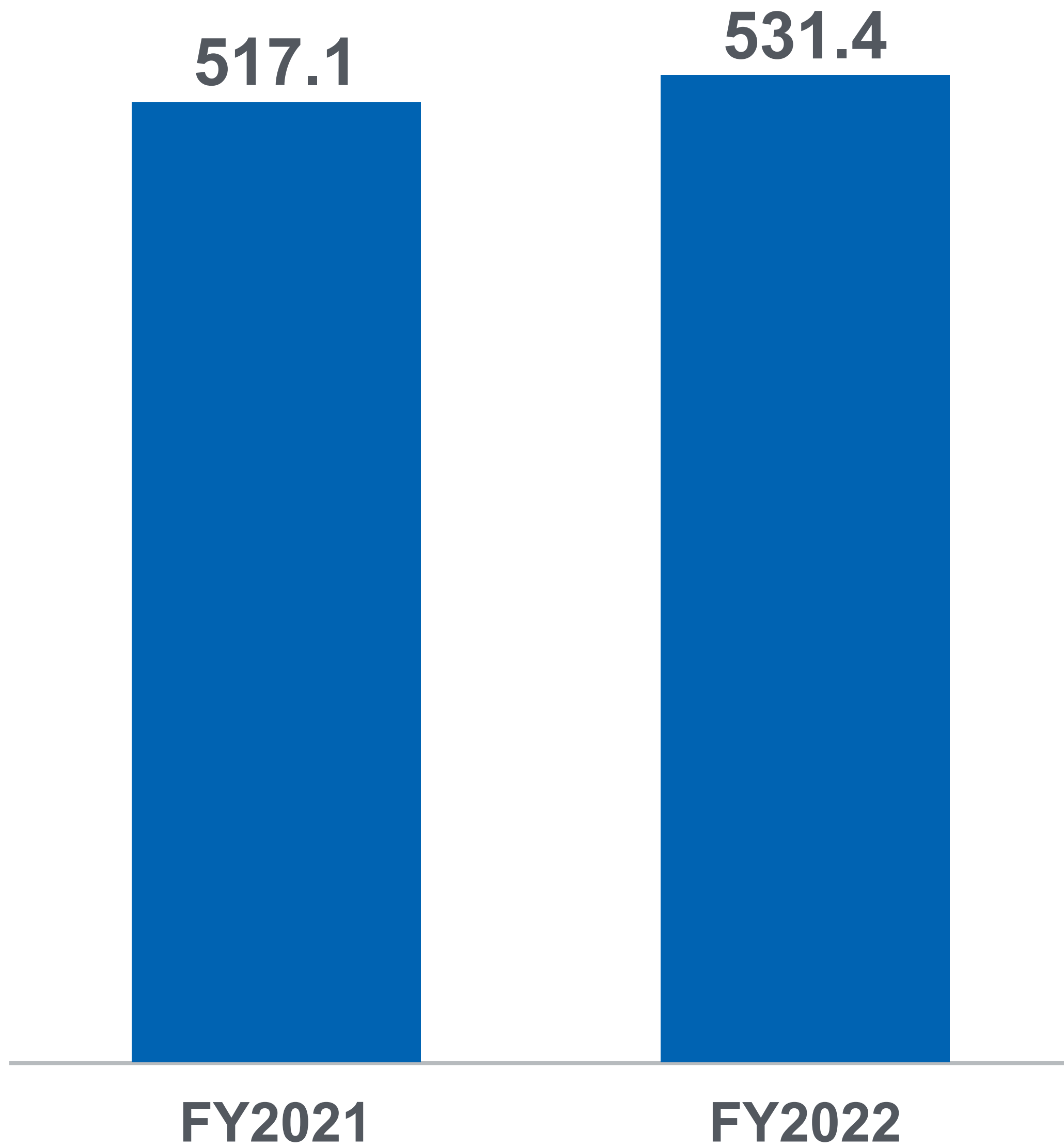


Segment	Factors for YoY change
Financial	- PayPay consolidation impact (FY2022) -12.9 bn
	- Cost increase in PayPay Card, etc. -9.1 bn
Distribution	- Mainly increase in revenue (ICT-related services, cloud, SaaS, etc.)
Yahoo! JAPAN/LINE	- Reduction of sales promotion expenses
Enterprise	- Impact of absence of one-time cost reversal -2.7 bn
	- Provision for litigation (FY2022Q2) -9.0 bn
	- Re-measurement gain on HTKK (FY2022Q2) +6.1bn
Consumer	- Mobile service price reduction impact -89.0 bn
	- Effect of customer acquisition measures -44.3 bn
	- Sales of goods and others and cost of goods sold -41.3 bn
	- Increase in number of subscribers etc. +38.8 bn
	- Other (increase in depreciation and disposals and telecom network charges etc.) -41.3 bn
Other/Adjustment	- Re-measurement gain by PayPay consolidation +294.8 bn

# Net Income

[JPY bn]

SoftBank

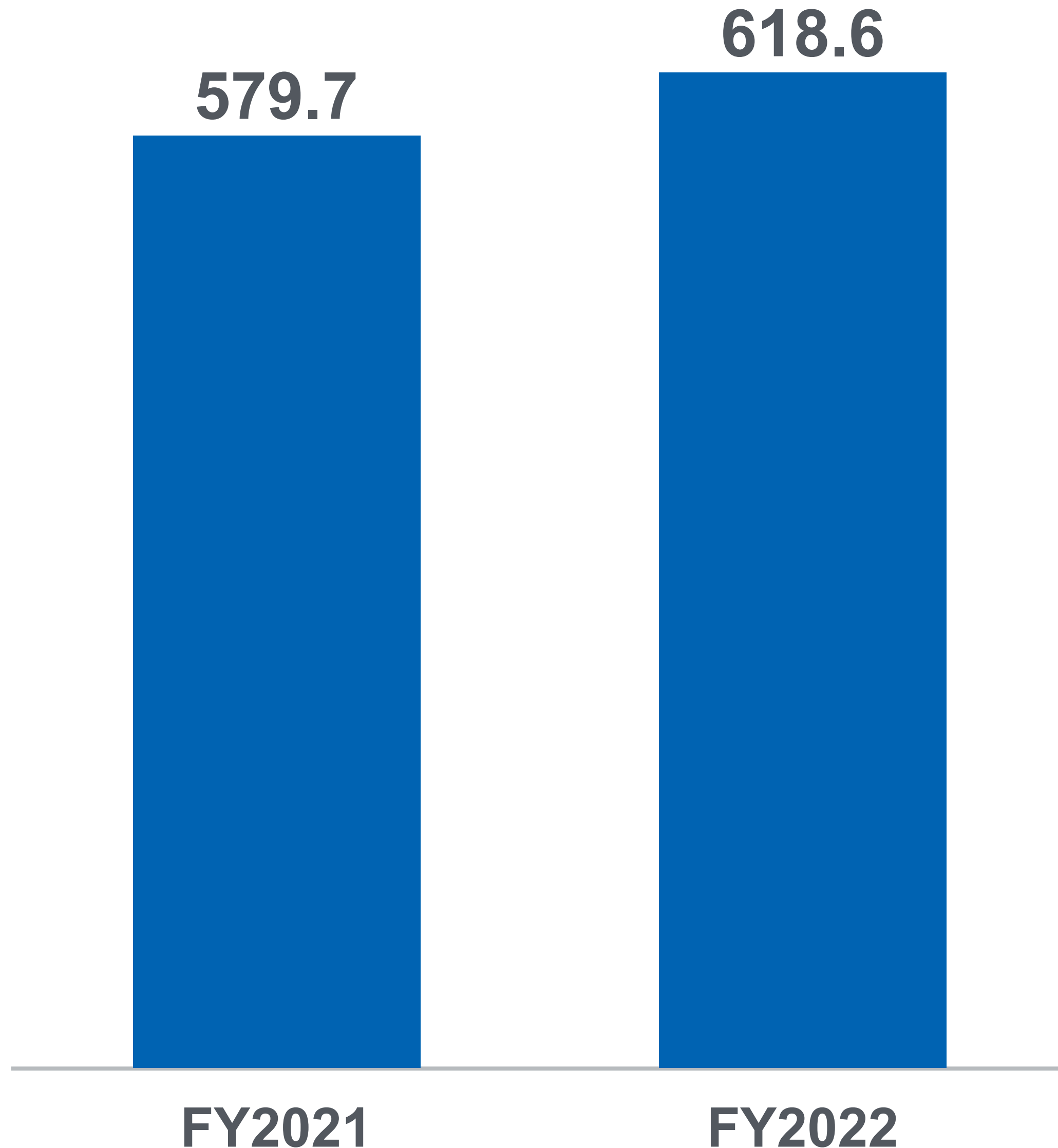


Up 3%



# Adjusted Free Cash Flow

[JPY bn]



**Generated  
more than  
JPY 600 bn of  
adjusted FCF**

(Notes) Adjusted FCF = FCF + (proceeds from the securitization of installment sales receivables – repayments thereof)  
Excludes adjustments for FCF of A Holdings Corporation (AHD), Z Holdings Group, B Holdings Corporation, PayPay  
and PayPay Card and loans to board directors, etc., and includes dividend received from AHD  
Before deduction of repayment of lease liabilities (telecommunication equipment, real estate rent, etc.), which is  
recorded as cash flows from financing activities.  
The actual amount for FY2022 is 122.4 billion yen.

# Consolidated Results for FY2022

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[JPY bn]

	FY2021	FY2022	YoY	YoY%
Revenue	5,690.6	5,912.0	+221.4	+4%
Operating Income	965.6	1,060.2	+94.6	+10%
Net Income	517.1	531.4	+14.3	+3%
Adjusted Free Cash Flow	579.7	618.6	+38.9	+7%

(Notes) Net Income: net income attributable to owners of SoftBank Corp. Adjusted FCF = FCF + (proceeds from the securitization of installment sales receivables – repayments thereof) Excludes adjustments for FCF of AHD, Z Holdings Group, B Holdings Corporation, PayPay and PayPay Card and loans to board directors, etc., and includes dividend received from AHD

# Consolidated Results for FY2022 (vs. Forecasts)

[JPY bn]

## Revenue and operating income exceeded revised forecasts

	Forecast (Announced in May 2022)	Revised Forecast (Announced in Nov. 2022)	Actual	Variance (vs. revised forecast)	Variance % (vs. revised forecast)
Revenue	5,900.0	5,900.0	5,912.0	+12.0	+0.2%
Operating Income	1,000.0	1,050.0	1,060.2	+10.2	+1%
Net Income	530.0	540.0	531.4	-8.6	-2%

Impacted by impairment losses (non-cash) etc. in the second half of the fiscal year, such as those at Demae-can and LINE Bank (Japan)

**(Announced in August 2020)**

# **Review of Medium-term Management Targets**

# Medium-term Targets (announced in August 2020)

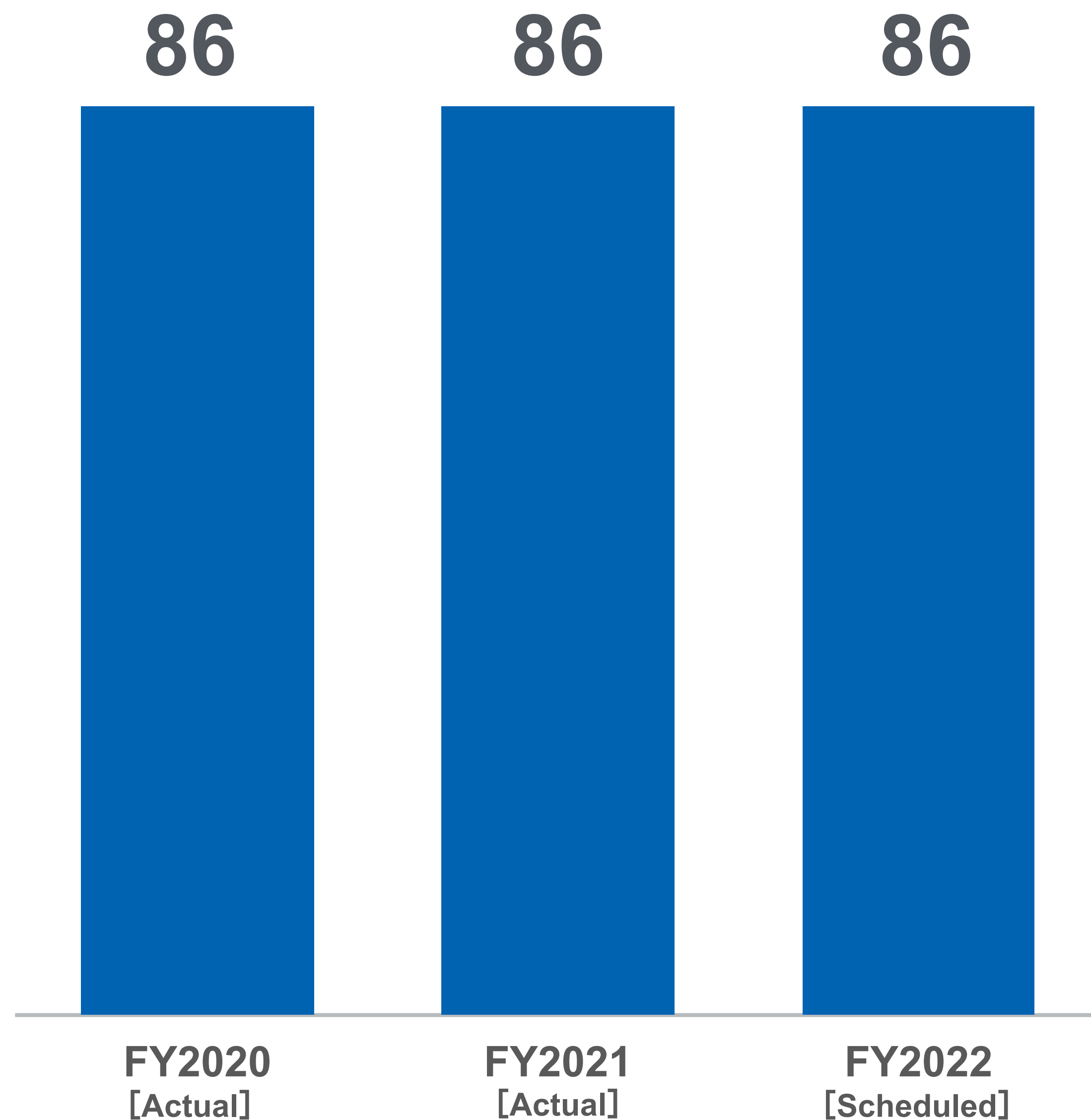
[JPY bn]

## Achieved all targets

	FY2022 Target	FY2022 Actual	Results
Revenue	5,500.0	5,912.0	Significantly surpassed target
Operating Income	1,000.0	1,060.2	Achieved targets by recognizing a gain on the re-measurement of PayPay despite adverse business environment due to mobile service price reductions
Net Income	530.0	531.4	

# Dividend Per Share (Annual)

[JPY]



**Dividend per share for  
FY2022**

**JPY 86**  
(Scheduled)

**As committed**

(Note) The year-end dividend for FY2022 is scheduled to be resolved at the Board of Directors meeting on May 24, 2023. 13

# Shareholder Returns

(FY2020~FY2022)

**JPY 1,540.2 bn**



**a. Net income**  
(FY2020~FY2022 total)

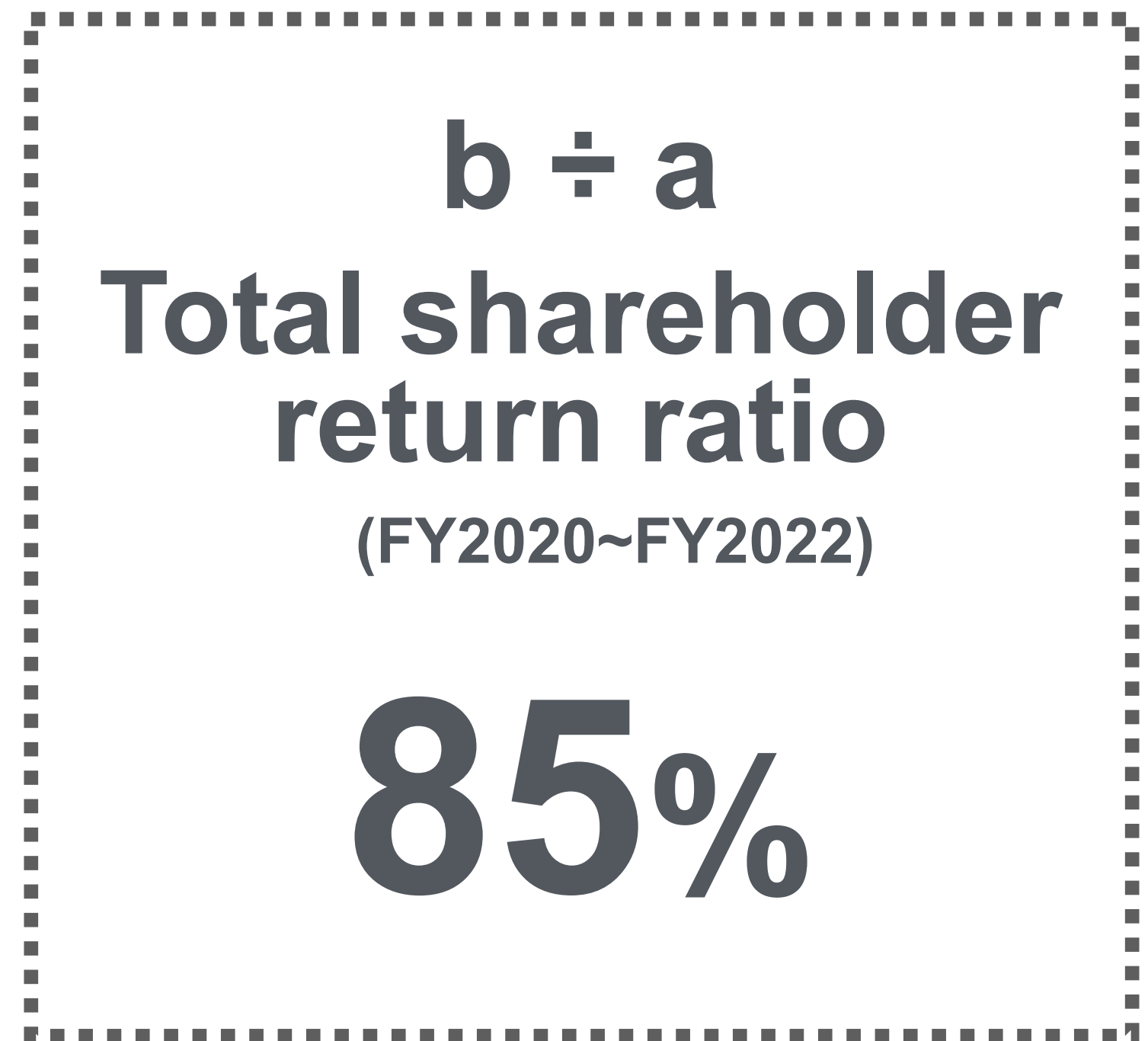
**JPY 1,309.1 bn**



Retirement of treasury stock (planned)

**b. Shareholder returns**  
(FY2020~FY2022 total)

**As committed**



(Notes) The year-end dividend for FY2022 is scheduled to be resolved at the Board of Directors meeting on May 24, 2023.  
Total shareholder return ratio: Total amount of dividends paid and treasury stock retired during the three years from FY2020 to FY2022 / total amount of net income attributable to owners of SoftBank.Corp. during the same three years.  
Net income for FY2021 is before a change in accounting policy for transactions under common control in FY22 Q3.  
Net income: Net income attributable to owners of SoftBank.Corp.

# Establishment of Share Buyback Program

**Purchase a portion of shares to be retired to achieve total shareholder return ratio of 85%**

<b>Total amount to be paid for acquisition</b>	<b>Up to JPY 100 billion</b>
<b>Total number of shares to be acquired</b>	<b>Up to 56,300,000 shares</b> (1.19% of total shares outstanding as of March 31, 2023)
<b>Period of acquisition</b>	<b>May 11, 2023 to March 31, 2024</b>



(Announced in August 2020)

## Review of achievement for Medium-term Management Targets

Managed drastic changes in business environment,  
including mobile service price reductions



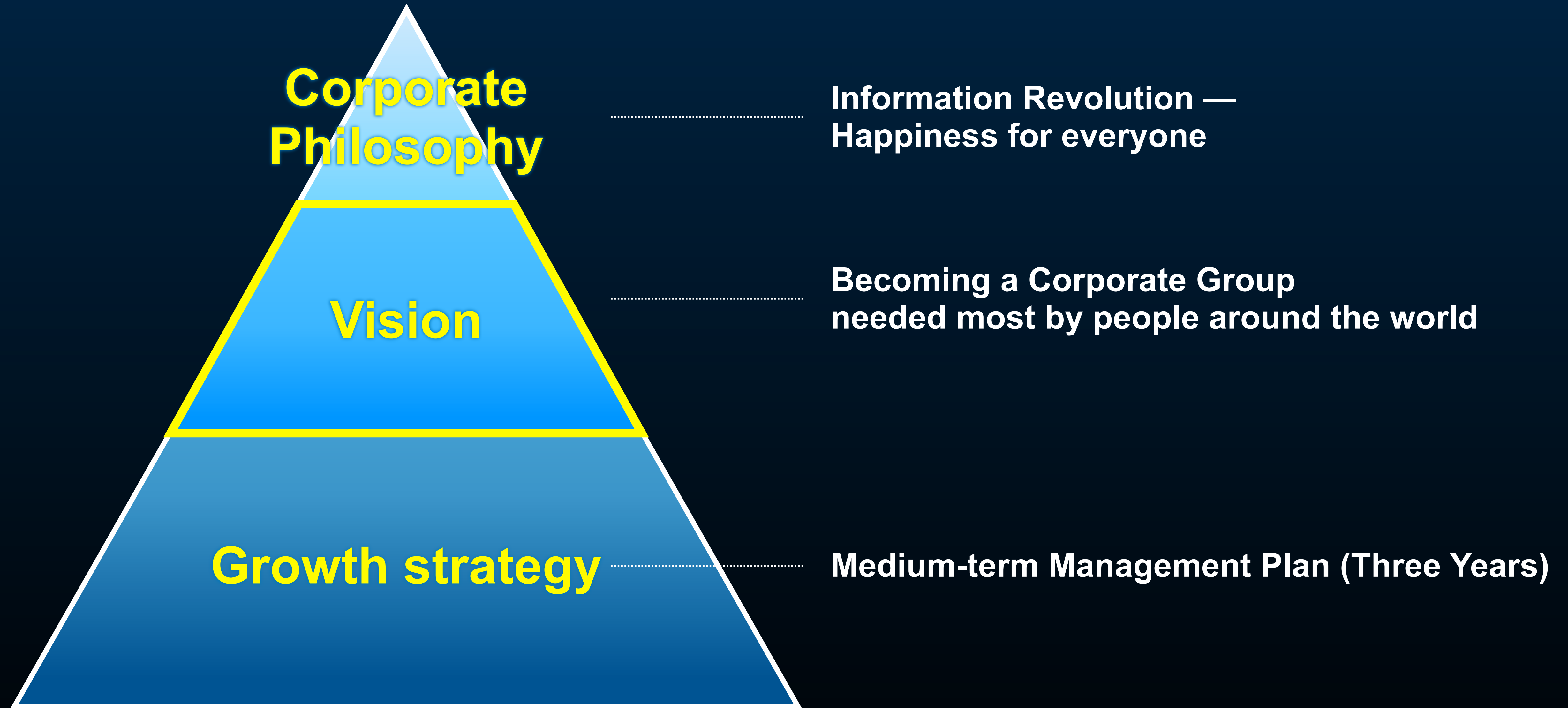
**Met business target and  
shareholder return commitments**

# **Long-term Vision and Medium-term Management Plan**

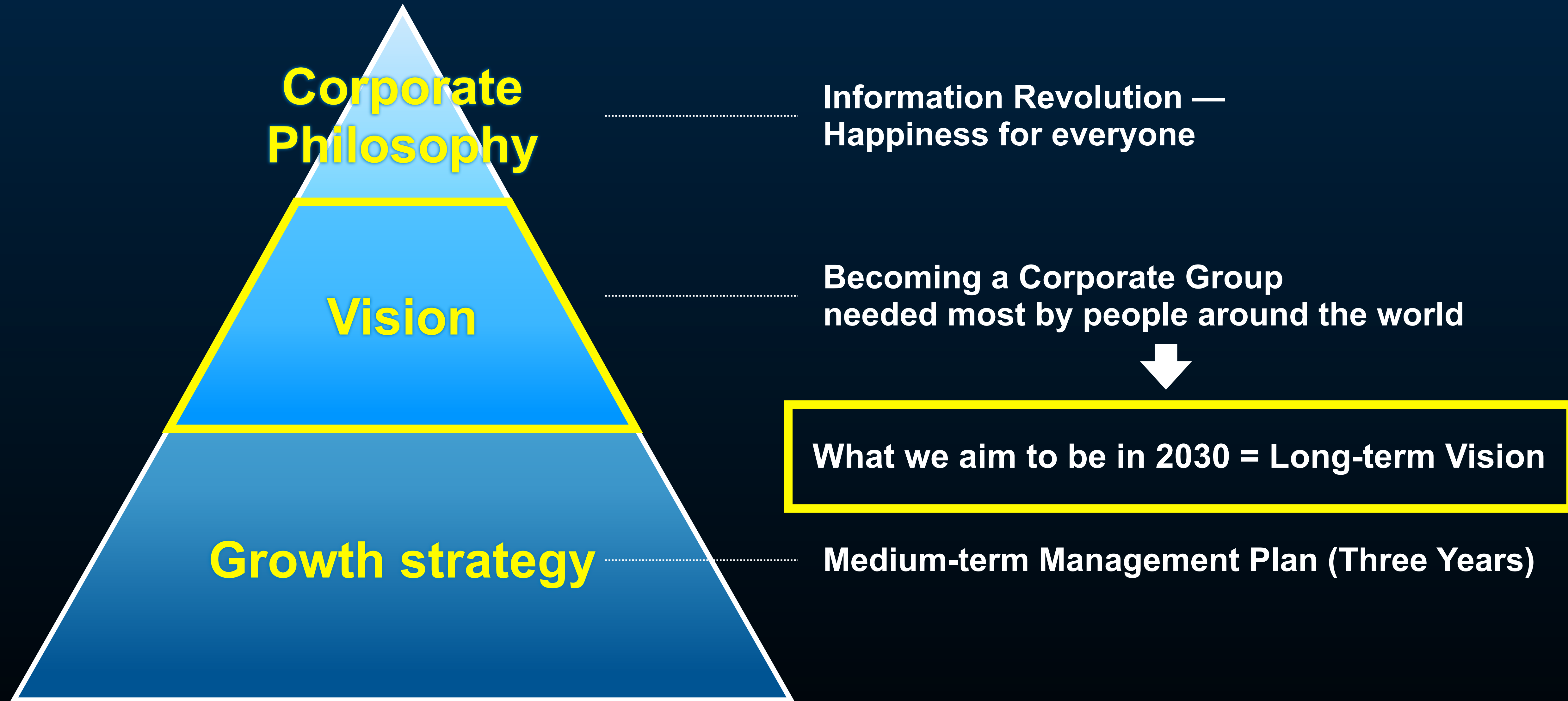
**(Fiscal year ending March 31, 2024 - Fiscal year ending March 31, 2026)**

