

 SoftBank

Earnings Results for the Nine Months Ended December 31, 2023

February 7, 2024
SoftBank Corp.

Disclaimer

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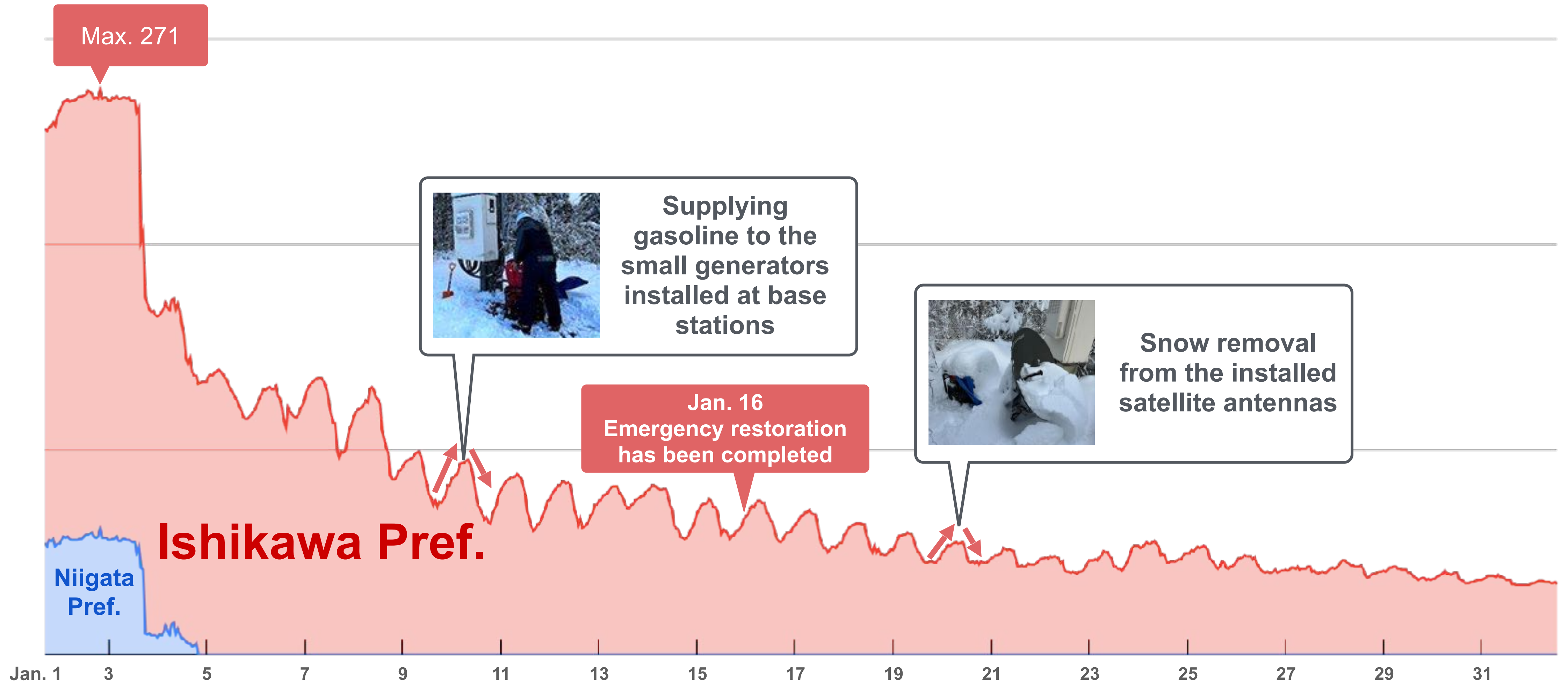
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**We extend our deepest and
heartfelt sympathies to those who
have been affected by the 2024
Noto Peninsula Earthquake**

Number of Disrupted Mobile Sites

Emergency restoration has been completed in all areas,
except locations difficult for workers to access



Restoration Area Map (4G LTE)

Disaster occurrence:
4 PM January 1

Jan. 2

3

4

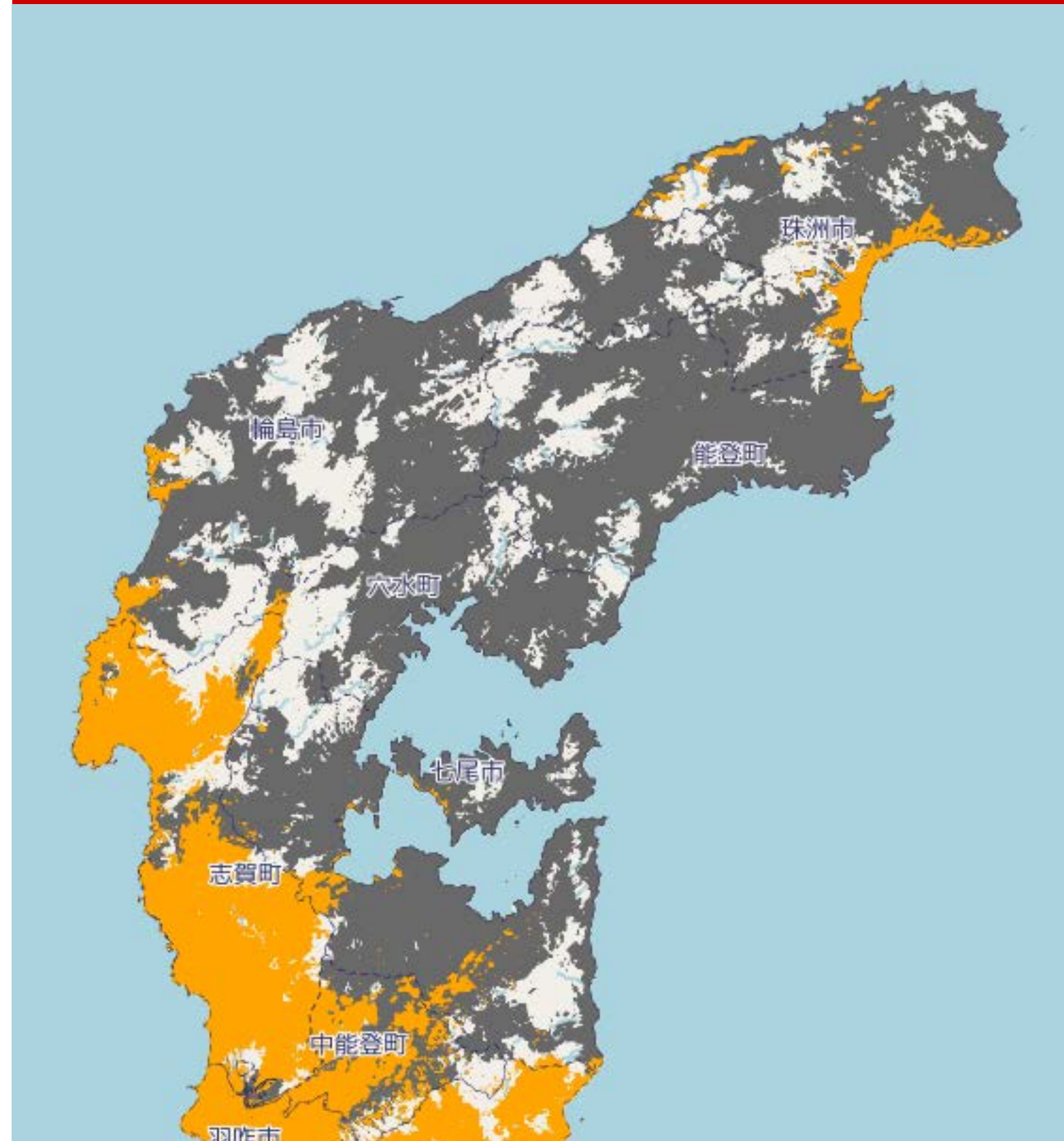


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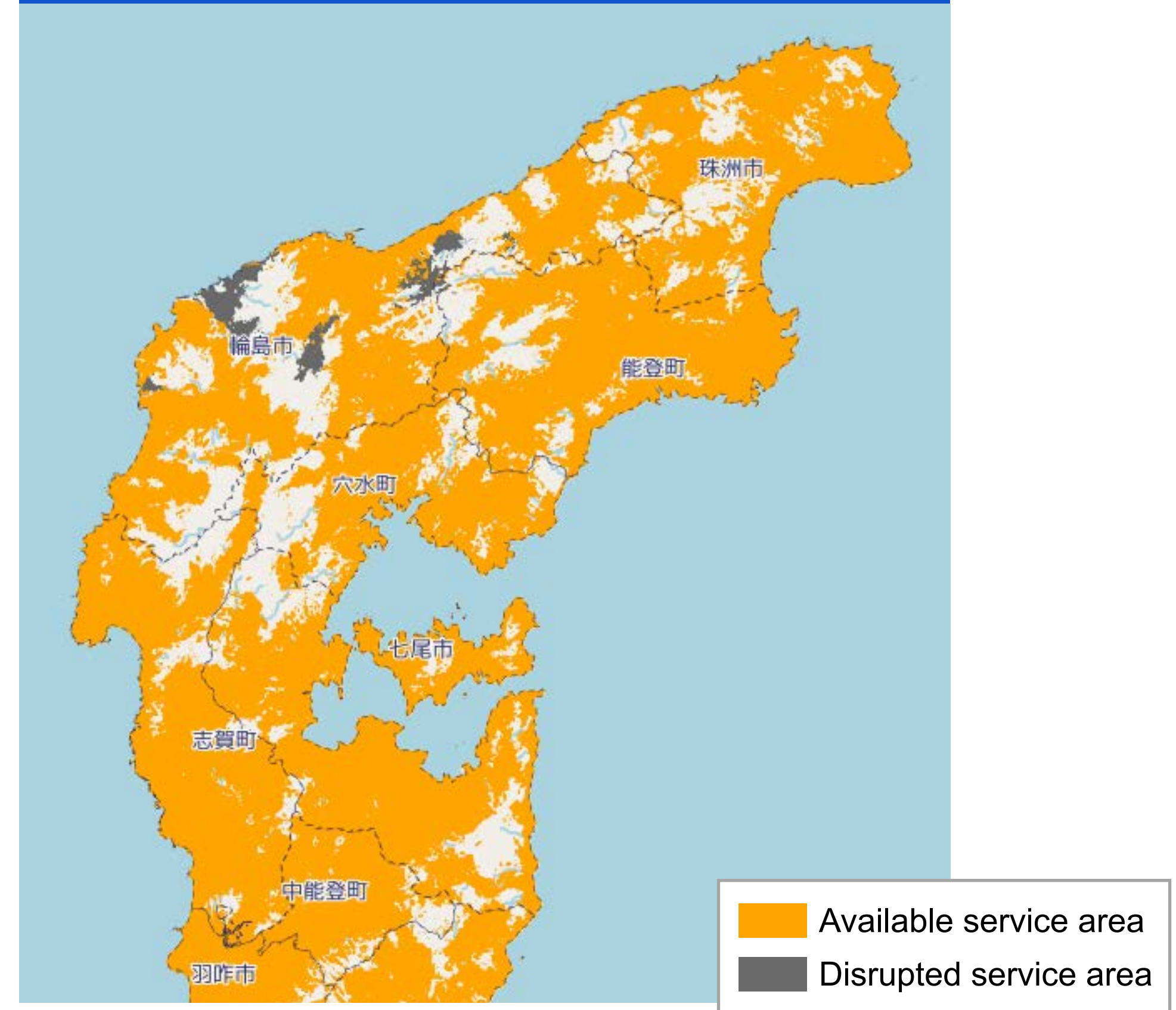
31

