



Earnings Results for the Six Months Ended September 30, 2023

November 8, 2023
SoftBank Corp.

Disclaimer

Important Notice Regarding Forward Looking Statements and Other Information

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Important Notice Regarding Trading of SoftBank Corp. Common Stock and Un-sponsored American Depositary Receipts

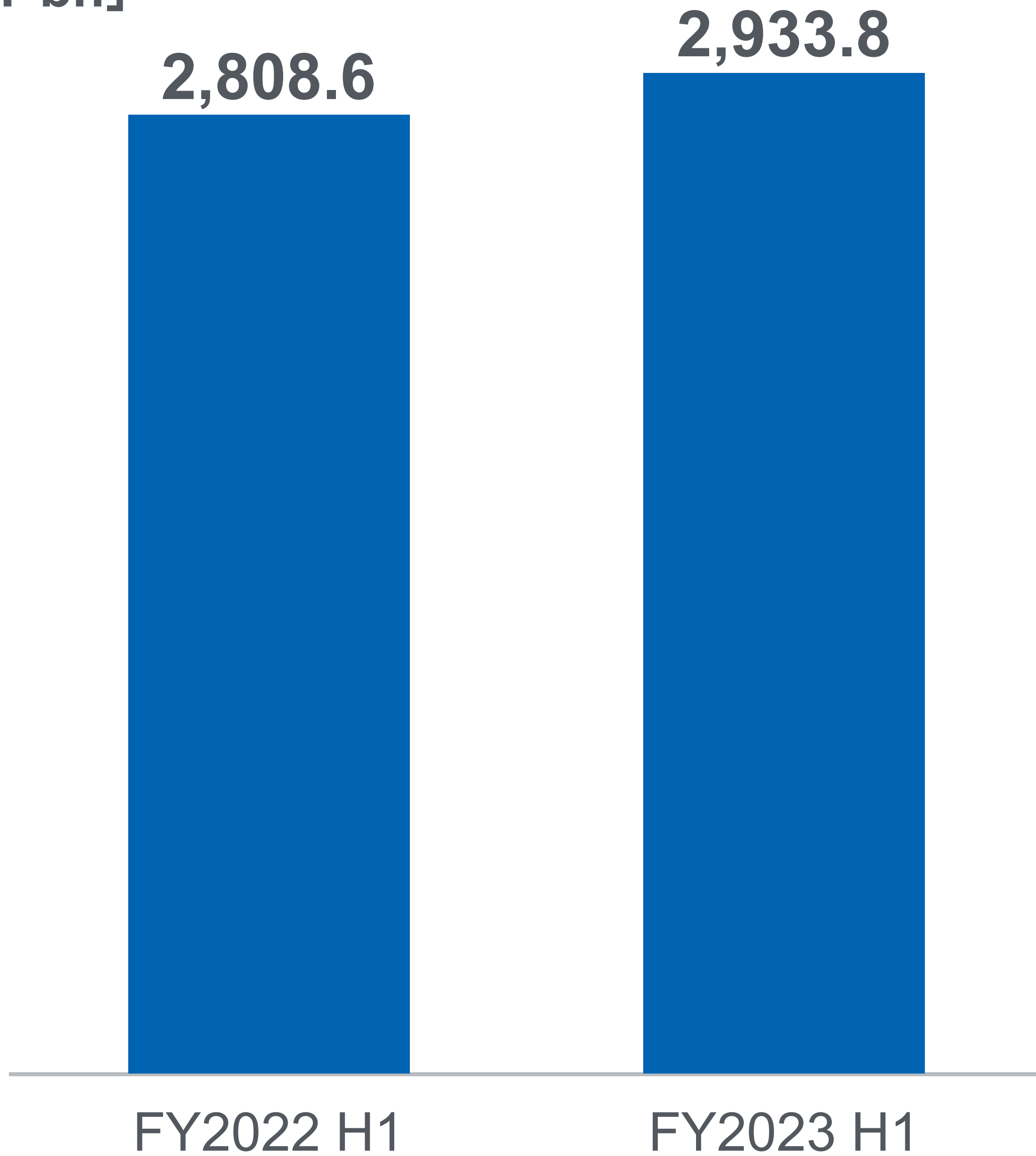
The Company encourages anyone interested in trading in its common stock to do so on the Tokyo Stock Exchange. The Company’s disclosures are not intended to facilitate trades in, and should not be relied on for decisions to trade, un-sponsored American Depositary Receipts (“ADRs”) representing the shares 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 depositary 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, depositary institutions, or any other entities or individuals in connection with any un-sponsored ADRs representing its common stock.

Consolidated Results

Q2 Fiscal Year 2023

Revenue

[JPY bn]

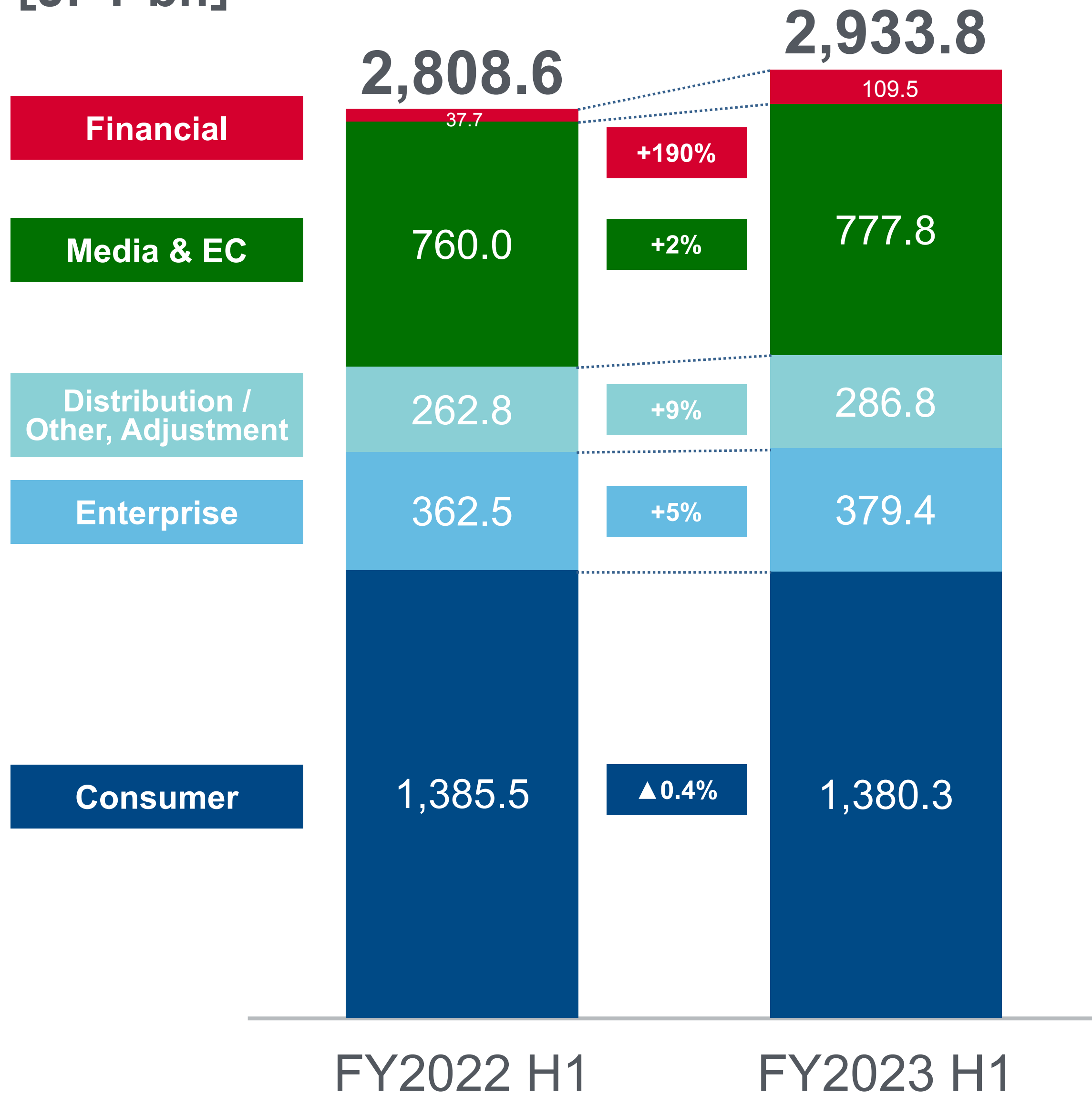


Up 4%

(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 the change in accounting policy for transactions under common control in FY22 Q3

Revenue by Segment

[JPY bn]



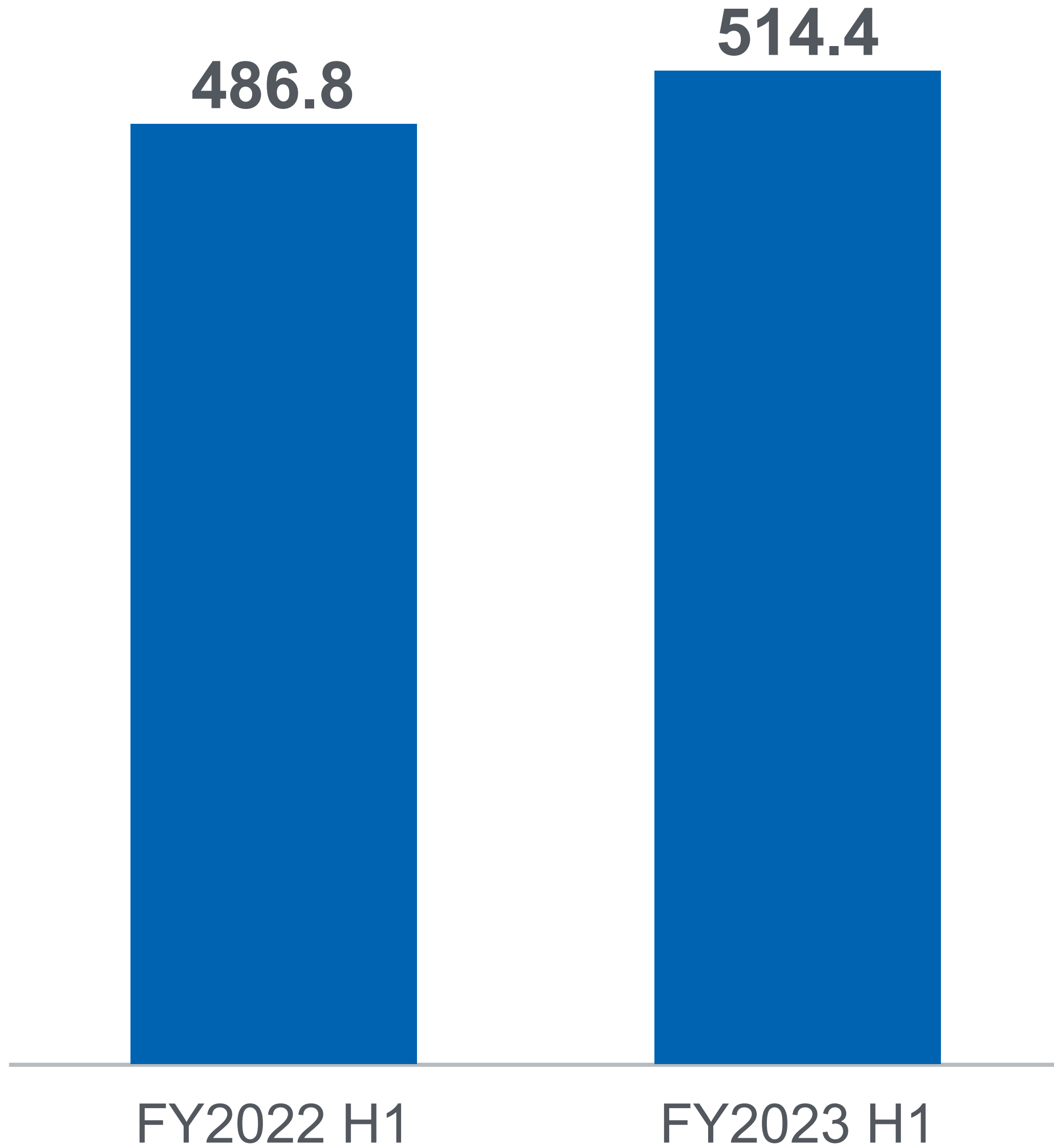
Revenue increased in four segments

(Enterprise / Distribution / Media & EC / Financial)

Operating Income

[JPY bn]

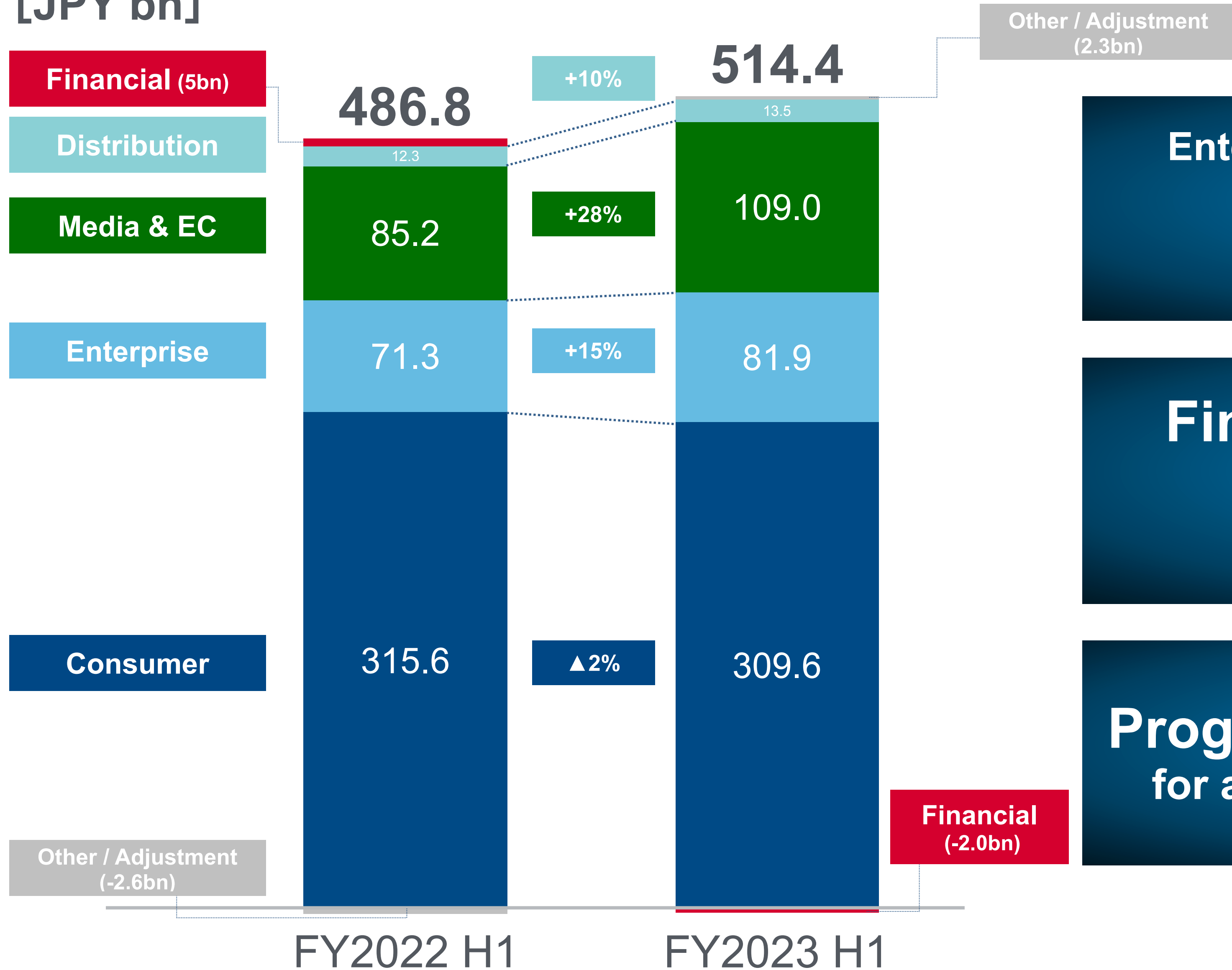
SoftBank



Up 6%

Operating Income by Segment

[JPY bn]



Enterprise, Media & EC, and Distribution
Achieved double-digit annual profit growth

Financial segment achieved
actual improvement of profitability*

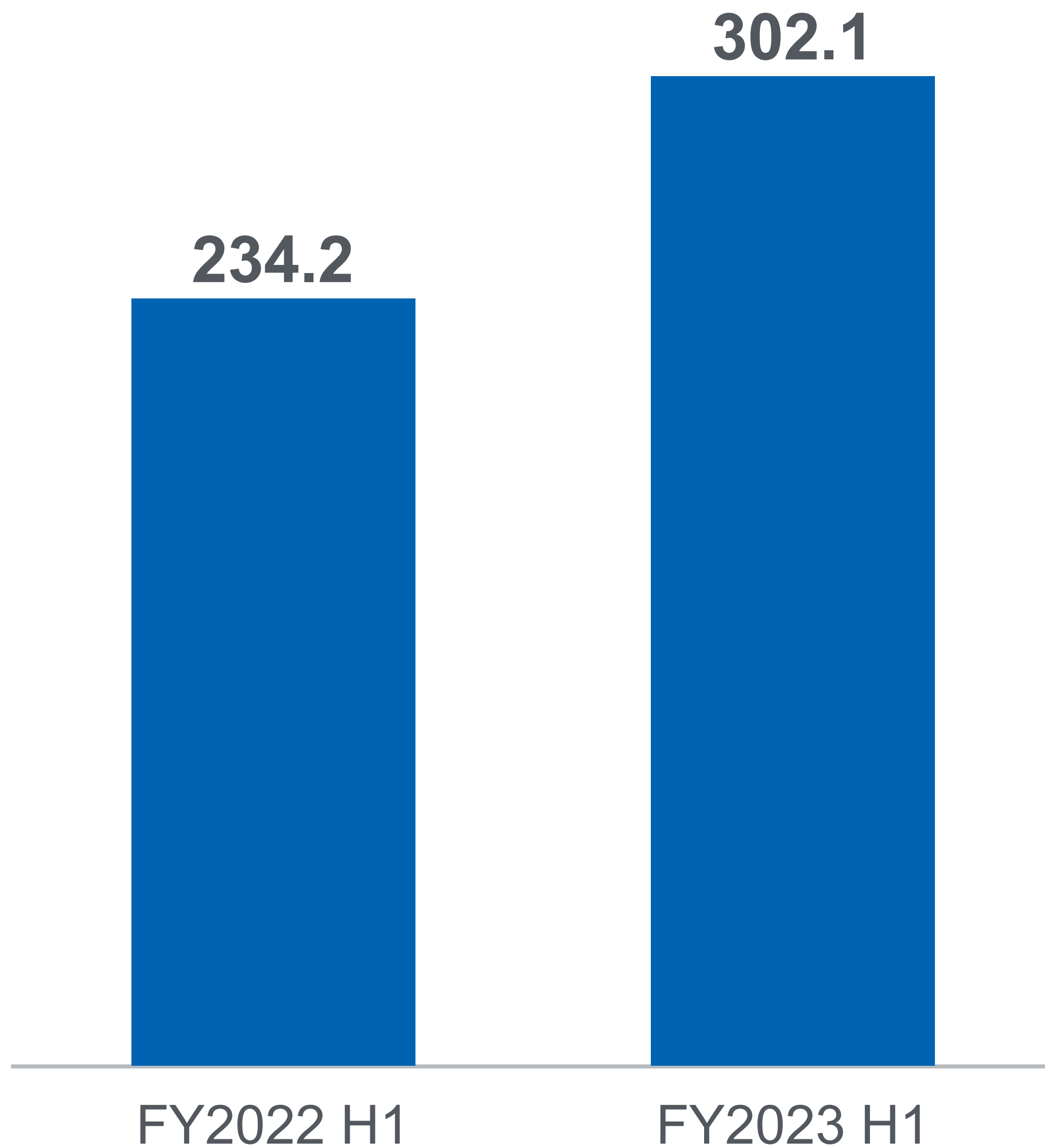
Progress in line with annual plan for actual profit growth in all segments

*Assuming PayPay had been consolidated from FY22 Q1, operating income improved by JPY 7.3bn from JPY -9.2bn in FY22 H1

Net Income

[JPY bn]