**SoftBank Corp.  
May 10, 2023**

# Positioning of Long-term Vision and Medium-term Management Plan



# Positioning of Long-term Vision and Medium-term Management Plan



 SoftBank

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# Long-term Vision

# Implement Digitalization in All Industries



# Road Map for Realization of Long-term Vision

**Long-term Vision** Provide Next-generation Social Infrastructure essential for development of a digital society

**Phase 1**

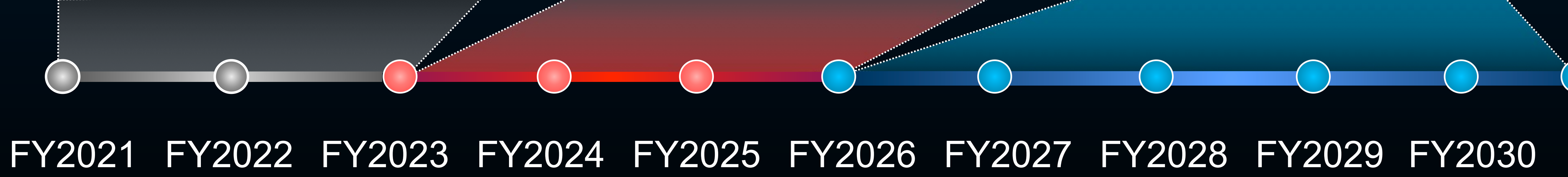
- Achieve medium-term management targets
- Promotion of digital transformation (DX)
- Research and development of necessary technologies

**Phase 2**

- Rebuild business foundation
- DX business expansion
- Implementation of technology for commercialization

**Phase 3**

- Further business growth
- Completion of Next-generation Social Infrastructure



# Phase 1 (FY2021 - FY2022)

## Research and Development of Fundamental Technologies for Next-generation Social Infrastructure

### Digital Twin



### Beyond AI



### SRv6 MUP



### Super-distributed Computing Infrastructure



### Network Virtualization



### Beyond 5G



### Green Infrastructure



### Next-generation Semiconductors



### Quantum Computers



### Next-generation Batteries



### Autonomous Driving Systems



NAVER ALIKE Solution MORAI

### Medical Data Distribution Infrastructure (Next-gen standard: HL7 FHIR\*)



\*FHIR (Fast Healthcare Interoperability Resources): International standard for standardizing data linkage of medical information between computers





# Realize Infrastructure for the Society of the Future



**Communication Infrastructure**

**Present**



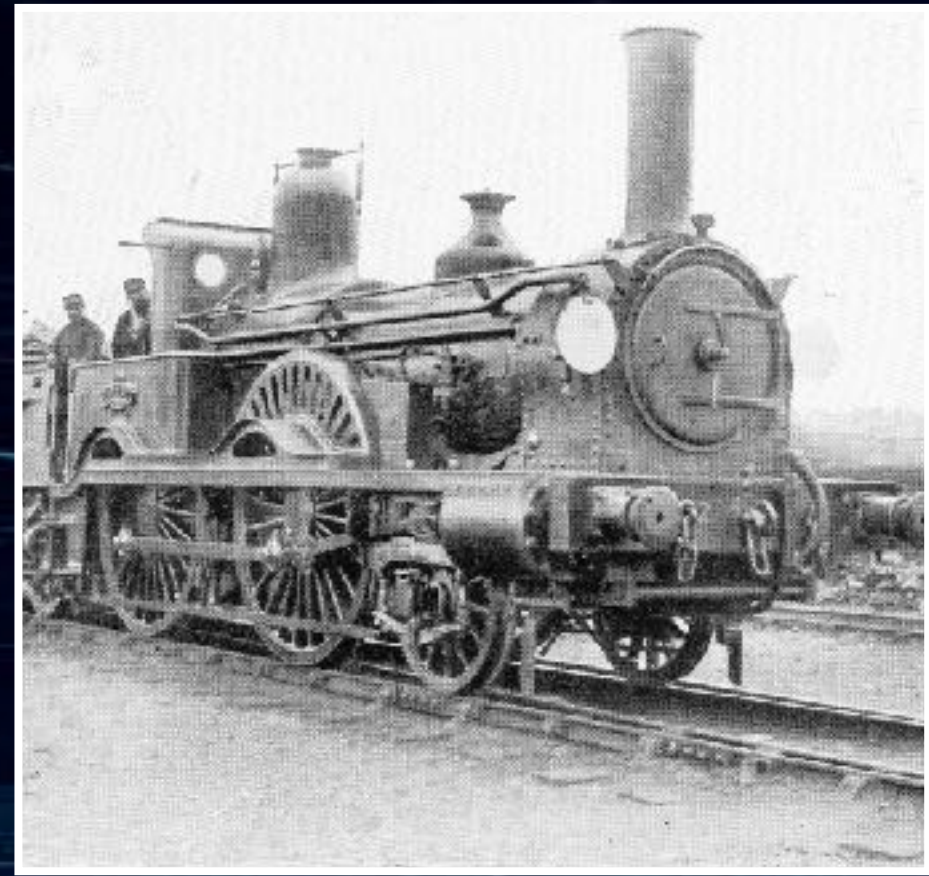
**Next-generation Infrastructure**

**FY2030**

# Industrial Revolution

(Changes in Daily Life due to Technological Evolution)

1st



Steam  
Locomotive



2nd



Electricity



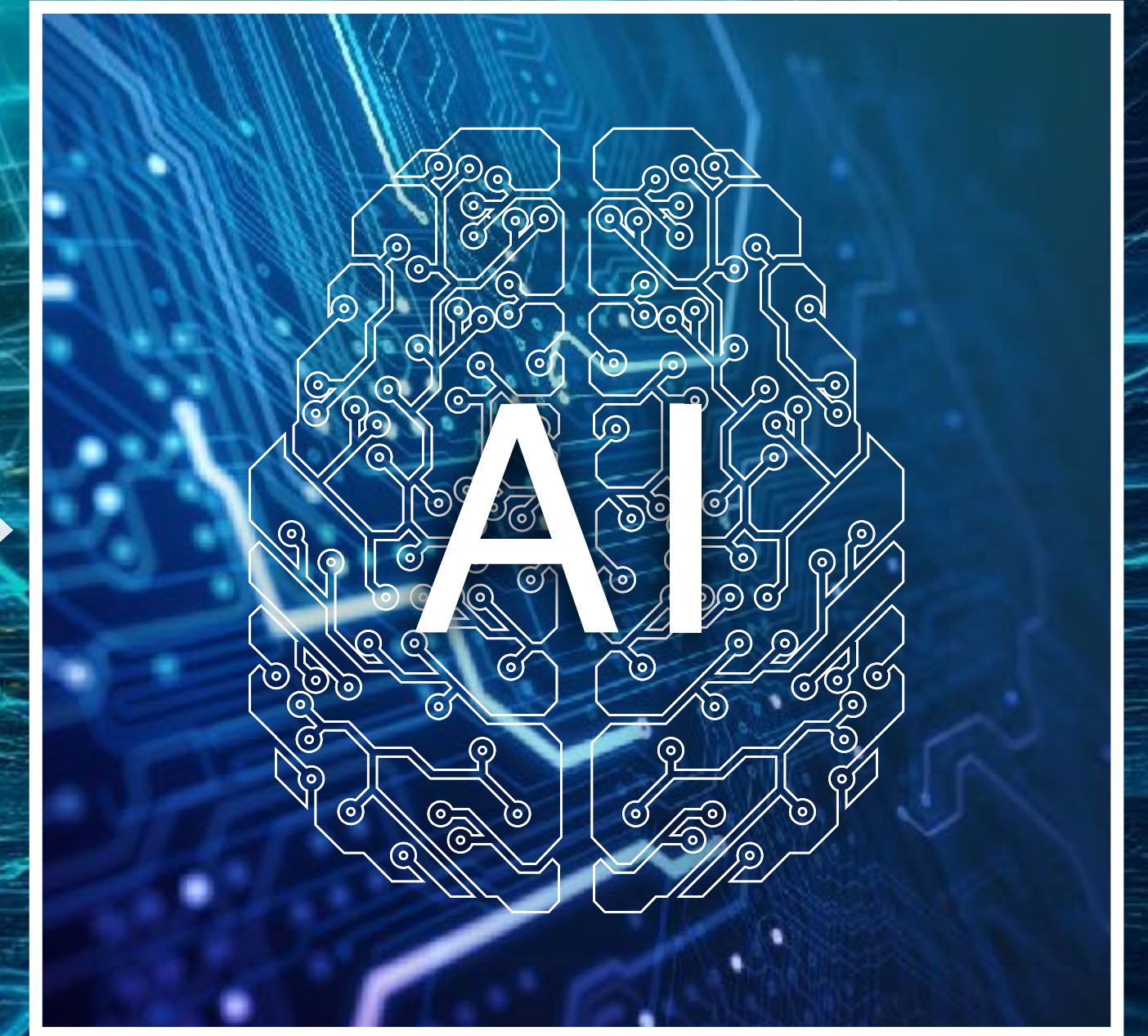
3rd



Internet



4th



AI

# 1st Industrial Revolution (Mechanization)

## Steam Locomotive

(Traffic and Transportation Infrastructure)

## New Norms



Urbanization



Commuting



Standard time



Food culture

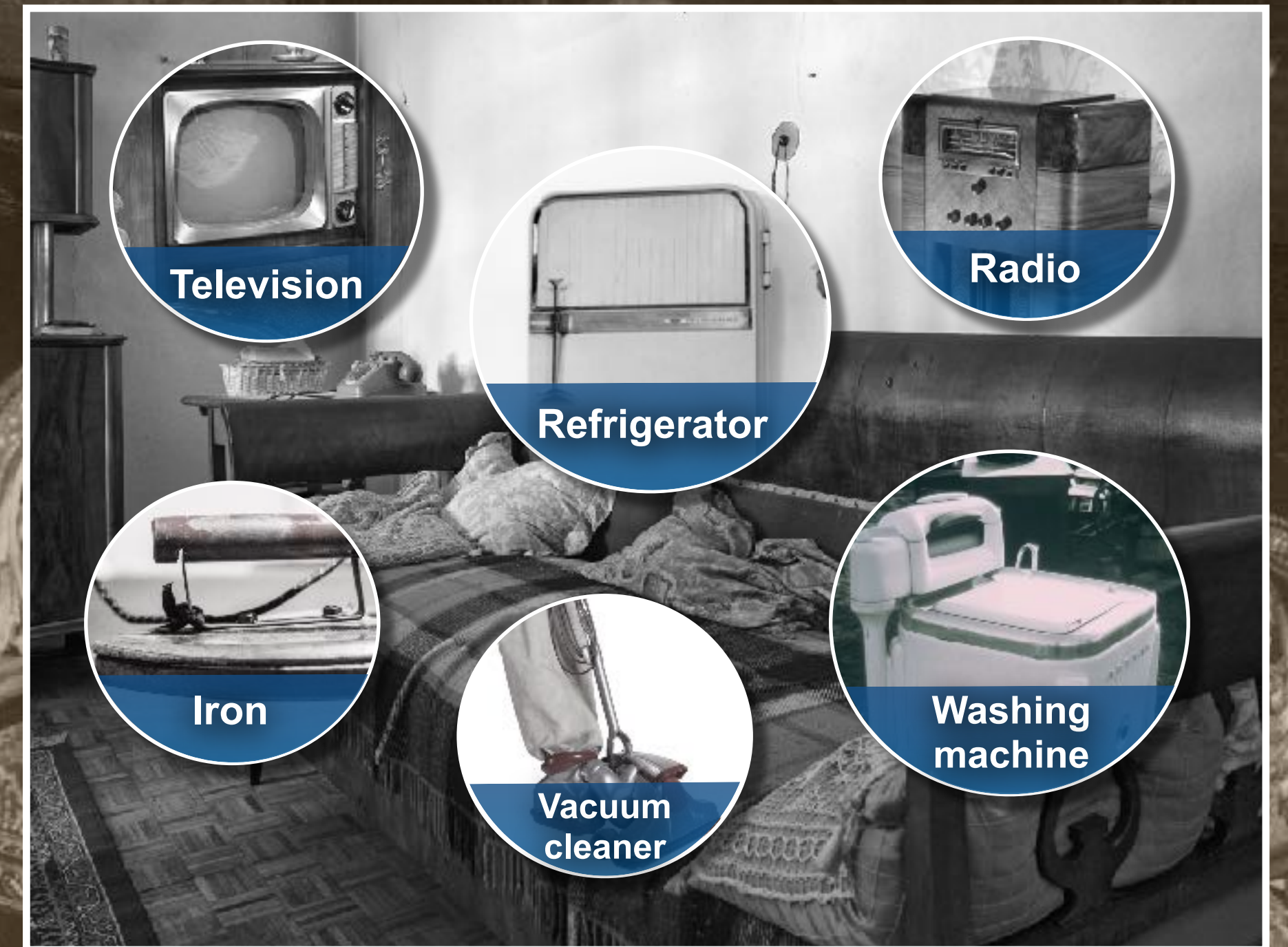
1825

World's first commercial operation in the U.K.

# 2nd Industrial Revolution (Efficiency)

## Incandescent Light Bulb (Electric Power Infrastructure)

## New Norms



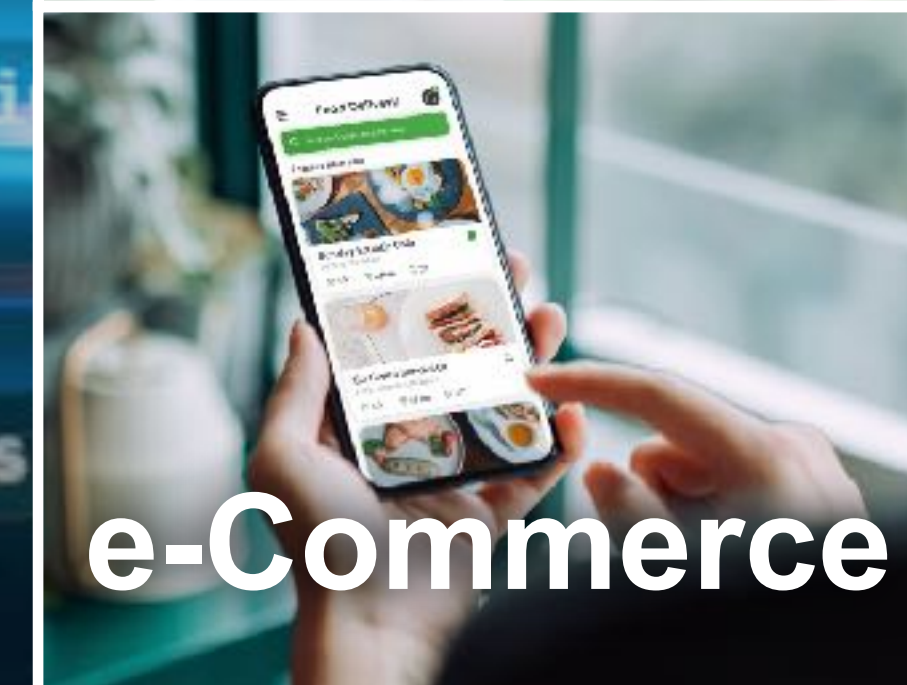
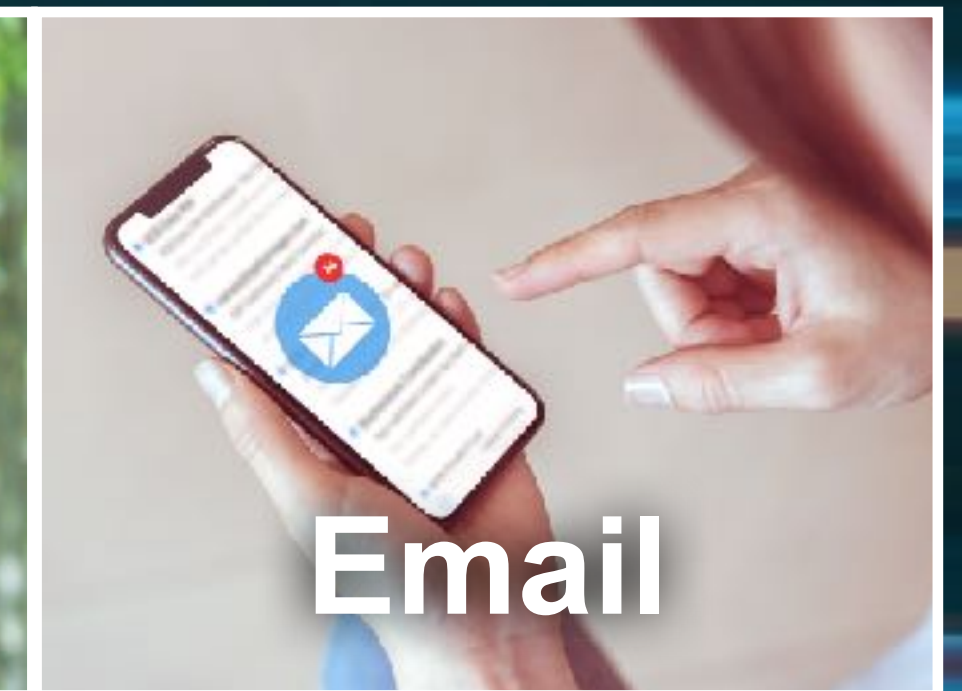
1879

Edison invented the incandescent light bulb

# 3rd Industrial Revolution (Automation)

PC/Internet  
(Communication Infrastructure)

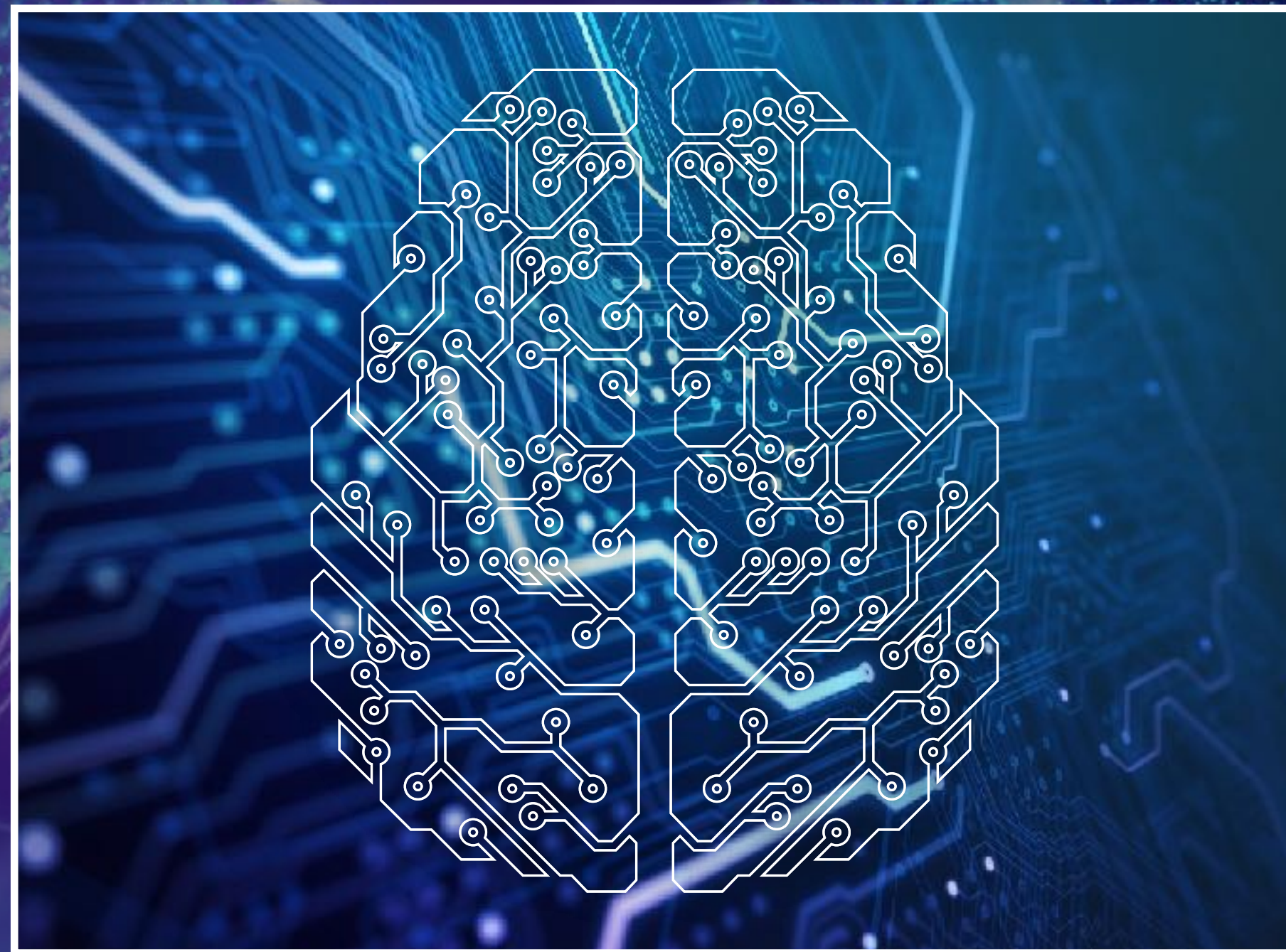
New Norms



# 4th Industrial Revolution (Autonomy/Optimization)

AI

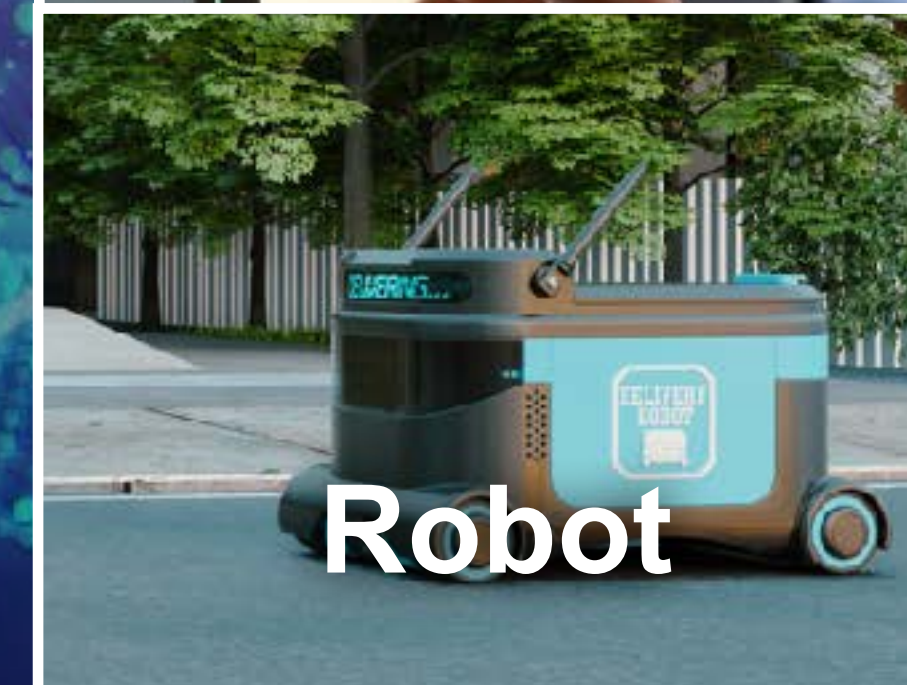
New Norms



Generative AI



Flying Taxi



Robot



Autonomous  
factory

**The door to a society  
that coexists with AI  
will open,  
new norms will emerge,**

**and a world  
beyond our imagination  
will unfold**



# Society Enabled by the 4th Industrial Revolution



**AI will become the norm, requiring the generation and processing of vast amounts of data**



# Computing Capacity Required for Data Processing

[ExaFLOPS]

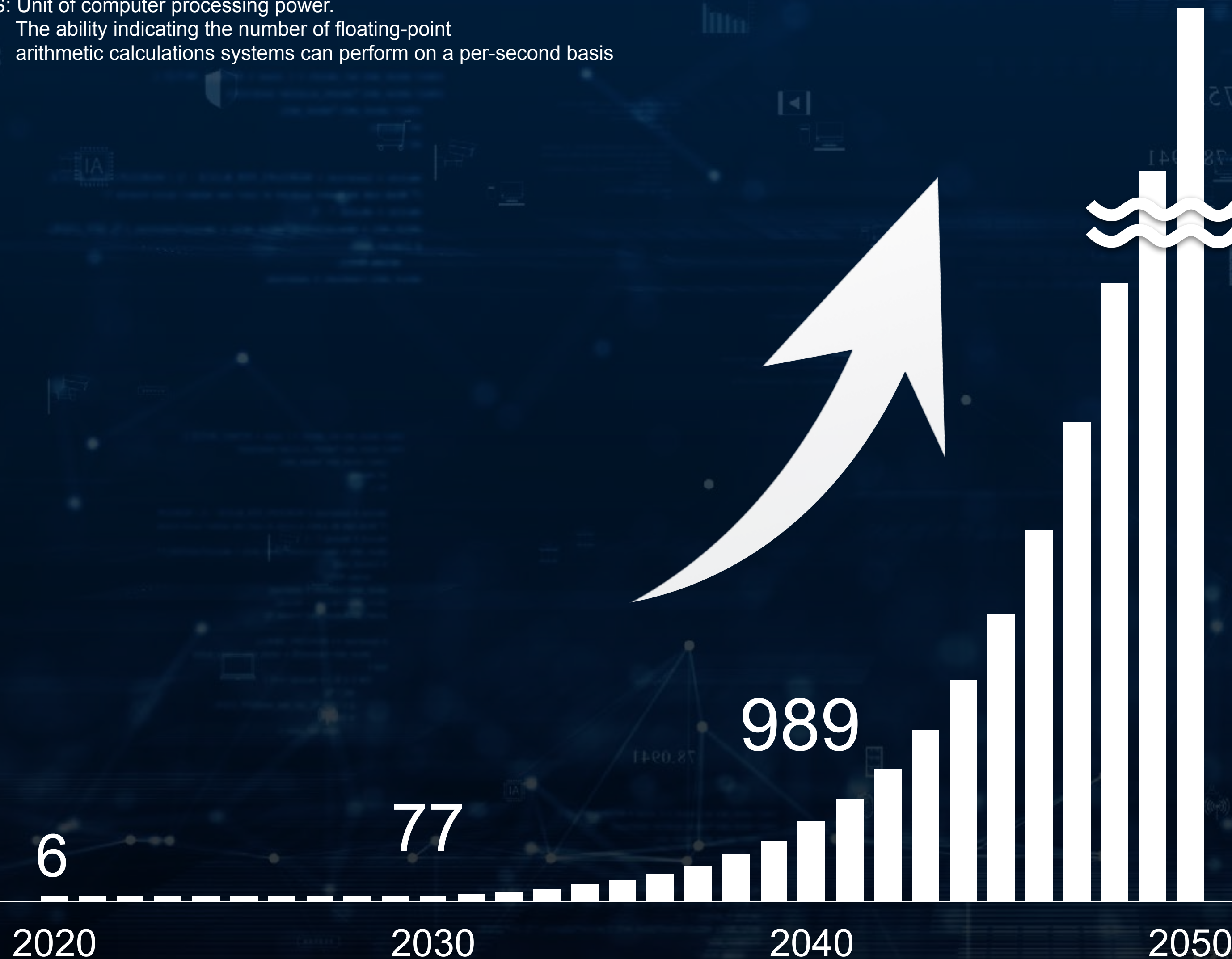
\*Exa: 18 to the power of 10

\*FLOPS: Unit of computer processing power.