Feb. 1

6 PM on January 2



6 PM on January 31



Communication Network Recovery + Support Activities



Distribution of clothing



Fundraising utilizing Hometown Tax Donations



Fundraising for the purpose of supporting disaster victims and disaster-stricken areas



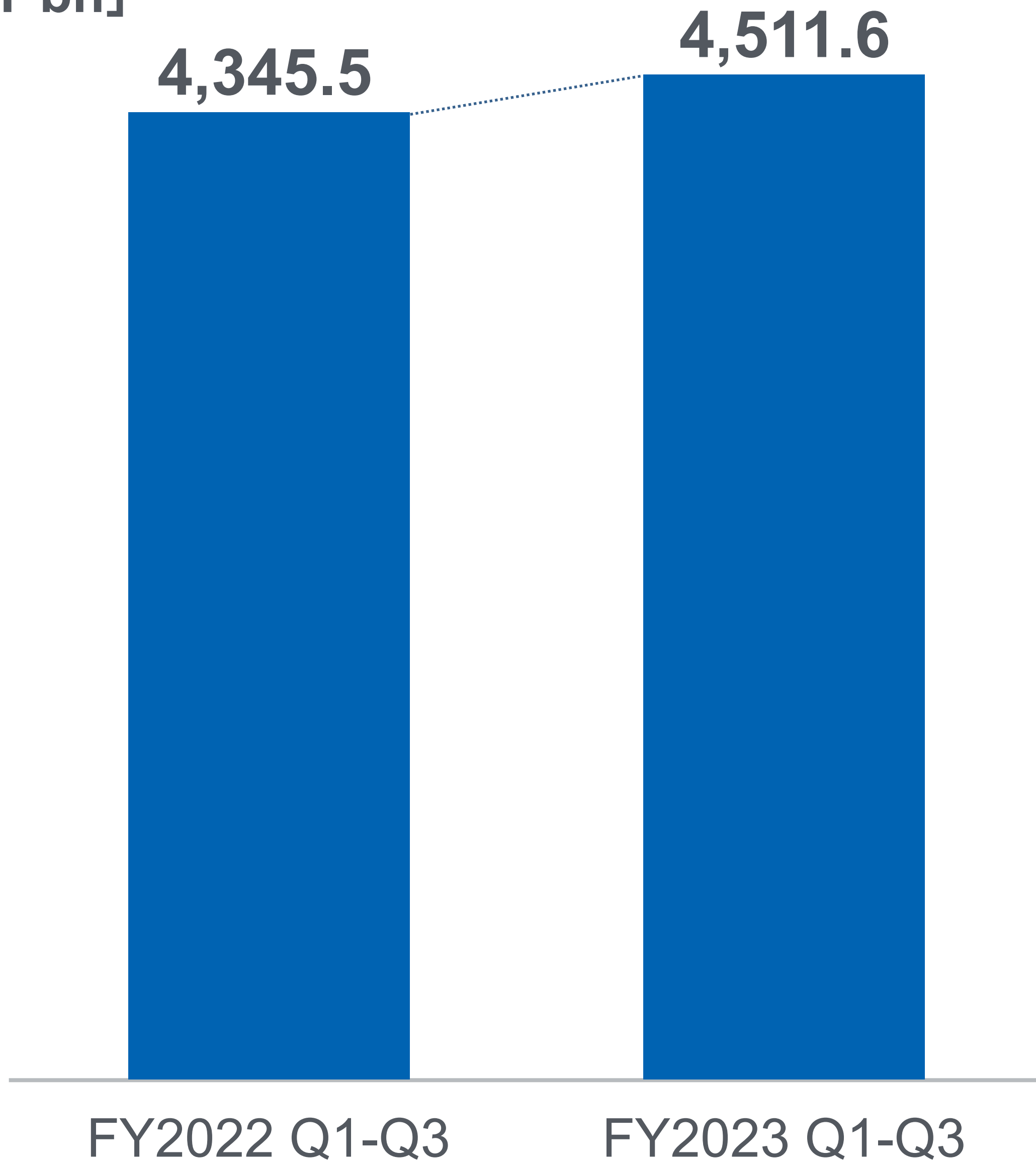
Bathing support for disaster victims

Consolidated Results

Q3 Fiscal Year 2023

Revenue

[JPY bn]

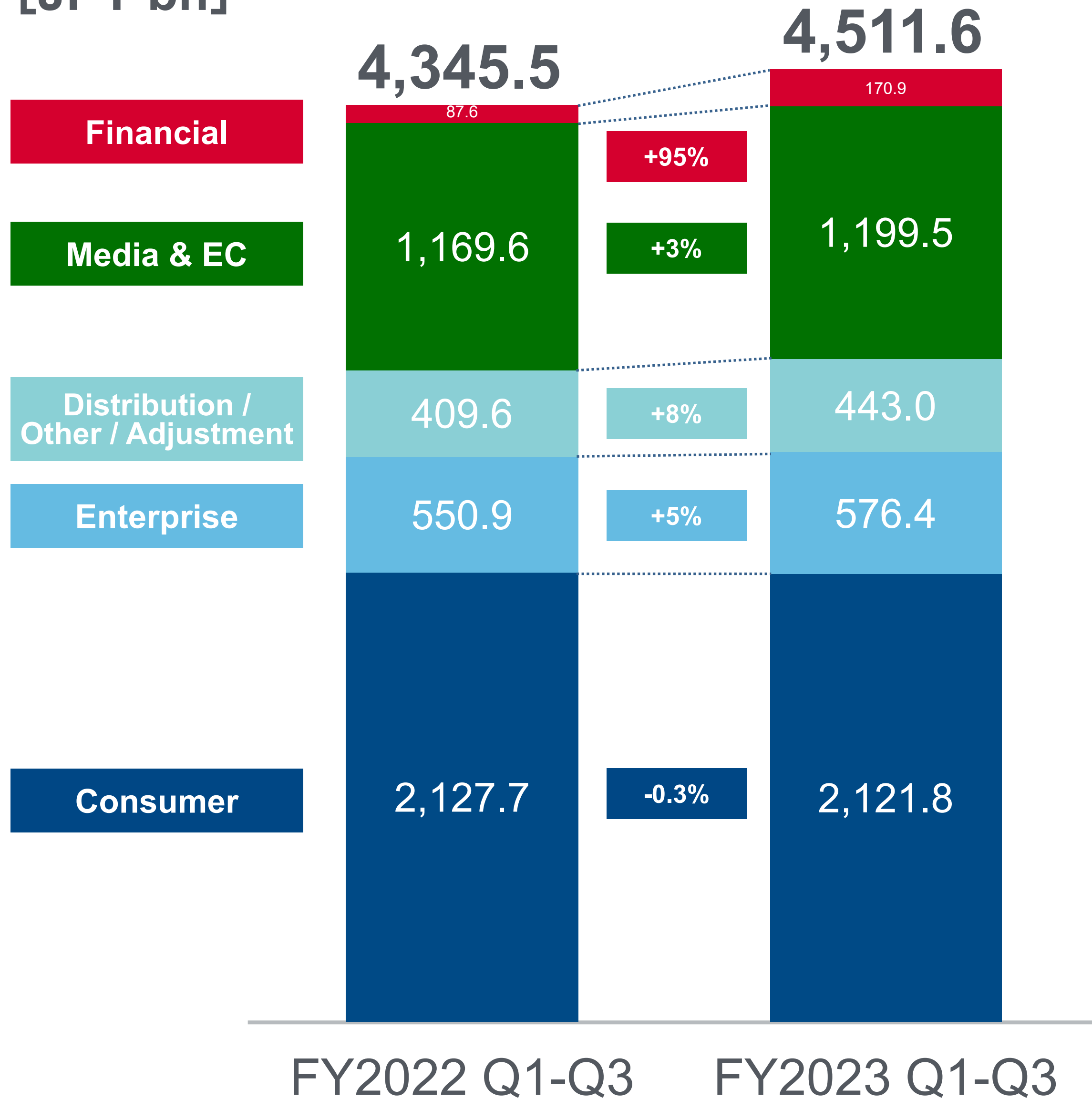


Up 4%

(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]

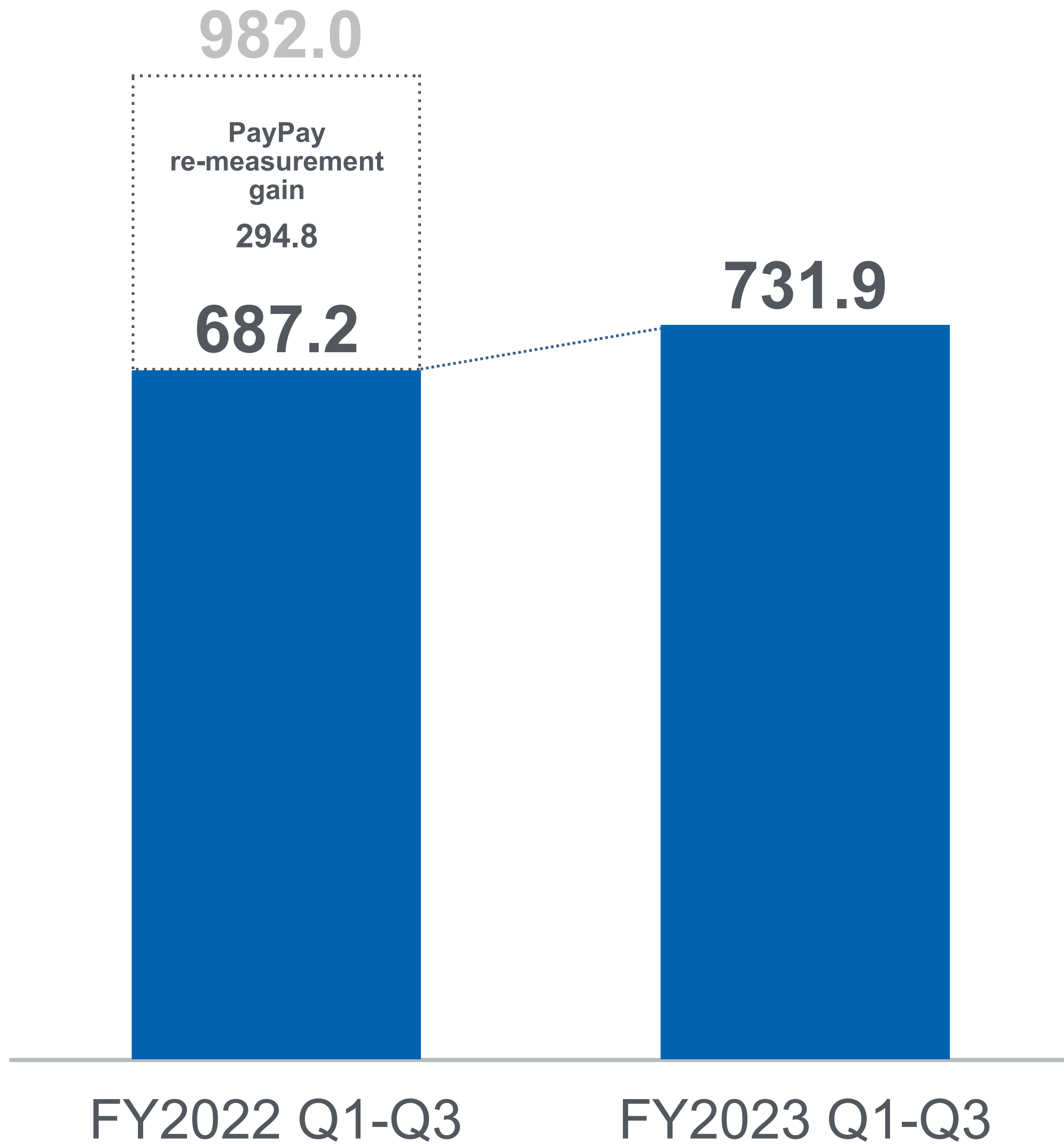


Revenue increased in four segments

Enterprise, Distribution, Media & EC and Financial

Operating Income

[JPY bn]