SoftBank



Up **29%**

Consolidated Results

[JPY bn]

	FY2022 H1	FY2023 H1	YoY	YoY%
Revenue	2,808.6	2,933.8	+125.2	+4%
Operating Income	486.8	514.4	+27.5	+6%
Net Income	234.2	302.1	+67.9	+29%

FY2023 Full-year Forecast Progress

[JPY bn]

	FY2023 H1 Actual	FY2023 Full-year Forecast	Progress
Revenue	2,933.8	6,000	49%
Operating Income	514.4	780	66%
Net Income	302.1	420	72%

FY2023 Full-year Operating Income Forecast Progress by Segment

SoftBank

[JPY bn]

	FY2023 H1 Actual	FY2023 Full-year Forecast	Progress
Consumer	309.6	470.0	66%
Enterprise	81.9	152.5	54%
Distribution	13.5	26.7	51%
Media & EC	109.0	176.0	62%
Financial	-2.0	-20.0	-
Other	2.3	-25.2	-
Total	514.4	780.0	66%

Mid-term Management Plan (~FY2025)

**Record-high
Net Income in
FY2025**
(JPY 535.0 bn)

**Operating Income
to recover to
FY2021 level**
(FY2025)

**Generate
stable
Adjusted FCF**

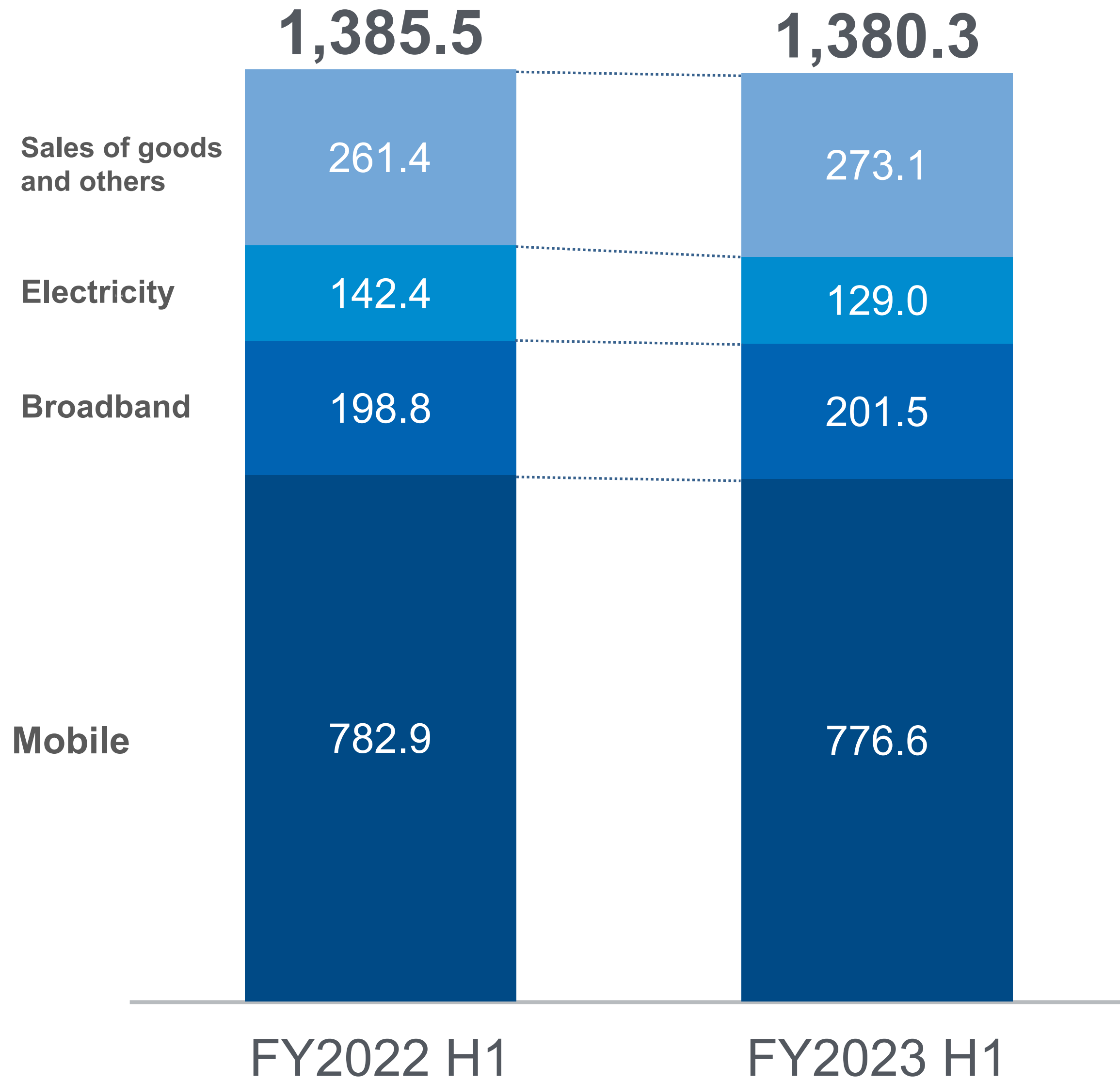
Steady progress toward three goals

Consumer Business



Consumer: Revenue

[JPY bn]

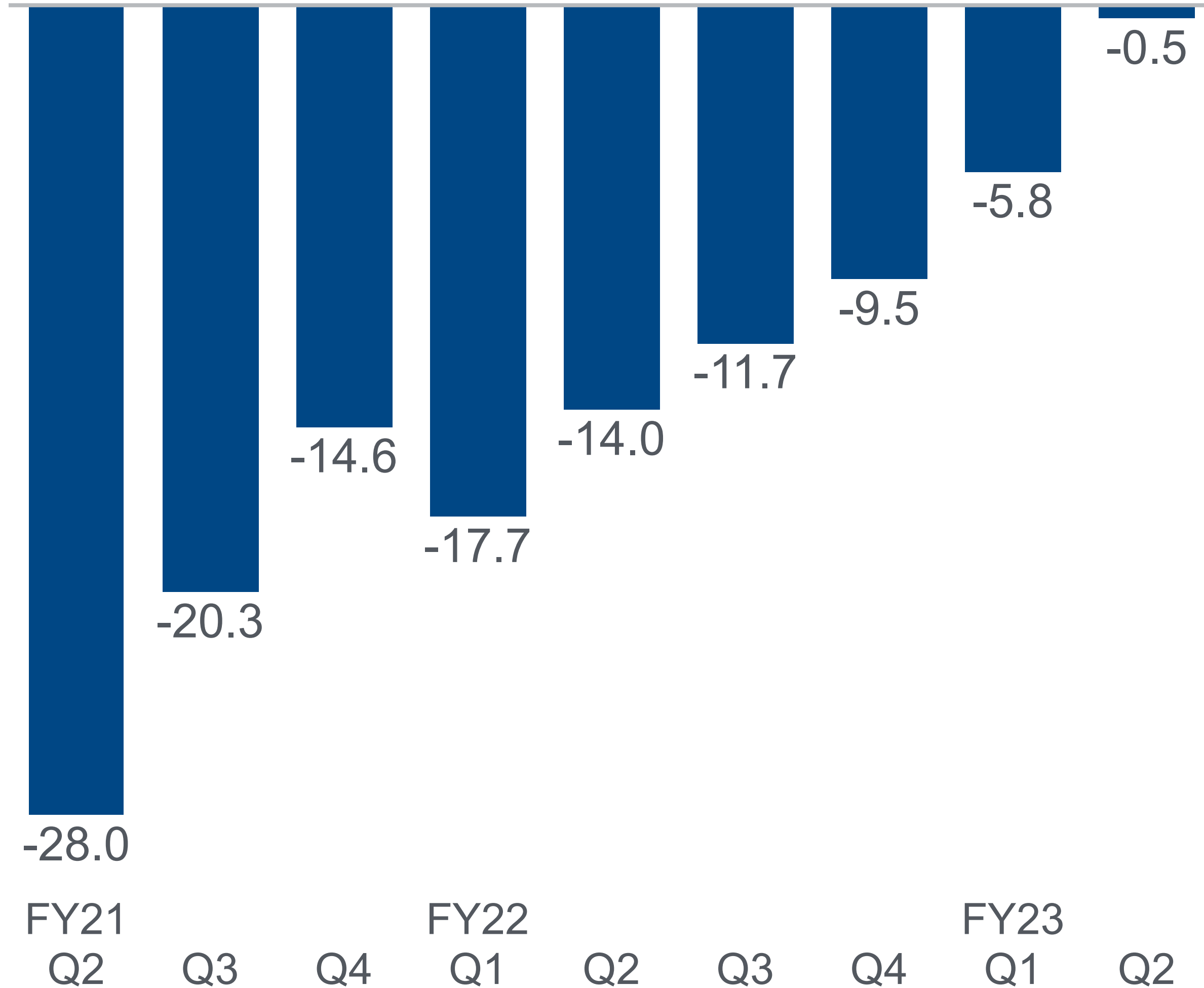


Down **0.4%**

YoY Decrease in Mobile Revenue

*Actual figures excluding impact from customer acquisition measures and one-time factors

[JPY bn]



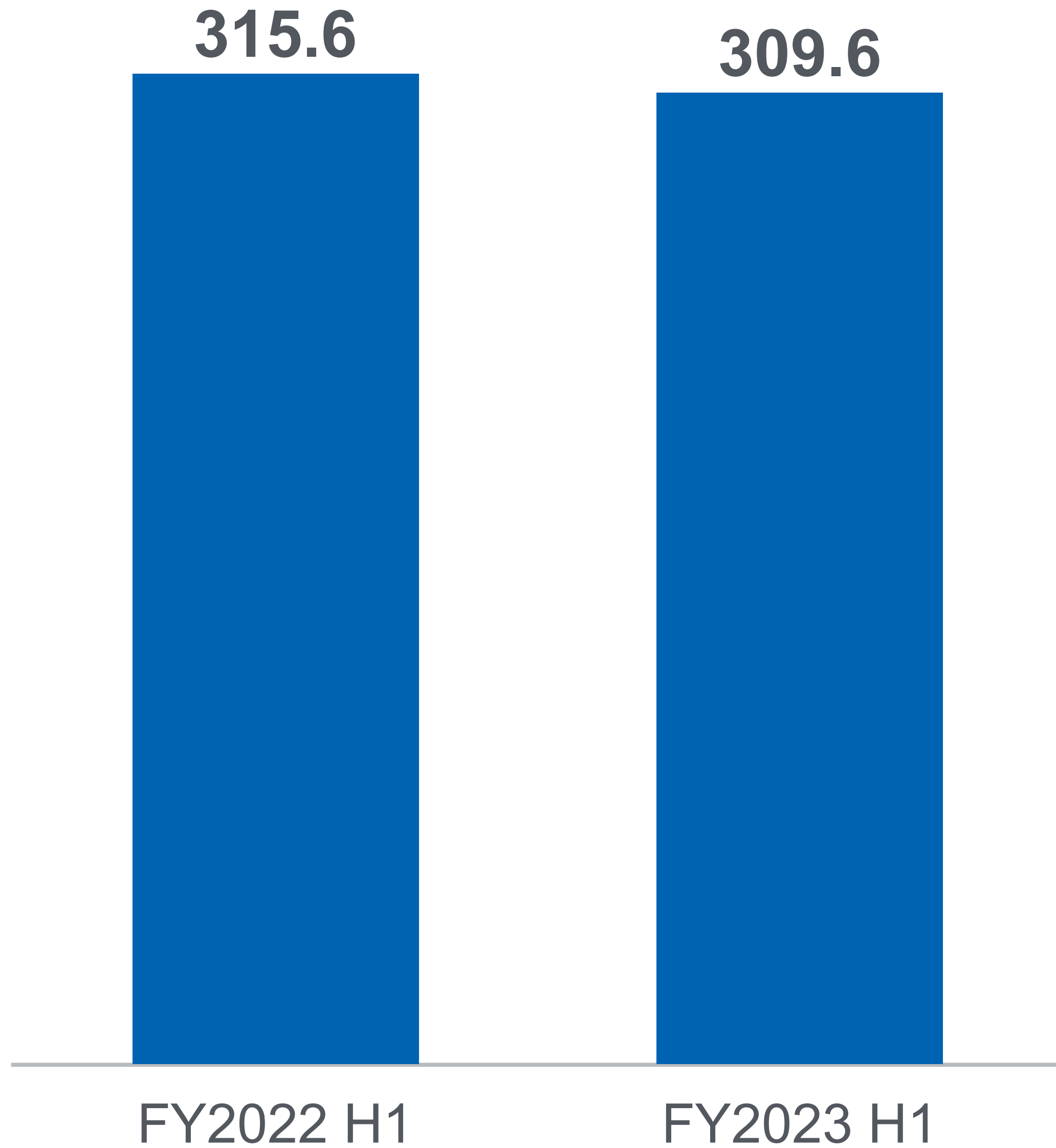
YoY decrease in mobile revenue improved significantly

(Note) Actual figures excluding impact from customer acquisition measures and one-time impact from introduction of Data Carry-over and free basic charge for one-month in FY21 14

Consumer: Operating Income

SoftBank

[JPY bn]

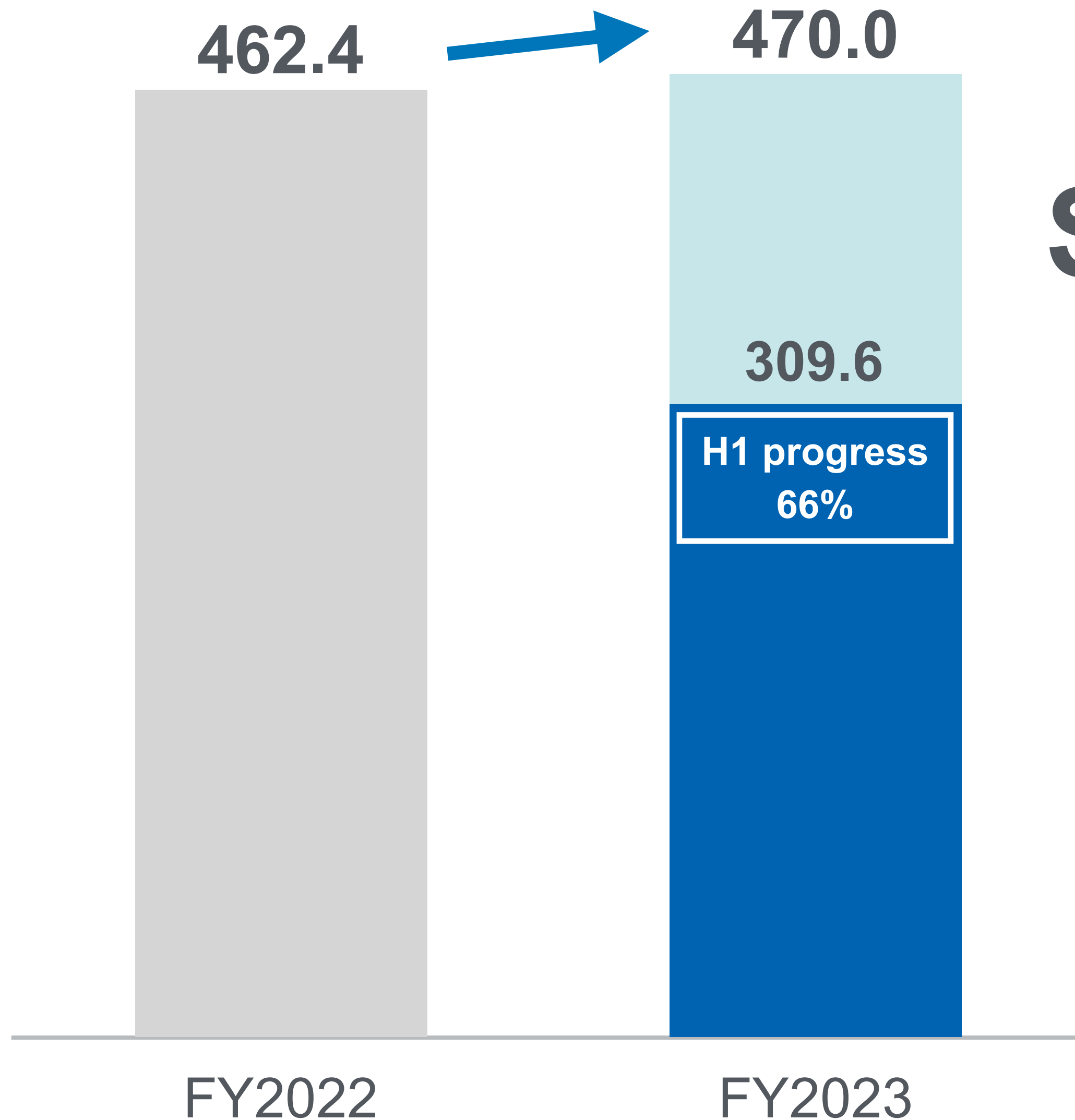


Down 2%

Consumer: Full-year Operating Income Progress

SoftBank

[JPY bn]