The ability indicating the number of floating-point arithmetic calculations systems can perform on a per-second basis

Over 12,000

**Rapidly growing**  
data processing demand



# Computing Capacity Required for Data Processing (Convert to Fugaku)

[ExaFLOPS]

\*Exa: 18 to the power of 10

\*FLOPS: Unit of computer processing power.

The ability indicating the number of floating-point arithmetic calculations systems can perform on a per-second basis

Japanese Supercomputer

# Fugaku

(432 racks / system)



©RIKEN

(Source) The estimates by SoftBank Corp. are based on the 5th Semiconductor and Digital Industry Strategy Review Conference (Ministry of Economy, Trade and Industry) (assuming the current trend of increasing computation load)

\*The estimates by SoftBank Corp. are based on Fugaku system configuration: 415.5 PFLOPS (as of June 2020)

Number of racks at Fugaku: provided by RIKEN

# Computing Capacity Required for Data Processing

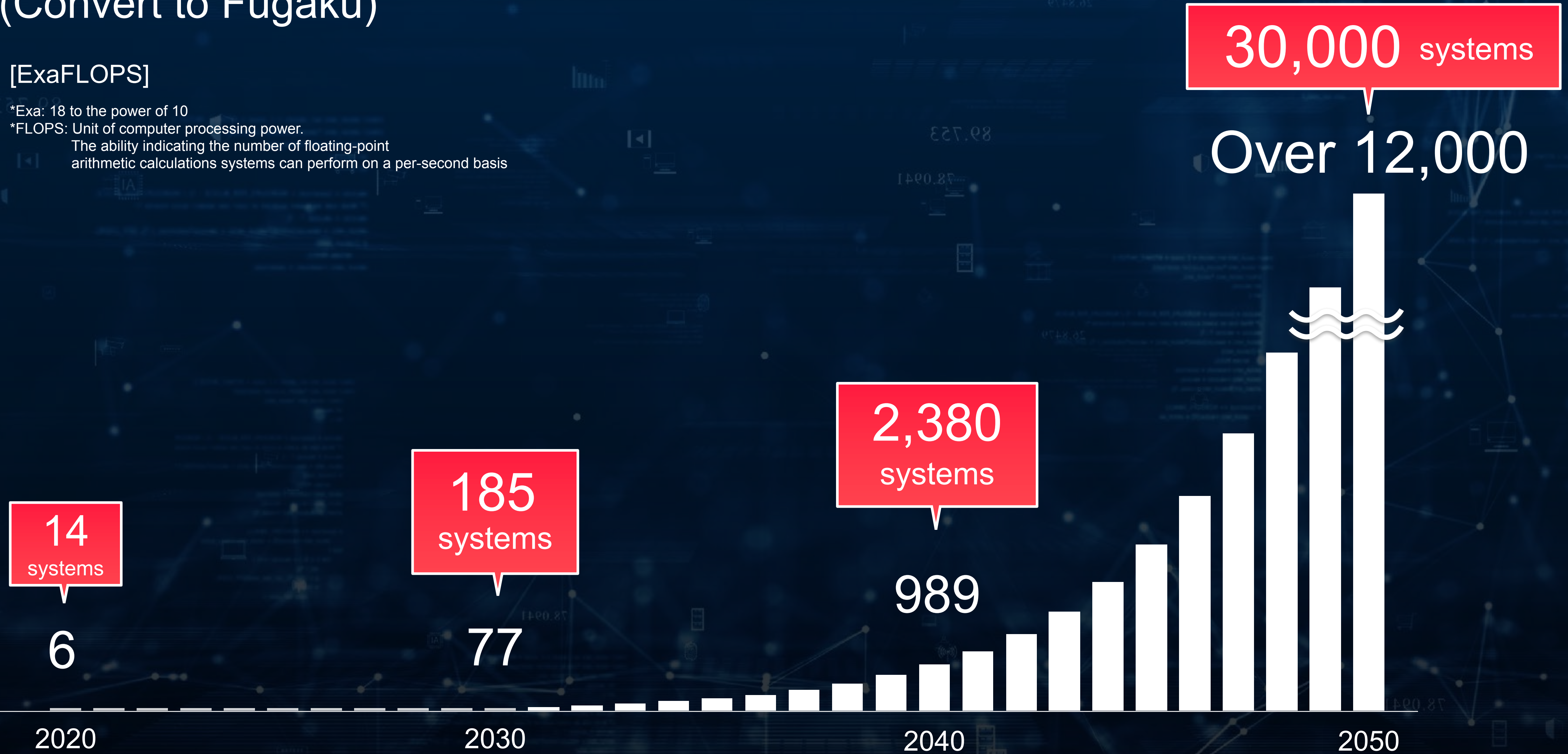
(Convert to Fugaku)

[ExaFLOPS]

\*Exa: 18 to the power of 10

\*FLOPS: Unit of computer processing power.

The ability indicating the number of floating-point arithmetic calculations systems can perform on a per-second basis



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\*The estimates by SoftBank Corp. are based on Fugaku system configuration: 415.5 PFLOPS (as of June 2020)

# Computing Capacity Required for Data Processing (Convert to large thermal power)

[ExaFLOPS]

\*Exa: 18 to the power of 10

\*FLOPS: Unit of computer processing power.

The ability indicating the number of floating-point arithmetic calculations systems can perform on a per-second basis



2.2 plants

14 systems

6

28 plants

185 systems

77

360 plants

2,380 systems

989

4,500 plants

30,000 systems

Over 12,000

2020

2030

2040

2050

(Source) The estimates by SoftBank Corp. are based on the 5th Semiconductor and Digital Industry Strategy Review Conference (Ministry of Economy, Trade and Industry) (assuming the current trend of increasing computation load)  
 \*The estimates by SoftBank Corp. are based on Fugaku system configuration: 415.5 PFLOPS (as of June 2020), large thermal power = 535,000 kW, large thermal power conversion = calculation capacity divide back to DC

# Computing Capacity Required for Data Processing (Convert to large thermal power)

[ExaFLOPS]

\*Exa: 18 to the power of 10

\*FLOPS: Unit of computer processing power.

The ability indicating the number of floating-point arithmetic calculations systems can perform on a per-second basis



2.2 plants

14 systems

6

185 systems

77

360 plants

2,380 systems

989

In case energy saving is factored in  
1/10~1/40  
9 - 36 plants

2020

2030

2040

2050

(Source) The estimates by SoftBank Corp. are based on the 5th Semiconductor and Digital Industry Strategy Review Conference (Ministry of Economy, Trade and Industry) (assuming the current trend of increasing computation load)  
\*The estimates by SoftBank Corp. are based on Fugaku system configuration: 415.5 PFLOPS (as of June 2020), large thermal power = 535,000 kW, large thermal power conversion = calculation capacity divided back to DC.  
For the calculation when energy saving is taken into account, our calculations are based on the impact of the development of the information society on energy consumption (Vol. 4) published by JST (Japan Science and Technology Agency).

# Securing Energy Stability is Essential for Society Where AI Has Become an Ordinary Part of Daily Life

## AI • DX

### Digital Transformation



## GX

Green Transformation



# The Structure of Next-generation Social Infrastructure Required in the Future

# Fundamentally Solve Structural Issues in Infrastructure

## Present



Data processing/power consumption is **concentrated in urban areas**



## Next-generation Social Infrastructure



Data processing and power will be **produced and consumed locally and leveling off**

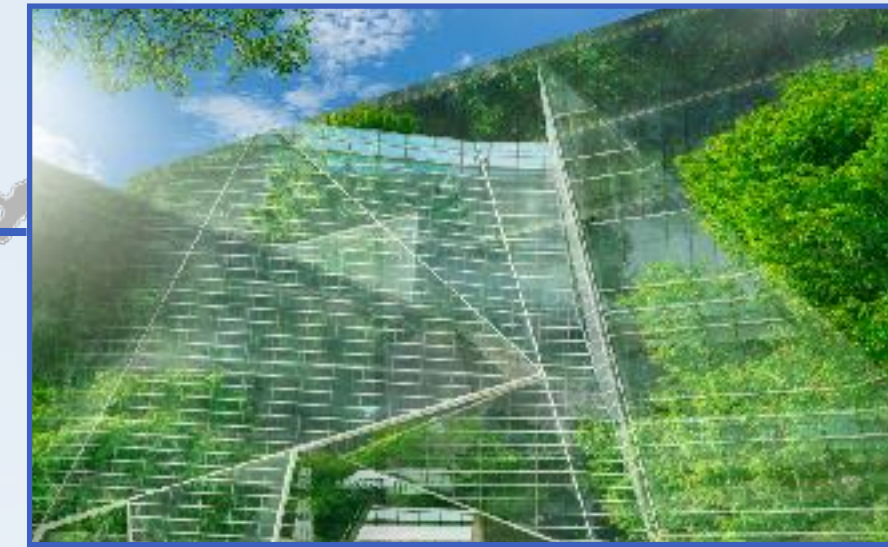


# 1) Deployment of Distributed AI Data Centers

## Regional Brain



Computing infrastructure



## Core Brain

HPC • AI infra

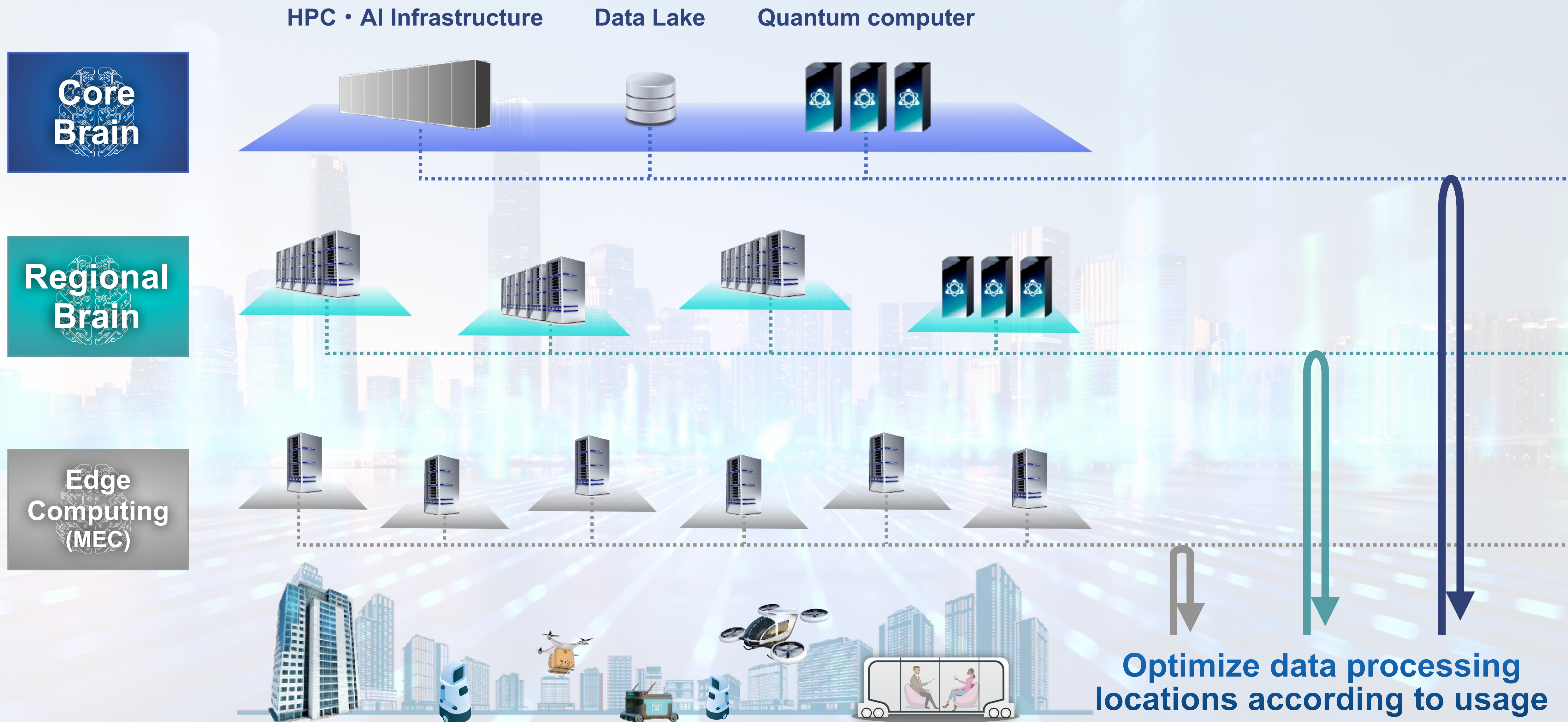
Data Lake

Quantum Computer

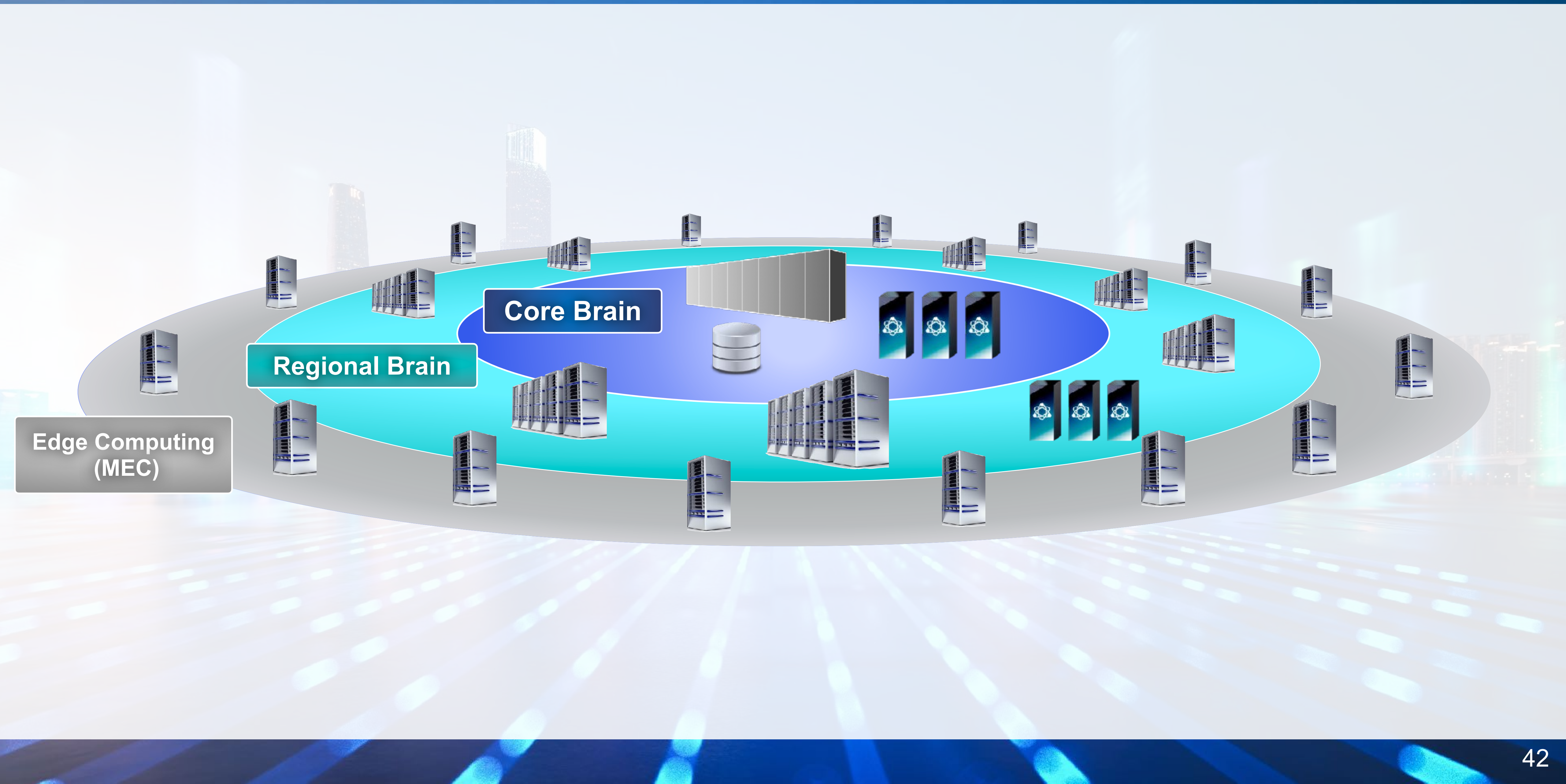


- Distributed computing infrastructure
- Green energy procurement

# 1) Deployment of Distributed AI Data Centers

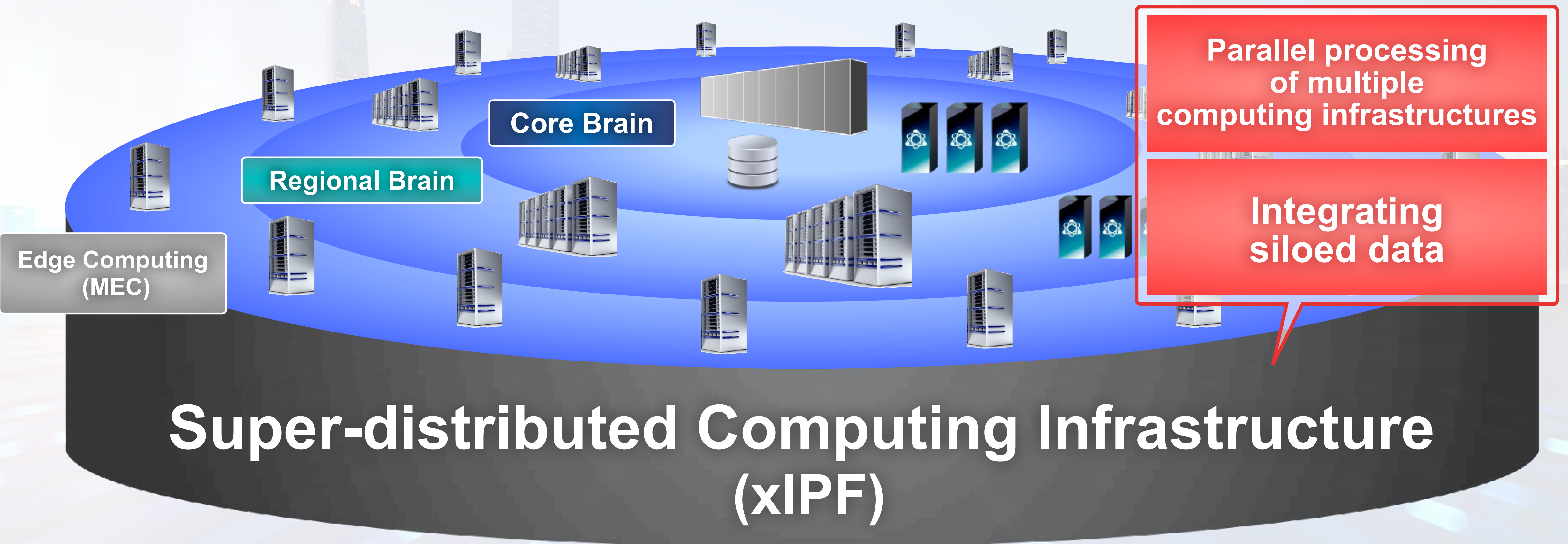


# 2) Construction of Super-distributed Computing Infrastructure



## 2) Construction of Super-distributed Computing Infrastructure

# Enable Leveling Data Processing Nationwide



# 3) Establishment and Business Promotion of Generative Intelligence Cloud

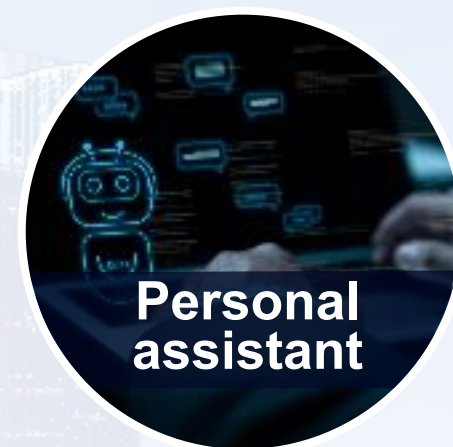
Provide the computing infrastructure needed for a future coexisting with AI as a service



Building



Factory



Personal assistant



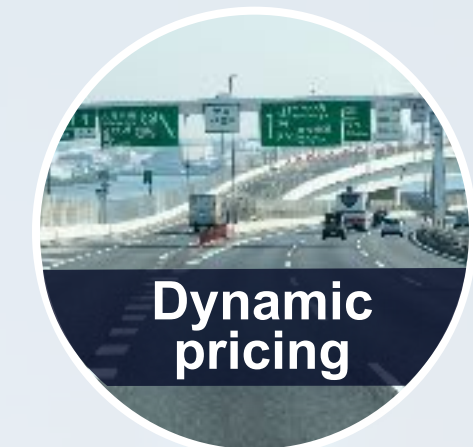
Autonomous driving



Drone



Traffic signal



Dynamic pricing

Function of Generative AI

**Cloud services with AI functions**

Function of Quantum Computing



Super-distributed Computing Infrastructure (xIPF)