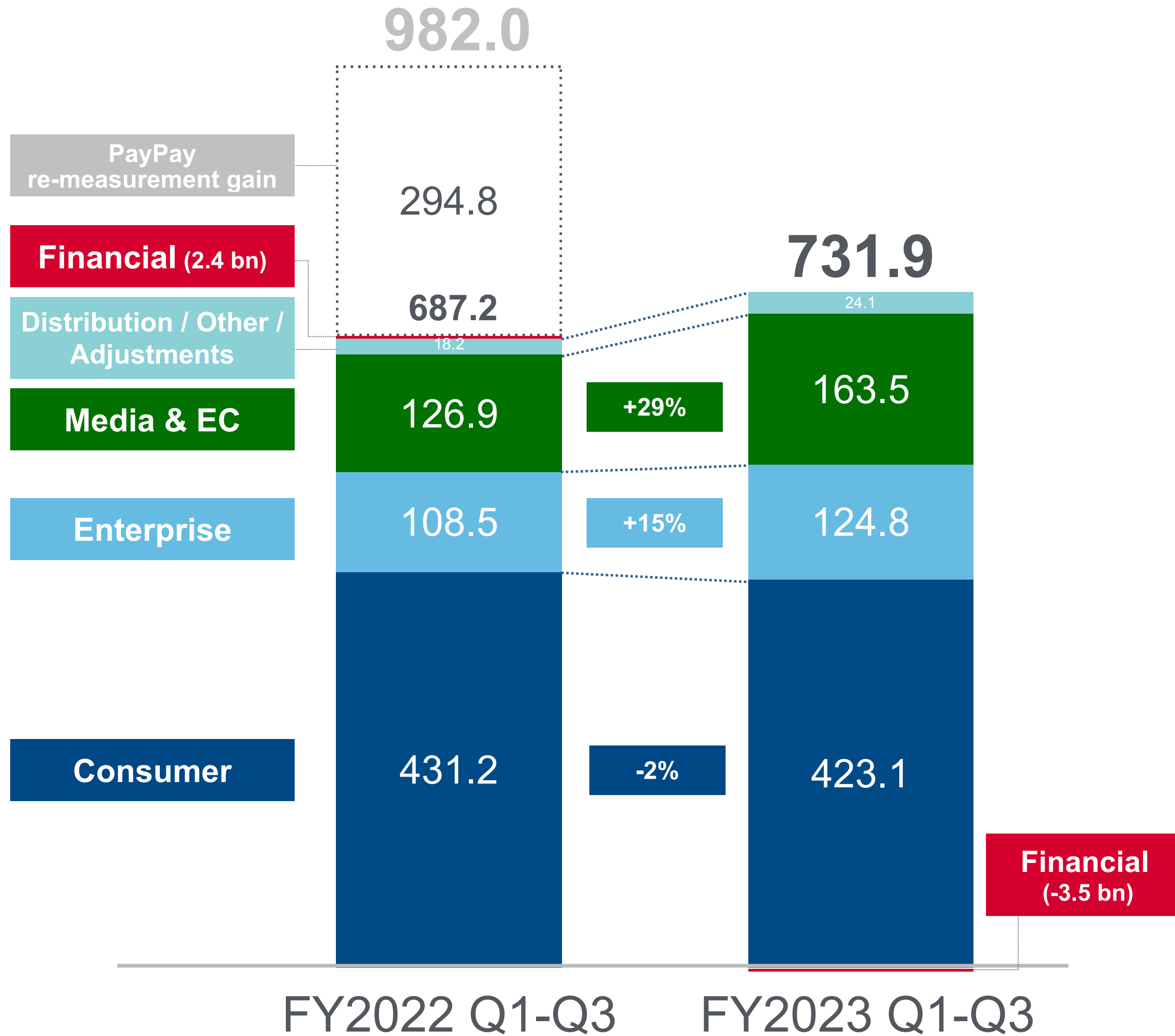


Up **7%**

(Down 25% incl.
PayPay re-measurement gain)

Operating Income by Segment

[JPY bn]



Enterprise, Media & EC achieved double-digit growth

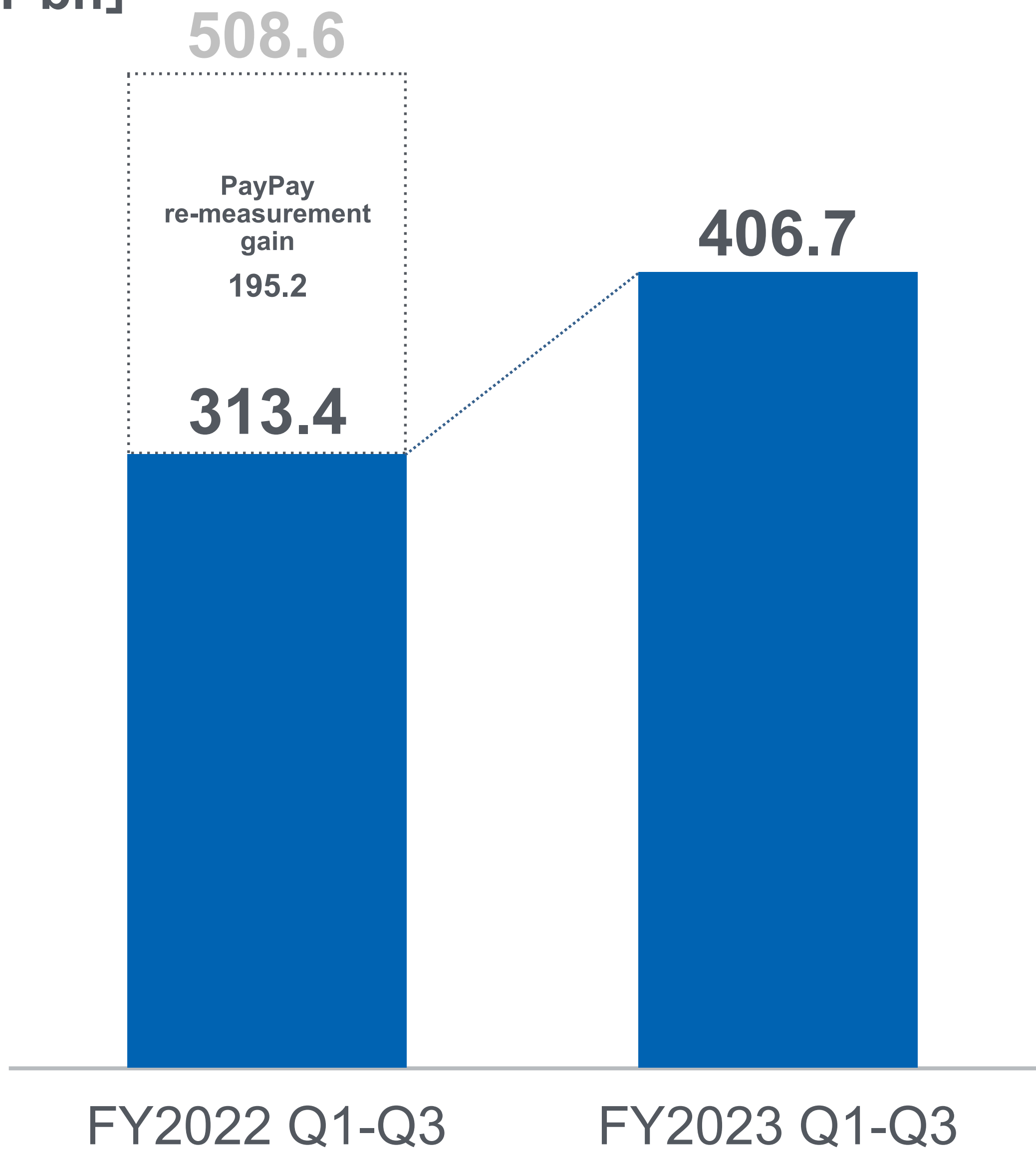
Financial segment achieved actual improvement of profitability*

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 8.3 bn from JPY 11.8 bn in FY22 Q1-Q3

Net Income

[JPY bn]



Up 30%
(Down 20% incl. PayPay re-measurement gain)

Consolidated Results

[JPY bn]

	FY2022 Q1-Q3	FY2023 Q1-Q3	YoY	YoY%
Revenue	4,345.5	4,511.6	+166.1	+4%
Operating Income <small>(Incl. PayPay re-measurement gain)</small>	687.2 <small>(982.0)</small>	731.9	+44.8 <small>(-250.1)</small>	+7% <small>(-25%)</small>
Net Income <small>(Incl. PayPay re-measurement gain)</small>	313.4 <small>(508.6)</small>	406.7	+93.3 <small>(-101.9)</small>	+30% <small>(-20%)</small>

FY2023 Full-year Forecast Progress

[JPY bn]

	FY2023 Q1-Q3	FY2023 Full-year Forecast	Progress
Revenue	4,511.6	6,000	75%
Operating Income	731.9	780	94%
Net Income	406.7	420	97%

FY2023 Full-year Operating Income Progress by Segment

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[JPY bn]

	FY2023 Q1-Q3	FY2023 Full-year Forecast	Progress
Consumer	423.1	470.0	90%
Enterprise	124.8	152.5	82%
Distribution	20.3	26.7	76%
Media & EC	163.5	176.0	93%
Financial	-3.5	-20.0	-
Other	3.8	-25.2	-
Total	731.9	780.0	94%

Upward Revision of Full-year Forecast

FY2023 Full-year Forecast

[JPY bn]

Full-year forecasts revised upward

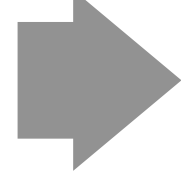
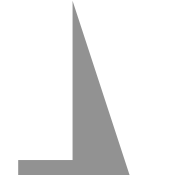


	Initial forecast		Revised forecast	Increase
Revenue	6,000	➔	6,060	+60
Operating Income	780		840	+60
Net Income	420		462	+42

10% up from initial forecast

FY2023 Operating Income Forecast by Segment

[JPY bn]

Expect to increase in Consumer, Media & EC, Financial, and Other

	Initial forecast		Revised forecast	Increase	Driver
Consumer	470.0		490.0	+20.0	Strong net additions and improved ARPU forecast
Enterprise	152.5		152.5	-	
Distribution	26.7		26.7	-	
Media & EC	176.0		195.0	+19.0	Cost optimization and selective focus
Financial	-20.0		-10.0	+10.0	Efficient use of promotion cost
Other	-25.2		-14.2	+11.0	Sale of a subsidiary and others
Total	780.0		840.0	+60.0	

(Notes) FY23 full-year forecasts (initial forecasts) were announced in May 2023
 Sale of a subsidiary: gain on loss of control was recorded in FY23 Q2 due to the sale of shares of Fontworks Inc. by SB Technology Corp. (our subsidiary)