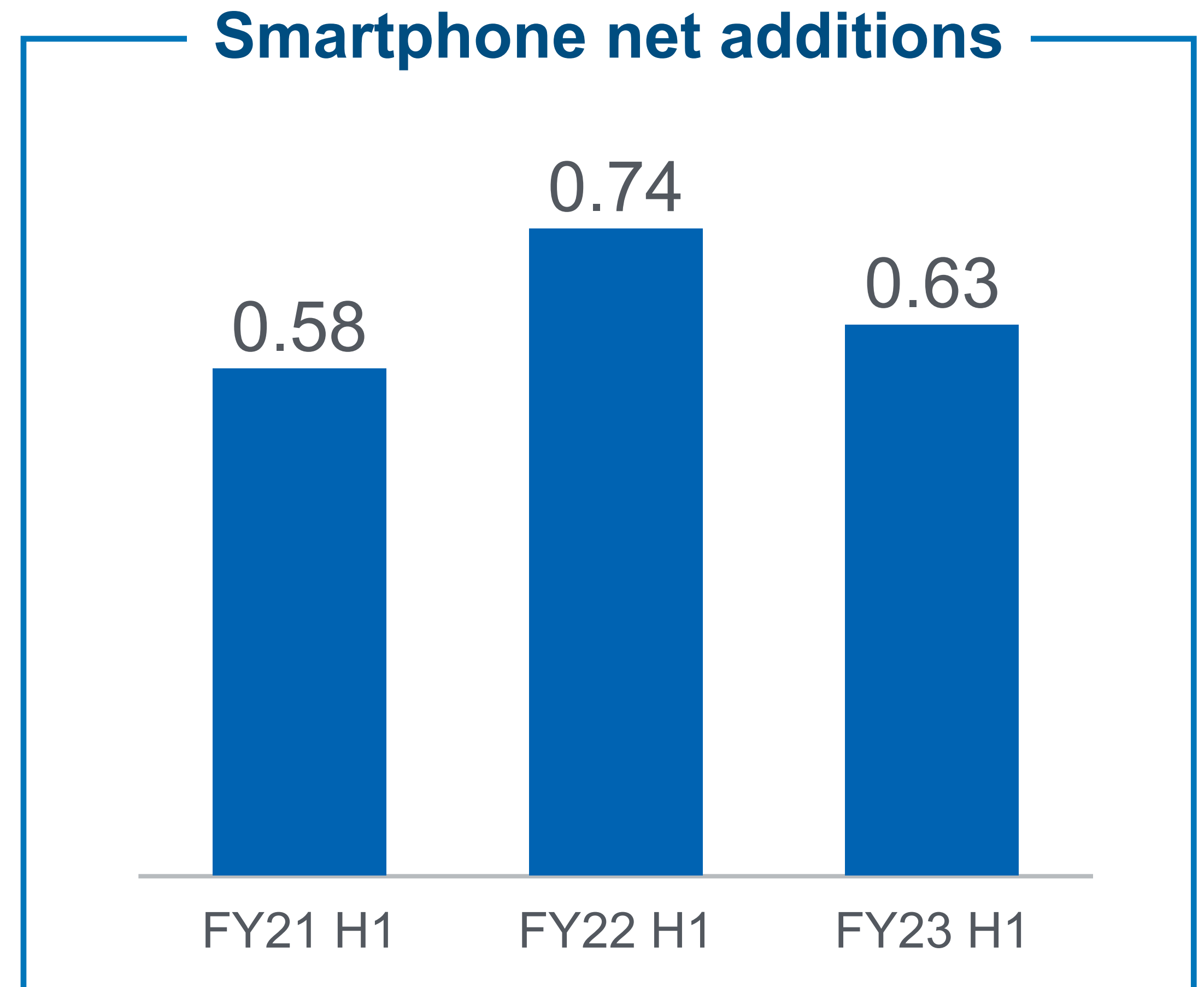
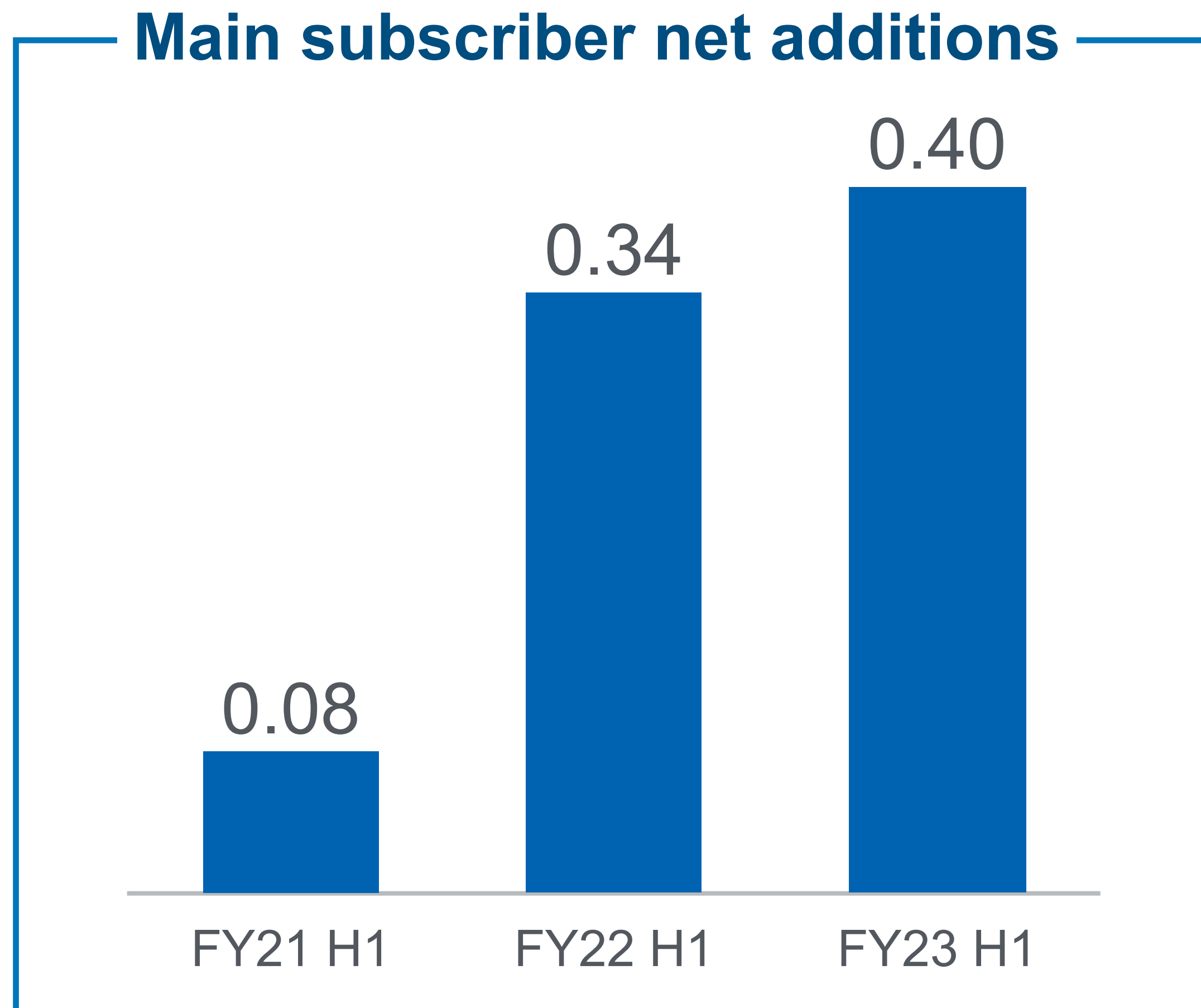


Steady progress toward full-year plan, returning to growth

Mobile Subscriber Net Additions

[Mil]

Continued strong performance since previous year

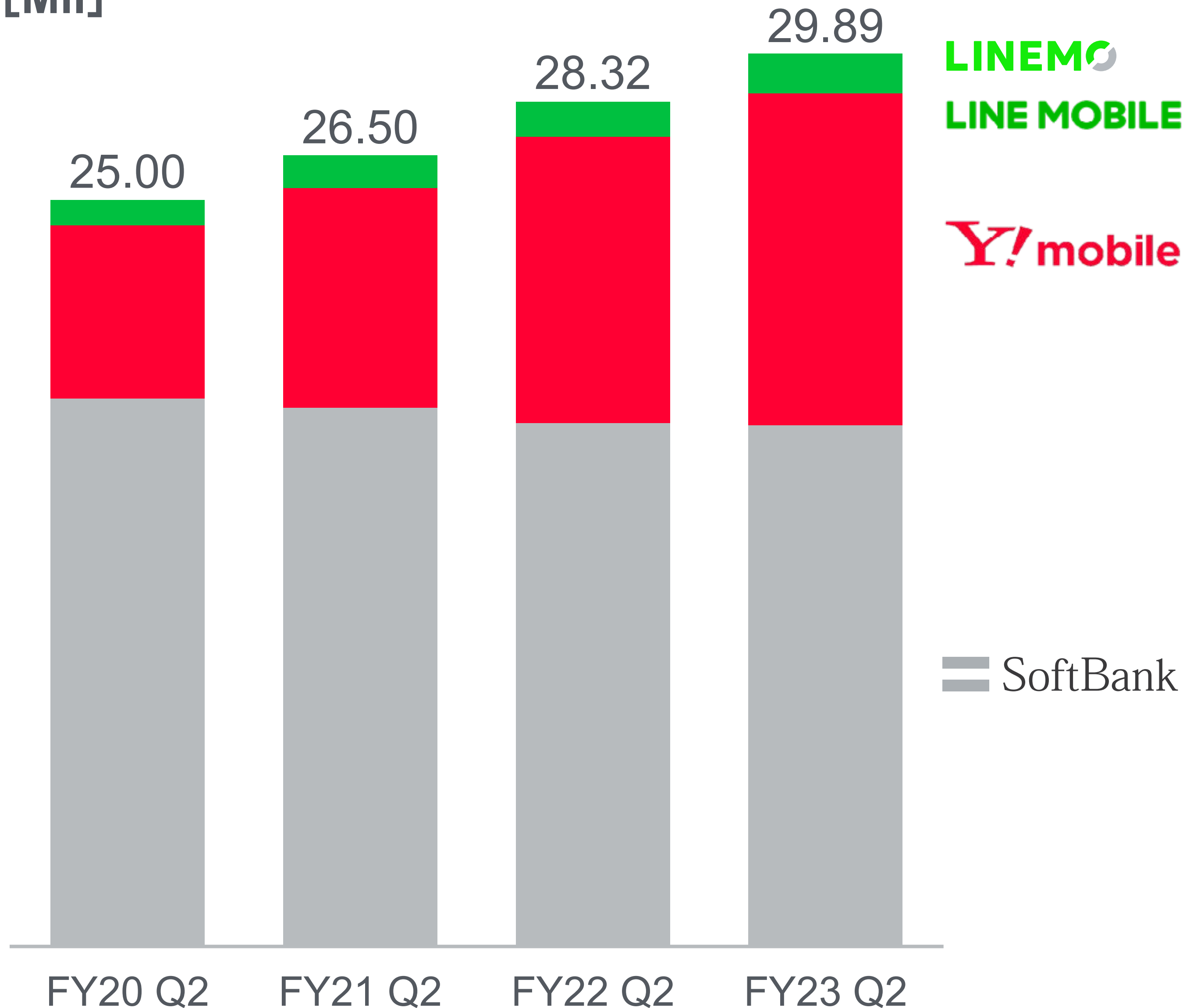


(Notes) Net additions = no. of subs at the end of the relevant quarter – no. of subs at the end of the previous quarter
Main subscribers: total of smartphones, feature phones, tablets, mobile data communications devices, Wireless Home Phone, and others. Includes enterprise subscribers

Smartphone Cumulative Subscribers

SoftBank

[Mil]



Up 6%

November 6, 2023
Achieved
30 million target
(Announced in August 2020)

New Price Plans (October 2023~)

SoftBank

Offering **unlimited plans**^{*1} with higher PayPay point to boost synergies



When Pay-toku Unlimited applied

PayPay points granted^{*2}

Up to equivalent of JPY 4,000 /month for both, with a settlement date of up to February 20, 2024 at the fastest



EC



Apparel

+5% → +15%



Convenience store



SoftBank



Restaurant

Y!mobile

For increased data usage, reduced unit price per GB

(“Simple2 S/M”)

Simple2

Simple2		
S	M	L
4GB	20GB	30GB
Basic charge when Home Bundle Discount Hikari Set (A) and PayPay Card Discount are applied ^{*3}		
JPY 980 /month (excluding. tax) (JPY 1,078 including tax)	JPY 1,980 /month (excluding. tax) (JPY 2,178 including tax)	JPY 2,980 /month (excluding. tax) (JPY 3,278 including tax)

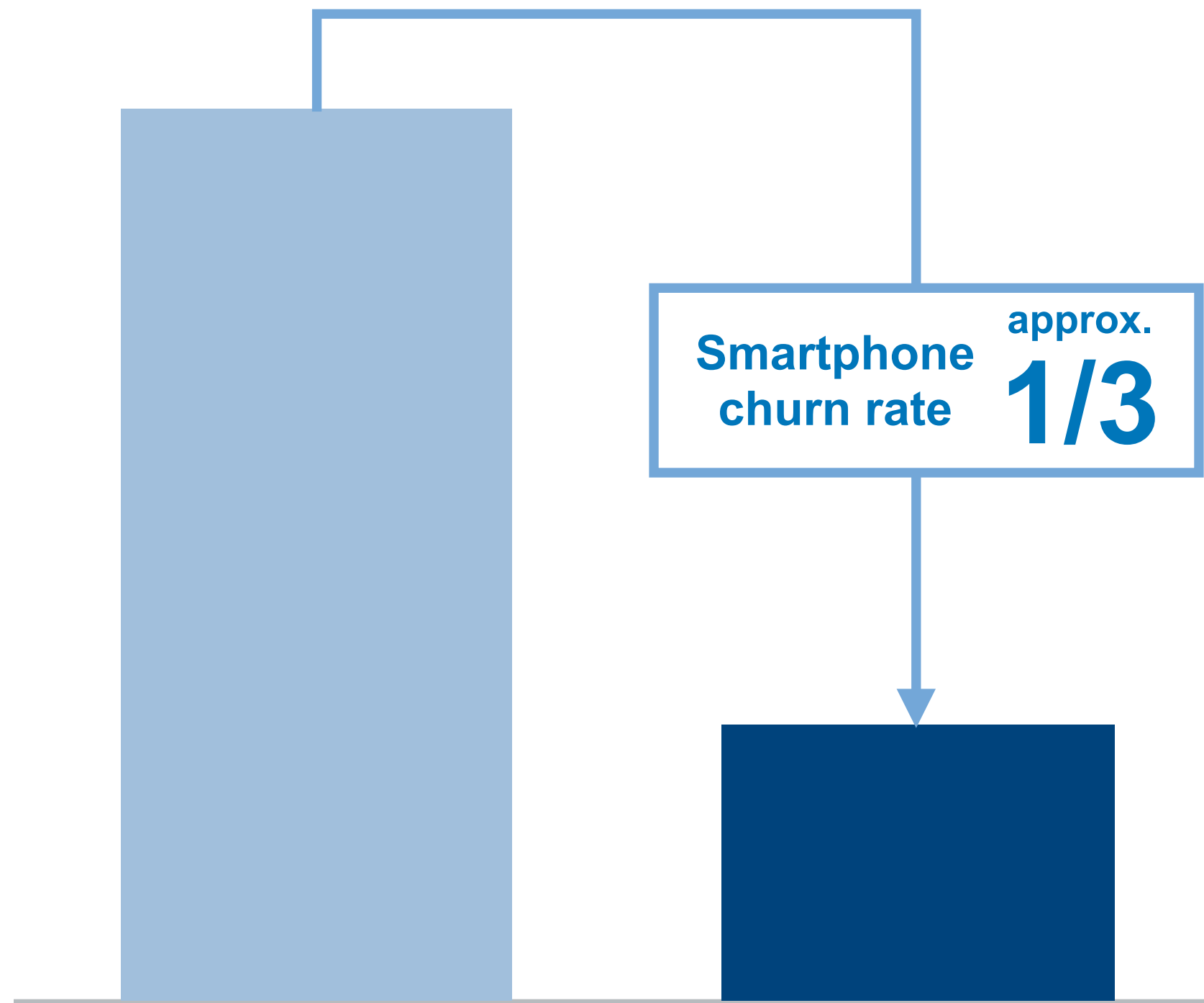
*1 Communication speeds may be regulated depending on the time of day. When the total of data usage including tethering exceeds 200GB/month, communication speed is regulated within a range that does not affect normal usage (maximum 4.5Mbps). Data sharing is limited to 50GB

*2 When Pay-toku Campaign is applied. When subscribing to Pay-toku Unlimited (JPY 9,625 /month including tax). PayPay points granted may not apply to telecommunication charges, etc.

*3 PayPay Card Discount (JPY -187 /month including tax) and Home Bundle Discount Hikari Set (A) (JPY -1,100 /month including tax)

Effect of Group Synergies

Smartphone Churn Rate^{*1}



Churn rate improves with use of group services

 Electricity service "Ouchi Denki"	Non-user	User
 Broadband service "SoftBank Hikari"	Non-user	User
 Shopping PayPay Card	Non-user	User of one or more services

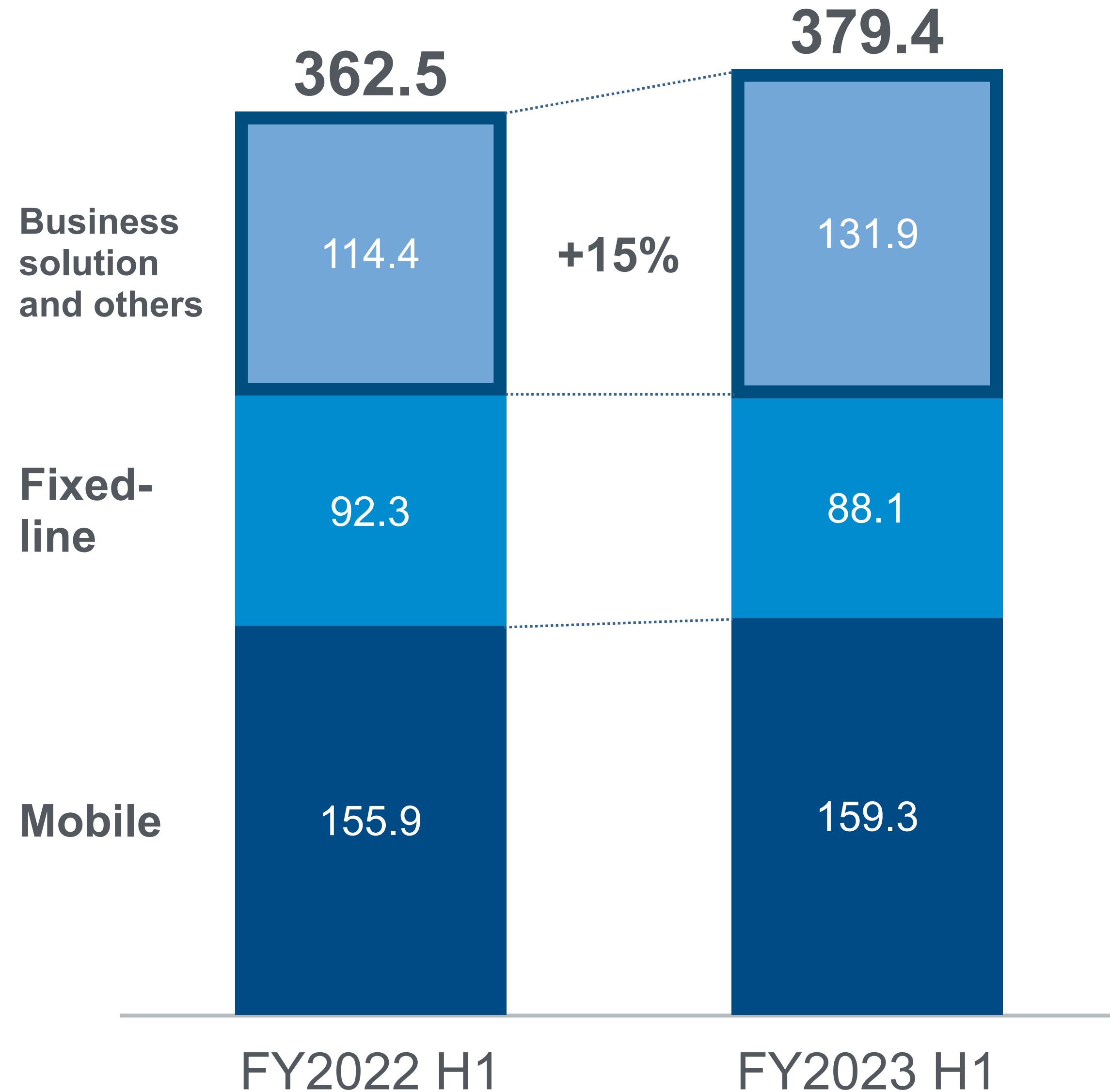
*1 This is the smartphone churn rate for FY23 Q2 for the SoftBank and Y!mobile brands. Calculated based on the total of churn by MNP (Mobile Number Portability) and churn that does not use MNP. Subscribers moving within our mobile brands and enterprise subscribers are excluded.