# Infrastructure to Support Growth and Development of Japan

High Economic Growth Period



**Railroad and Transportation Infrastructure**

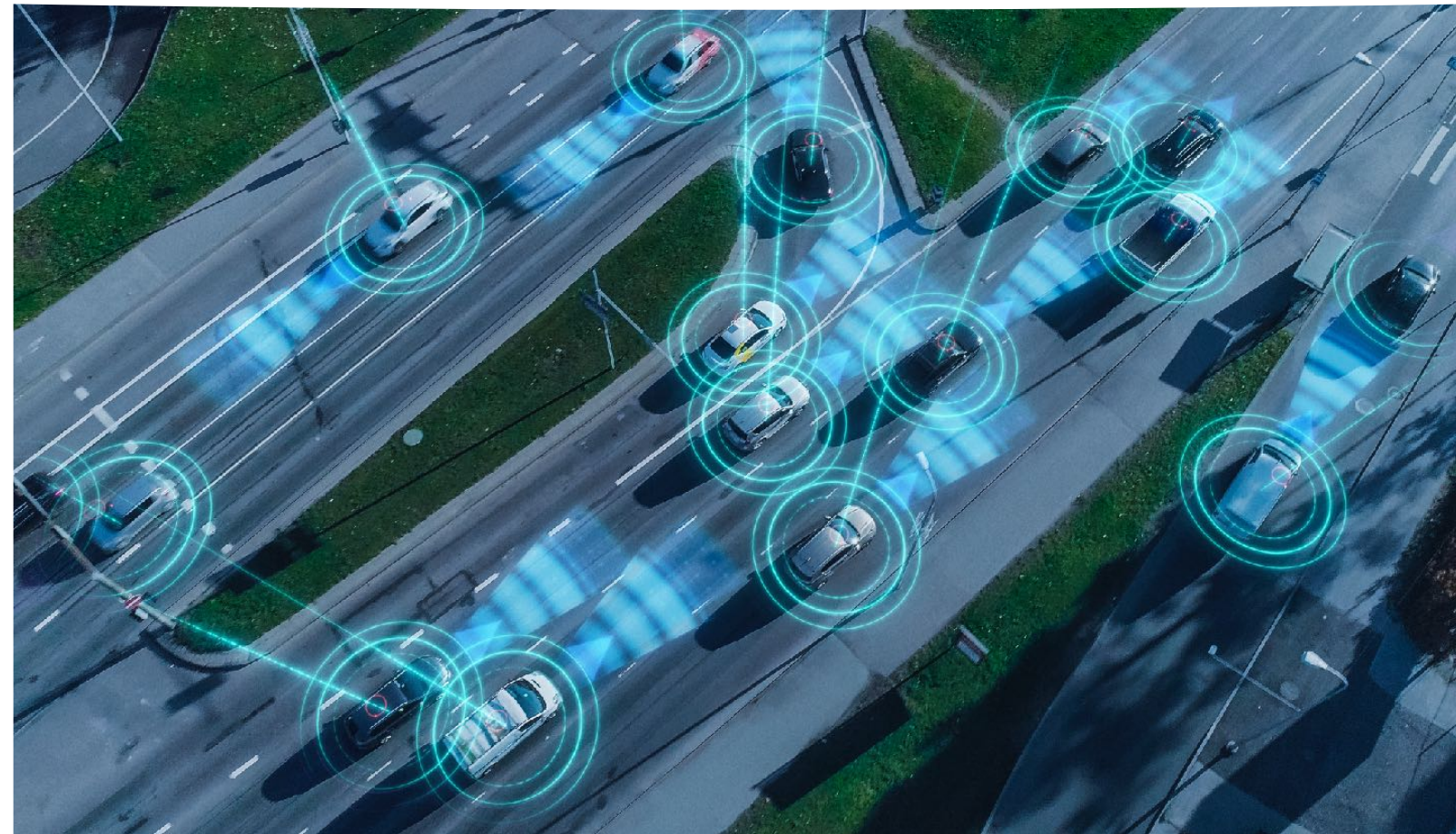
(Highways / Bullet trains / Airports)

Super Digitalized Society



**Next Generation Infrastructure**

(Regionally Distributed Data Centers / Green Energy)



# Next-generation Social Infrastructure Essential for Development of Digital Society



 SoftBank

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# Medium-term Management Plan

FY2023 - FY2025



# Road Map for Realization of Long-term Vision

**Long-term Vision** Provide Next-generation Social Infrastructure essential for development of a digital society

**Phase 1**

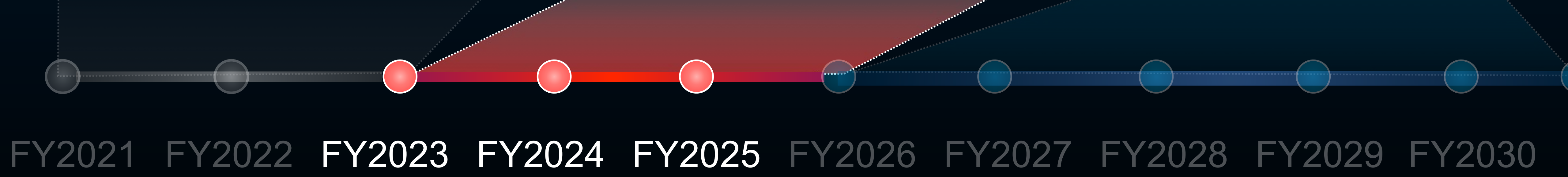
- Achieve medium-term management targets
- Promotion of digital transformation (DX)
- Research and development of necessary technologies

**Phase 2**

- Rebuild business foundation
- DX business expansion
- Implementation of technology for commercialization

**Phase 3**

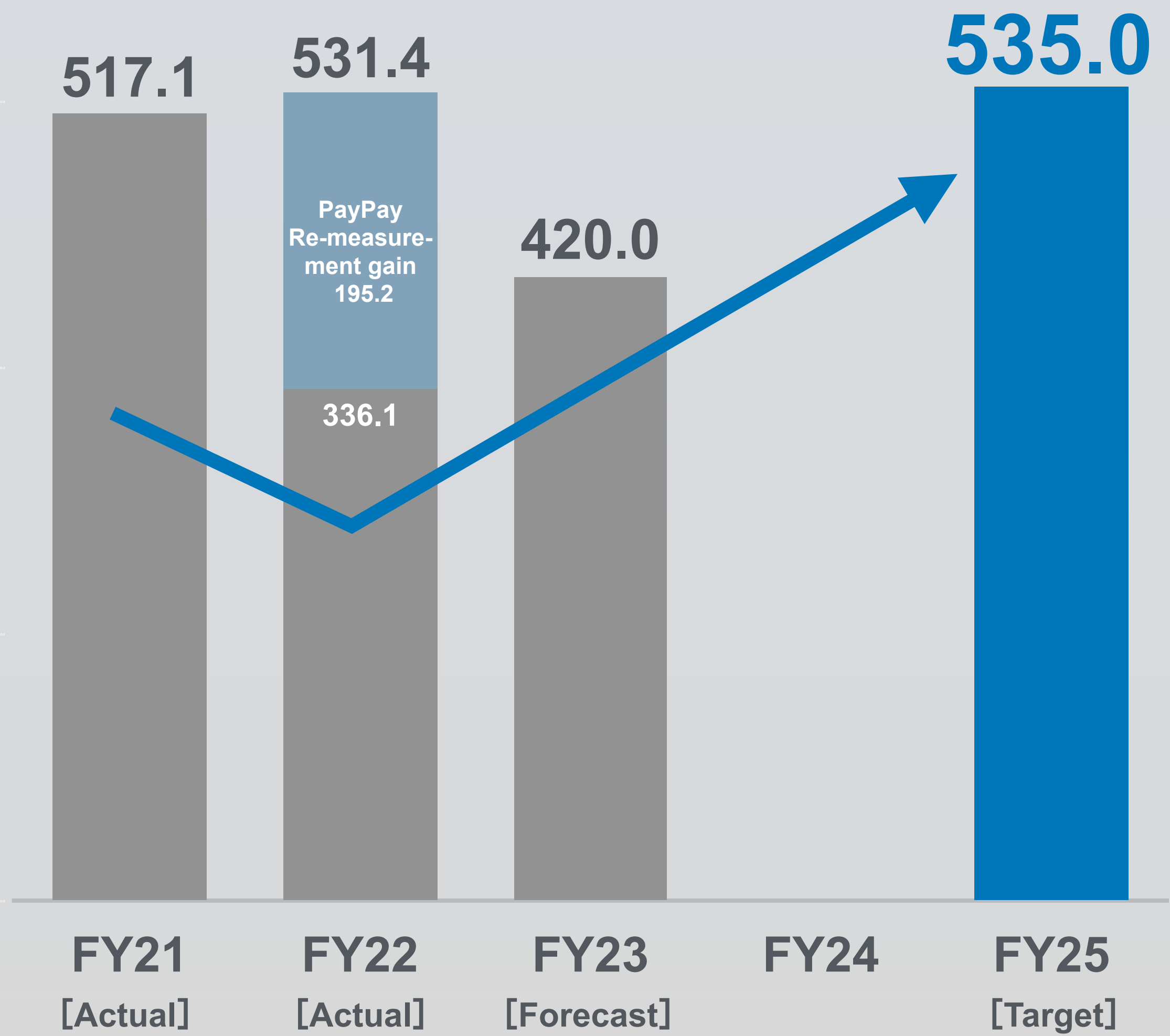
- Further business growth
- Completion of Next-generation Social Infrastructure



# Medium-term Management Plan Financial Target

[JPY bn]

## Net Income



Consolidated net income

**Pursue  
record-high  
profit**

(Compound annual growth rate of 17%)\*

(Note) Net Income: net income attributable to owners of SoftBank Corp.  
\*This is the compound annual growth rate of the FY2025 net income target from the FY2022 net income excluding the impact of the re-measurement gain (JPY 195.2 bn) associated with consolidation of PayPay

# Medium-term Management Plan (FY2023-FY2025)

## Rebuild business foundation for future growth

### Growth strategy

Execute “Beyond Carrier” strategy

### Financial targets

Pursue record-high net income in FY2025

Maintain high level of shareholder returns while meeting capital expenditure needs

# Medium-term Management Plan (FY2023-FY2025)

## Rebuild business foundation for future growth

### Growth strategy

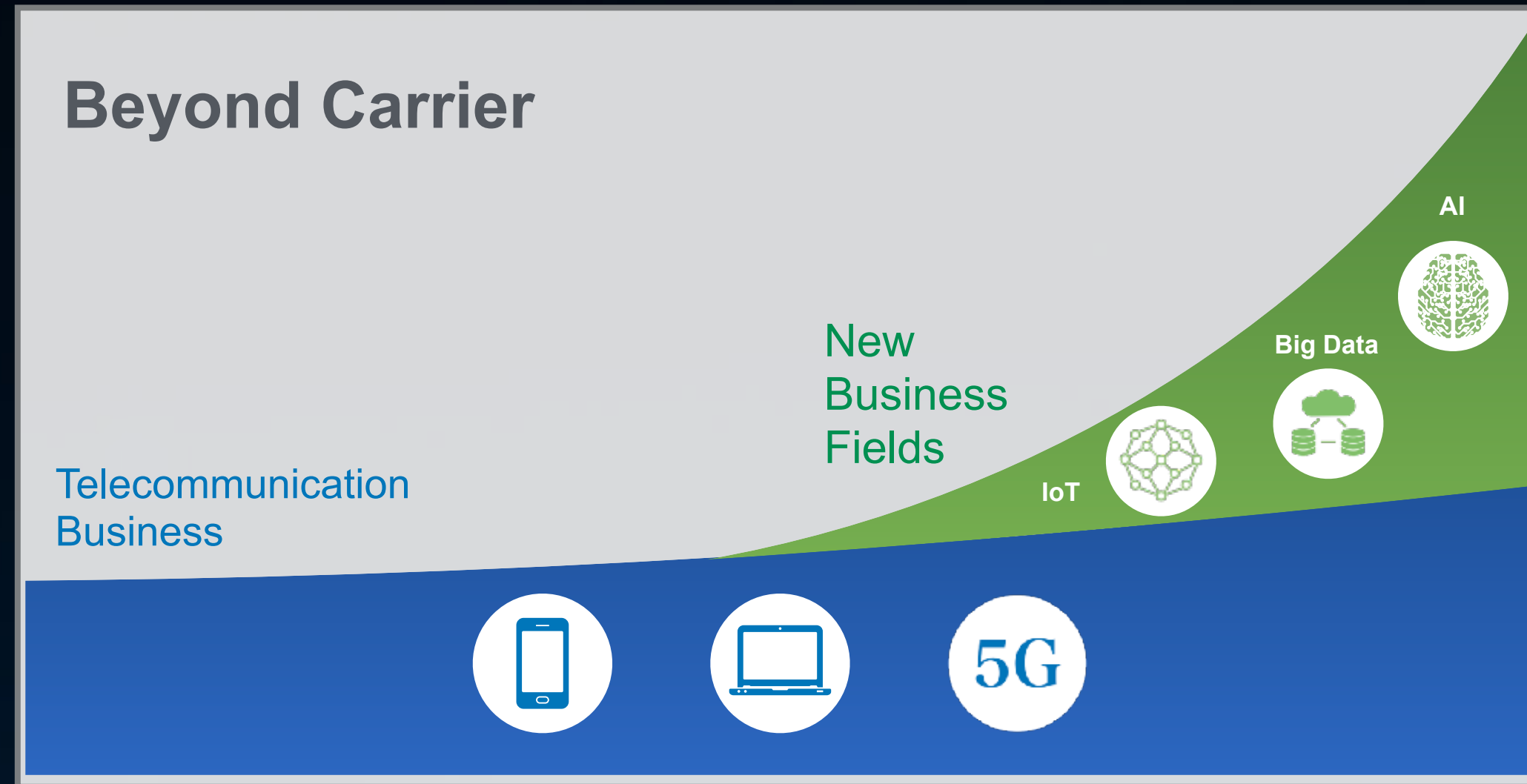
Execute “Beyond Carrier” strategy

### Financial targets

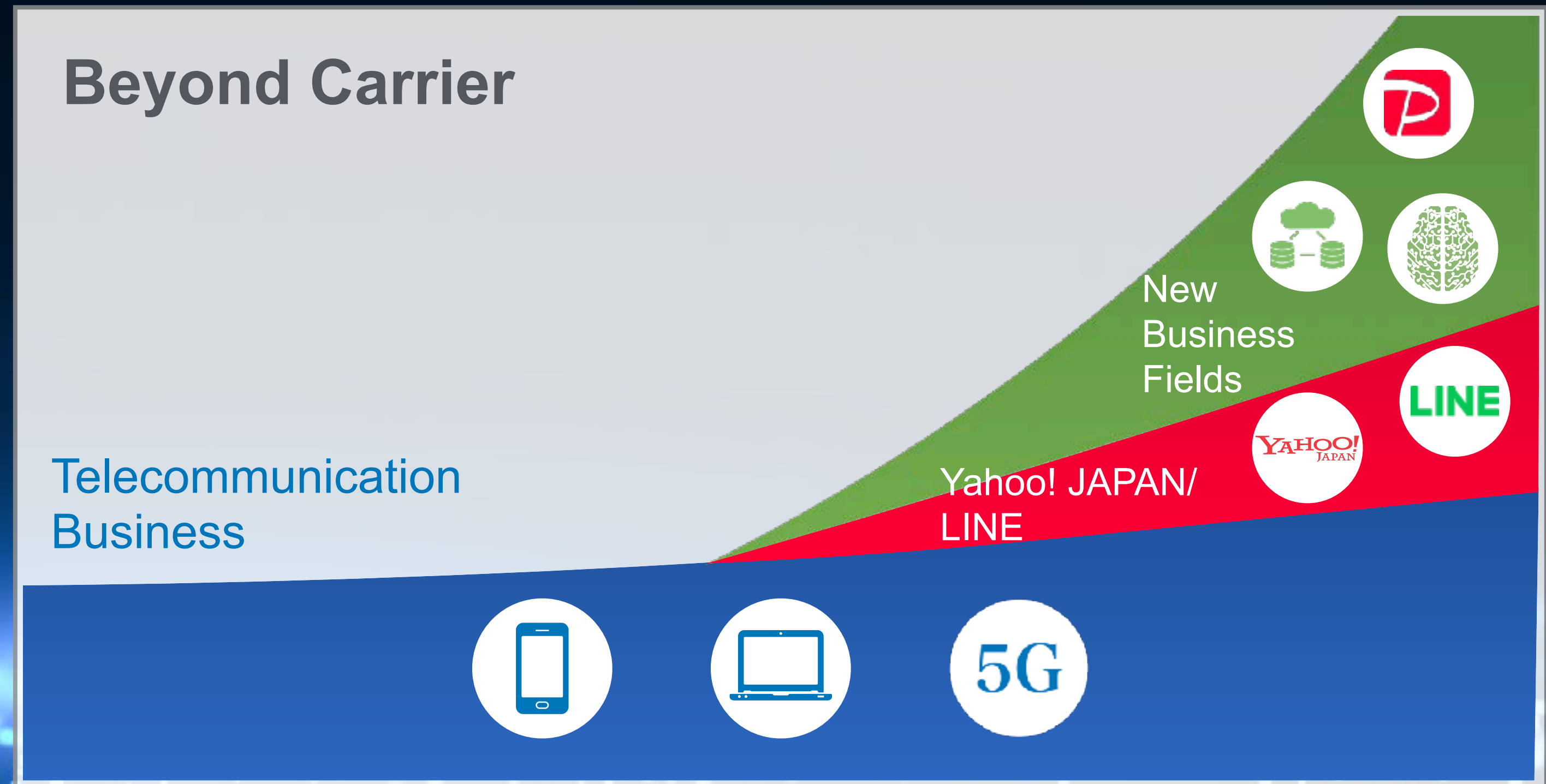
Pursue record-high net income in FY2025

Maintain high level of shareholder returns while meeting capital expenditure needs

# Growth Strategy (Previous)



**At the time of  
TSE listing**



**Until FY2022**

# Growth Strategy (FY2023 and Beyond)

## Beyond Carrier

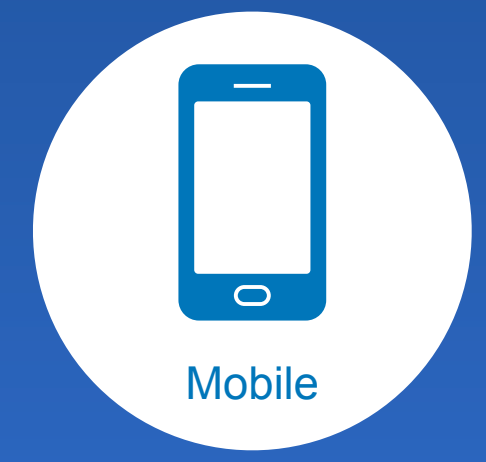
Telecommunication Business

New Business Fields

Yahoo! JAPAN/  
LINE

Financial

DX / Business Solutions





# Consumer Segment

# Consumer Segment

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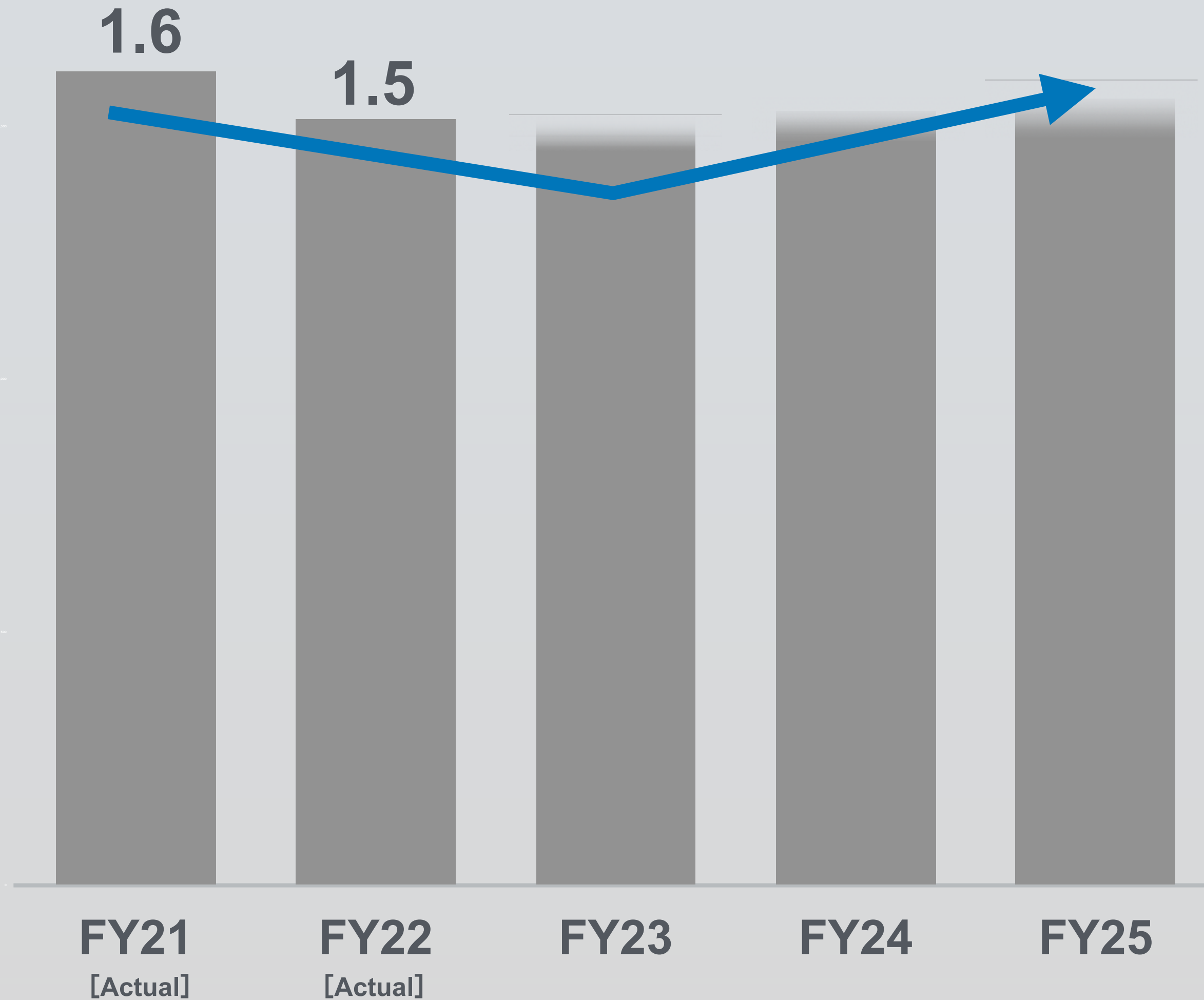
Mobile service revenue and Consumer segment income  
**To hit bottom and return to growth**



# Consumer Segment FY2025 Business Target (1)

[JPY tn]

## Mobile service revenue

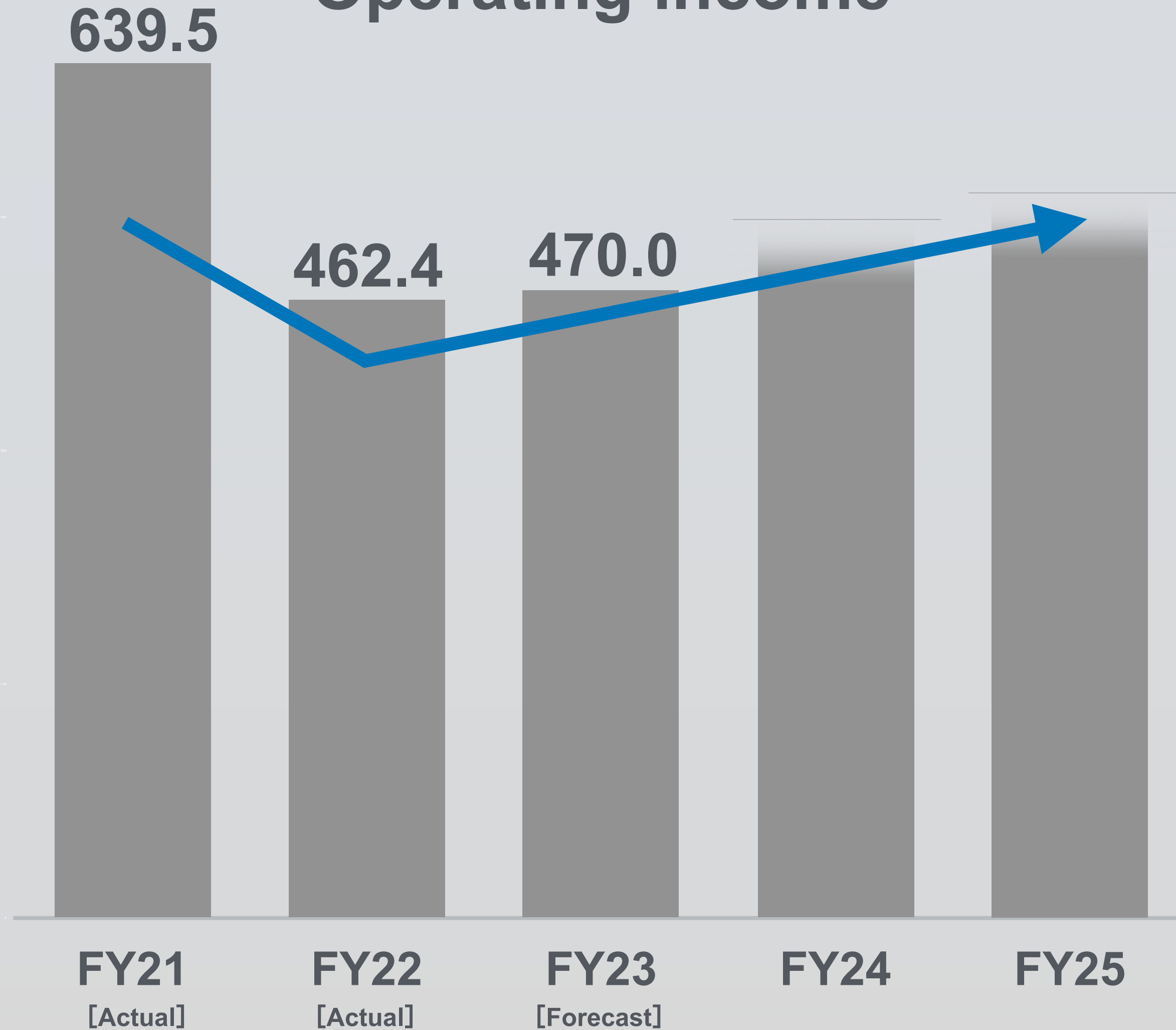


**To hit bottom in  
FY2023 and  
return to growth**

# Consumer Segment FY2025 Business Target (2)

[JPY bn]