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**

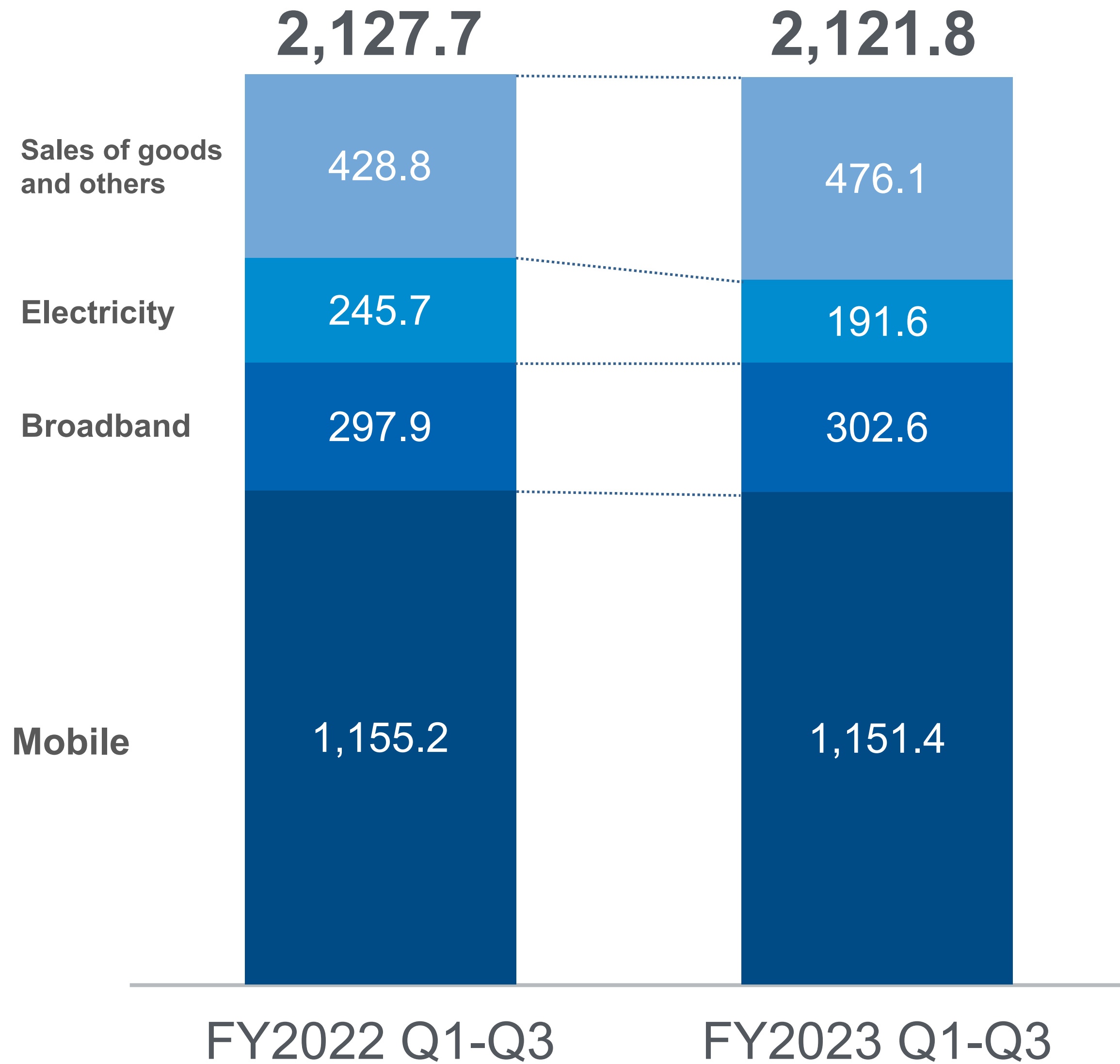
Steady progress toward three goals

Consumer Business



Consumer: Revenue

[JPY bn]

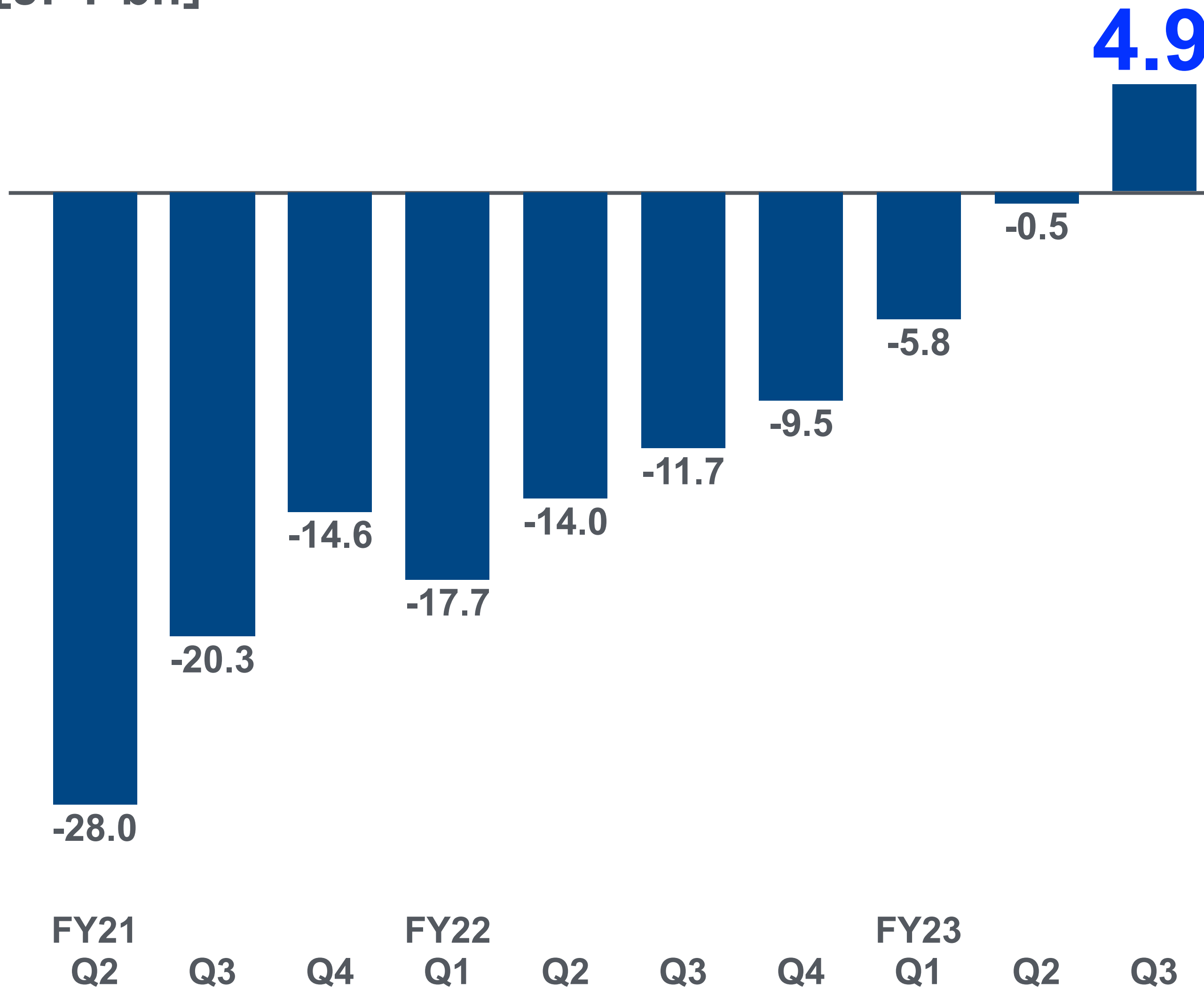


Down **0.3%**

YoY Mobile Revenue

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

[JPY bn]



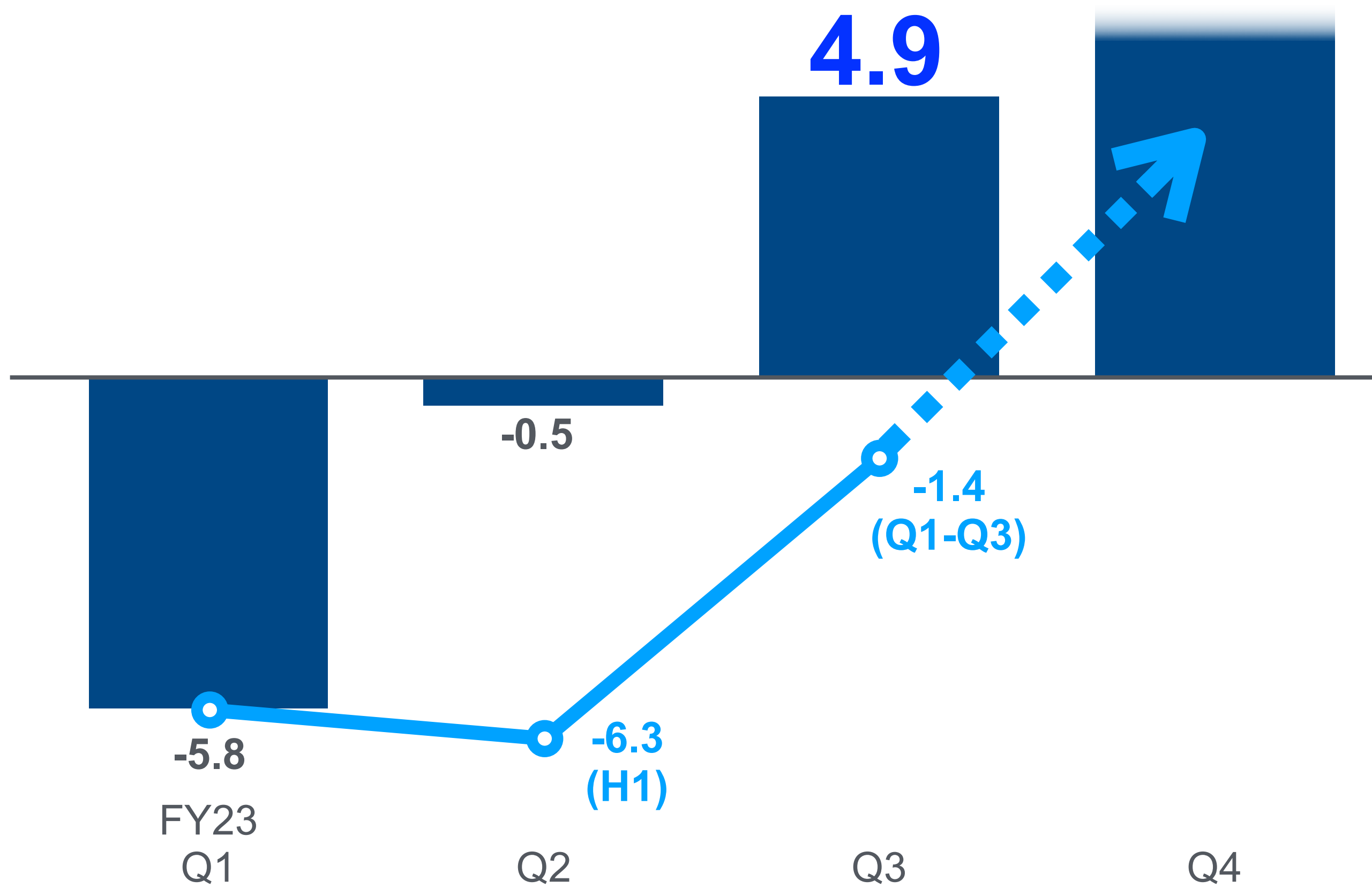
Revenue turnaround

(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 21

YoY Mobile Revenue

*Actual figures excluding impact from customer acquisition measures

[JPY bn]