Enterprise Business



Enterprise: Revenue

[JPY bn]

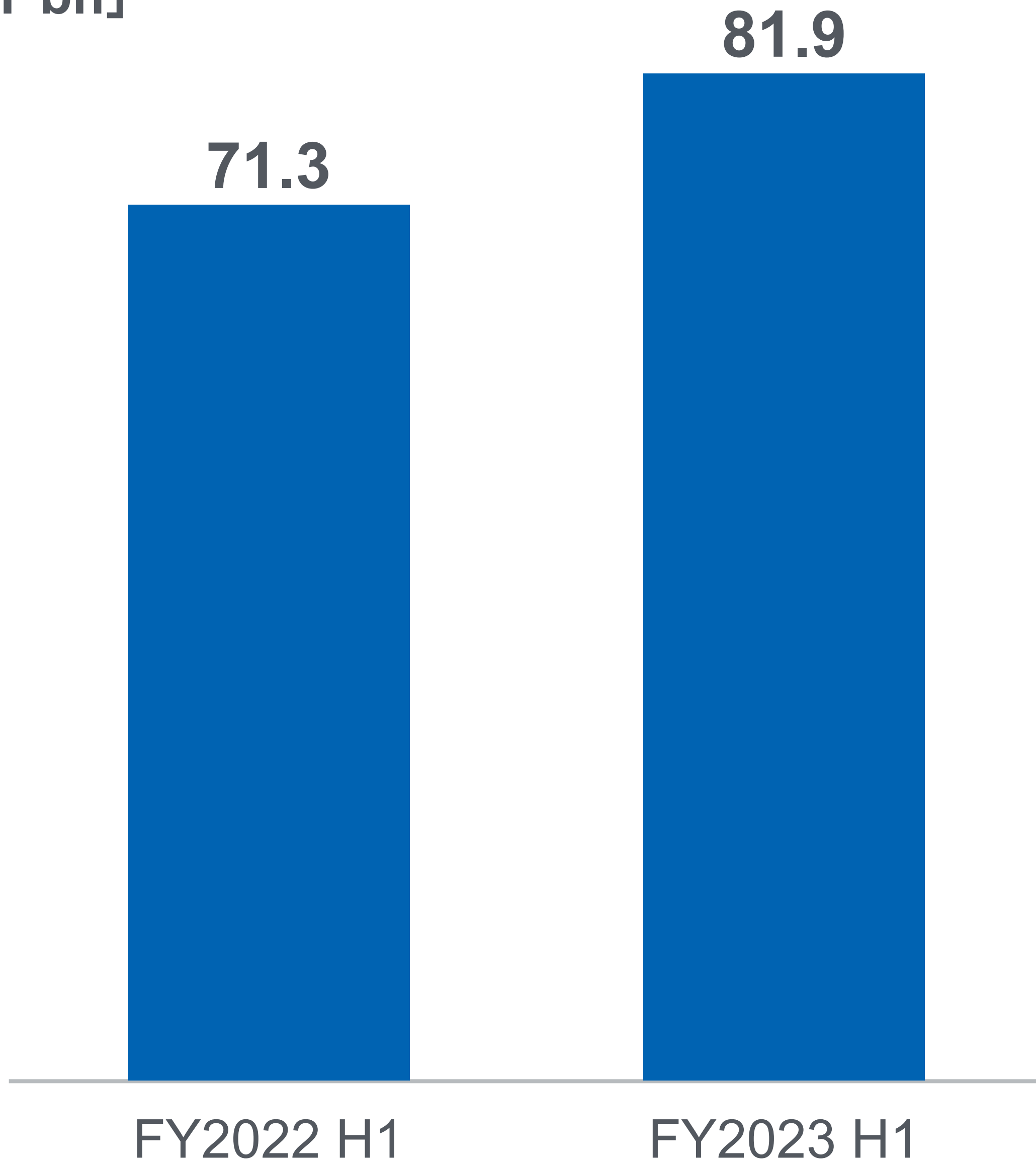


Up **5%**
Steady growth in
business solutions and
others

Enterprise: Operating Income

[JPY bn]

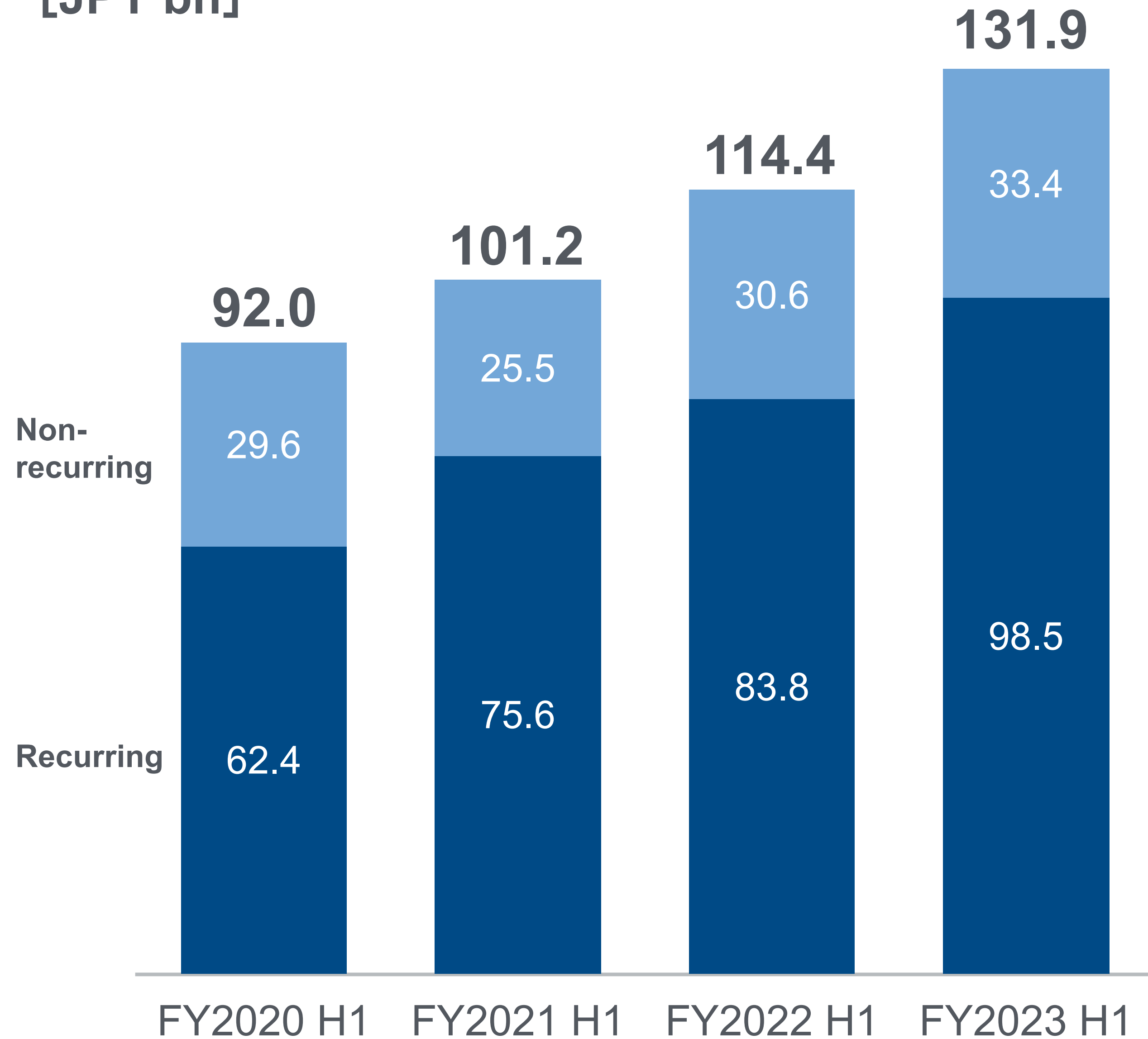
SoftBank



Up 15%

Enterprise: Business Solution and Others Revenue

[JPY bn]



Recurring revenue

Up 18%

(Note) Recurring revenue in cloud, security and IoT, etc., and revenue from data centers and digital marketing, etc.

Enterprise Segment Growth Strategy

(Create new businesses that lead to solutions for social issues)


Progress in two fields



New Business: Progress in Healthcare Field

Announced
October 5

Sumitomo Life Insurance and HTKK formed capital and business alliance

 **住友生命** *Vitality*
Sumitomo Life Insurance

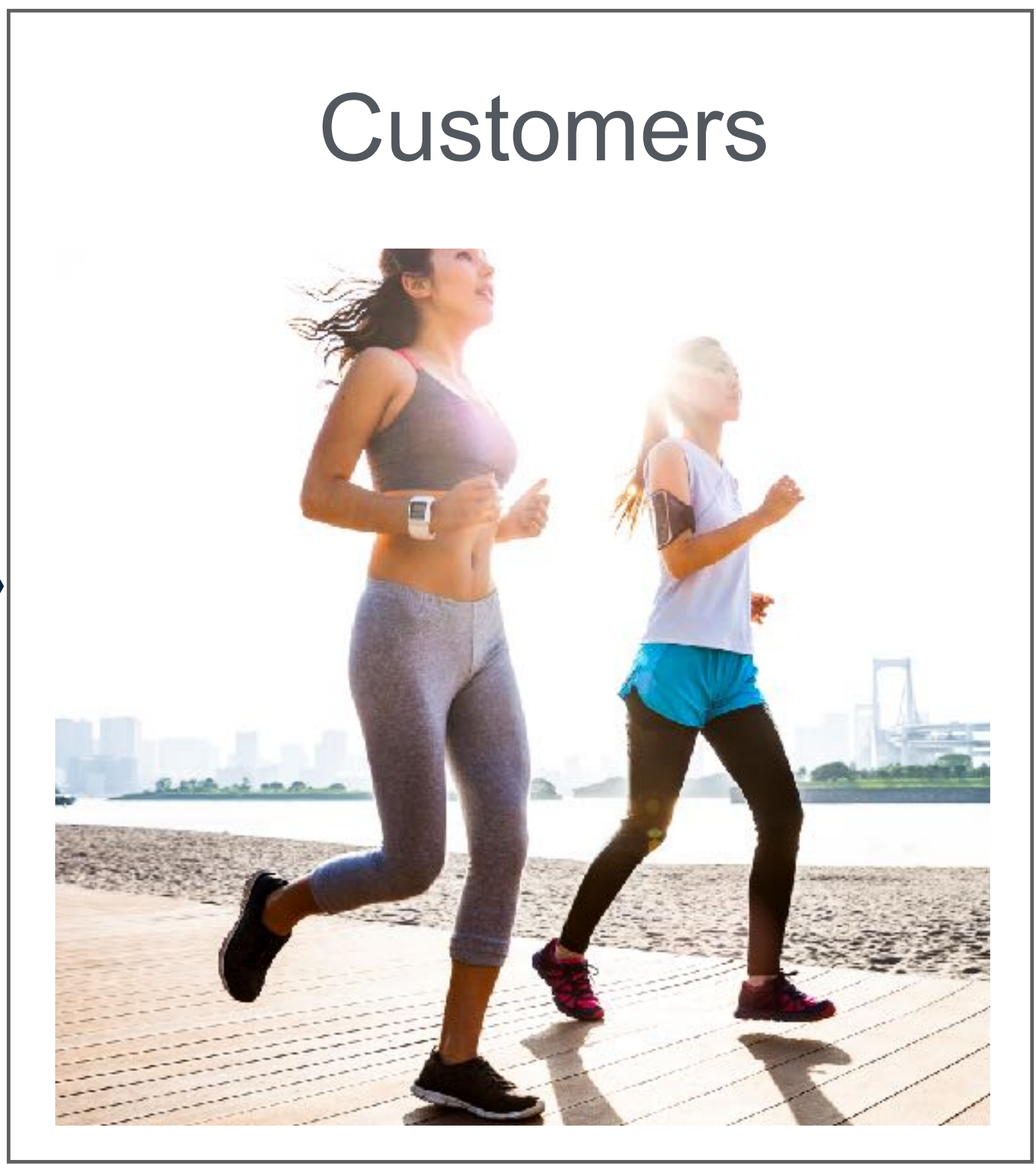
Advanced insurance products /
Digital usage know-how / Data / Knowledge

+

HT | HEALTHCARE TECHNOLOGIES 
HELPO

Health consultation know-how /
Basic health data /
Expertise of doctors, pharmacists, etc.

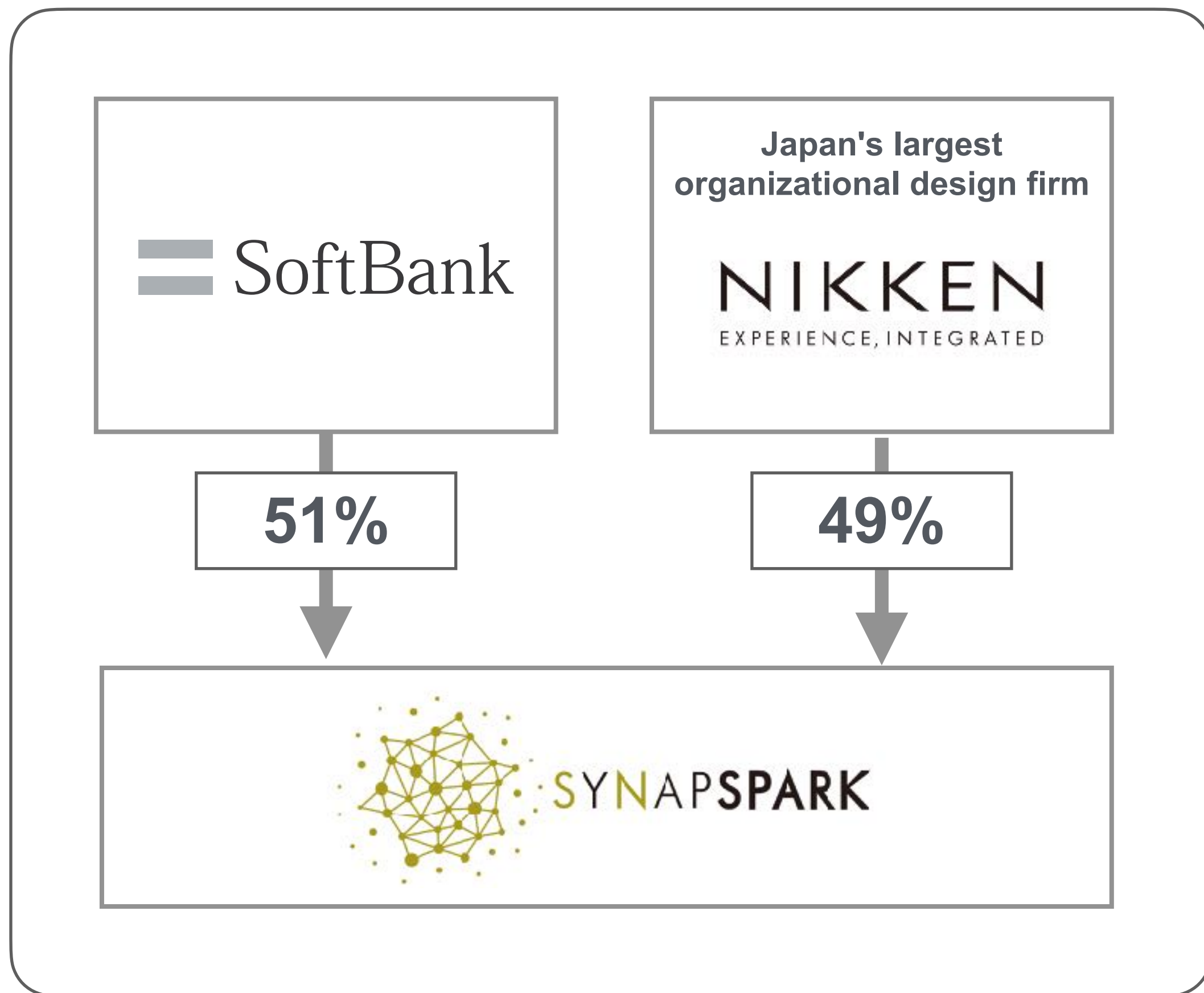
**New service development
in wellbeing field**



New Business: Progress in Autonomous Building Field

Announced
October 25

Established JV with NIKKEN



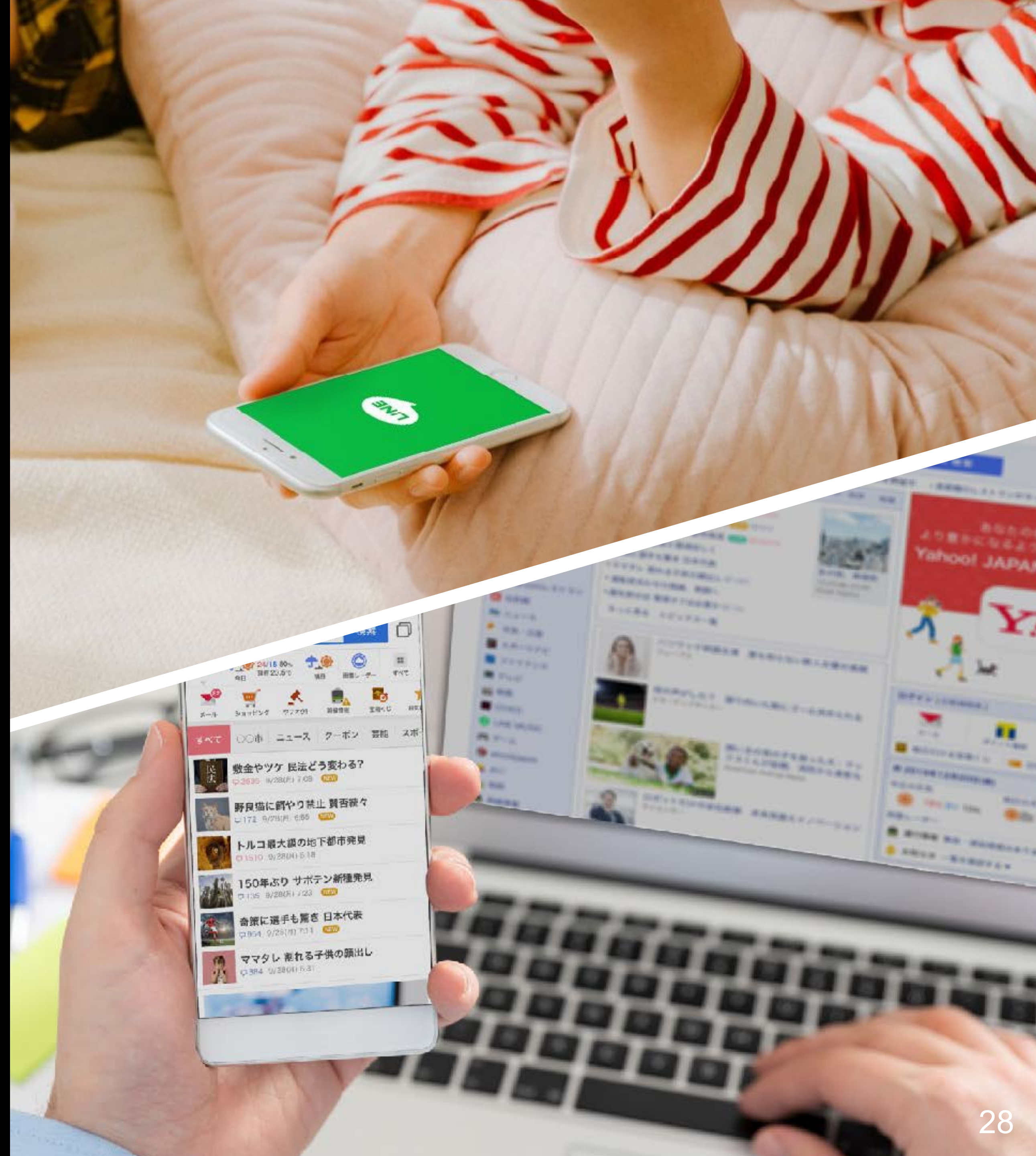
Data integration to promote autonomous buildings



Media & EC Business

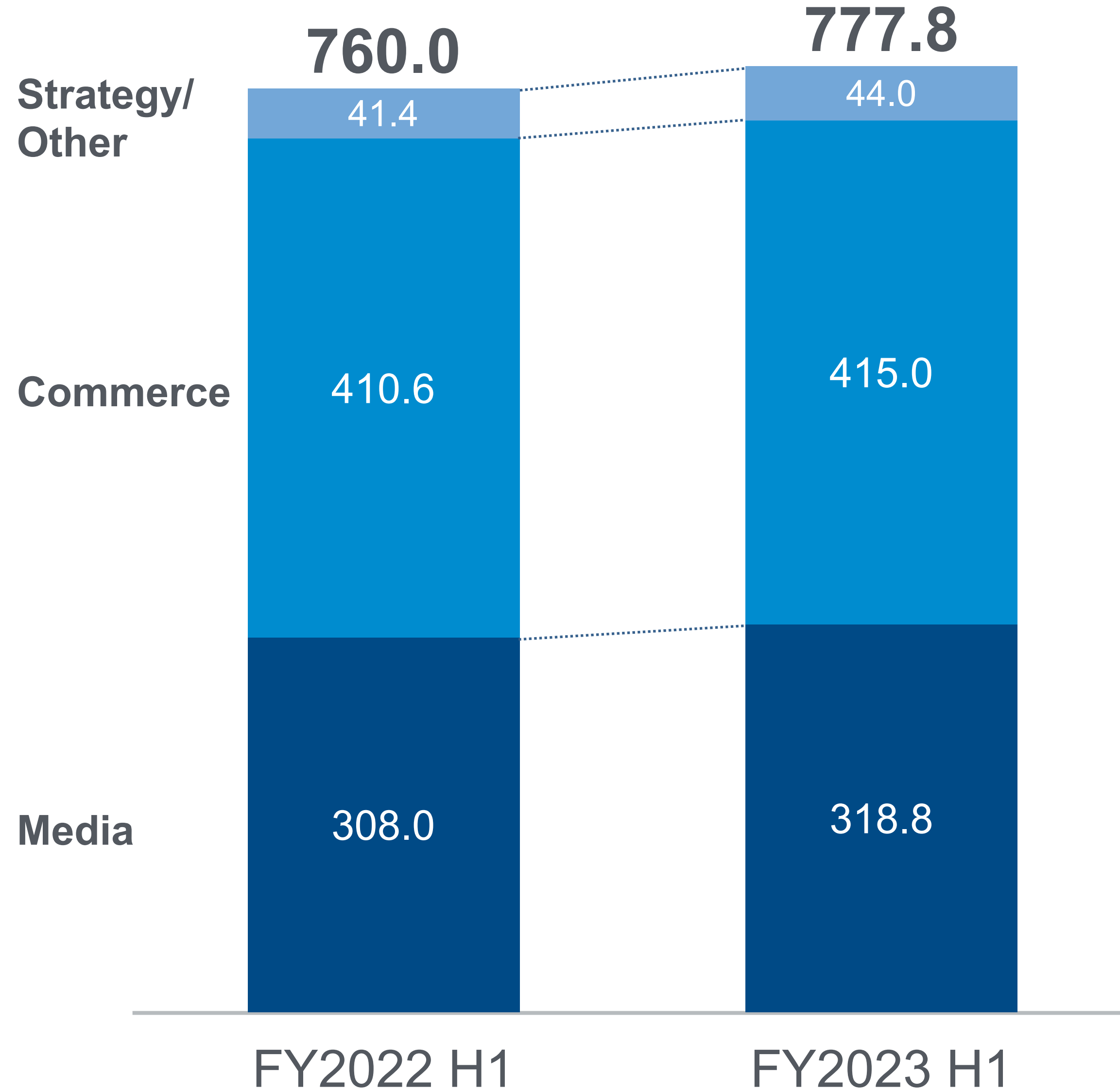
LINEヤフー

(LY Corporation)