Operating income

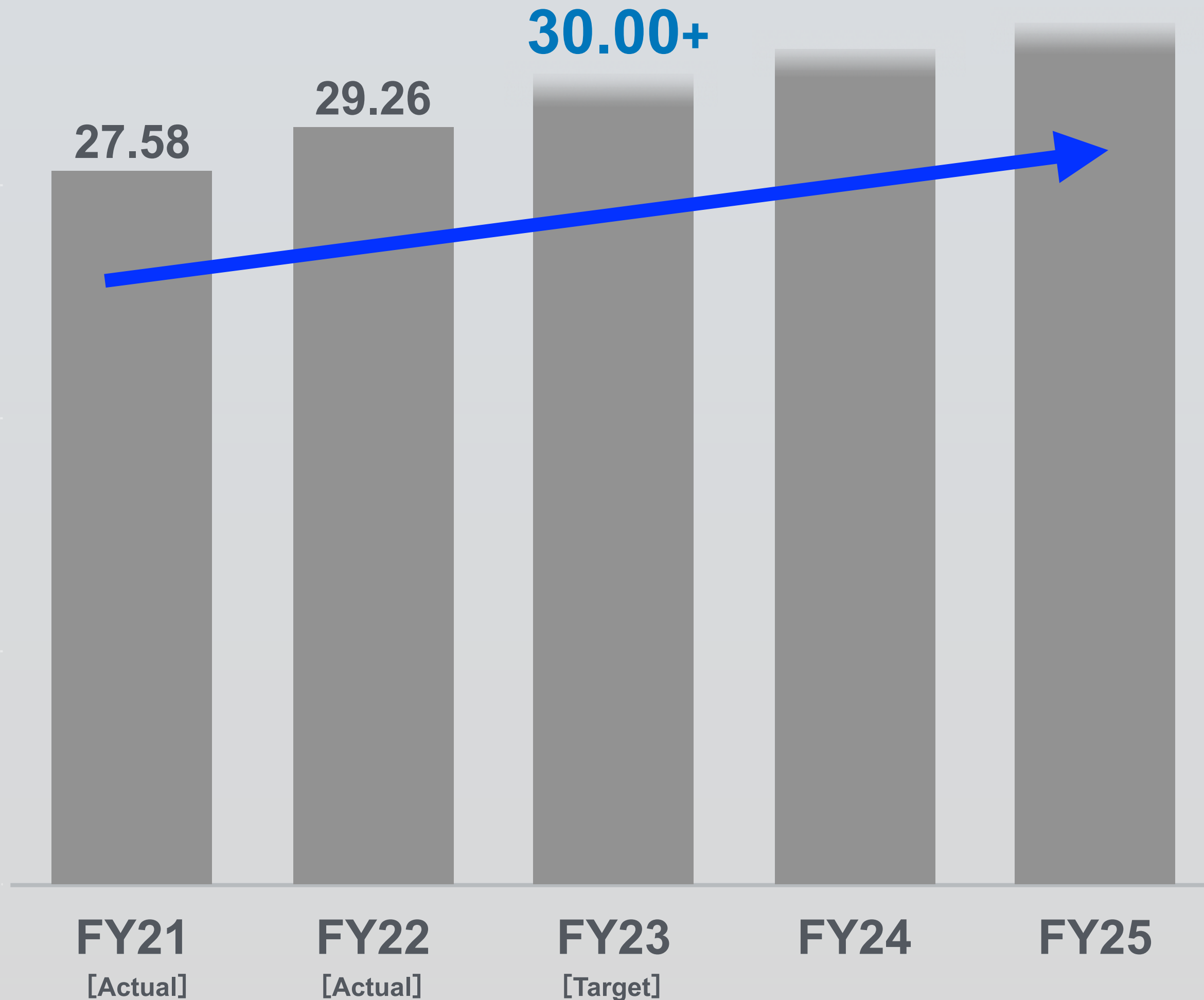


**To hit bottom in  
FY2022 and  
return to growth**

# Consumer Segment Growth Strategy 1) Smartphone Subscriber Growth

[Mil]

## Cumulative Smartphone Subscribers



**Maintain  
net increase at  
level of 1 million  
per year**

(Note) Including Enterprise contracts

# Consumer Segment Growth Strategy 2) ARPU Improvement

## Expand revenue by enhancing value-added services

**Security**



**Entertainment**



**Device warranty**



**Health Care**



**Smartphone support in stores**



**Metaverse /  
NFT (Non-Fungible Token)**



# Consumer Segment Growth Strategy 2) ARPU Improvement

## Create new services leveraging features of 5G SA

(Stand Alone)

Features of  
5G SA

Ultra-high speed/  
Large capacity

Ultra-low latency

Mass machine  
connections



Group  
Services

YAHOO!  
JAPAN

LINE

ZOZOTOWN

PayPay PayPay カード  
Card

ASKUL





# Enterprise Segment

# Enterprise Segment

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**Business solution and others revenue and Enterprise segment income**

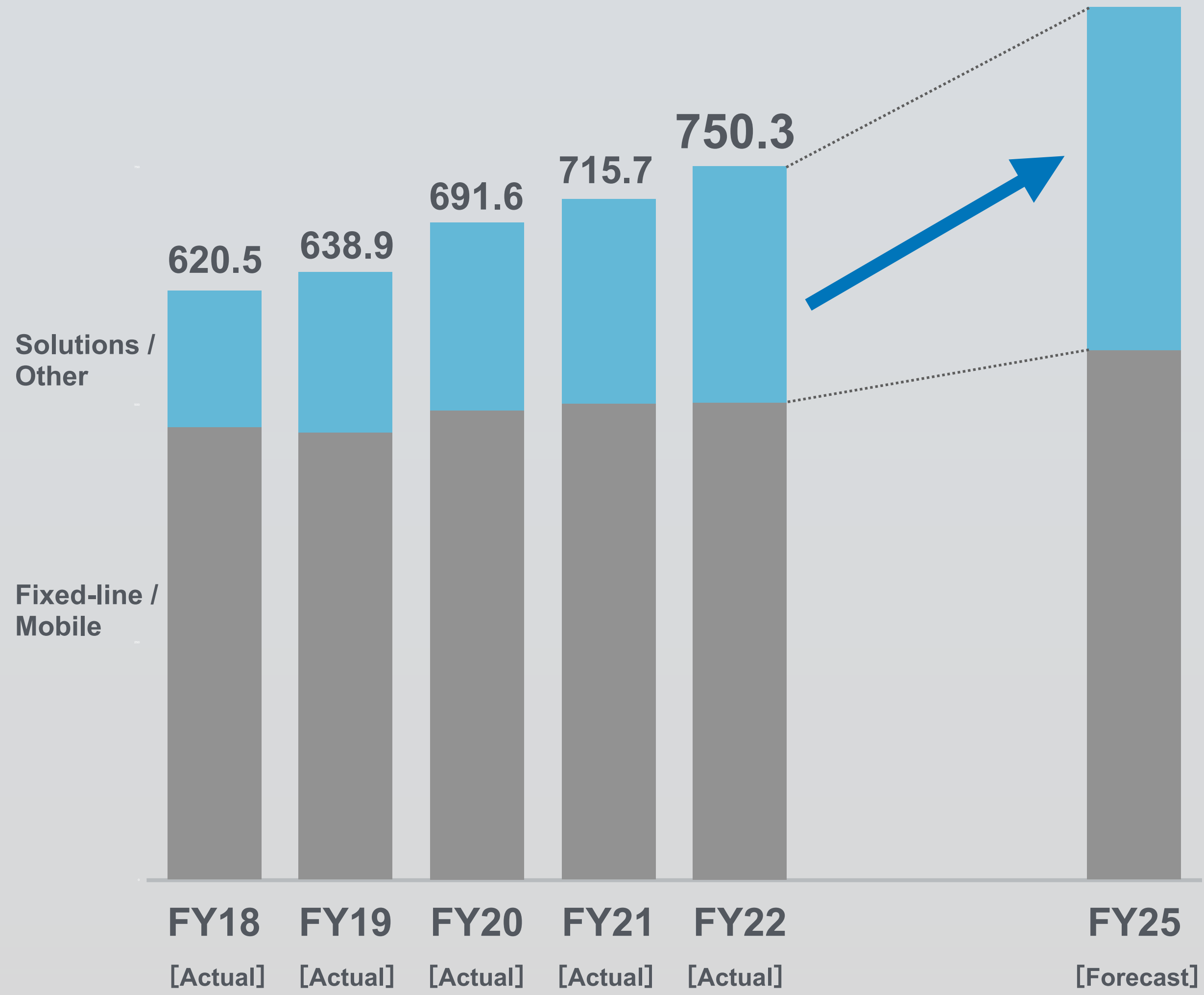
## **Pursue Double-digit Growth**

**Compound Annual Growth Rate from FY2023 to FY2025**

# Enterprise Segment FY2025 Business Target

[JPY bn]

## Revenue



Business solution and others revenue

**Pursue  
double-digit  
growth**

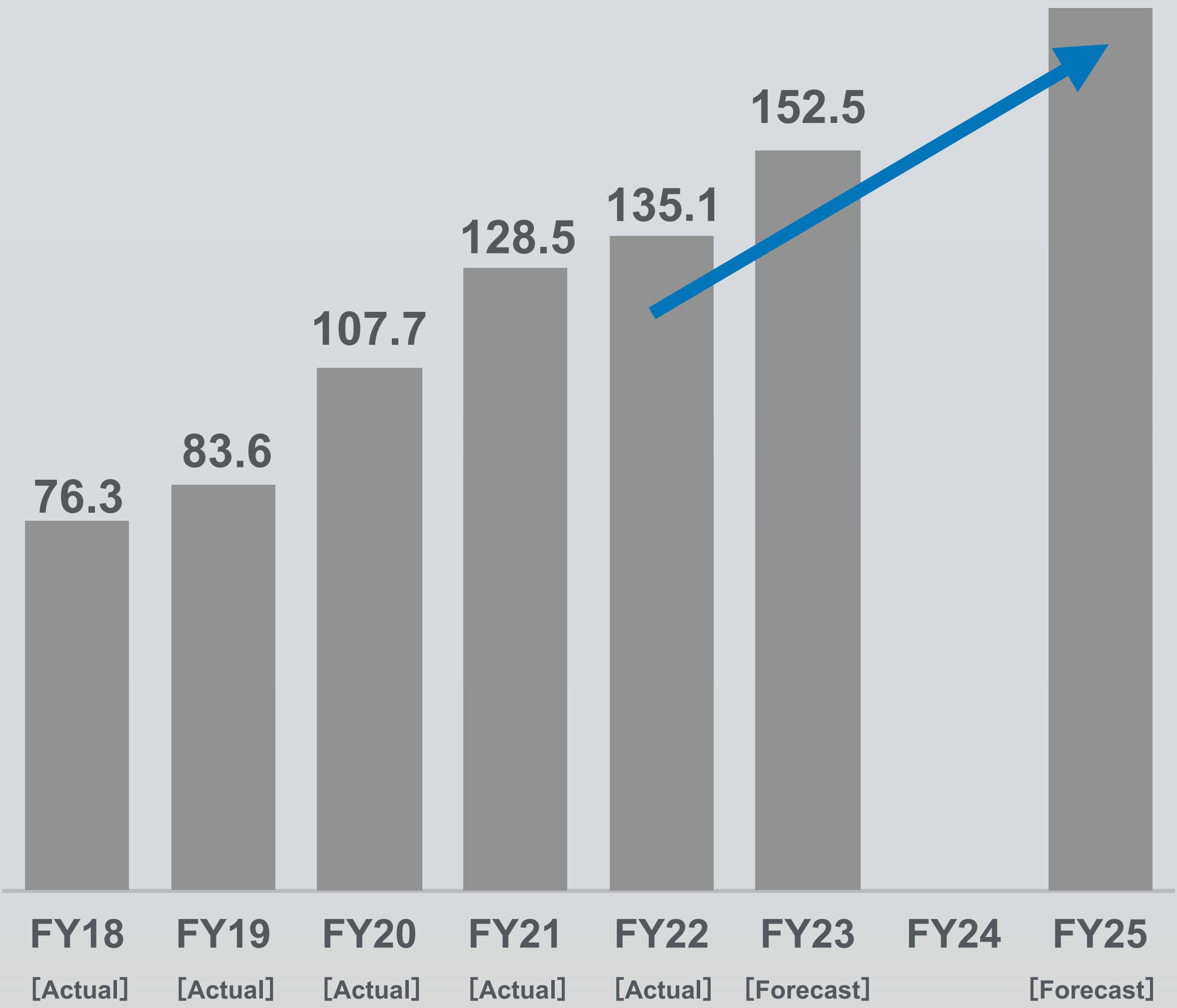
Compound annual growth rate  
from FY2023 to FY2025



# Enterprise Segment FY2025 Business Target

[JPY bn]

## Operating Income



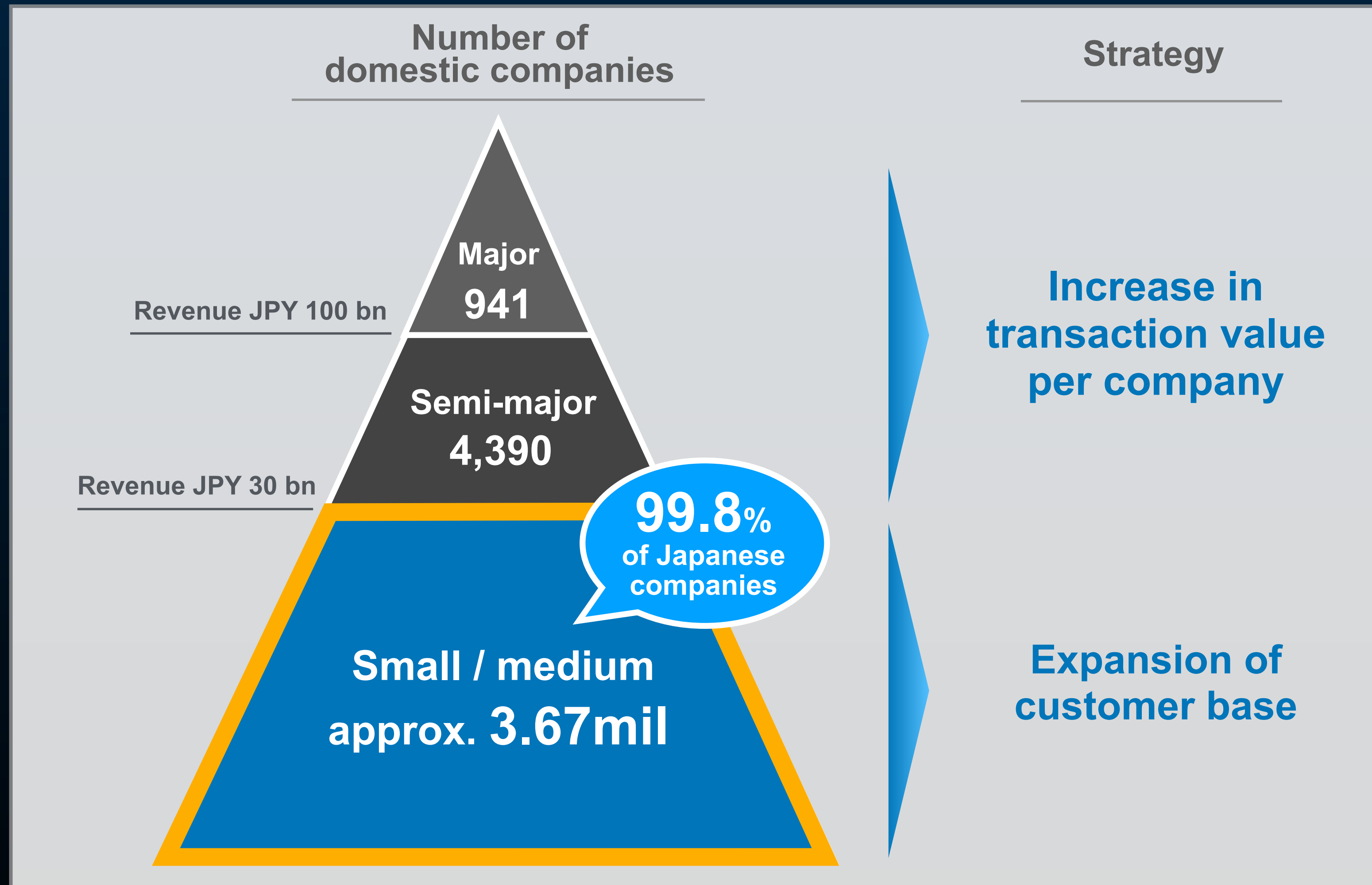
Operating Income  
**Pursue  
double-digit  
growth**

Compound annual growth rate  
from FY2023 to FY2025

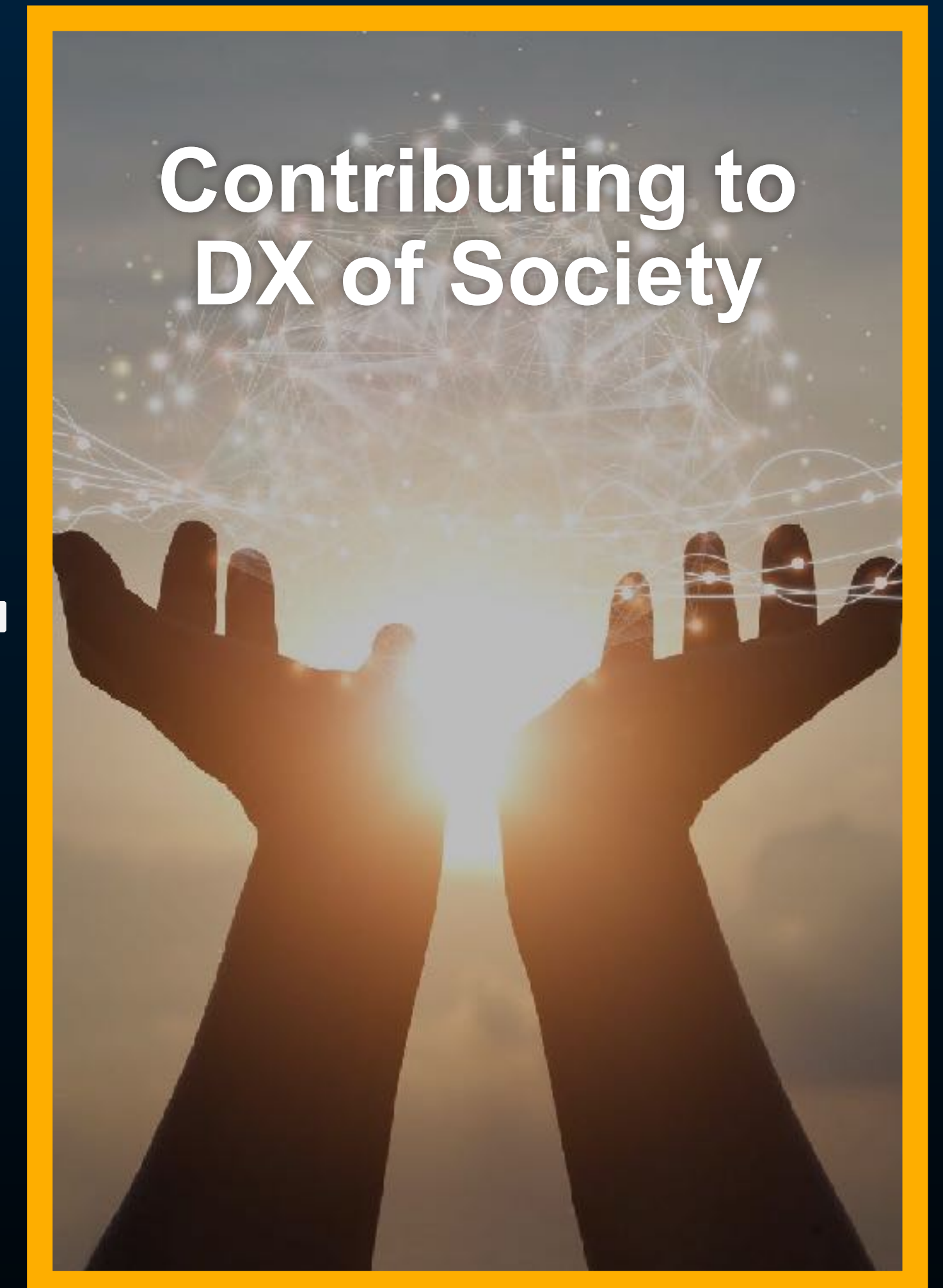
# Enterprise Segment Growth Strategy

## Provide solutions tailored to company scale

**Generate new businesses**  
Leading to solutions of social issues



+

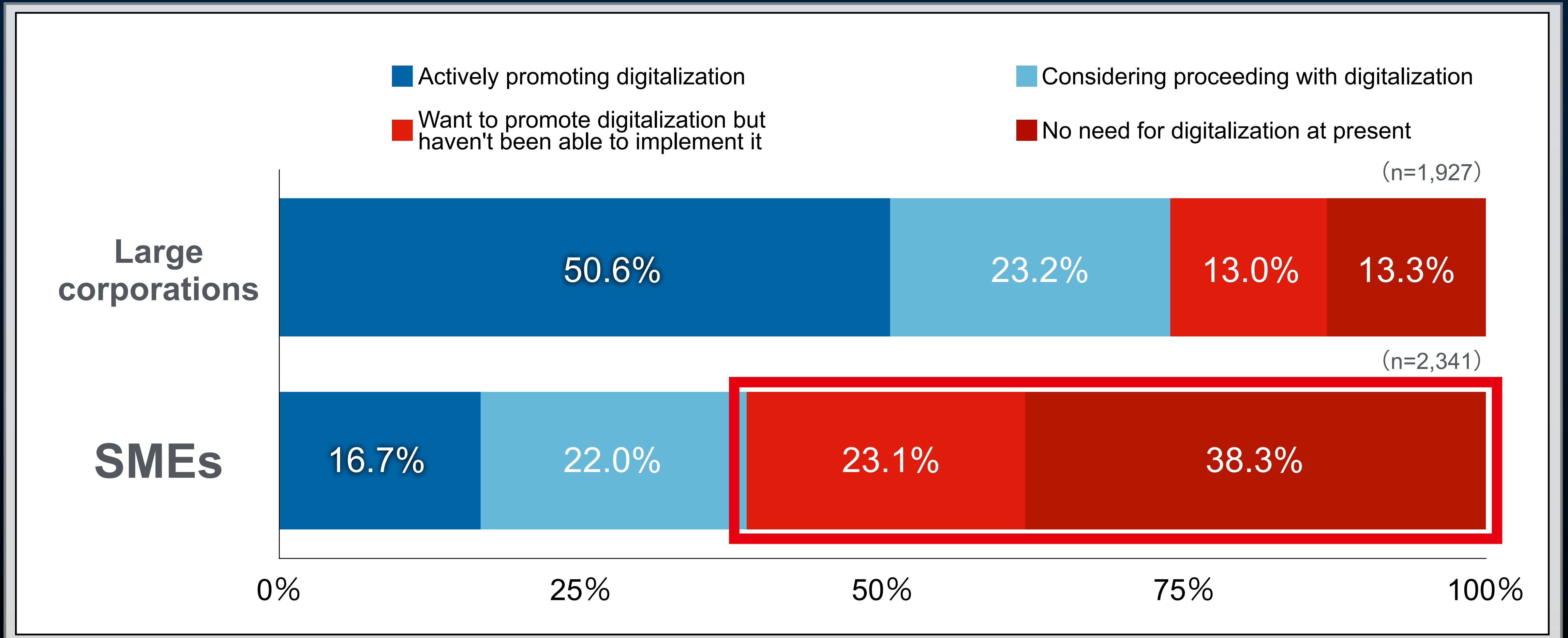


(Notes) Major companies: Listed companies with sales of JPY 100 bn or more. The number of companies is calculated by SoftBank Corp. based on "Nikkei Value Search".  
Semi-major companies: Companies with sales between JPY 30 bn and JPY 100 bn. The number of companies is calculated by SoftBank Corp. based on "Nikkei Value Search".  
Small / medium companies: Companies with sales of less than JPY 30 bn. The number of companies is calculated by SoftBank Corp. based on "2021 Economic Census for Business Activity by Ministry of Internal Affairs and Communications, and Ministry of Economy, Trade and Industry".