Revenue growth expected to continue in Q4



Annual revenue expected to increase in FY2023

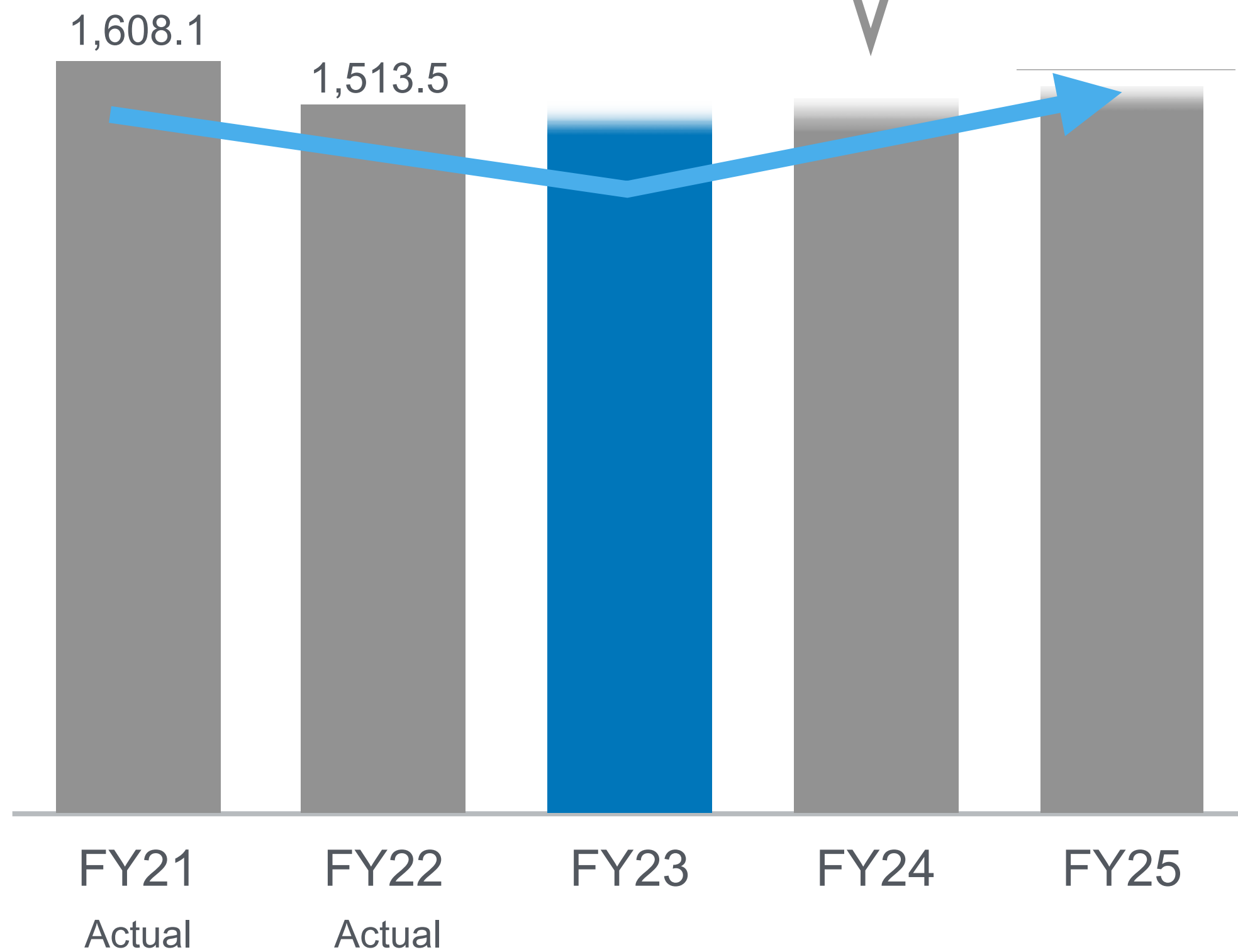
Mobile Revenue

[JPY bn]

Achieve mobile revenue turnaround one year ahead of plan

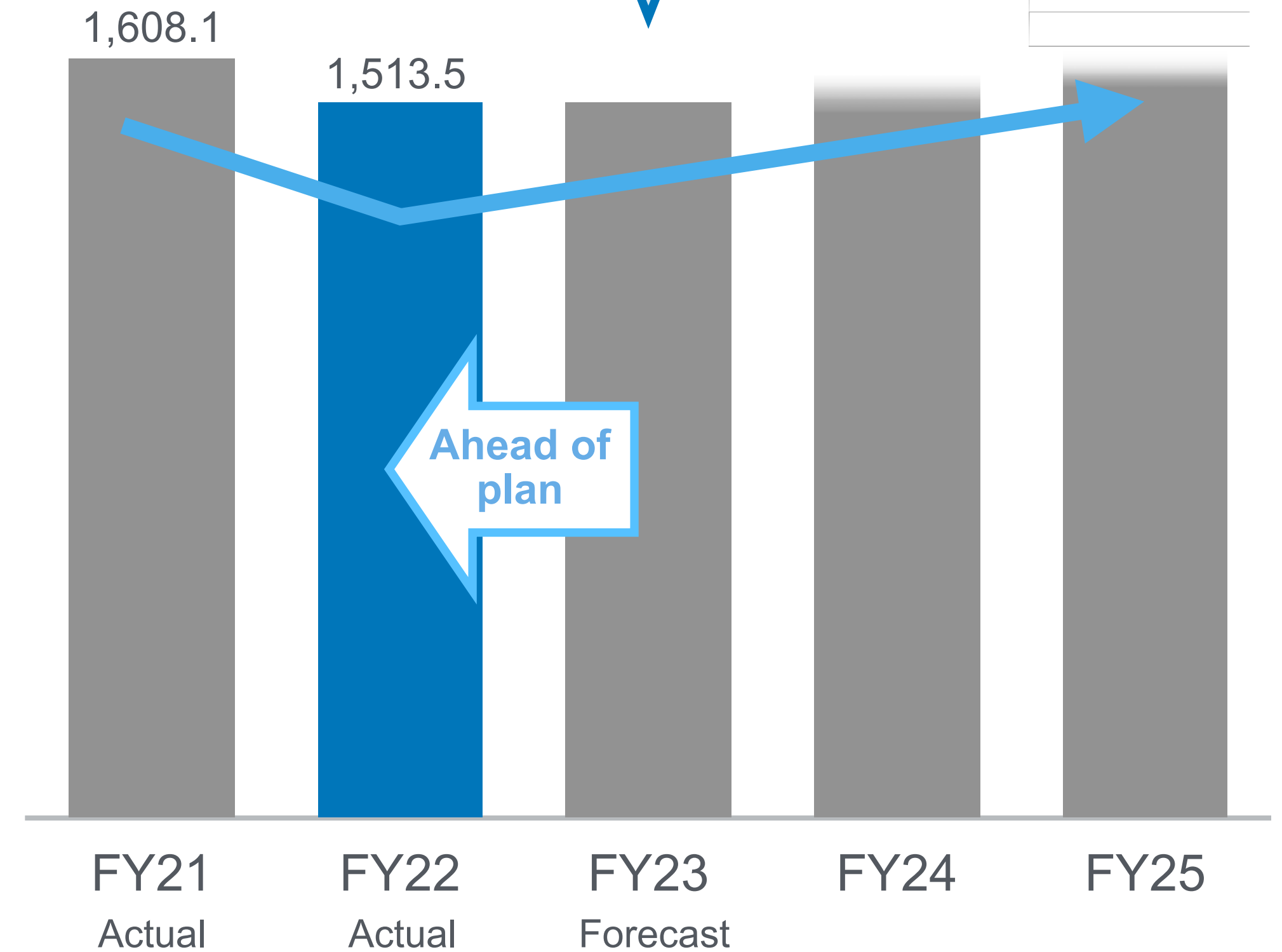
(Mid-term management plan, announced in May 2023)

Revenue increase from **FY2024**



(Current forecast)

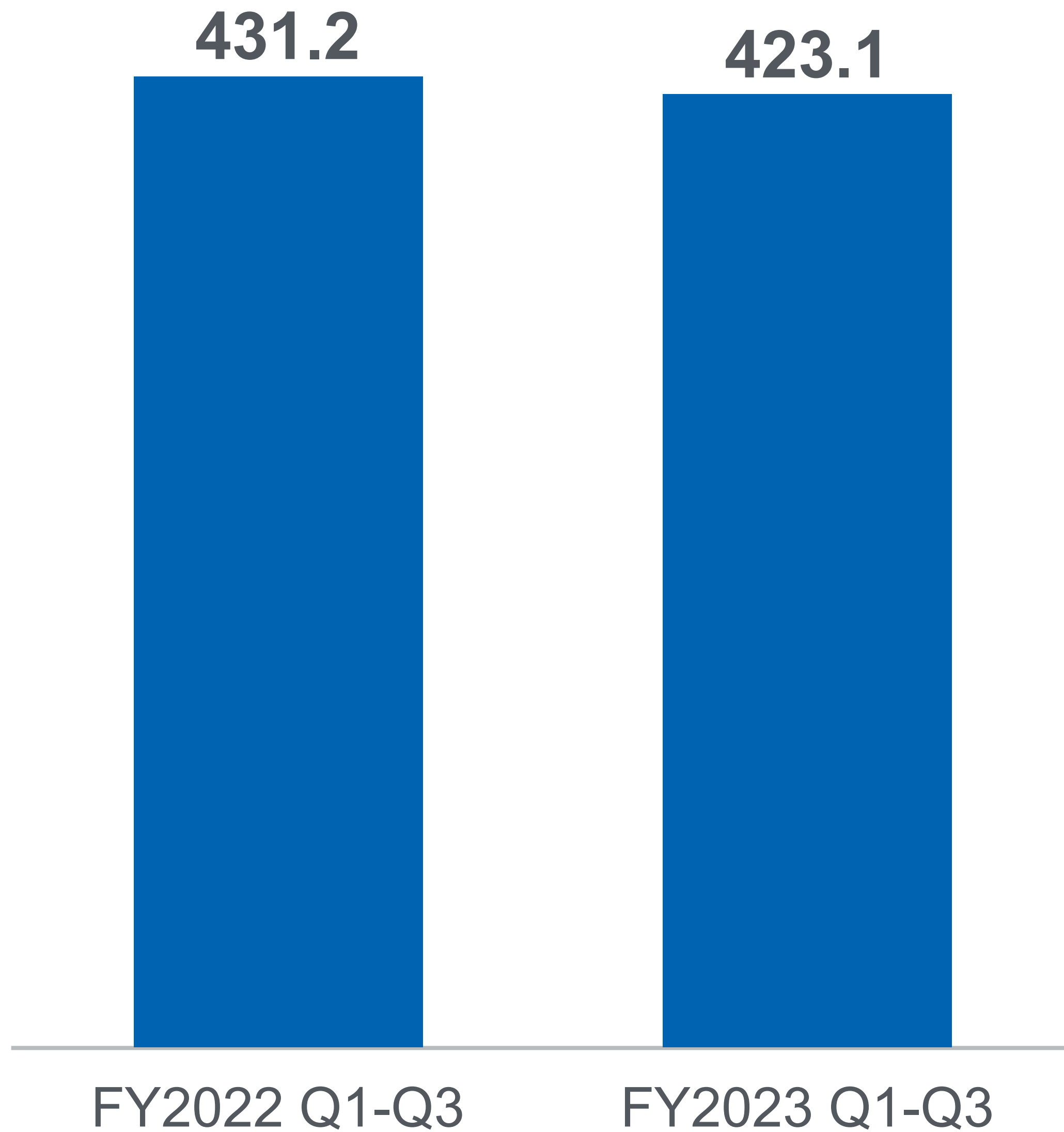
Revenue increase from **FY2023**



Consumer: Operating Income

[JPY bn]