Media & EC: Revenue

[JPY bn]

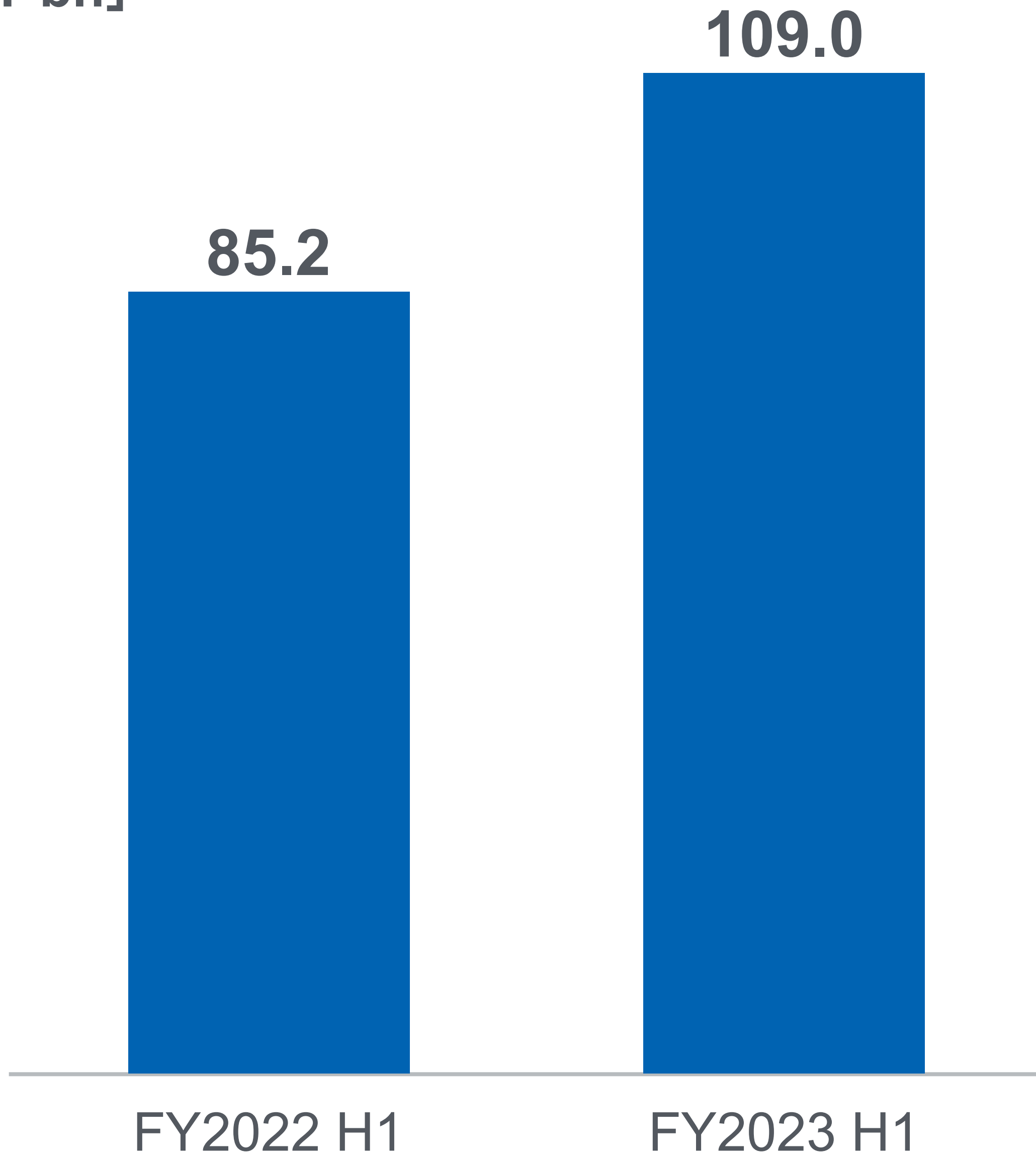


Up **2%**

(Notes) From FY22 Q3, "Financial" was newly established as a reportable segment due to the consolidation of PayPay Corporation. At the same time, the Group has reviewed the company composition of each segment, and retroactively revised the figures of "Media & EC" for FY22 H1. In FY23 Q1, the LY Corporation group revised its management categories and reclassified the categories of certain services. Accordingly, the breakdown of Media and Strategy / Other in the Media & EC segment revenue for FY22 H1 has been restated to reflect these changes

Media & EC: Operating Income

[JPY bn]



Up **28%**

(Note) From FY22 Q3, "Financial" was newly established as a reportable segment due to the consolidation of PayPay Corporation. At the same time, the Group has reviewed the company composition of each segment, and retroactively revised the figures of "Media & EC" for FY22 H1

Completion of Group Reorganization

Pursuing business efficiency and renewed growth of media, search, and commerce businesses



Merger accelerates growth initiatives

Cross usage	<ul style="list-style-type: none">- Promote account linkage- Provide LYP Premium- Revamp LINE tab
Search	<ul style="list-style-type: none">- Enhance inflow from search and key query areas (Commerce / local / knowledge)- Introduce new advertising products- Provide a new search experience using generative AI
Commerce	<ul style="list-style-type: none">- Lead LYP Premium members to LY Corporation's commerce services- Provide integrated commerce search- Introduce Shopping tab to LINE tab
Fintech	<ul style="list-style-type: none">- Reorganize overlapping business areas- Link the services centered on PayPay- Lead the customer bases of LINE and Yahoo! JAPAN to PayPay

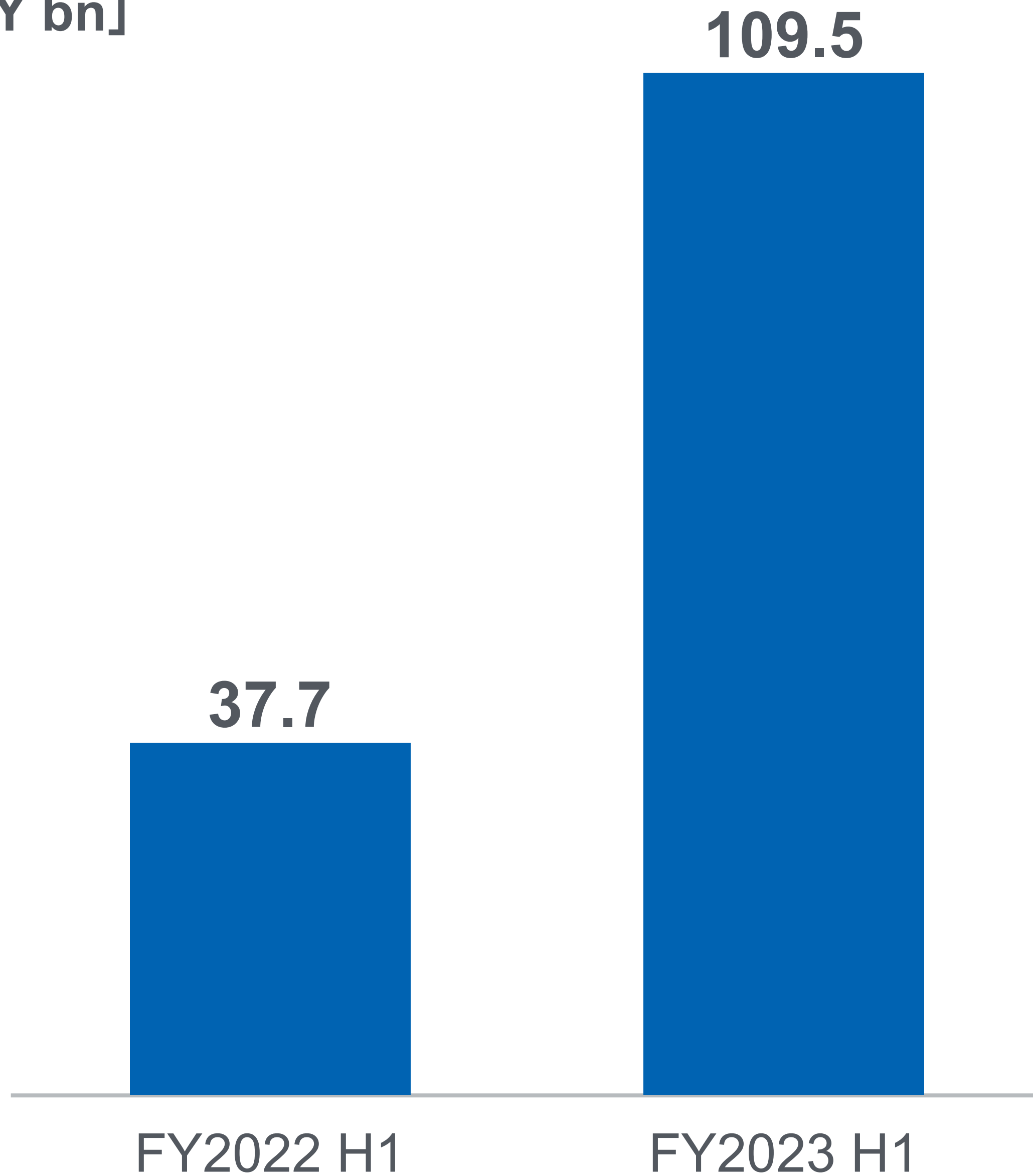
Financial Business

SB Payment Service



Financial Business: Revenue

[JPY bn]



2.9x

mainly due to consolidation of
PayPay Corporation

Financial Business: Operating Income

SoftBank

[JPY bn]



Decreased

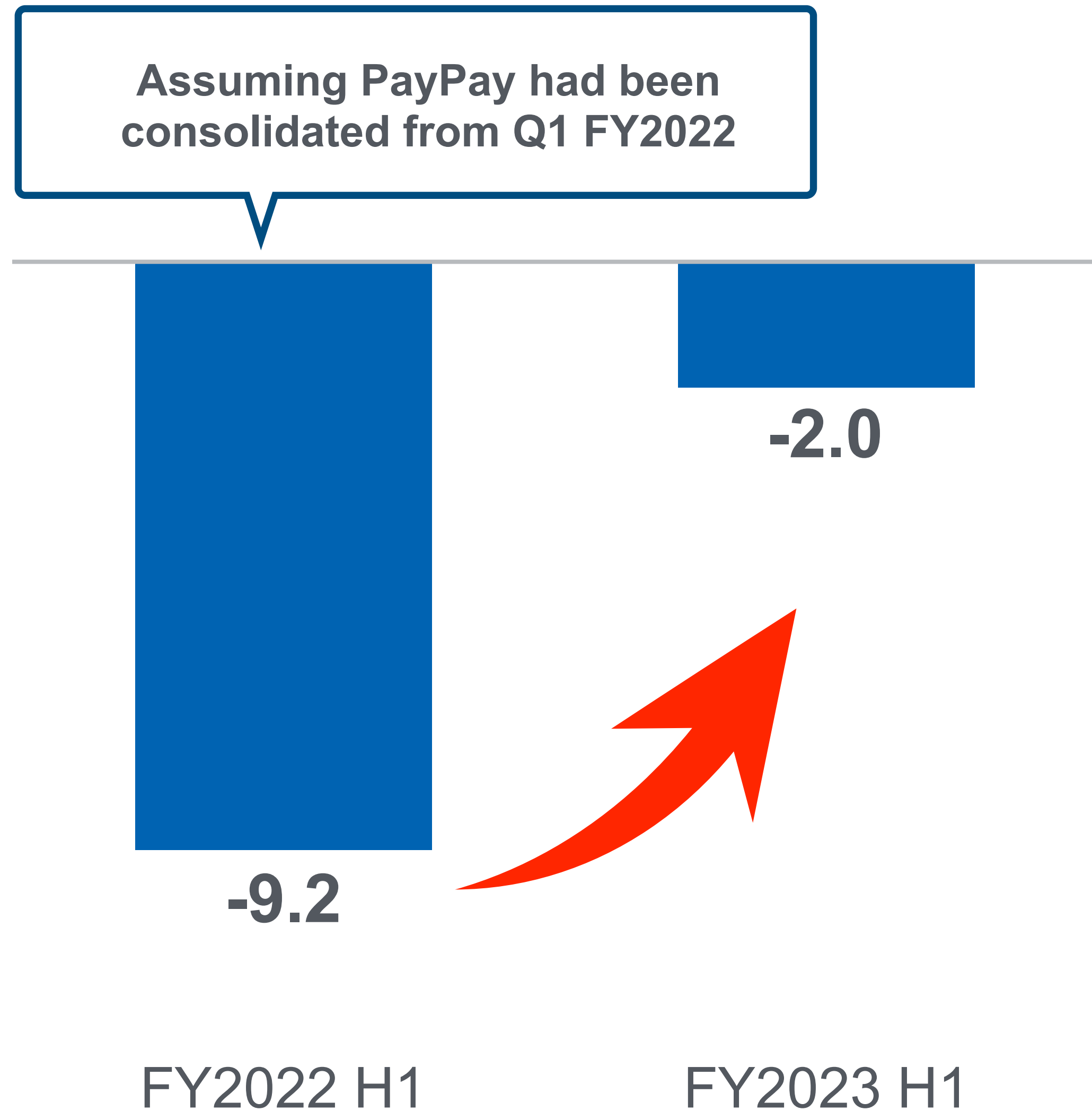
after consolidation of PayPay Corporation
in Q3 FY2022

FY2022 H1

FY2023 H1

Financial Business: Operating Income

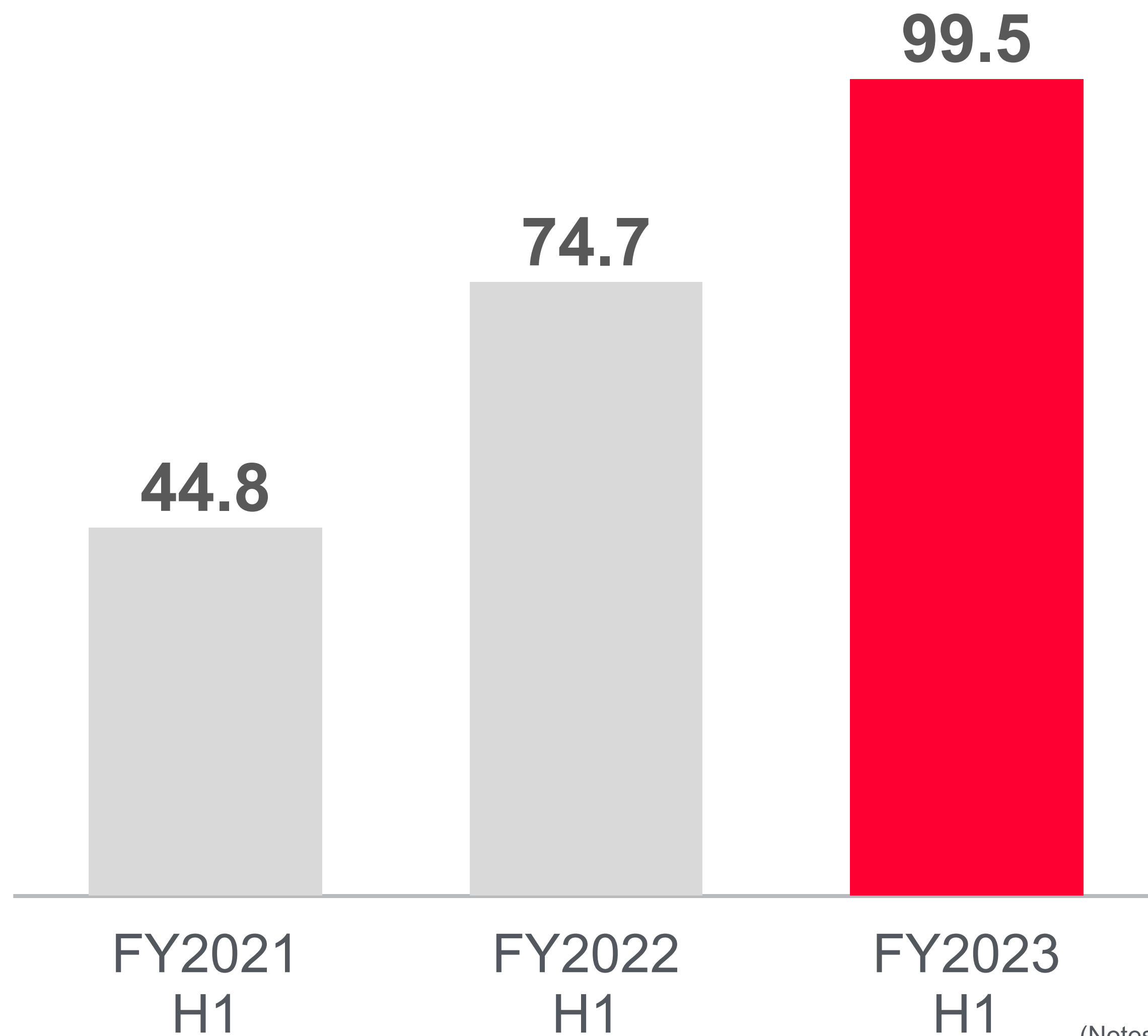
[JPY bn]



Actual performance improved significantly

PayPay Consolidated Revenue

[JPY bn]



Revenue (H1)