# Enterprise Segment Growth Strategy

1) Provide solutions tailored to company scale (small / mid-sized companies)

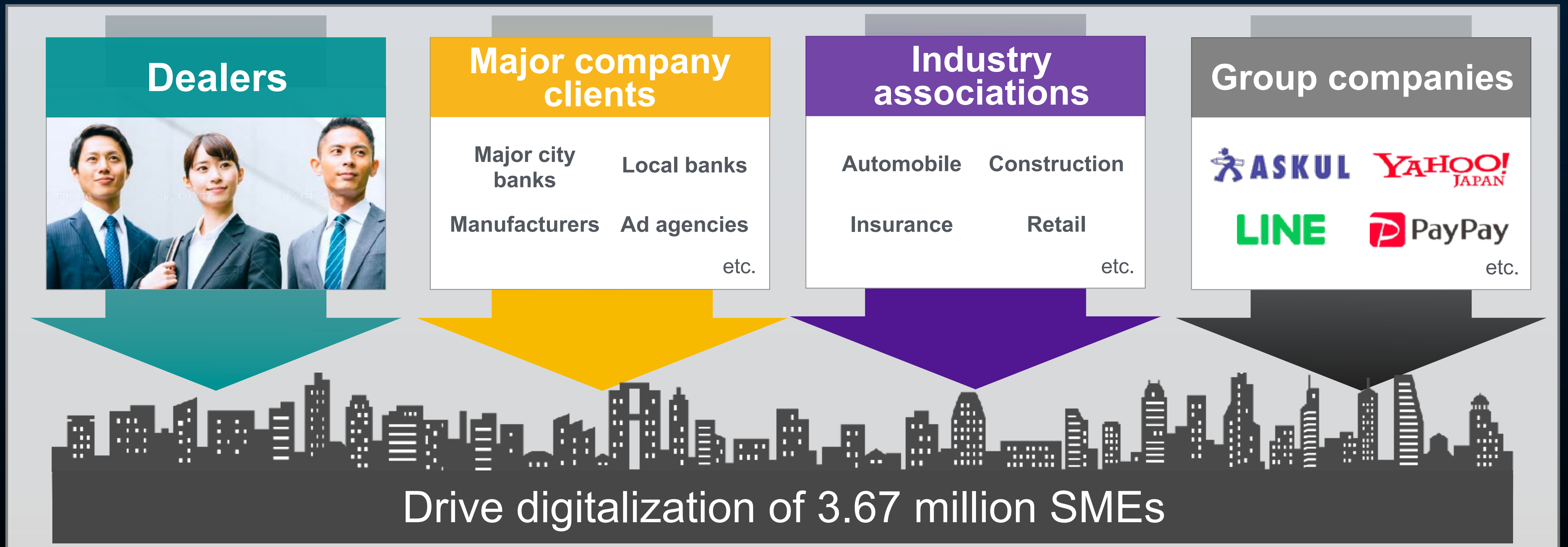
## 60% of SMEs have not yet started digitalization



# Enterprise Segment Growth Strategy

1) Provide solutions tailored to company scale (small / mid-sized companies)

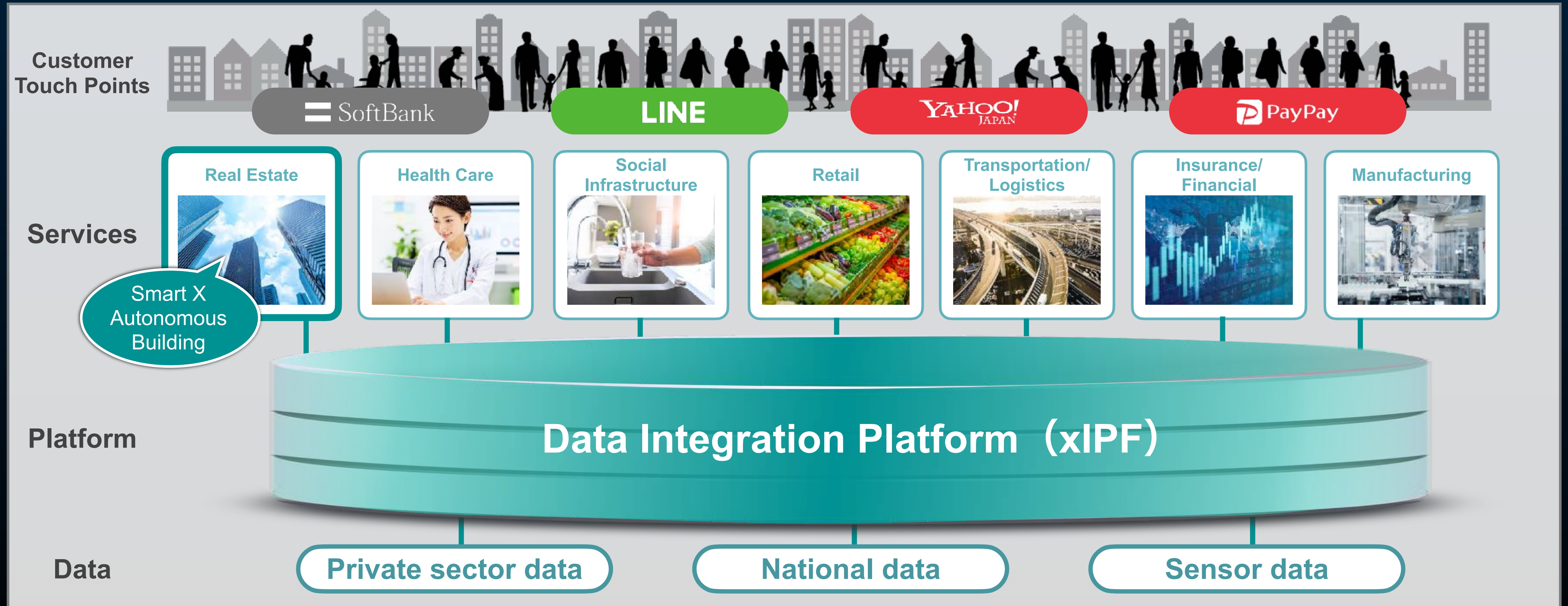
**Collaborate with client companies, industry associations,  
and group companies  
that have SMEs companies as customers/members**



# Enterprise Segment Growth Strategy

## 2) Generate new businesses

**Build data integration infrastructure to promote digitalization in Japan**  
(Adopted as NEDO-commissioned R&D)



# Enterprise Segment Growth Strategy

2) Generate new businesses: Case study - successful project bids

## In charge of ICT area of smart stadium

**New Prince Chichibu Memorial Rugby Stadium**

**Nagasaki Stadium City Project**

IoT

Robot

AI

SoftBank

Network

Cloud

Consortium

鹿島建設

三井不動産  
MITSUI FUDOSAN

東京建物

株式会社 東京ドーム

「今を生きる楽しさ」を!  
Japanet

(Note) New Prince Chichibu Memorial Rugby Stadium: In addition to SoftBank Corp., nine other cooperating companies are participating in the consortium.

# Enterprise Segment Growth Strategy

## 2) Generate new businesses: Case study - autonomous building

### Buildings operate autonomously with linked data

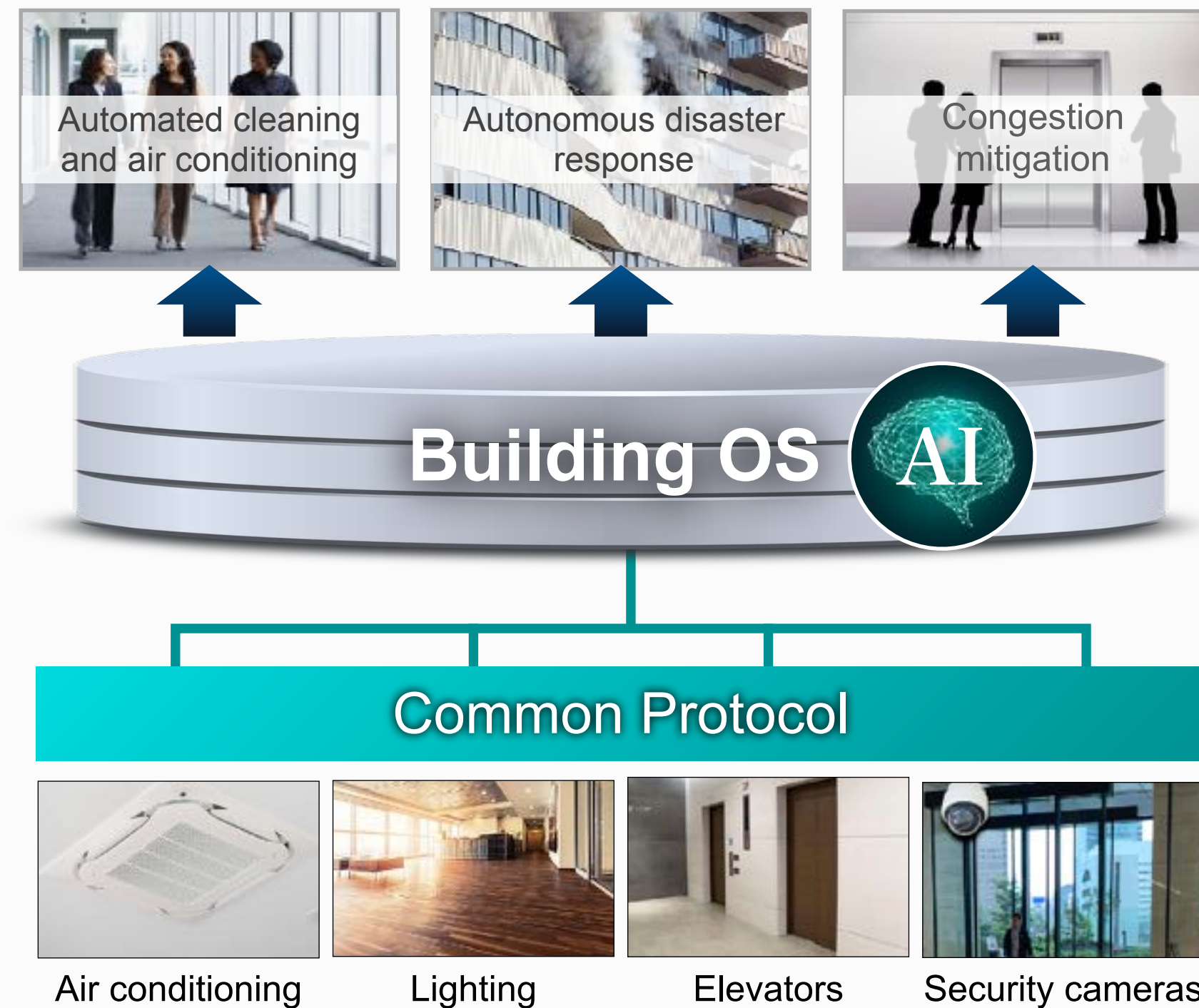
#### Issues

After completion of construction  
**Building value decreases**



#### Autonomous Building

Building OS utilization contributes to building value enhancement



Example of a large building\*

Operational manpower  
**50% down**

Power consumption  
**13% down**

LAN cables  
**30km reduced**

\* Simulated results may vary depending on various conditions such as building size, operating conditions, etc.



# Financial Segment



# Financial Segment

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## Turn Segment Profitable by FY2025



# Financial Business PayPay Future Initiatives

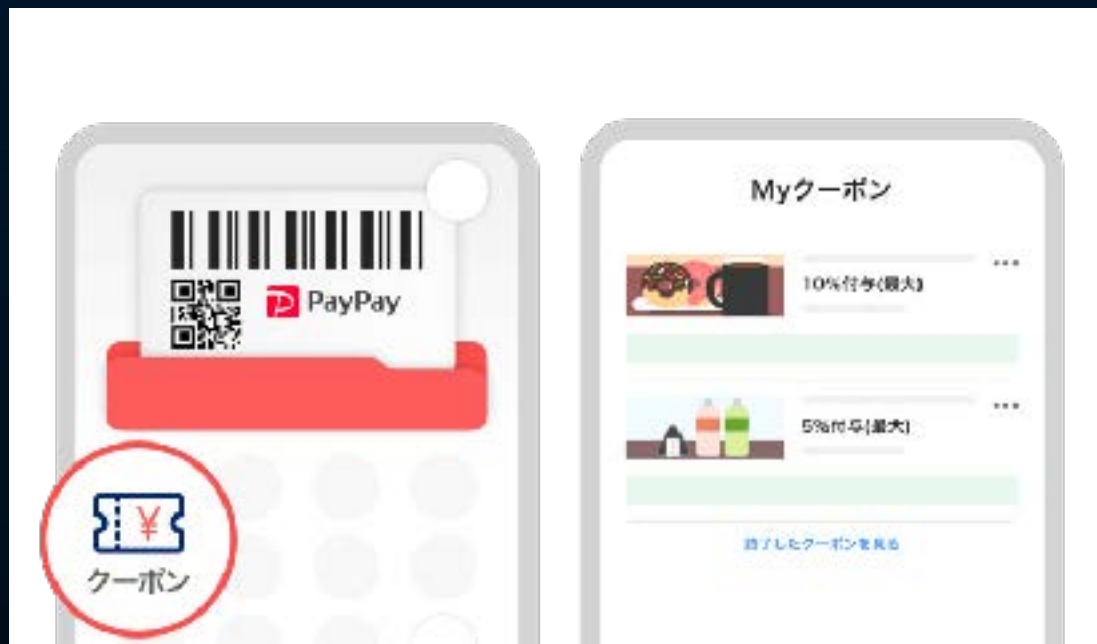


## Pursue high growth with diversified revenue sources



**Financial services**

**Asset management, insurance  
Personal and corporate loans, etc.**



**Value-added services for merchants**

**Sales promotion services for merchants such as coupons and stamp cards, etc.**

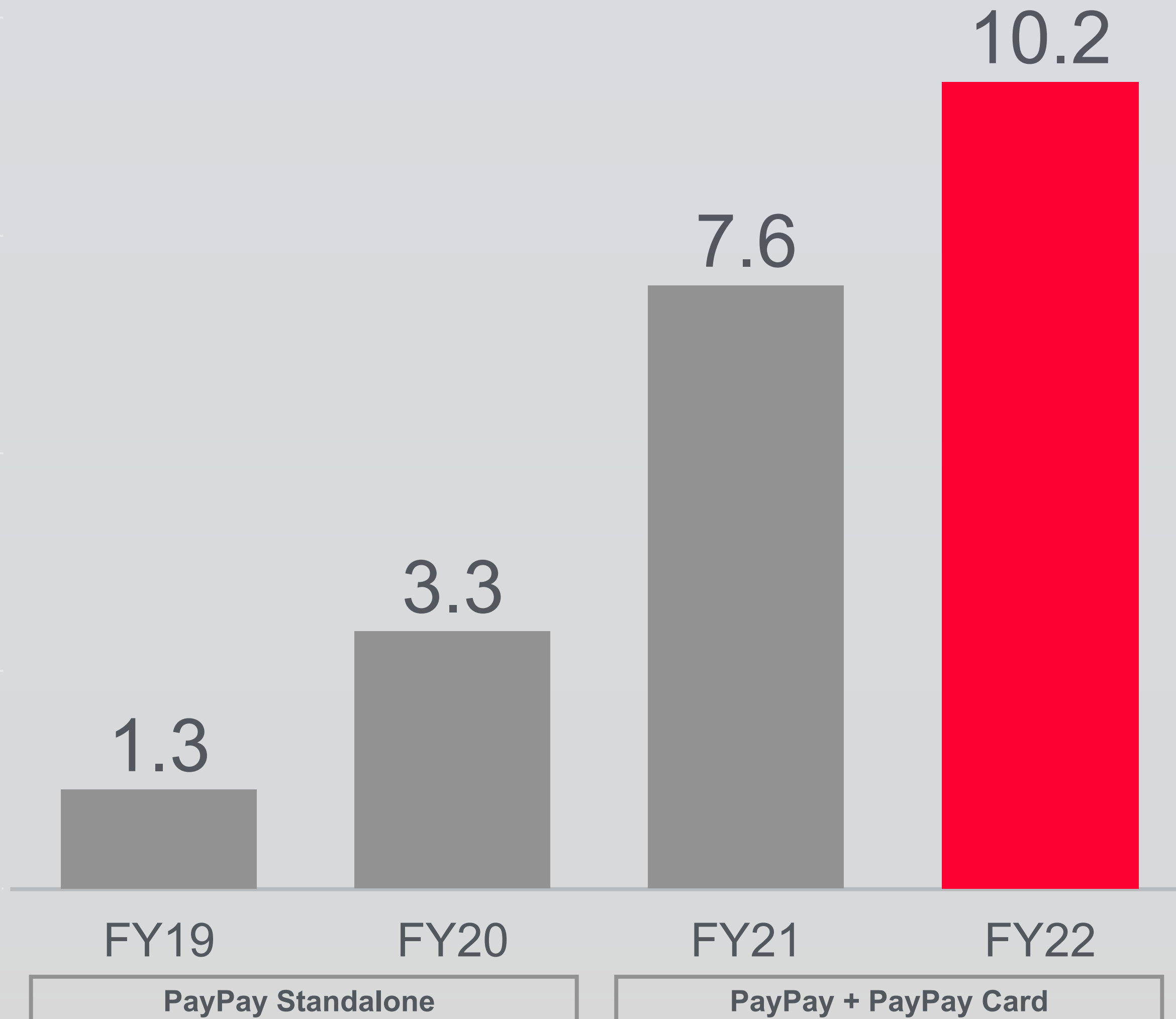


**Payment services**

**Code payment, PayPay deferred payment,  
Card payment**

[JPY tn]

## GMV



# Reached JPY 10 tn

in 4.5 years since service launch,  
exceptionally fast speed



Source: PayPay Corporation  
Note: Does not include use of the "send/receive" function of "PayPay balance" between users.  
From Q4 of FY2021 onward, includes payments via "Alipay", "LINE Pay", etc.  
Includes payments through "PayPay Atobarai (deferred payment)" launched in February 2022.  
GMV of PayPay Card Corporation has been added to GMV PayPay Corporation since FY2021.  
Internal transactions between PayPay Corporation and PayPay Card Corporation has been eliminated

# Payment System Fee

## Maximize GMV with PayPay Card integration

Providing seamless means of payment

PayPay Code payment (+Deferred payment)

+

PayPayCard (Credit card payment)



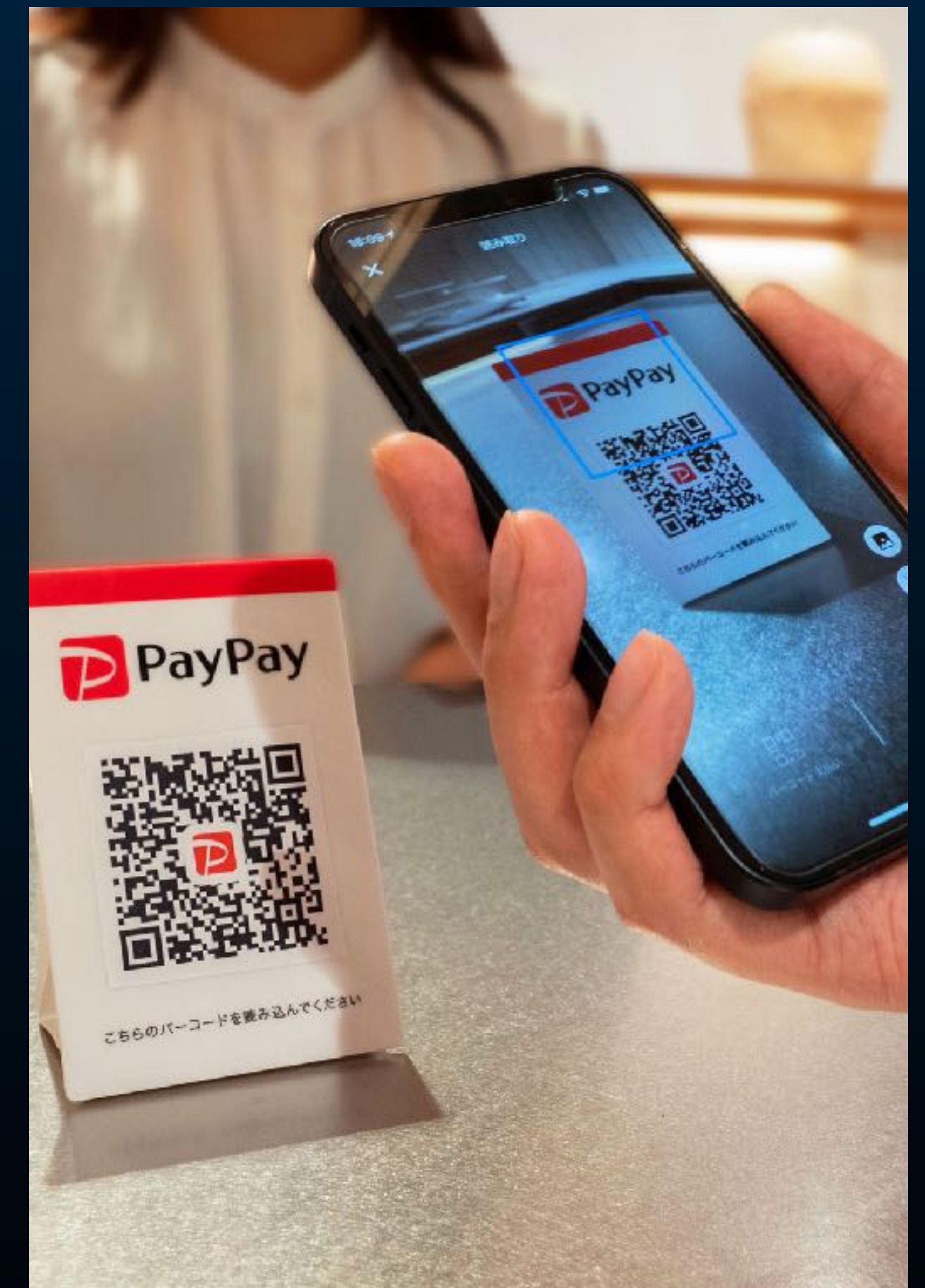
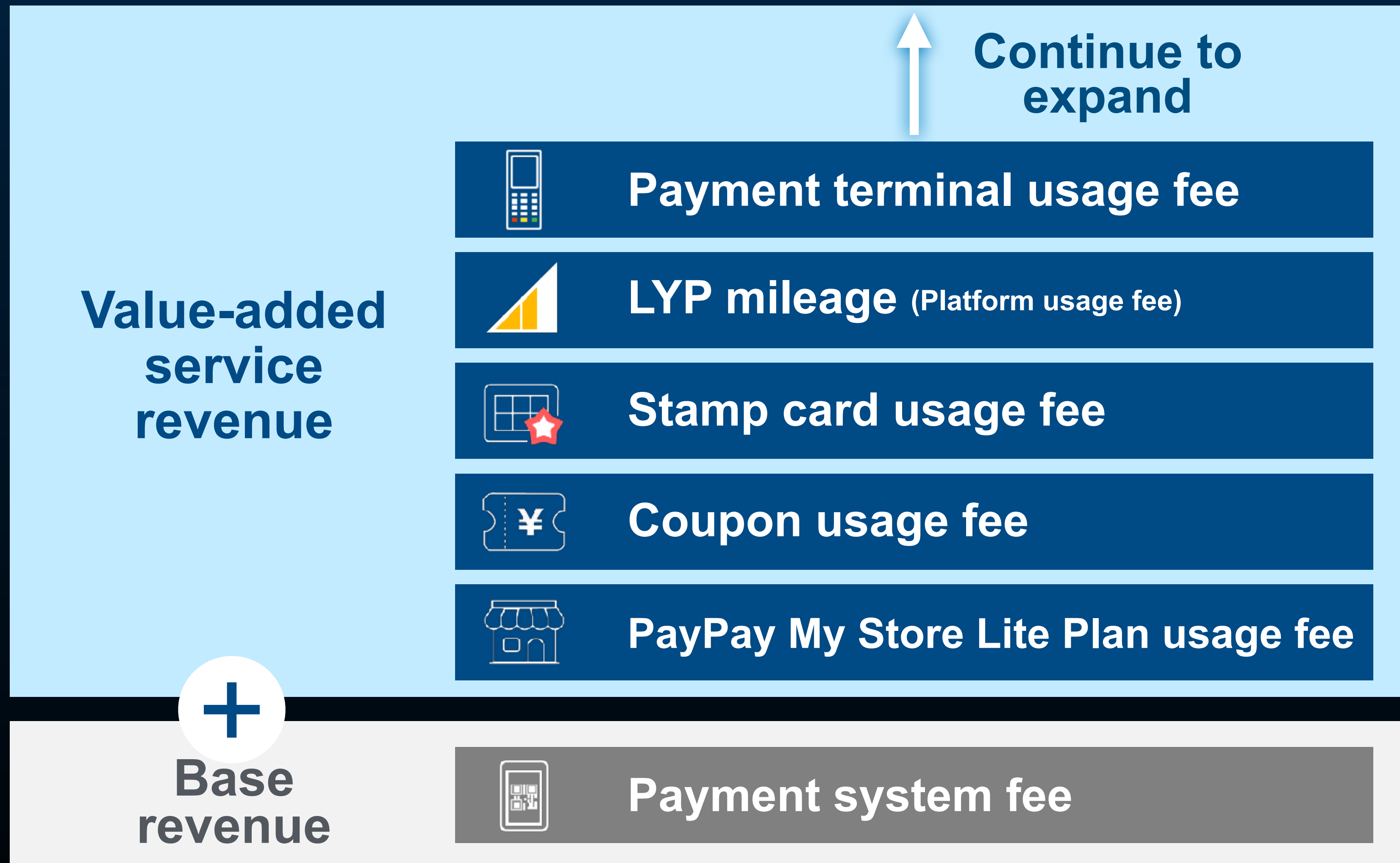
Transaction unit price / Number of payments