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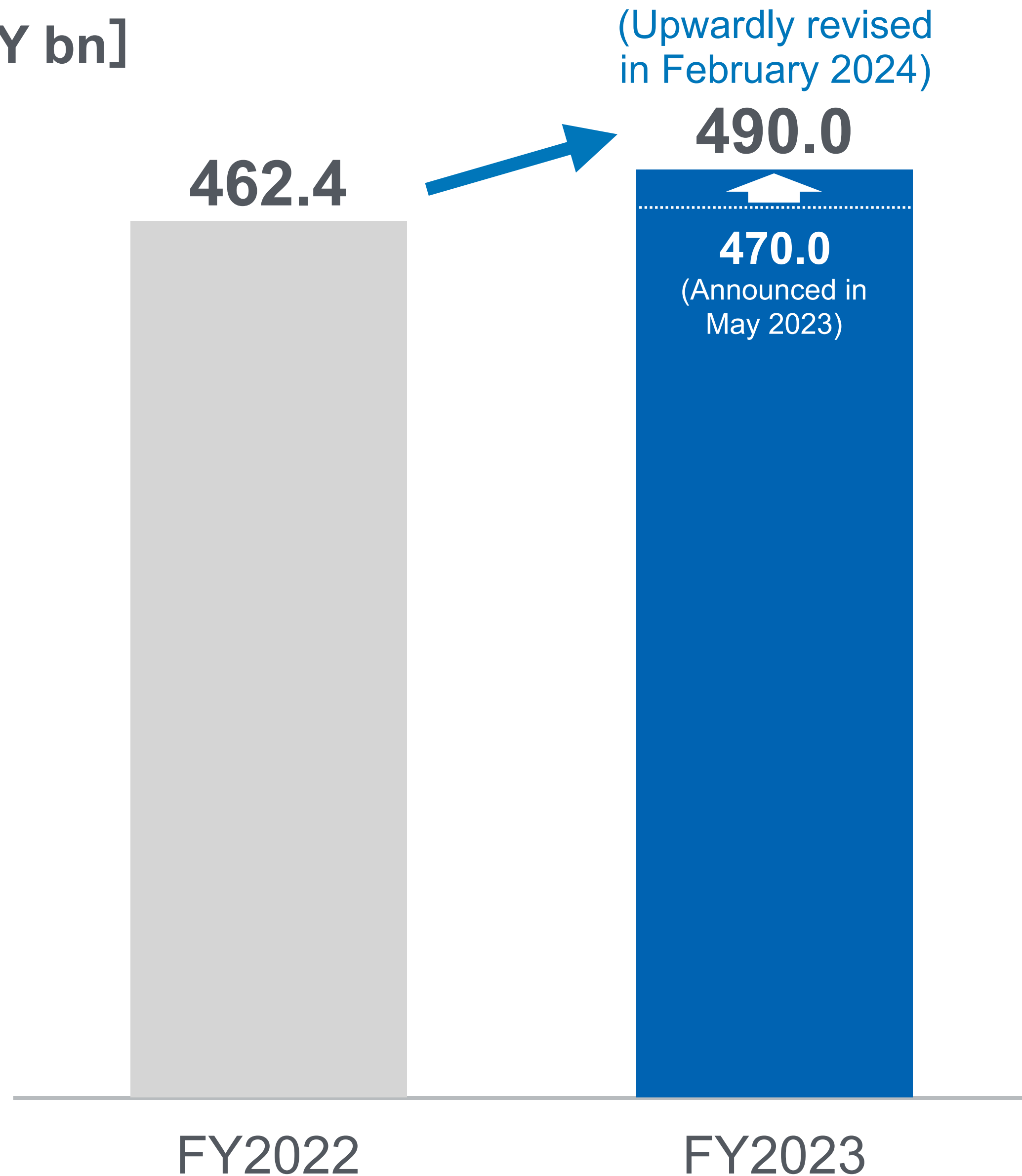


Down 2%

Consumer: Full-year Operating Income Forecast

SoftBank

[JPY bn]

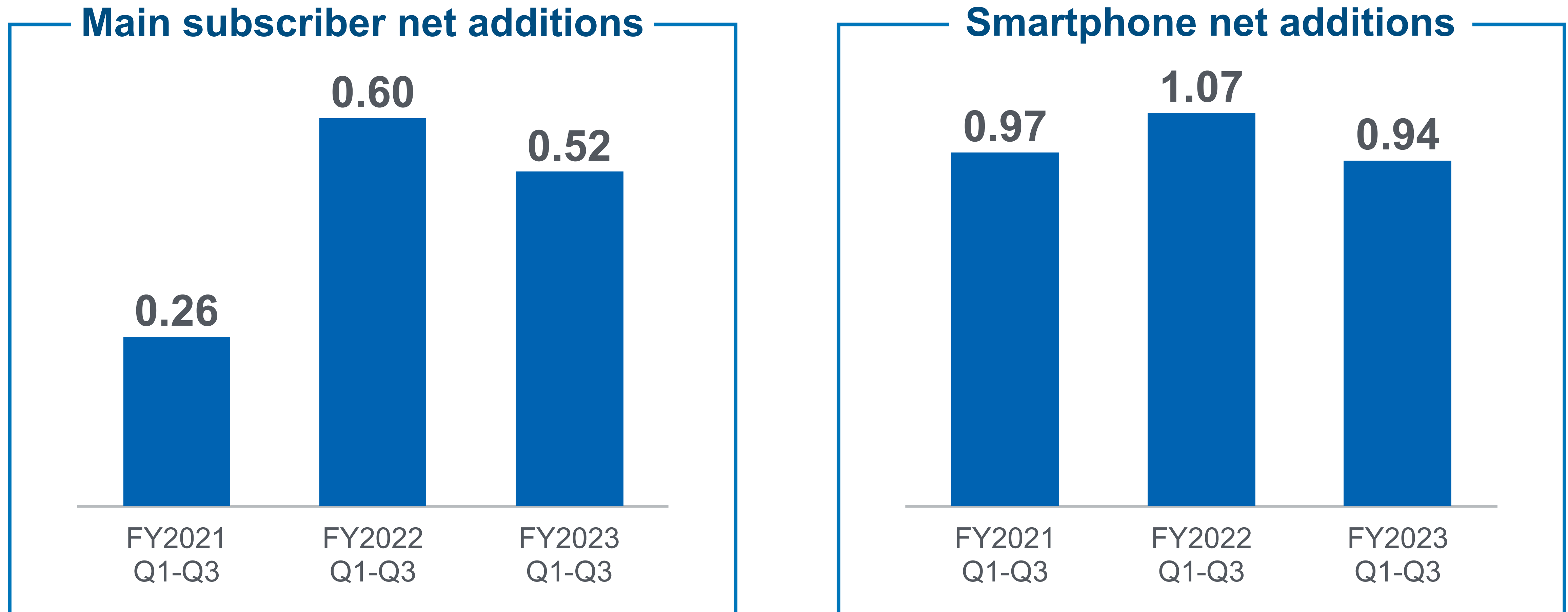


Full-year forecast revised upward, expecting profit growth

Mobile Subscriber Net Additions

[Mil]

Continued strong performance since previous year

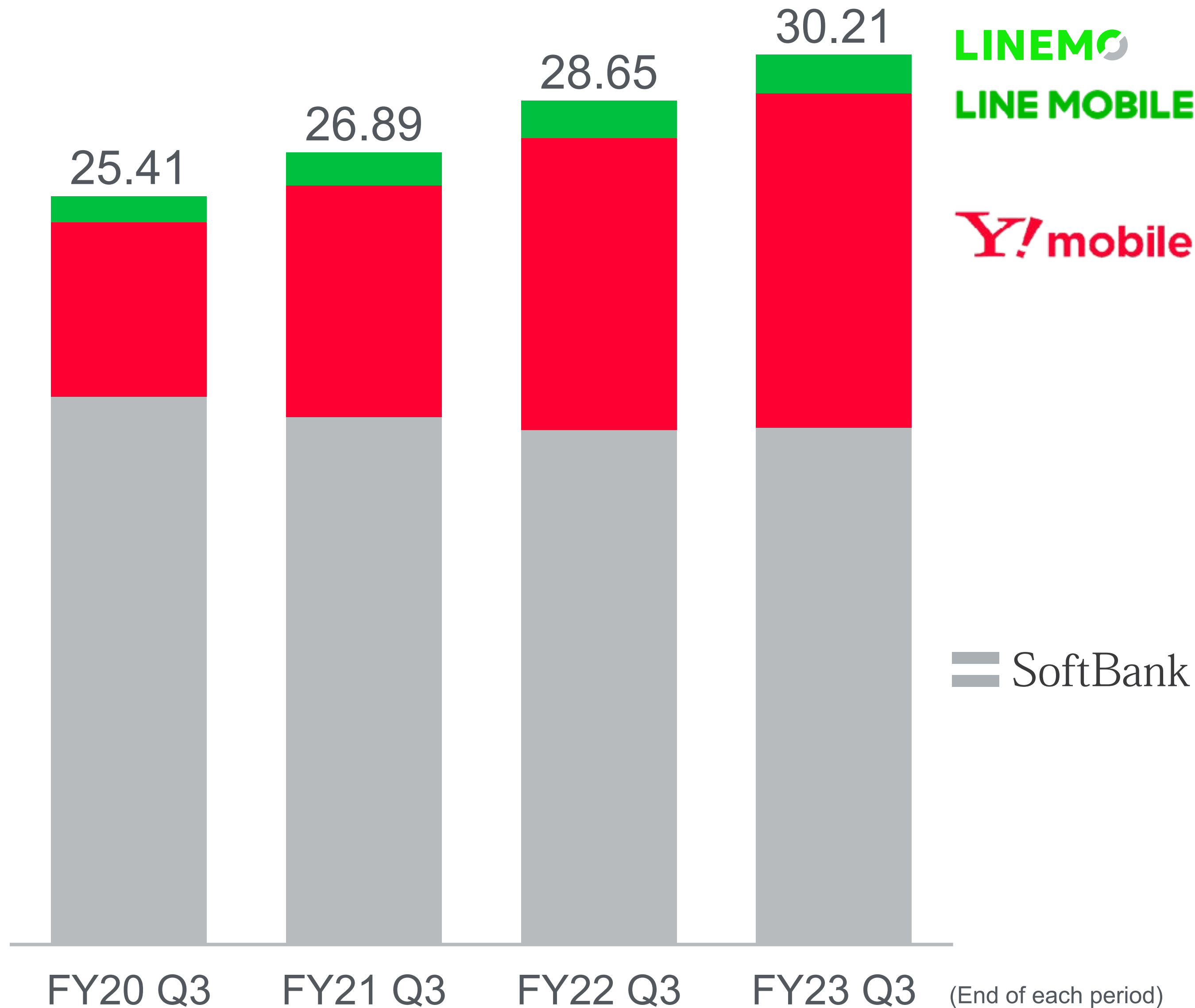


(Notes) Net additions = no. of subs at the end of the relevant quarter – no. of subs at the end of the previous quarter
Main subscribers: total of smartphones, feature phones, tablets, mobile data communications devices, Wireless Home Phone, and others. Includes enterprise subscribers

Smartphone Cumulative Subscribers

SoftBank

[Mil]