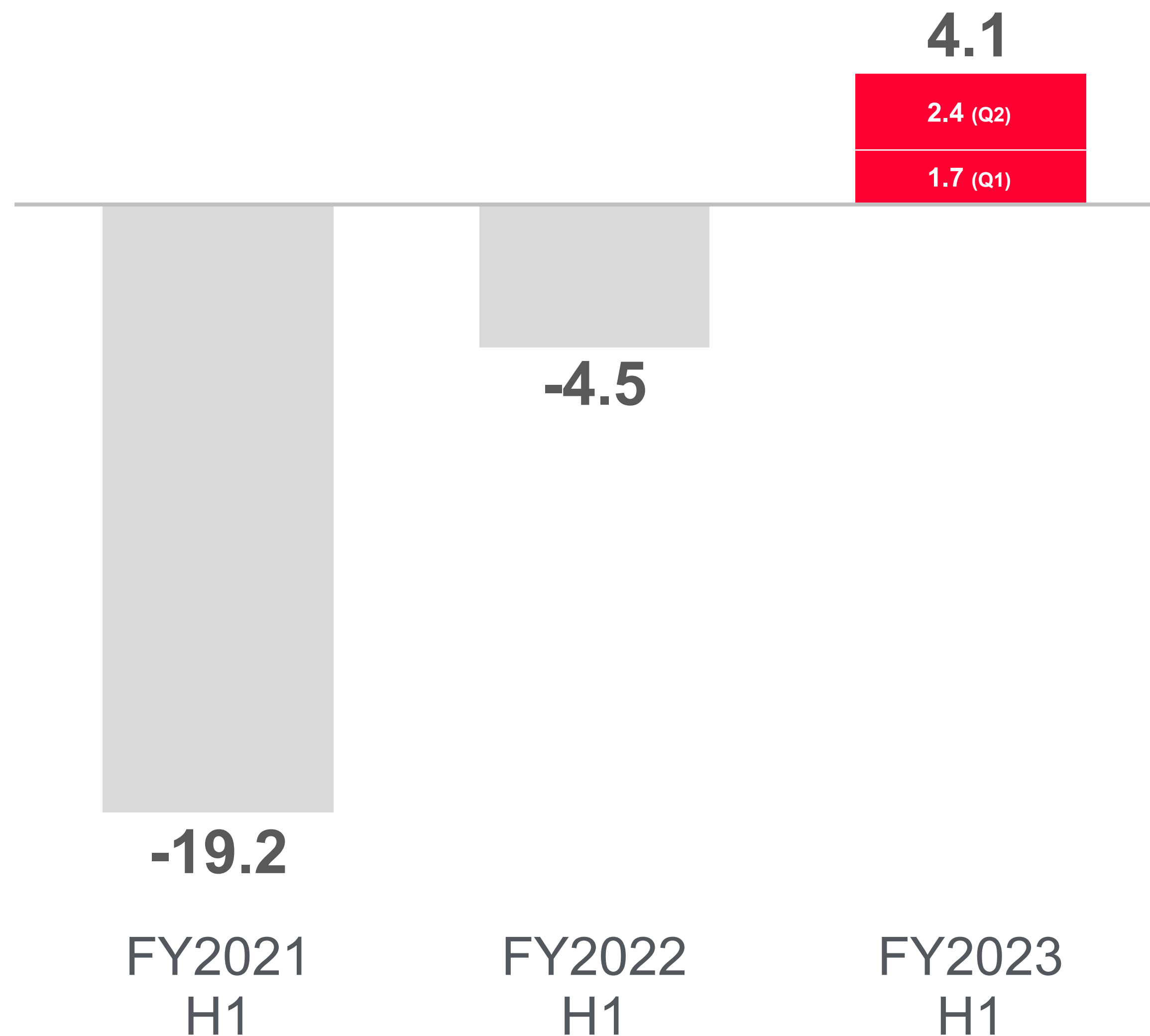
99.5bn

Up 33% YoY

(Source) PayPay Corporation
(Notes) Consolidated the financial statements of PayPay Card Corporation from the beginning of FY21 by applying the pooling-of-interests method
Consolidated PayPay revenue (including six months of revenue for each fiscal year), IFRS. Non-audited

PayPay Consolidated EBITDA

[JPY bn]



Profitable for two consecutive quarters

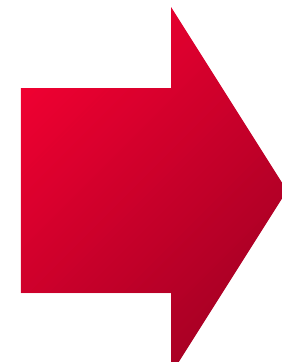
(Source) PayPay Corporation
(Notes) Consolidated the financial statements of PayPay Card Corporation from the beginning of FY21 by applying the pooling-of-interests method
PayPay consolidated basis, EBITDA of operating income plus depreciation (including six months for each fiscal year), IFRS, non-audited

Collaboration with Taiwan's cashless payment services (From October 2023)



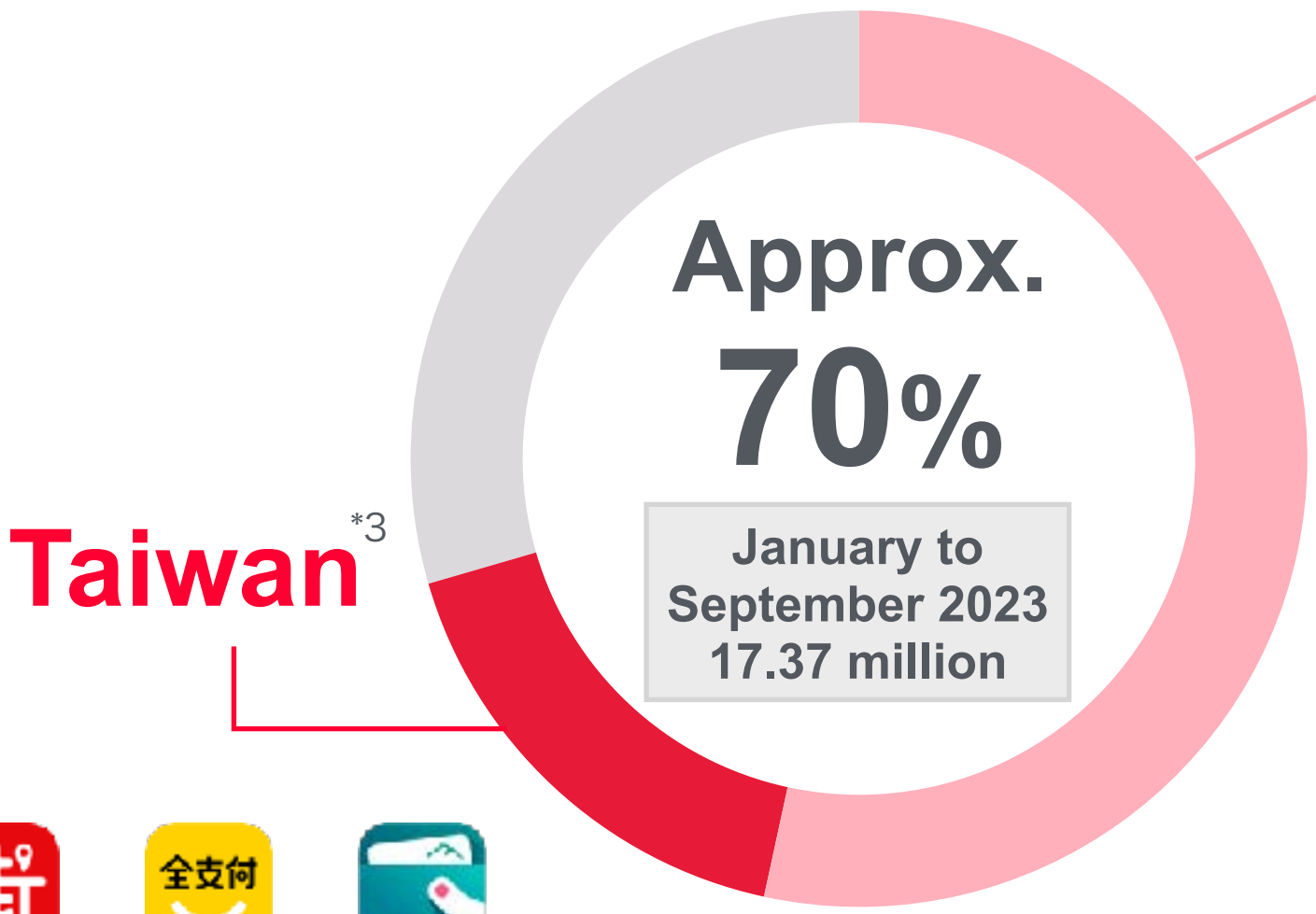
PayPay merchants accept **three of Taiwan's cashless payment services**

International network for QR payments provided by TBCASoft, Inc. of the U.S., in which SoftBank has invested



By connecting to PayPay, **approx. 70% foreign visitors to Japan can use cashless payments**^{*1}

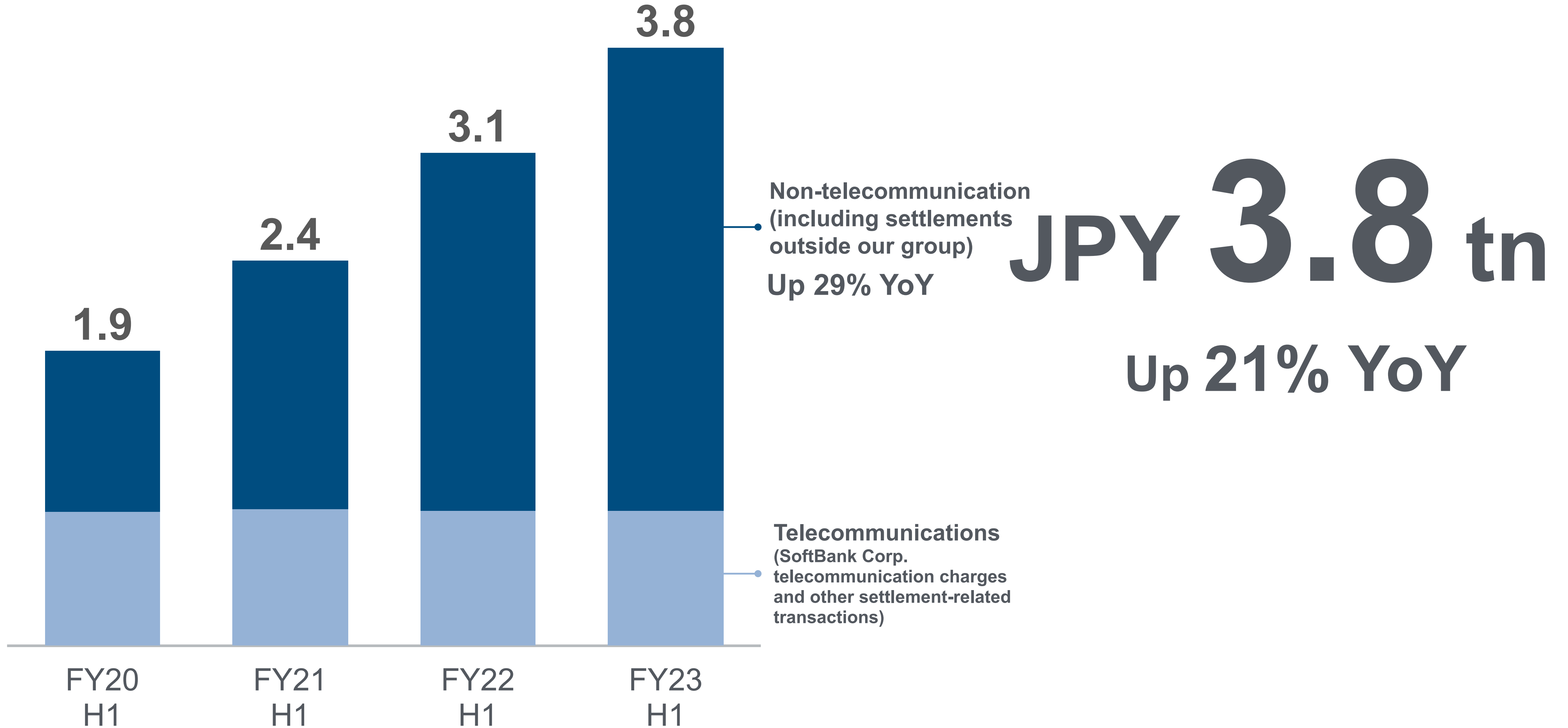
South Korea / China / Thailand etc.^{*2}



*1 Calculated by SoftBank Corp. based on 17.37 million foreign visitors to Japan from January to September 2023. Japan National Tourism Organization "Number of Foreign Visitors to Japan (September 2023 estimate, announced on October 18, 2023)"
 *2 Includes South Korea, China, Hong Kong, Thailand, Philippines, and Malaysia
 *3 "JKOPay": service available; "PXPAY Plus" and "E.SUN Wallet": service to be provided (launch date to be determined)

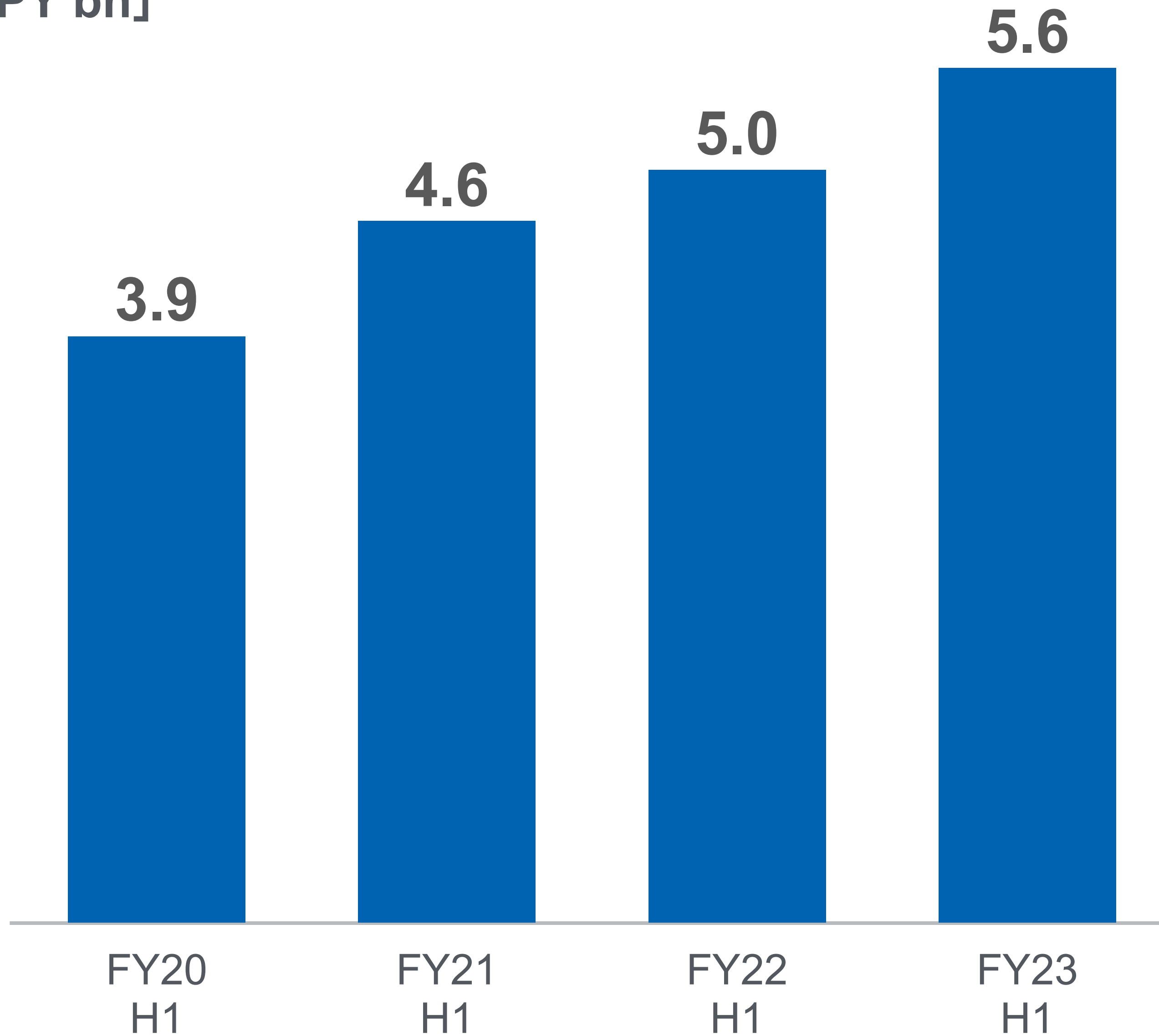
SB Payment Service : GMV

[JPY tn]



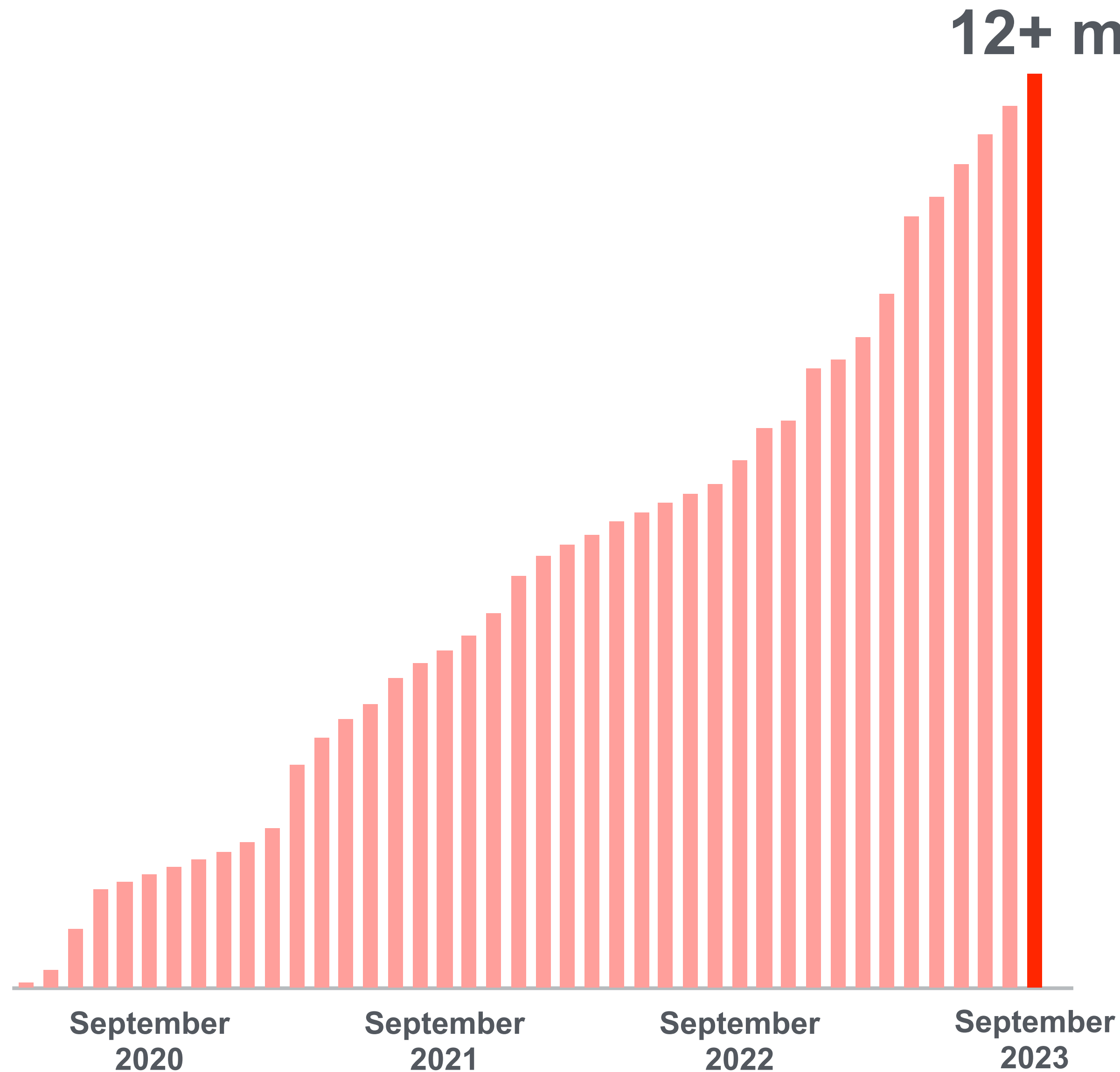
SB Payment Service: Operating Income

[JPY bn]



Up 14%

 PayPay 証券 : Cumulative Number of Point Investment Users
Securities



Exceeded
12 mil
Point investment users



Progress in Non-Terrestrial Networks (NTN)