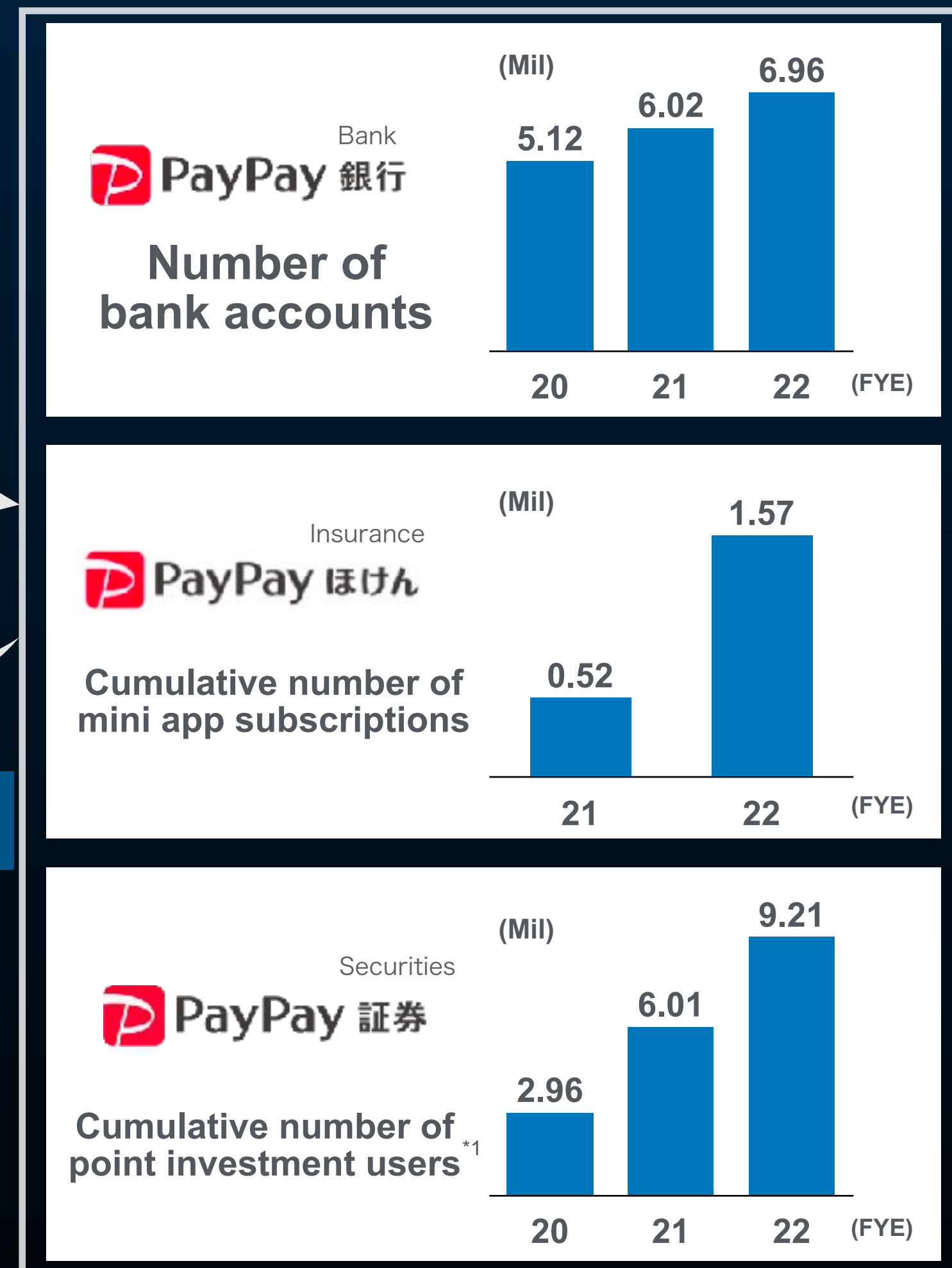
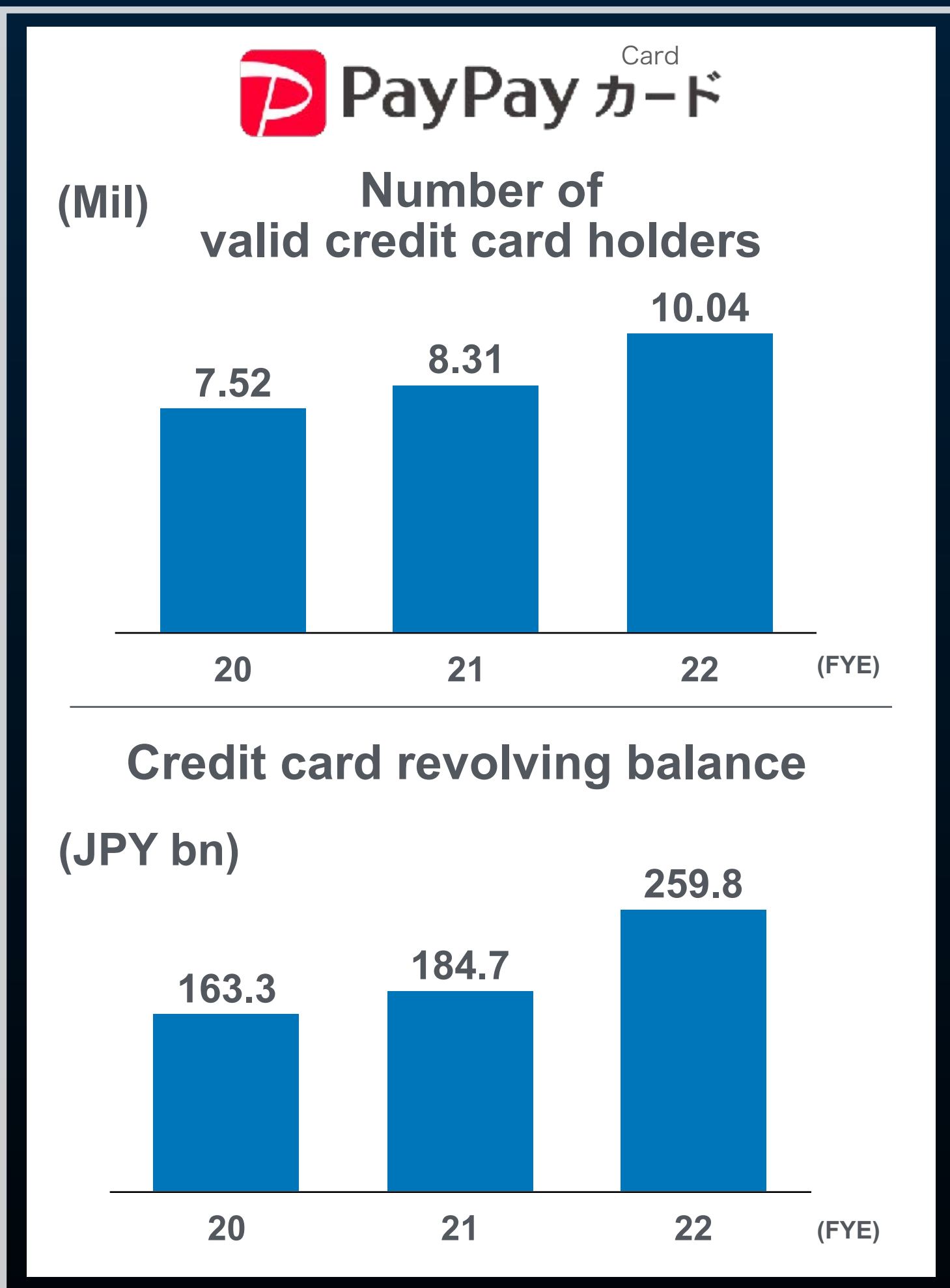
Number of users

# Value-added Services for Merchants

## Diversify revenue sources by expanding value-added services



## Strengthen collaboration with group financial services

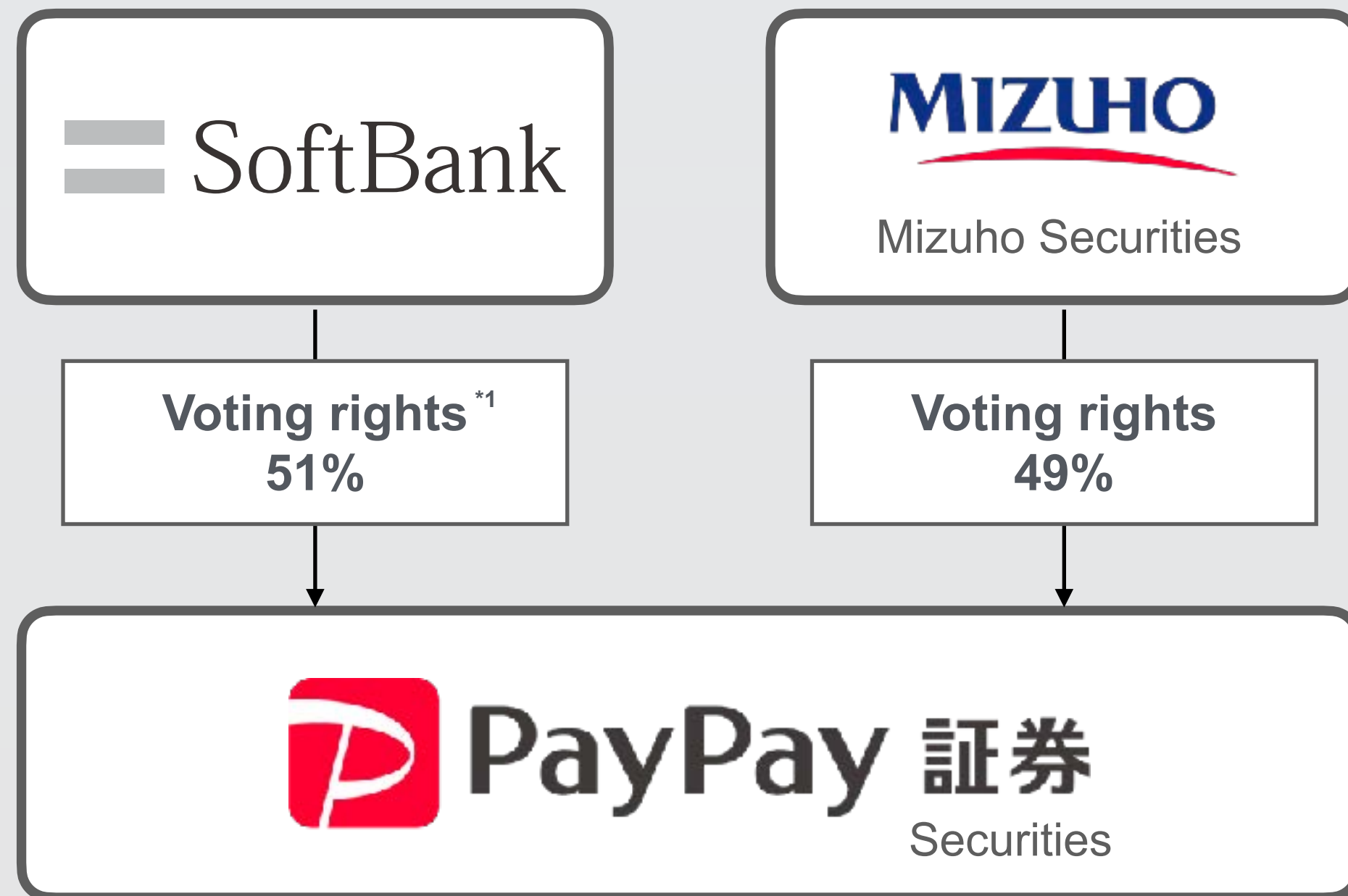


\*1 Point investment is a service provided by PPSC Investment Service Corporation, a wholly-owned subsidiary of PayPay Securities, \*2 Revenue / profit sharing

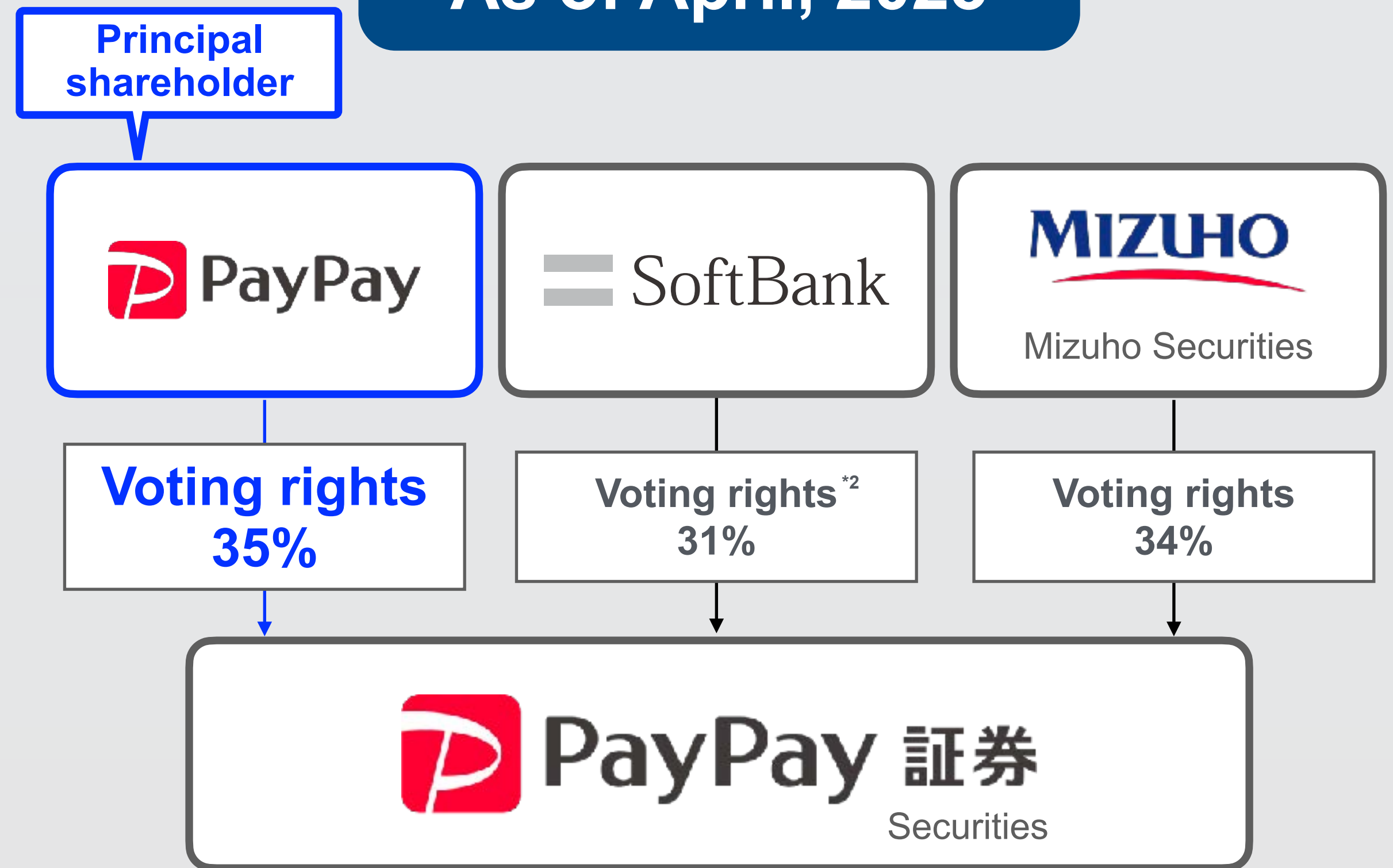
# PayPay Securities: Change in Shareholder Composition

## Strengthening partnership with PayPay as a new principal shareholder

As of Dec. 31, 2022



As of April, 2023



\*1 Including 0.9% of voting rights held by Z Holdings Corporation. \*2 Including 0.4% of voting rights held by Z Holdings Corporation. 78

# Salary Payments via Digital Wallet Enacted (April 1, 2023)



## Applied to the Ministry of Health, Labor and Welfare for permission to enter the market

After Salary Payments via Digital Wallet Permitted

Workplace



Salary paid directly to one's PayPay account

Enhance convenience

PayPay Users



- Expand number of payments and GMV
- Expand use of group services

Use services

Stores



EC/  
Financial services





# SB Payment Service: Operating Income

[JPY bn]

## Operating Income

10.2

Exceeded **JPY 10 bn**

— SB Payment Service

FY2012 FY2014 FY2016 FY2018 FY2020 FY2022

# SB Payment Service: Growth Strategy

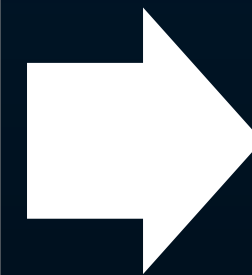
Expand non-telecommunication areas and  
GMV to exceed JPY 10 tn

## Growth strategy

Increase in number of merchants  
through utilization of group assets, etc.

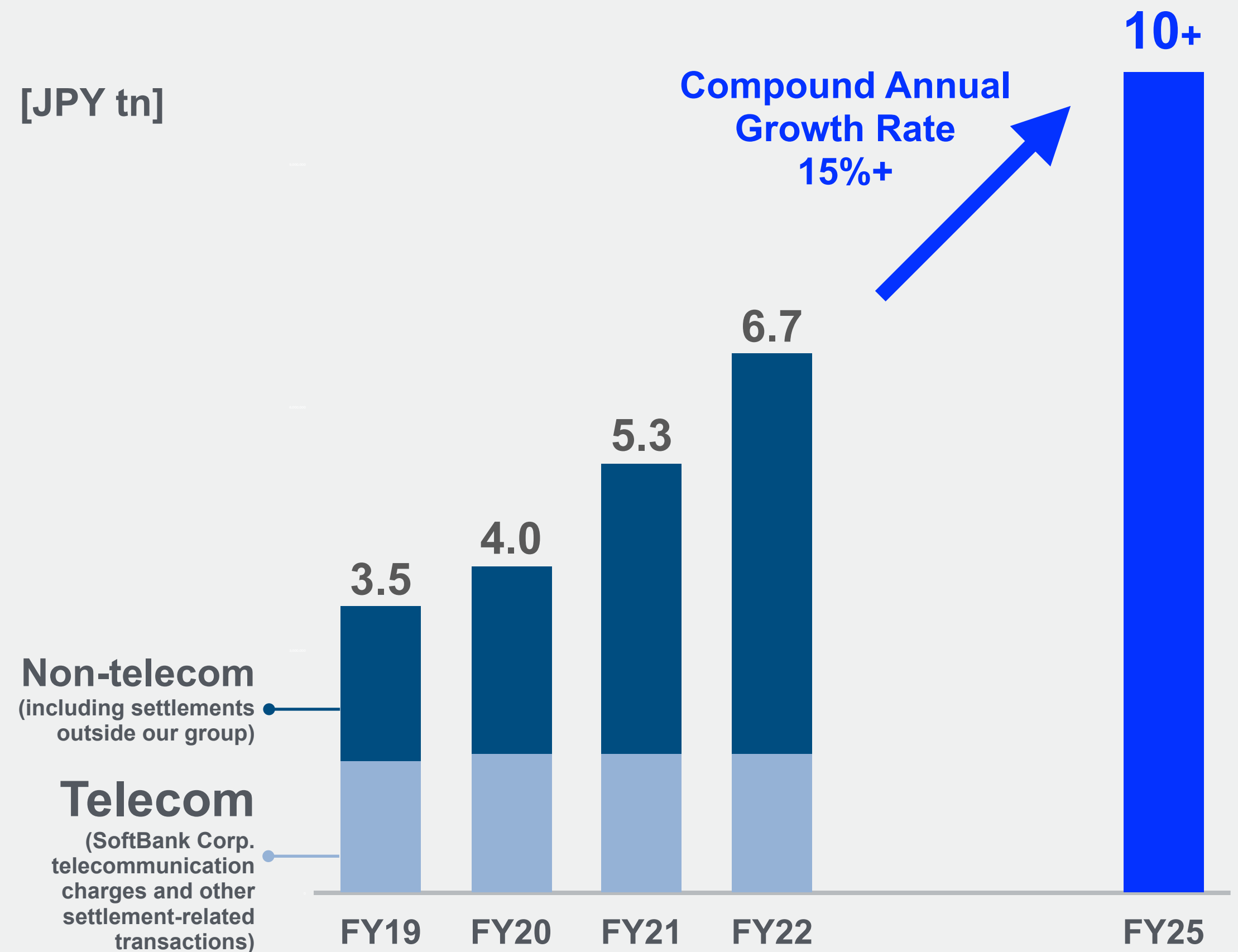
×

Increase in transaction volume  
per merchant  
by strengthening in-house solutions, etc.



## GMV

[JPY tn]





# Yahoo! JAPAN / LINE Segment

# Yahoo! JAPAN / LINE Segment

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**Pursue Business Efficiency and  
Renewed Growth of Media, Search,  
and Commerce Business**

# Yahoo! JAPAN / LINE Segment

Pursue business efficiency and renewed growth of media, search, and commerce business

Z HOLDINGS

LINE

YAHOO!  
JAPAN

Z Entertainment

Z Data

Group reorganization

(Scheduled to be completed on October 1, 2023)\*

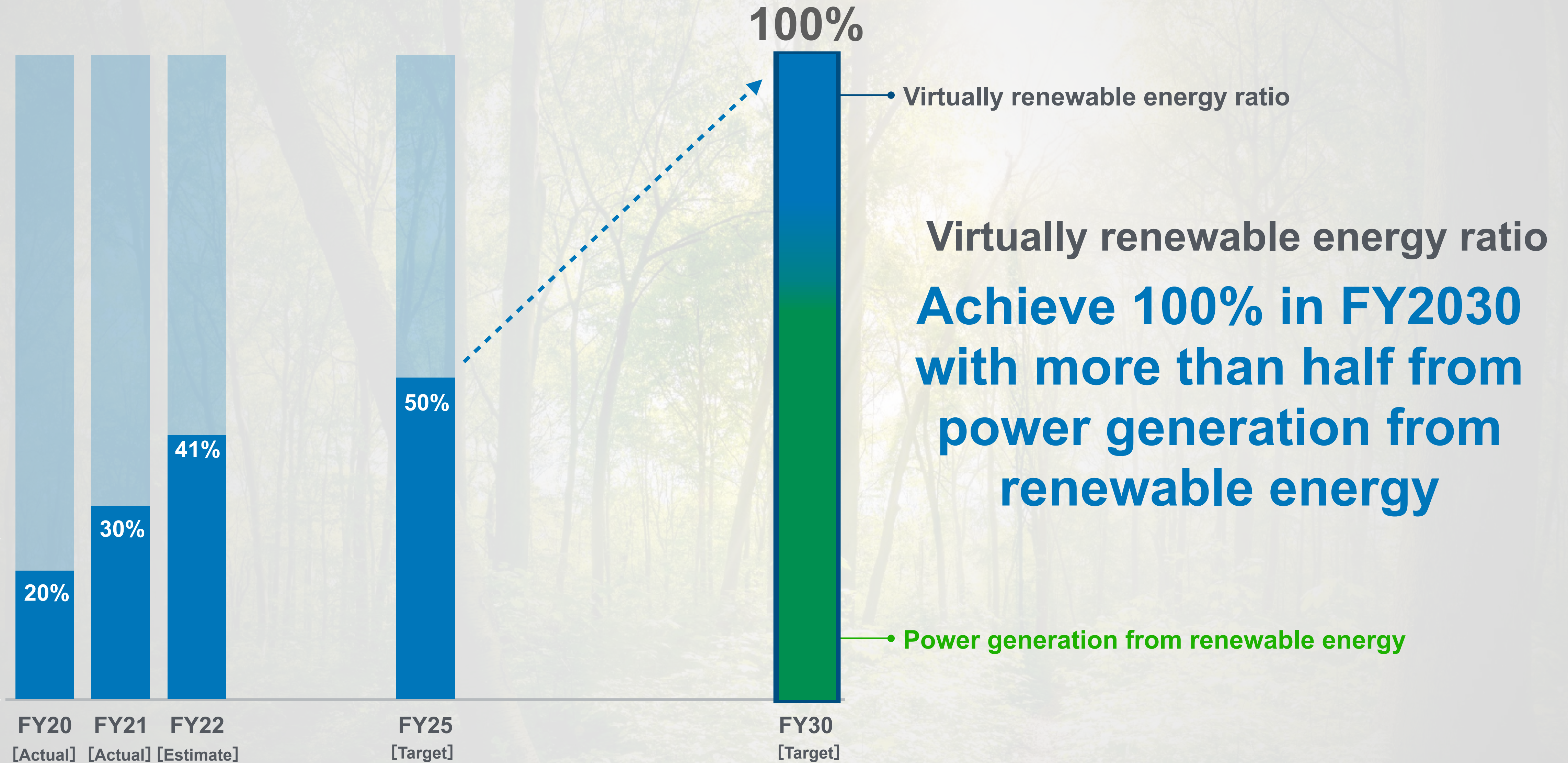
LY Corporation

# Initiatives for Renewable Energy

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**Procure sufficient electricity from renewable energy for all future telecommunications business needs**

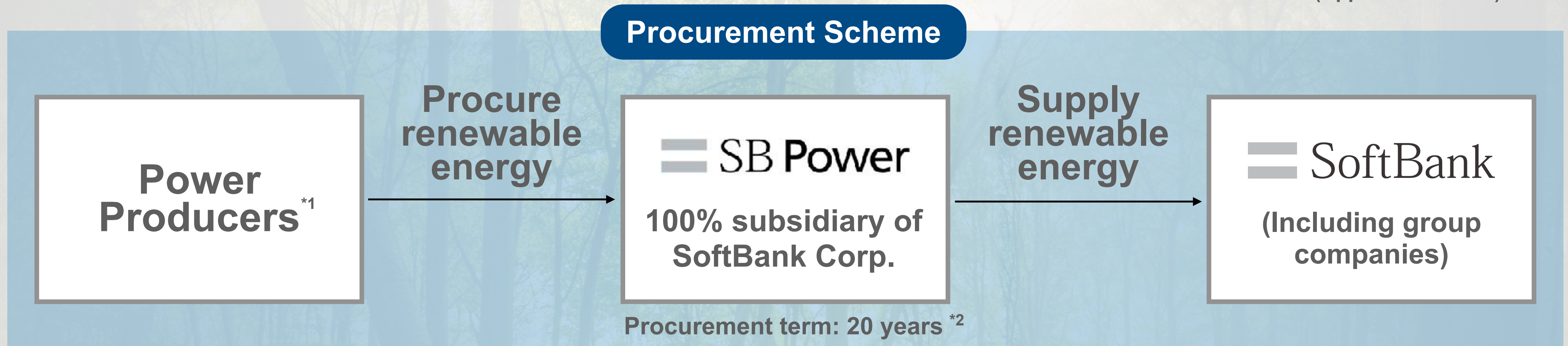
# Virtually Renewable Energy Ratio (Electricity used by the Company) \*



# Signed Contracts for Procurement of Renewable Energy (1)

## Procure sufficient electricity from renewable energy for total future telecommunication business needs

(Approx. 2 bn kWh)





# Signed Contracts for Procurement of Renewable Energy (2)

## Purpose

Contribute to the realization of decarbonized society  
**through new procurement of renewable energy\***

Shift to **business structure that is less vulnerable to electricity price hikes**

(Procure electricity at lower unit prices than current ones through long-term commitments)



\* Mainly renewable energy with additionality (the effect of adding new renewable energy generation capacity)

# Medium-term Management Plan (FY2023-FY2025)

## Rebuild business foundation for future growth

### Growth strategy

Execute “Beyond Carrier” strategy

### Financial targets

Pursue record-high net income in FY2025

Maintain high level of shareholder returns while meeting capital expenditure needs