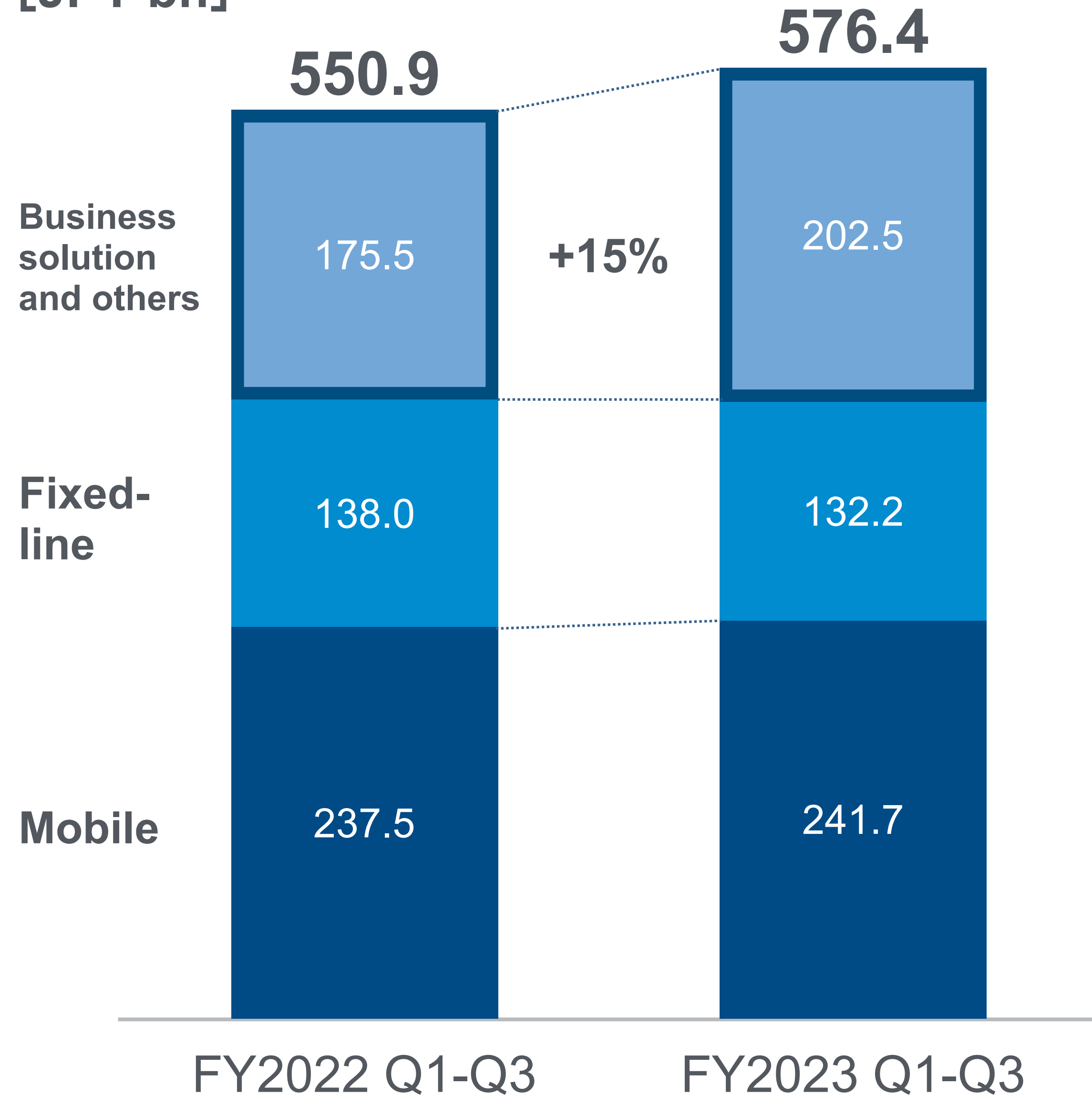
Up 5%

Enterprise Business



Enterprise: Revenue

[JPY bn]

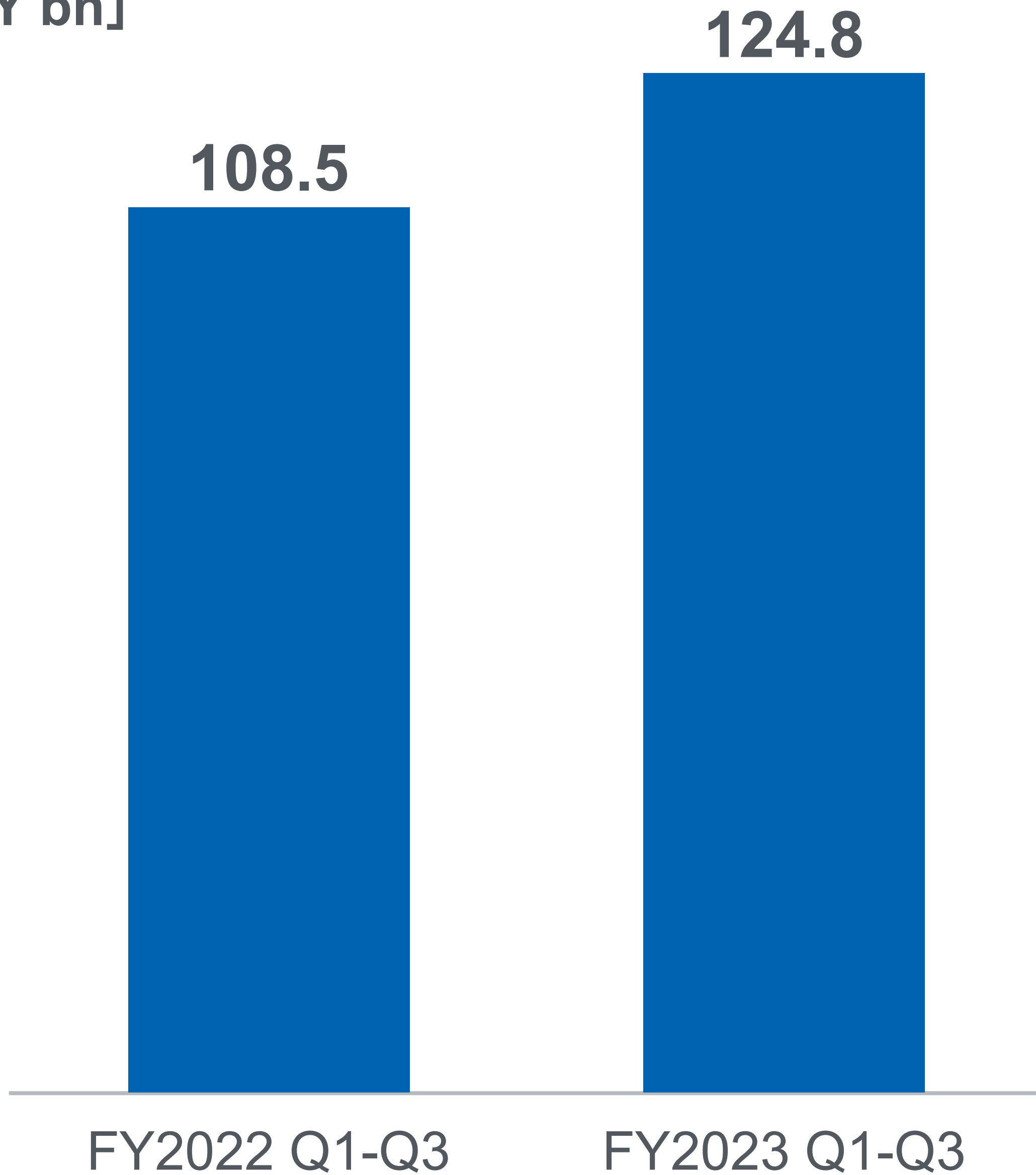


Up **5%**
Steady growth in
business solutions

Enterprise: Operating Income

SoftBank

[JPY bn]

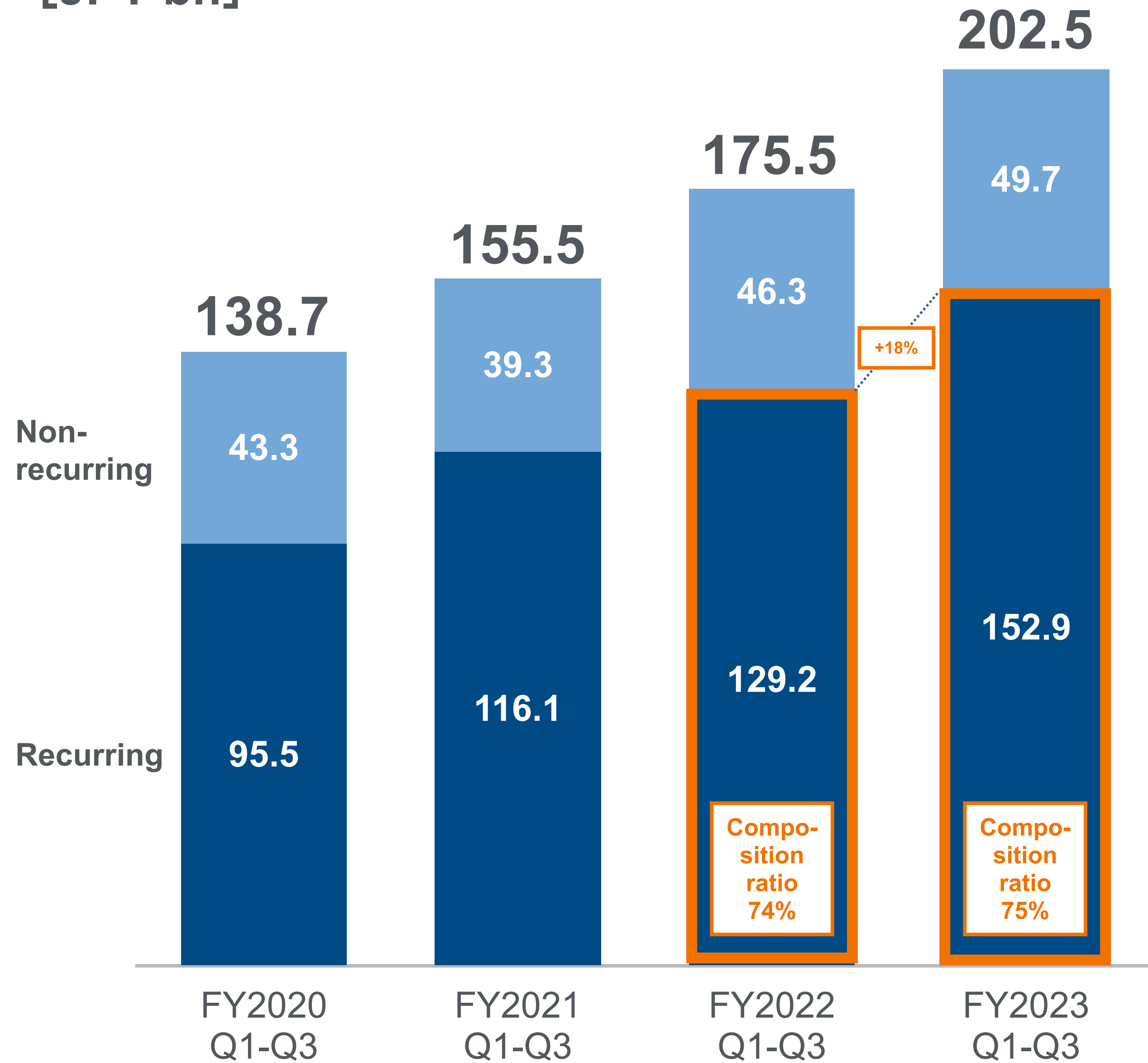


Up 15%

Enterprise: Business Solution and Others Revenue

[JPY bn]