What We are Aiming for with NTN



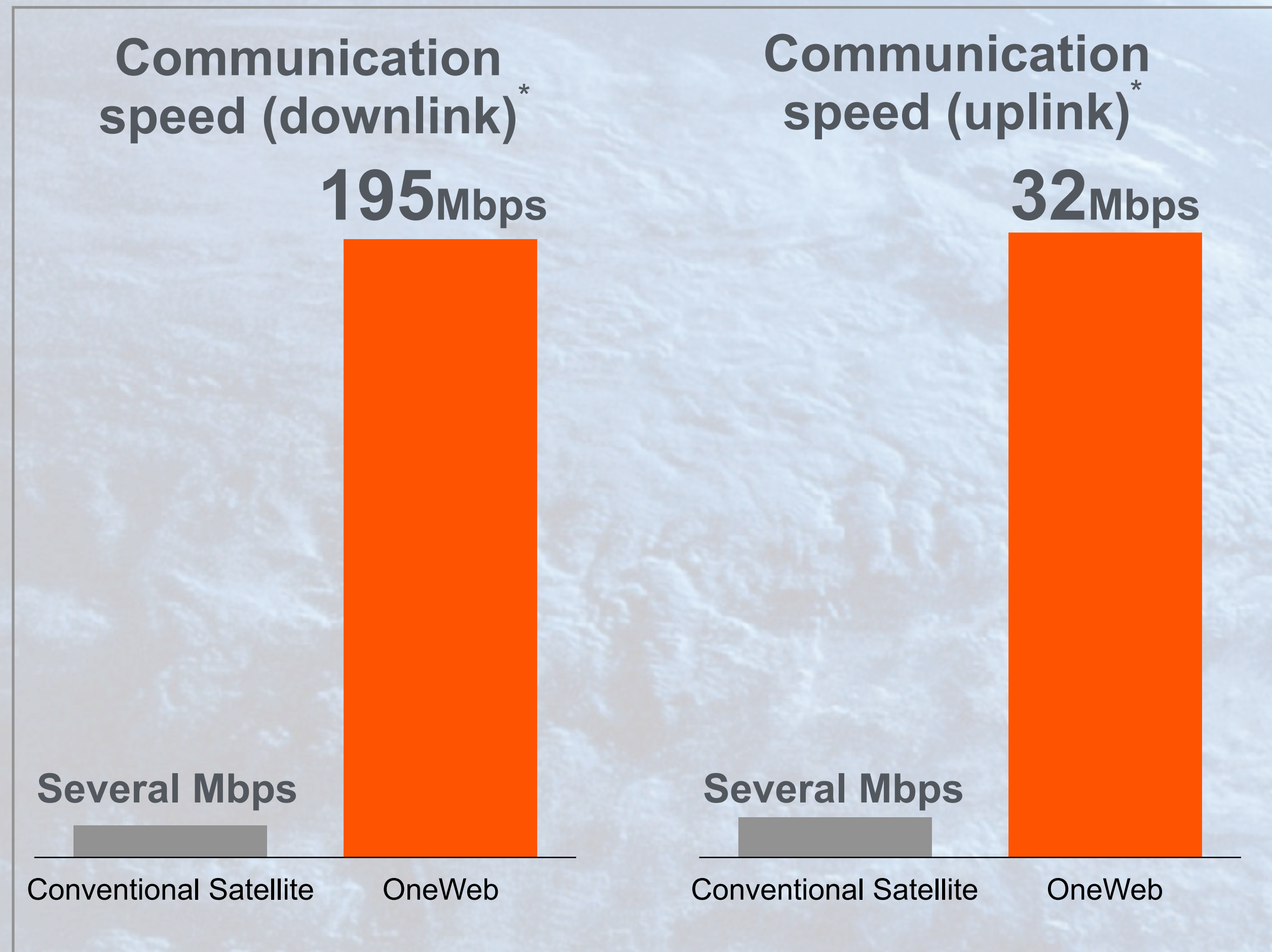
(Note) HAPS: High Altitude Platform Station. Platform that provides wide-area and stable telecommunications connectivity from the stratosphere

Utilizing satellites and HAPS to eliminate out-of-coverage areas

Signed Distribution Partnership Agreement with OneWeb

(September 2023)

Provide satellite communication services with emphasis on **security and quality** (Guaranteed bandwidth and dedicated access)



OneWeb low earth orbit satellite (altitude 1,200km)

* Maximum on terminal specifications

Launched “Starlink Business” service (September 27, 2023)

Provide satellite broadband services to companies and municipalities in Japan

Communication speed (downlink): up to 220 Mbps
Communication speed (uplink): up to 25 Mbps
*Best effort type

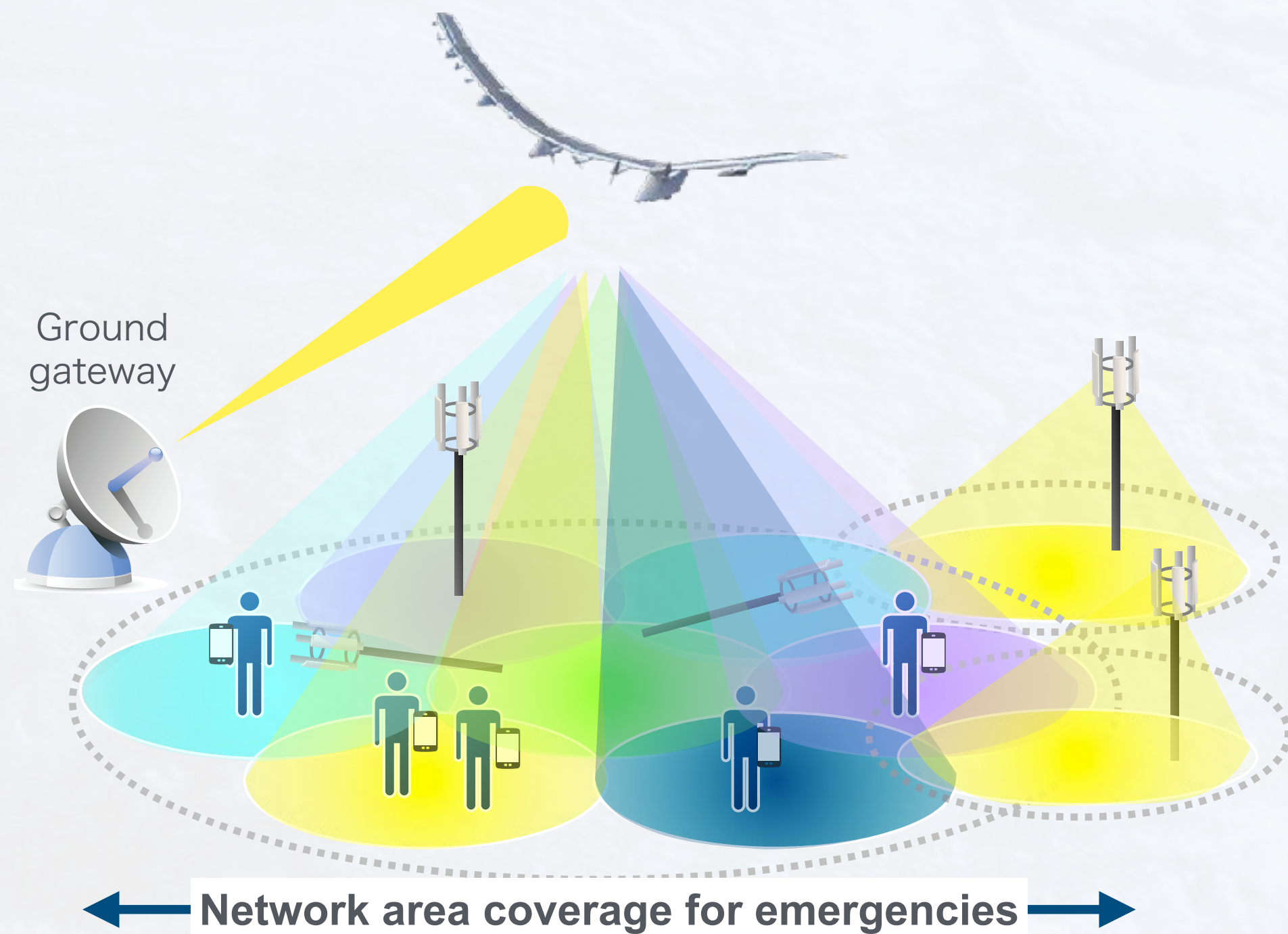
Major use cases



Commissioned to conduct two R&D projects by NICT under jurisdiction of the Ministry of Internal Affairs and Communications

Accelerate R&D for HAPS commercialization

Network Area Coverage for Emergencies

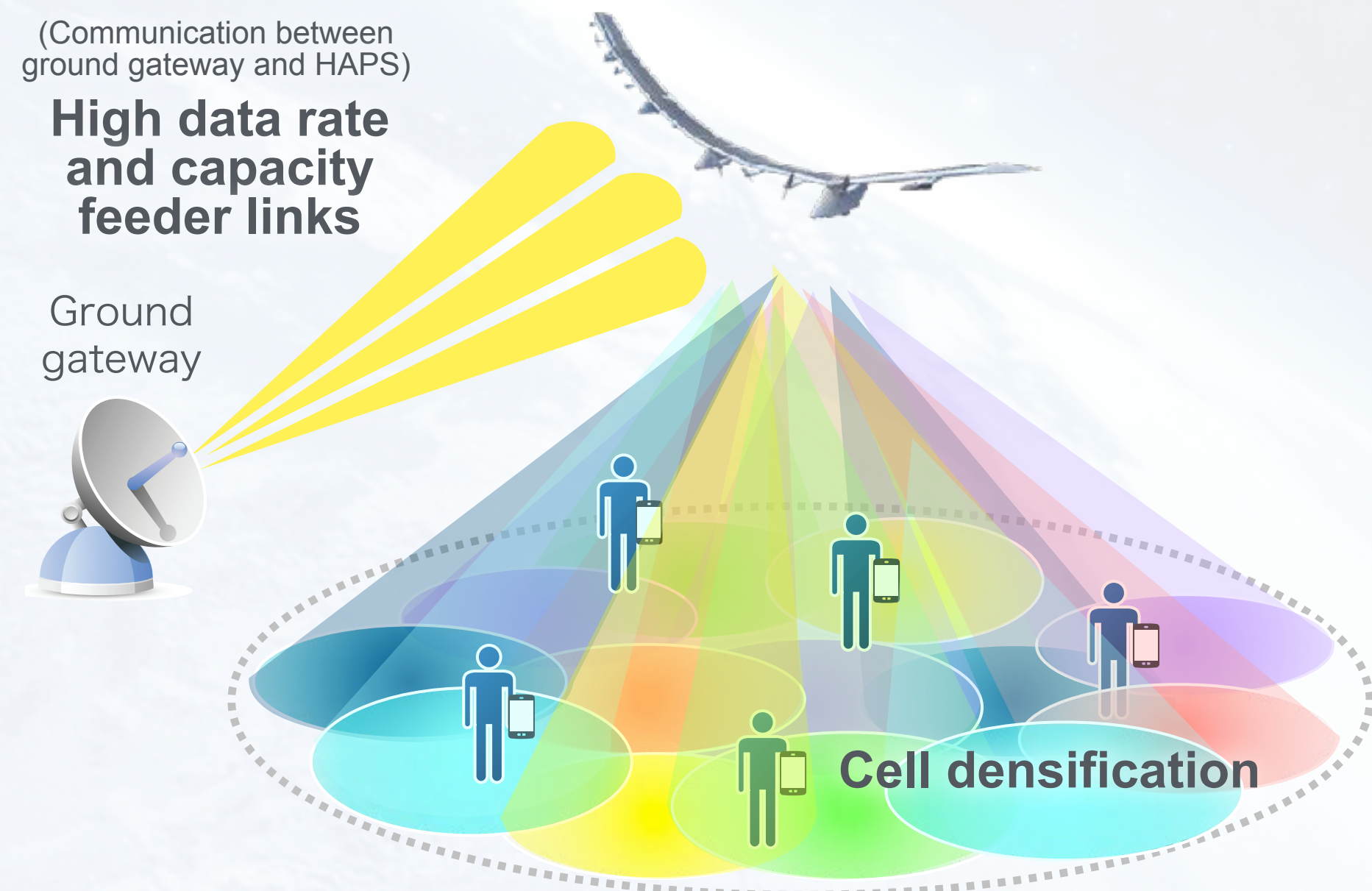


High-speed and high-capacity HAPS Mobile Broadband Communications

(Communication between ground gateway and HAPS)

High data rate and capacity feeder links

Ground gateway



(Note) NICT: National Institute of Information and Communications Technology. SoftBank Corp. is expected to receive up to JPY 13.6 billion as commission fees over 5 years (JPY 3.74 billion in the first year. If the need for continuation is recognized based on the stage-gate evaluation, etc., the R&D will be continued (up to FY2027))

Proof Test of HAPS in Rwanda

**World's first successful 5G connectivity test
from the stratosphere**

**Utilizes proprietary 5G
communications payload**



5G communications payload developed by SoftBank Corp.

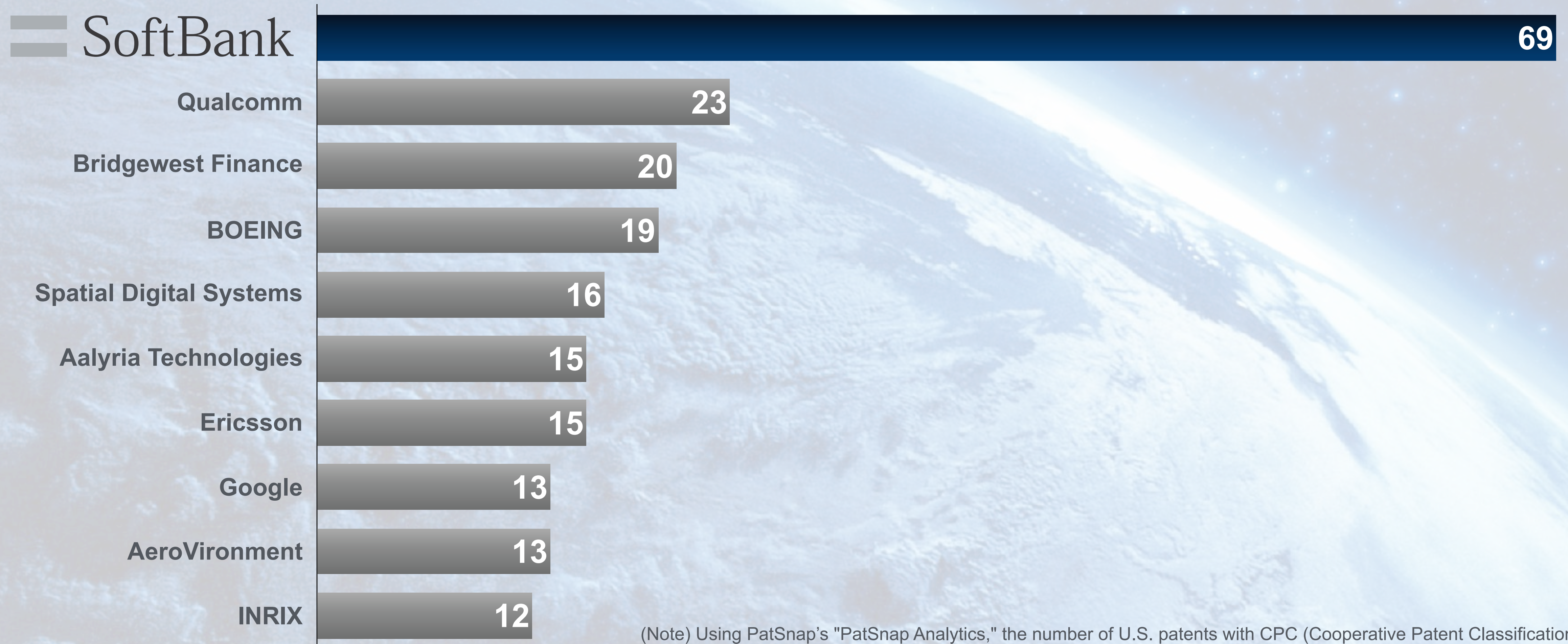
**Aim to eliminate digital and
educational disparities**



*1 World's first successful 5G connectivity test using HAPS aircraft in the stratosphere. Based on public information as of October 17, 2023, survey by SoftBank Corp.

Number of U.S. Patents in the HAPS Communications Area

Leading position in patent competitiveness

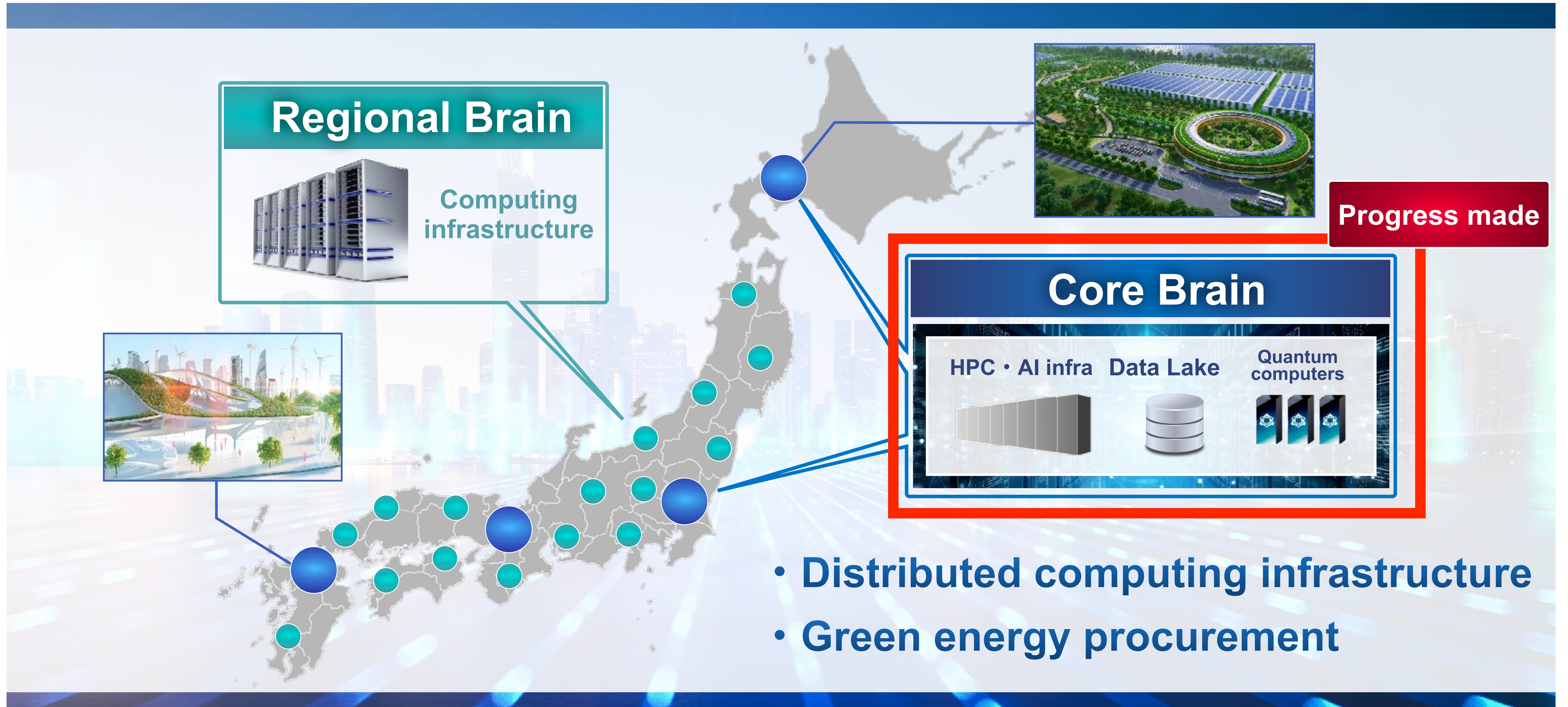


(Note) Using PatSnap's "PatSnap Analytics," the number of U.S. patents with CPC (Cooperative Patent Classification) H04B7/18504 granted that are still in force is aggregated on a case-by-case basis (as of October 17, 2023)



Progress Toward Building Next-generation Social Infrastructure

Structure of Next-generations Social Infrastructure (AI Data Center)