# To Maximize Corporate Value

## Focus on Both Medium- and Long-term Growth and Shareholder Returns

### Medium- to long-term growth

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### Shareholder returns

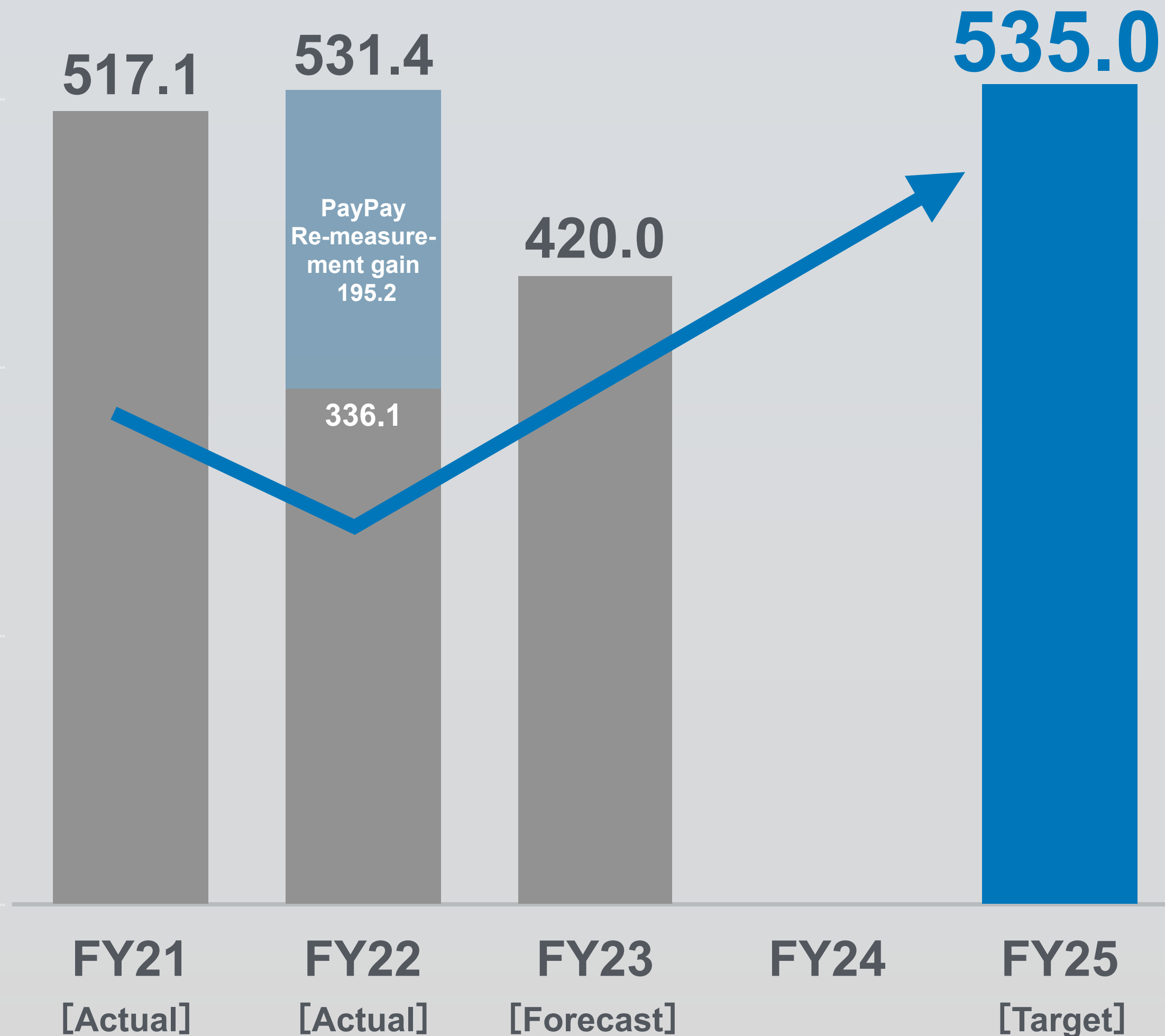
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**Focus**

# Financial Targets (1) Consolidated Net Income

[JPY bn]



Consolidated net income

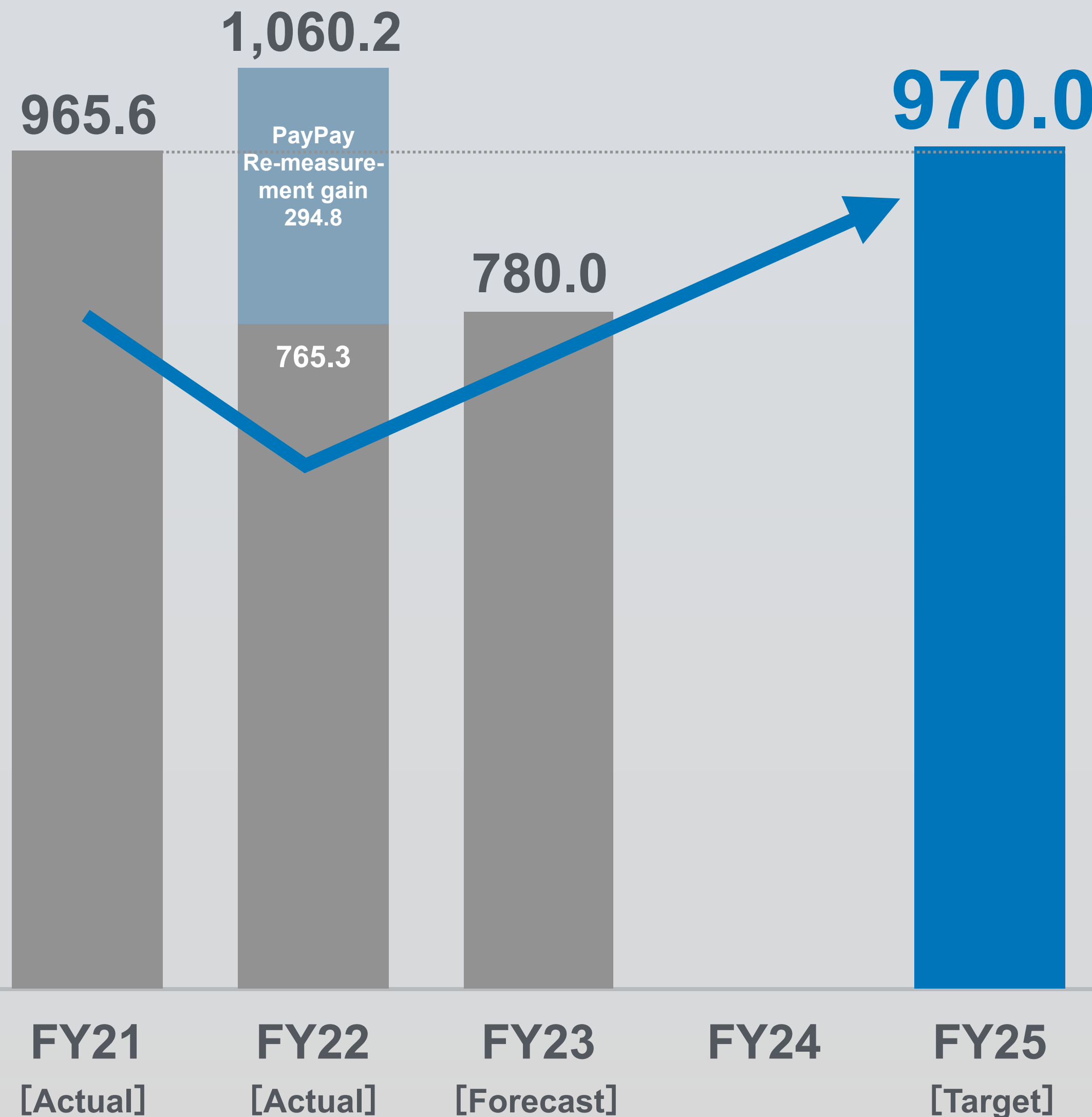
**Pursue  
record-high  
profit**

(Compound annual growth rate of 17%)\*

(Note) Net Income: net income attributable to owners of SoftBank Corp.  
\*This is the compound annual growth rate of the FY2025 net income target from the FY2022 net income excluding the impact of the re-measurement gain (JPY 195.2 bn) associated with consolidation of PayPay

# Financial Targets (2) Consolidated Operating Income

[JPY bn]



Consolidated operating income

**Return to  
FY2021 level**

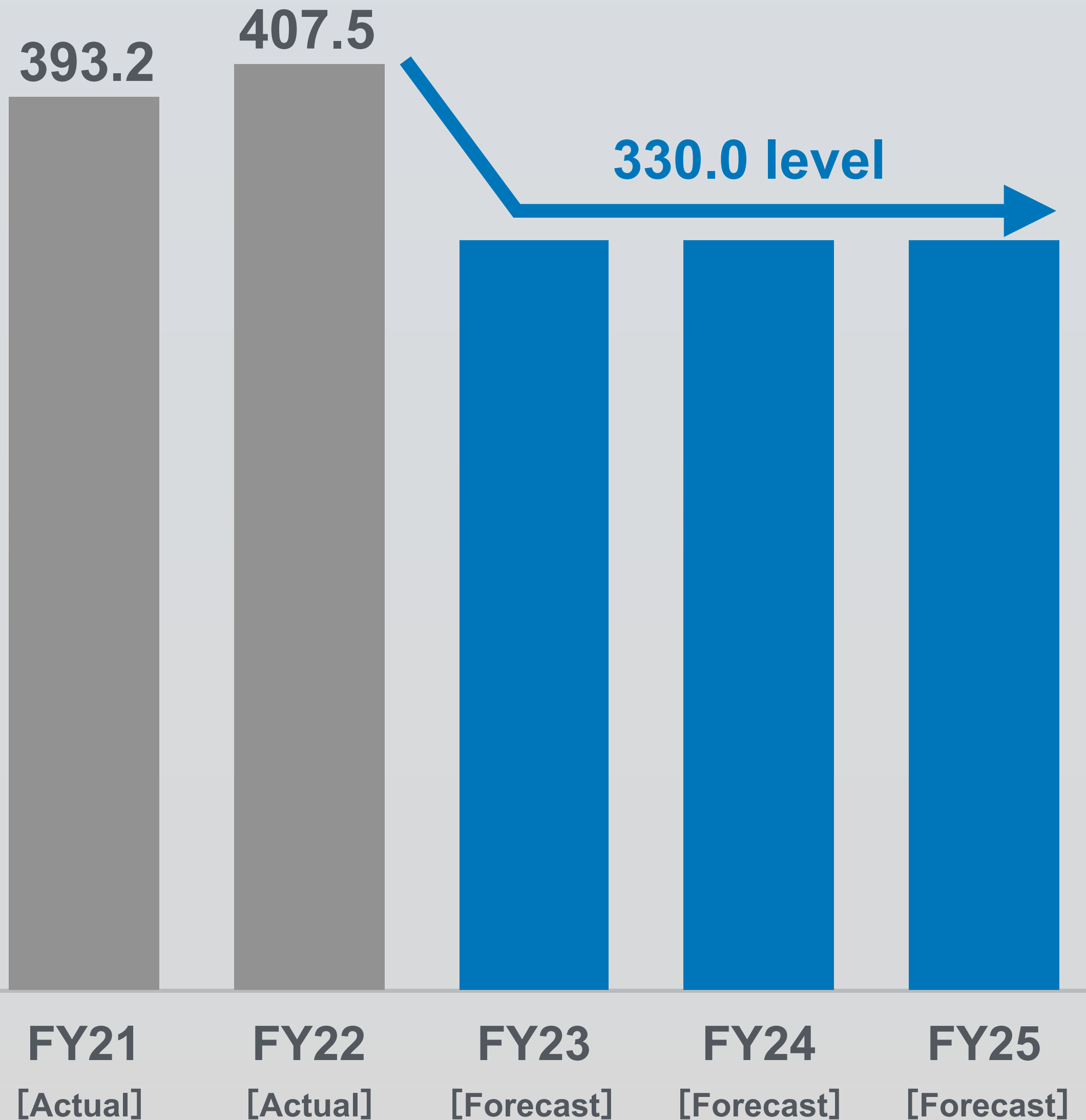
(Before mobile service price reduction)

# Financial Targets (3) By Segment

[JPY bn]	FY2023 Operating Income (Forecast)	Targets in the Medium-term Business Plan (FY2023-FY2025)
Consumer	470.0	Mobile service revenue and operating income to hit bottom and return to growth
Enterprise	152.5	Double-digit growth in business solution and others revenue and operating income
Distribution	26.7	Operating income 30 bn (FY2025)
Financial	-20.0	Turn profitable by FY2025
Yahoo! JAPAN/LINE	176.0	Improvement of business efficiency and renewed growth from FY2024 and beyond
Other	-25.2	-
<b>Total</b>	<b>780.0</b>	<b>Return operating income to FY2021 level (JPY 970 bn)</b>

# Financial Targets (4) CAPEX (Consumer / Enterprise Segments)

[JPY bn]



**Control CAPEX  
at the level of  
330 bn**

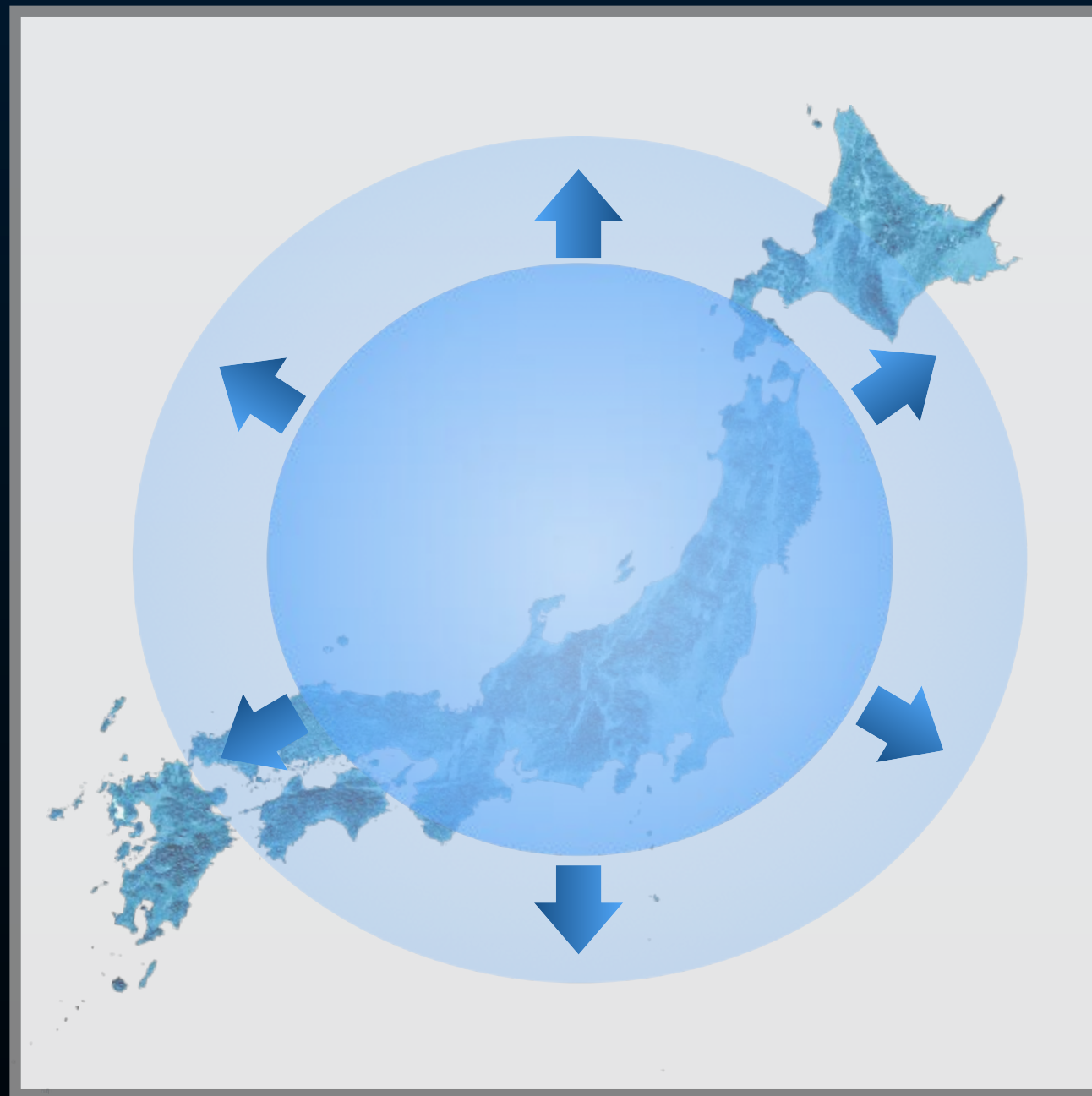
(JPY 77.5 bn reduction from FY2022)

(Note) Based on acceptance

# CAPEX: Approach to Investment in 5G Network

FY2022

5G coverage deployment largely completed



FY2023~FY2025

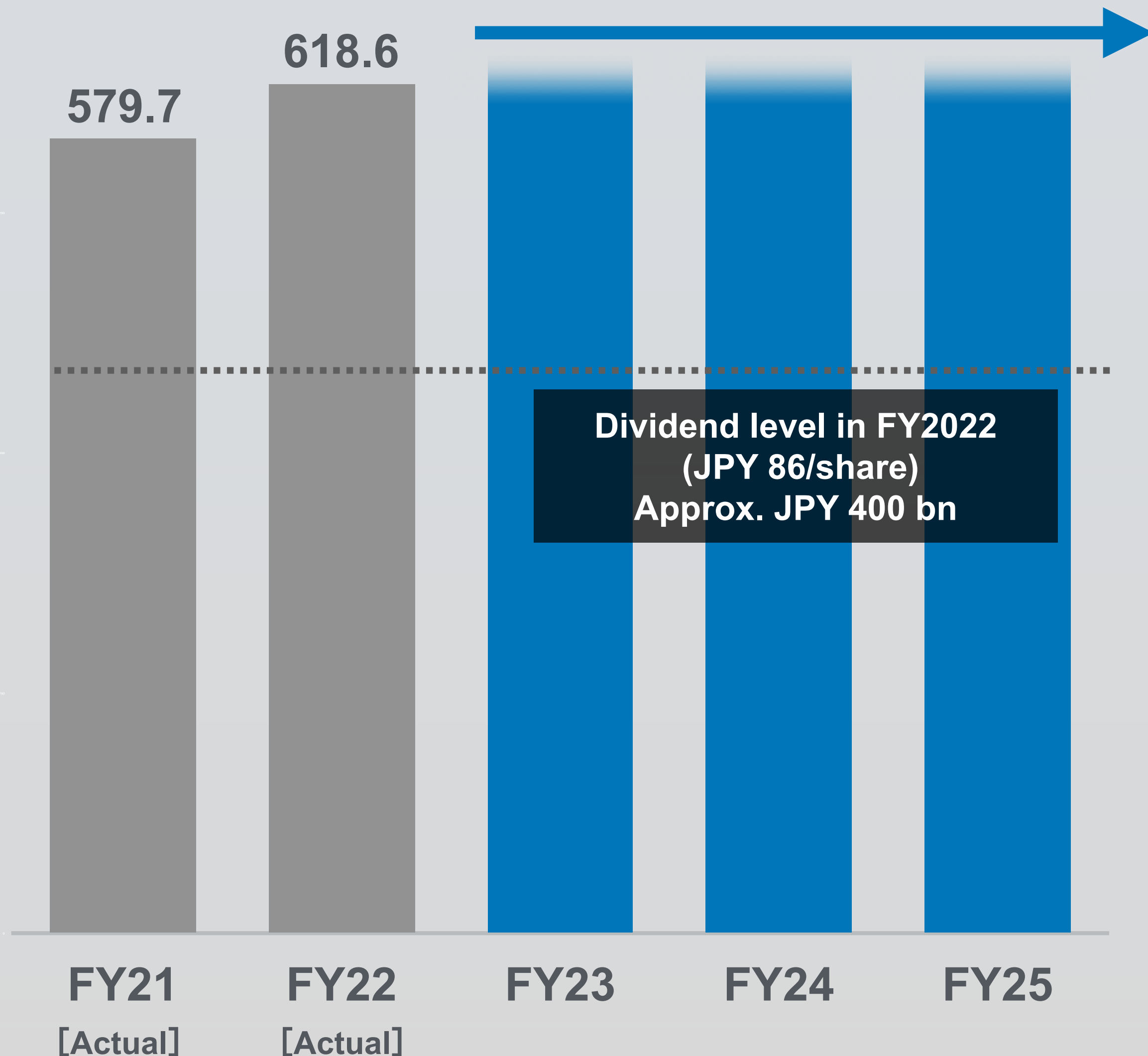
Spot investment based on traffic demand  
Functional upgrading (SA)





# Financial Targets (5) Adjusted Free Cash Flow

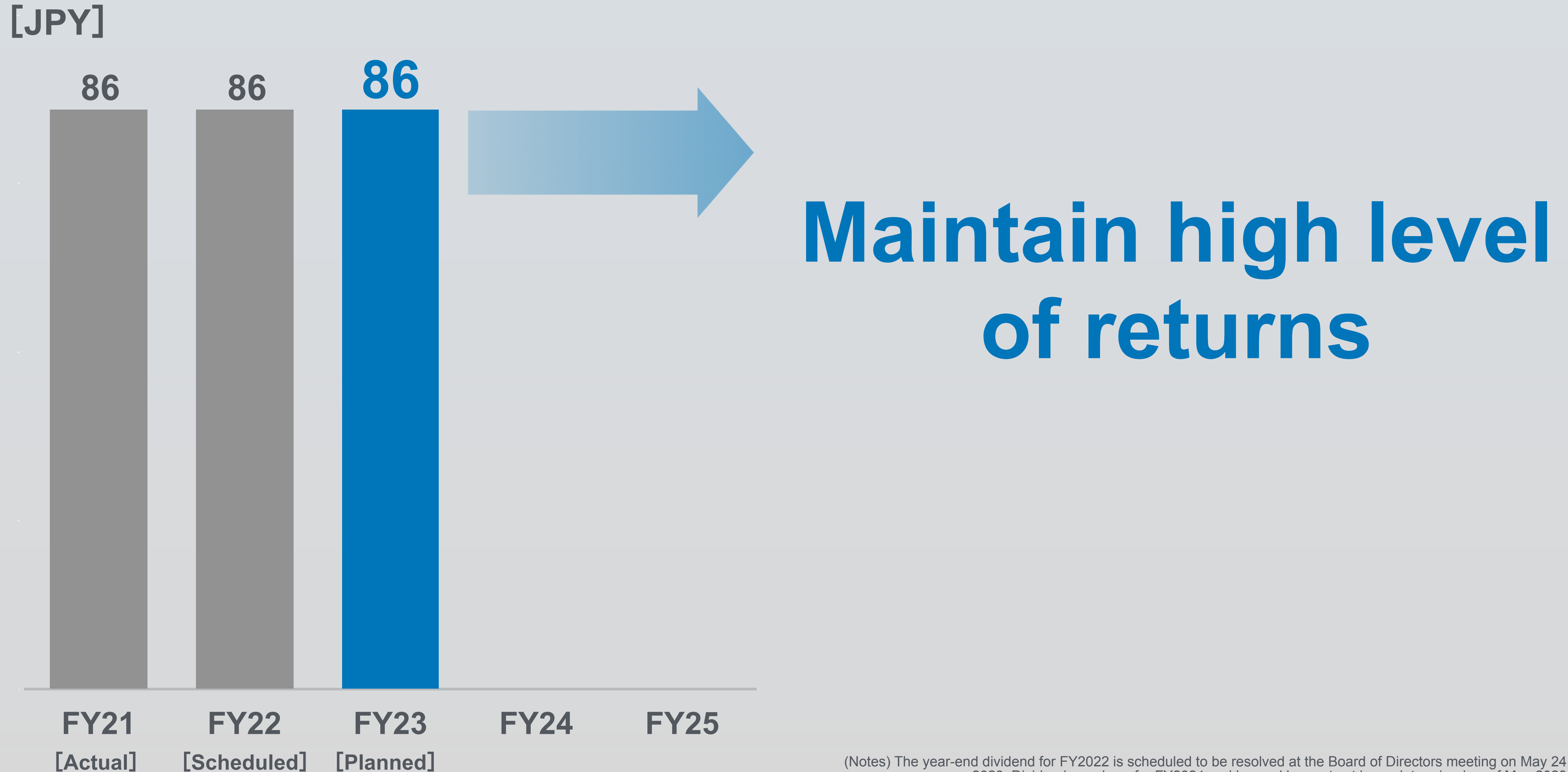
[JPY bn]



**Continue to generate  
high level of  
adjusted FCF  
above FY2022 dividend level**

Definition: Adjusted free cash flow: free cash flow + (proceeds from securitization of installment receivables - repayment thereof)  
Note: Free cash flows of AHD, Z Holdings Group, B Holdings Corporation, PayPay Corporation, PayPay Card Corporation, excluding loans to directors, etc., and including dividends received from A Holdings Corporation.  
Before deduction of repayment of lease liabilities (telecommunication equipment, real estate rent, etc.), which is recorded as cash flows from financing activities.  
The actual amount for FY2022 is 122.4 billion yen.

# Shareholder Returns: Dividend per Share



(Notes) The year-end dividend for FY2022 is scheduled to be resolved at the Board of Directors meeting on May 24, 2023. Dividend per share for FY2024 and beyond has not yet been determined as of May 2023.

# Summary of Medium-term Management Plan (FY2023-FY2025)

## Rebuild business foundation for future growth

### Financial Targets (FY2025)

- Pursue **record-high net income**
- **Return operating income to FY2021 level**  
(before mobile service price reductions)

### Non-financial Targets

Aim to procure all electricity needed for the telecommunications business from renewable energy generation, **with more than half of the electricity generated from renewable energy by FY2030.**

Ratio of virtually renewable energy of electricity consumption by the Company\*  
**FY2025: 50%, FY2030: 100%**

### Shareholder Returns

- **Shareholder returns: Maintain high level of returns**  
(Dividend of JPY 86 per share planned for FY2023)



# Next-generation Social Infrastructure Essential for Development of Digital Society





SoftBank