Progress in Core Brain



**Up to 300 MW
(top class in Japan)
Land (700k square meters)**

**Utilize renewable
energy**

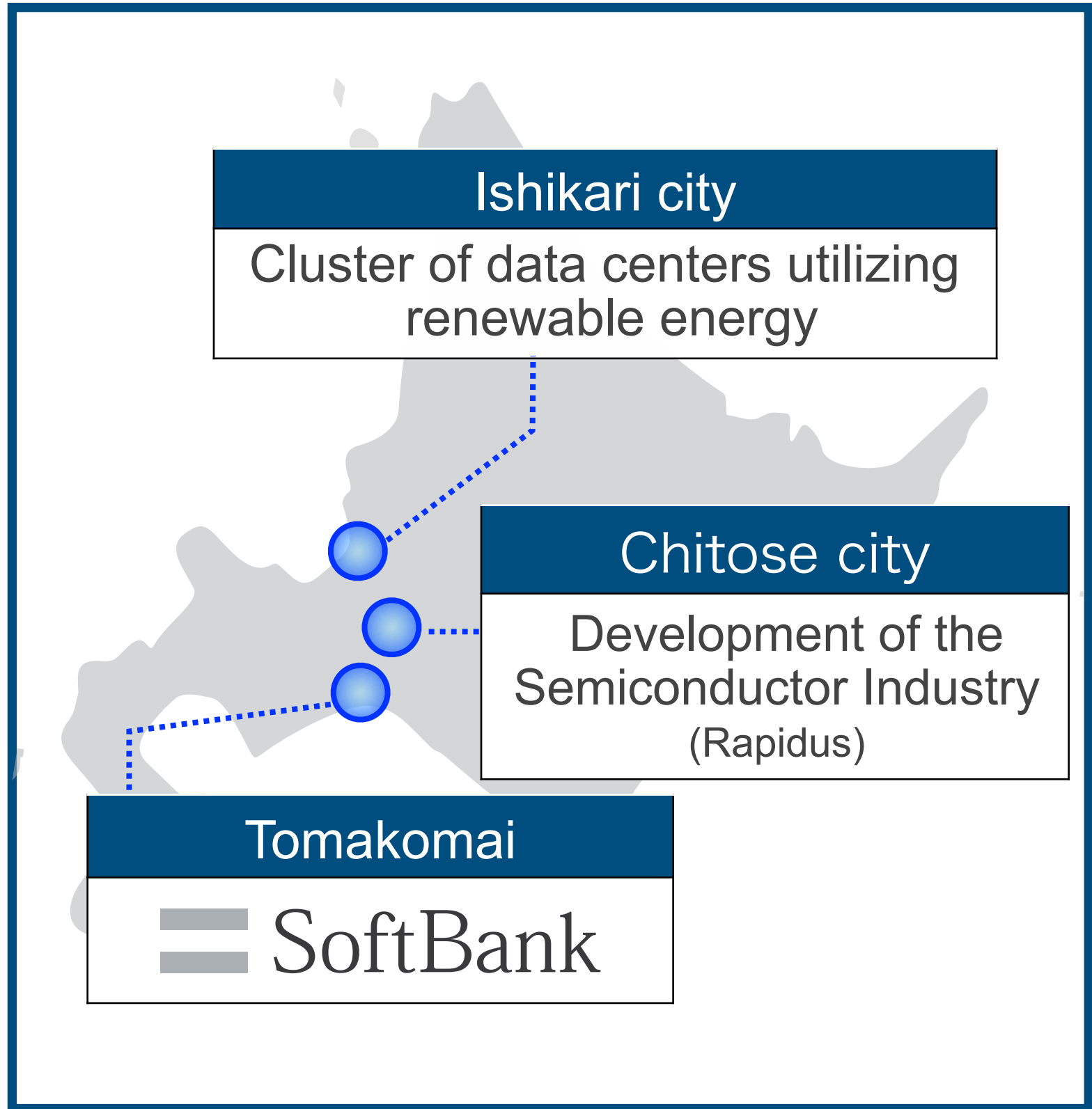
Hokkaido Data Center to be built

**Completed first phase construction and scheduled to start operations in FY2026
Plan to expand toward 300 MW in due course**

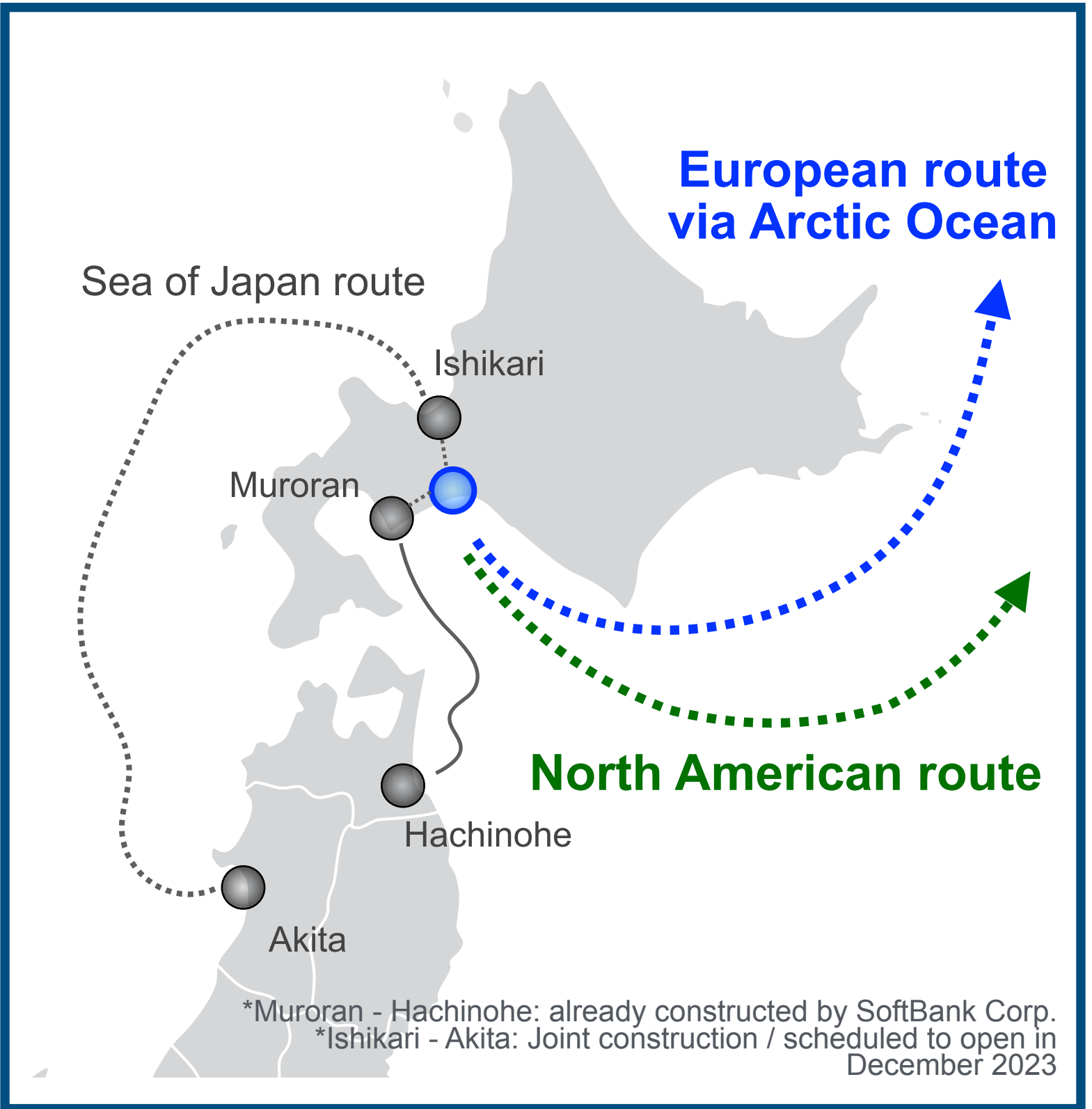
(Note) Selected as the operator for the Ministry of Economy, Trade and Industry's Data Center Regional Hub Development Project and is scheduled to receive subsidies

Reasons for Choosing Hokkaido

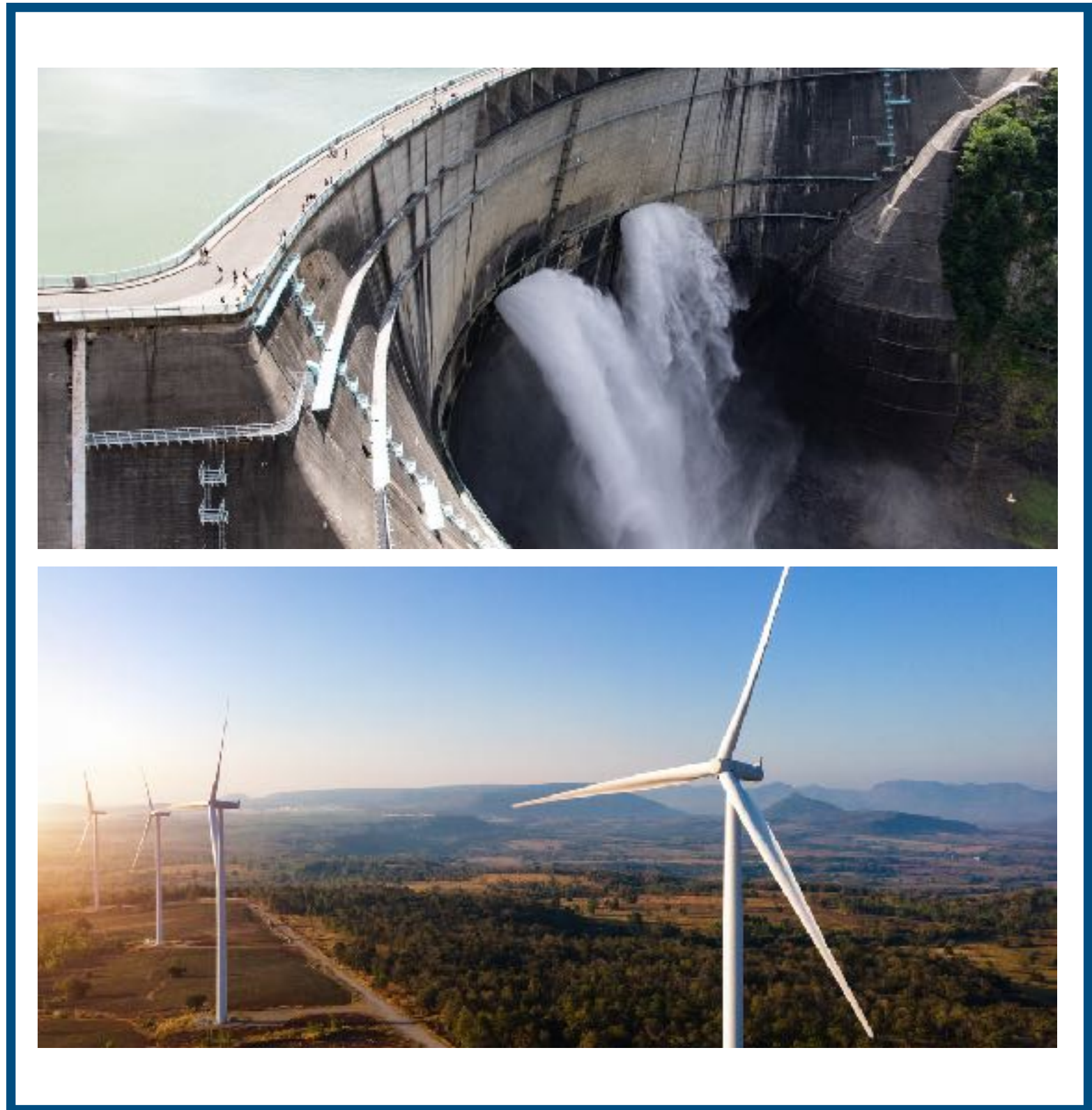
1. Cluster of digital industries



2. Construction of international submarine cables (New landing station to be established)

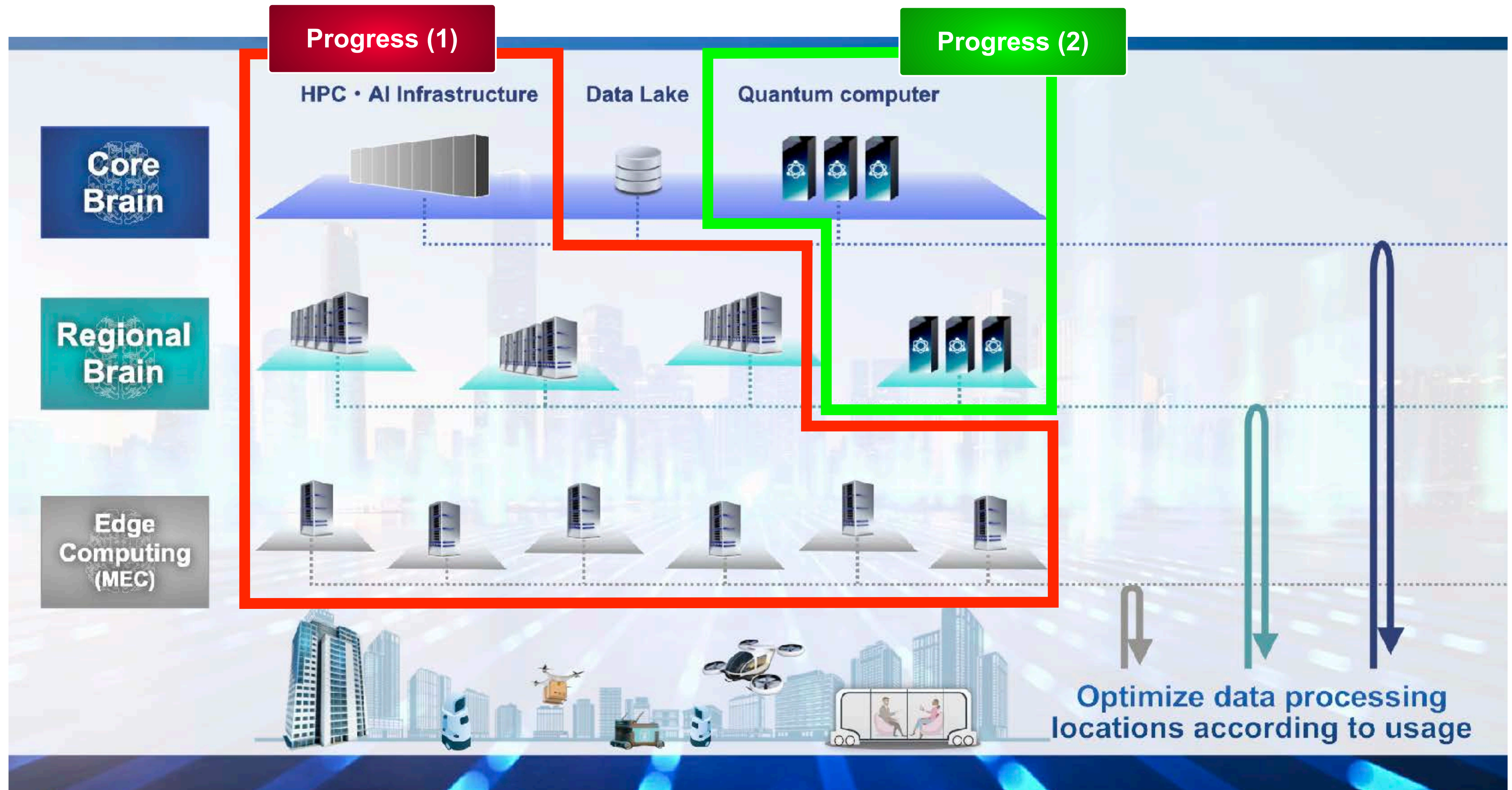


3. Abundant renewable energy

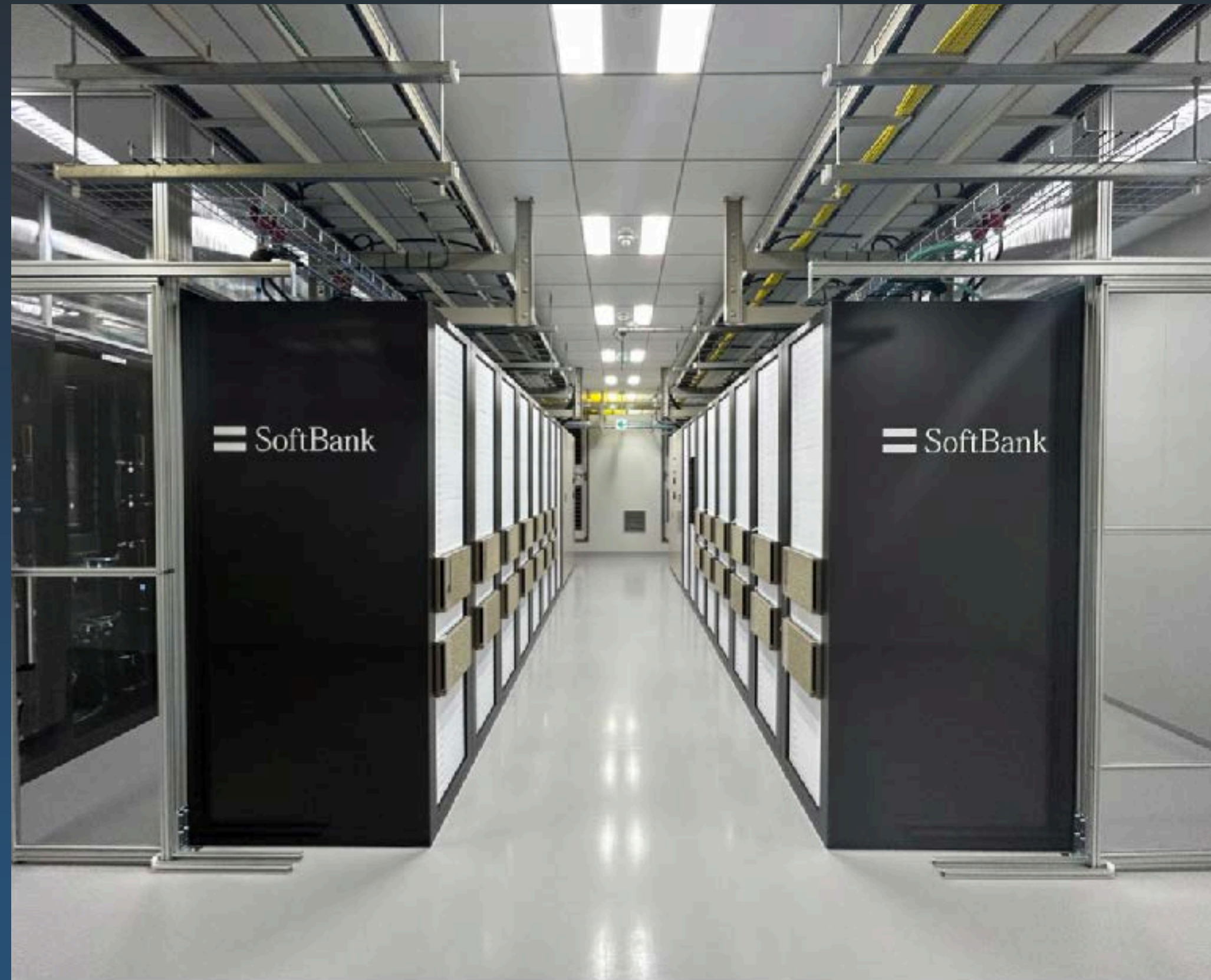


Structure of Decentralized AI Data Center

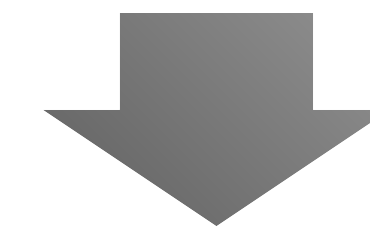
(Excerpt from our long-term vision explanatory material, May 2023)



 **nVIDIA** (DGX SuperPOD)



Started operation of generative AI infrastructure



To build homegrown Japanese LLM with **350 billion parameters** by 2024



**Promote research
and development
for practical use of
quantum computers**

SoftBank



Challenges for Practical Application of Quantum Computers

Computational errors due to microscopic noise

Maintaining the computing environment is critical for long-time quantum calculations



Collaboration and coordination with supercomputers is high priority

Development of Quantum / Supercomputer Collaborative Platform

(Commissioned by Ministry of Economy, Trade and Industry, Japan)

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Quantum / supercomputer collaborative platform



Supercomputer
"FUGAKU"



Quantum
computer

Benefits of supercomputer collaboration

Error mitigation / control

Algorithm optimization and divided computation

Computation and control in cooperation with supercomputer

Securing funds for growth investments: Series 1 Bond Type Class Shares

Issue amount	JPY 120.0 bn
Fixed dividend annual rate ^{*1}	2.5% ^{*2}
Listing date	November 2, 2023
Main use	Mainly growth investments related to next-generation social infrastructure (Distributed AI data centers, digital platform, super-distributed computing foundation (xIPF), generative AI, etc.)



*1 Issue price is JPY 4,000. Fixed annual dividend is JPY 100 per share (The amount of the preferred dividend to Series 1 Bond-Type Class Shares with a record date of March 31, 2024 will be JPY 41.53 (calculated based on actual day counts on a 366-day year basis))

*2 If the record date falls in a fiscal year ending on or before March 31, 2029: 2.500% per annum. If the record date falls in a fiscal year ending on or after April 1, 2029: The interest rate of One-Year Japanese government bonds (JGBs) as of the date two business days before the last day of the fiscal year before the fiscal year in which the record date falls, plus 3.182%

Summary

1 Net income^{*1} increased by 29% (progress rate^{*2} 72%)

2 Announced new mobile service price plans

3 PayPay achieved positive consolidated EBITDA for two consecutive quarters

4 Progress in next-generation social infrastructure initiatives



Information Revolution — Happiness for everyone



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