Recurring revenue
Up 18%

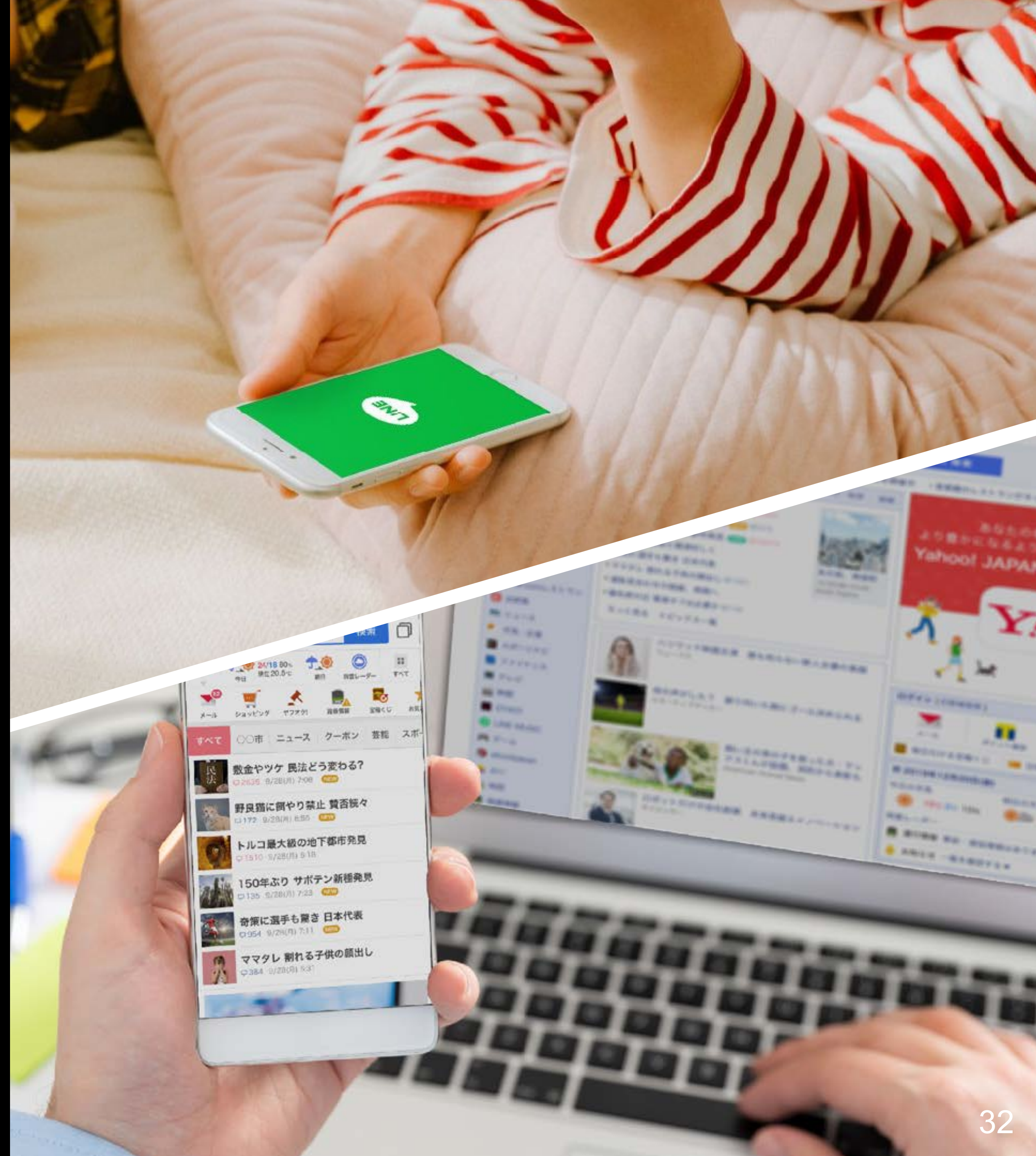


(Note) Recurring revenue in cloud, security and IoT, etc., and revenue from data centers and digital marketing, etc.

Media & EC Business

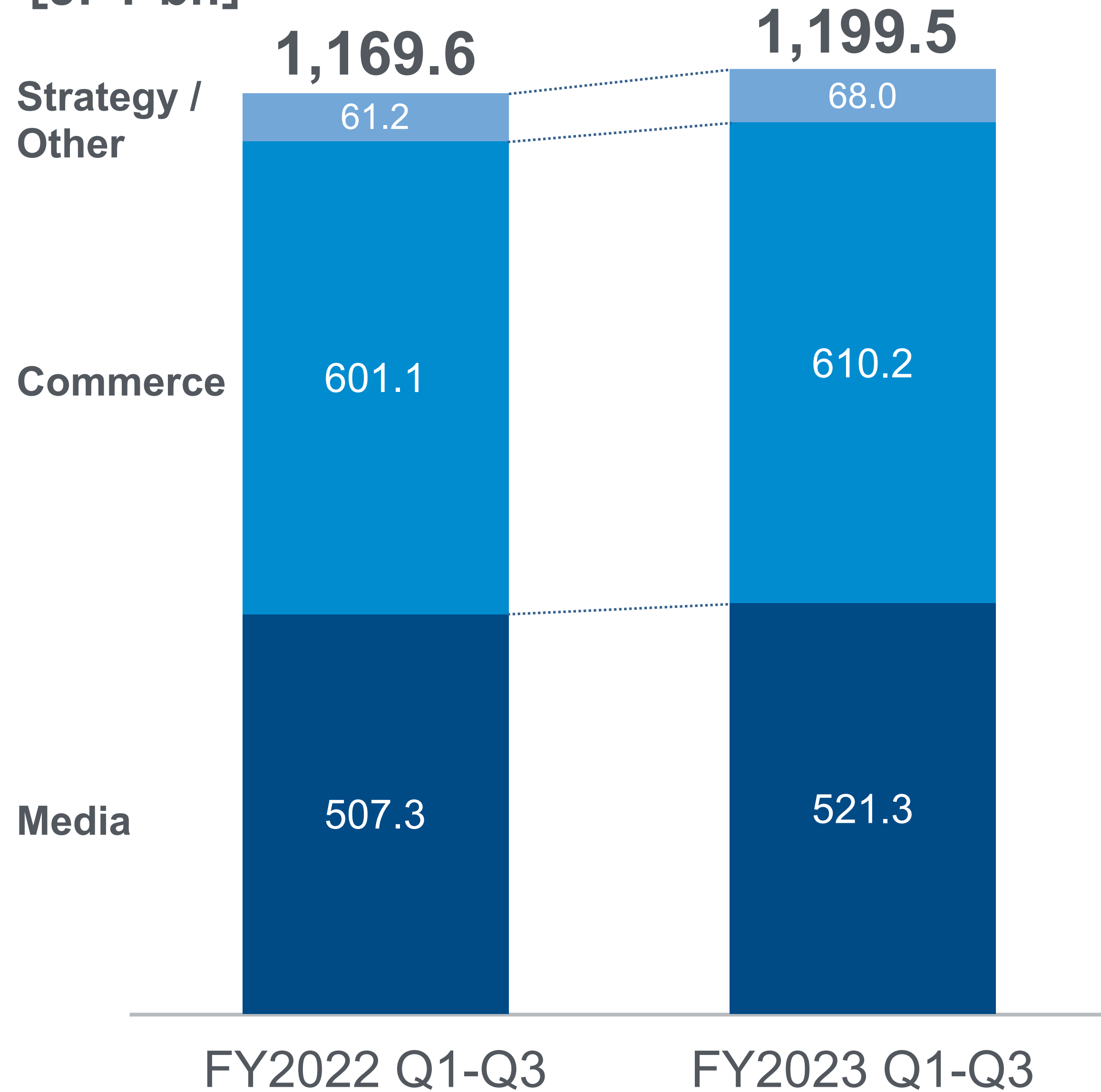
LINEヤフー

(LY Corporation)



Media & EC: Revenue

[JPY bn]



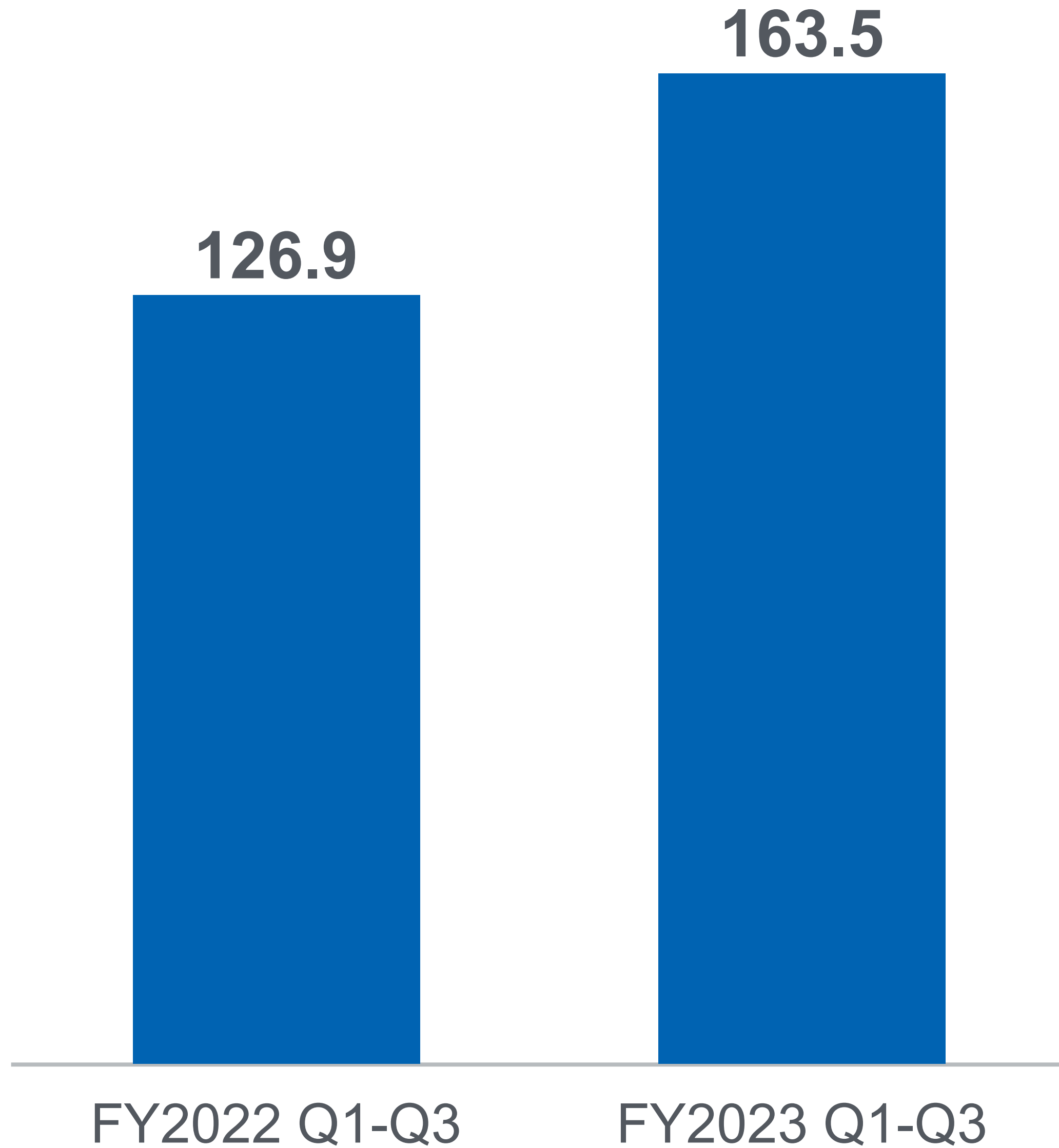
Up **3%**

(Note) In FY23 Q1 and Q3, the LY Corporation group has revised its business management categories in FY23Q1 and Q3 and the breakdown of certain services, etc. has been transferred. The breakdown of "Media & EC" segment revenue for FY22Q1-Q3 has been restated accordingly.

Media & EC: Operating Income

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[JPY bn]



Up **29%**

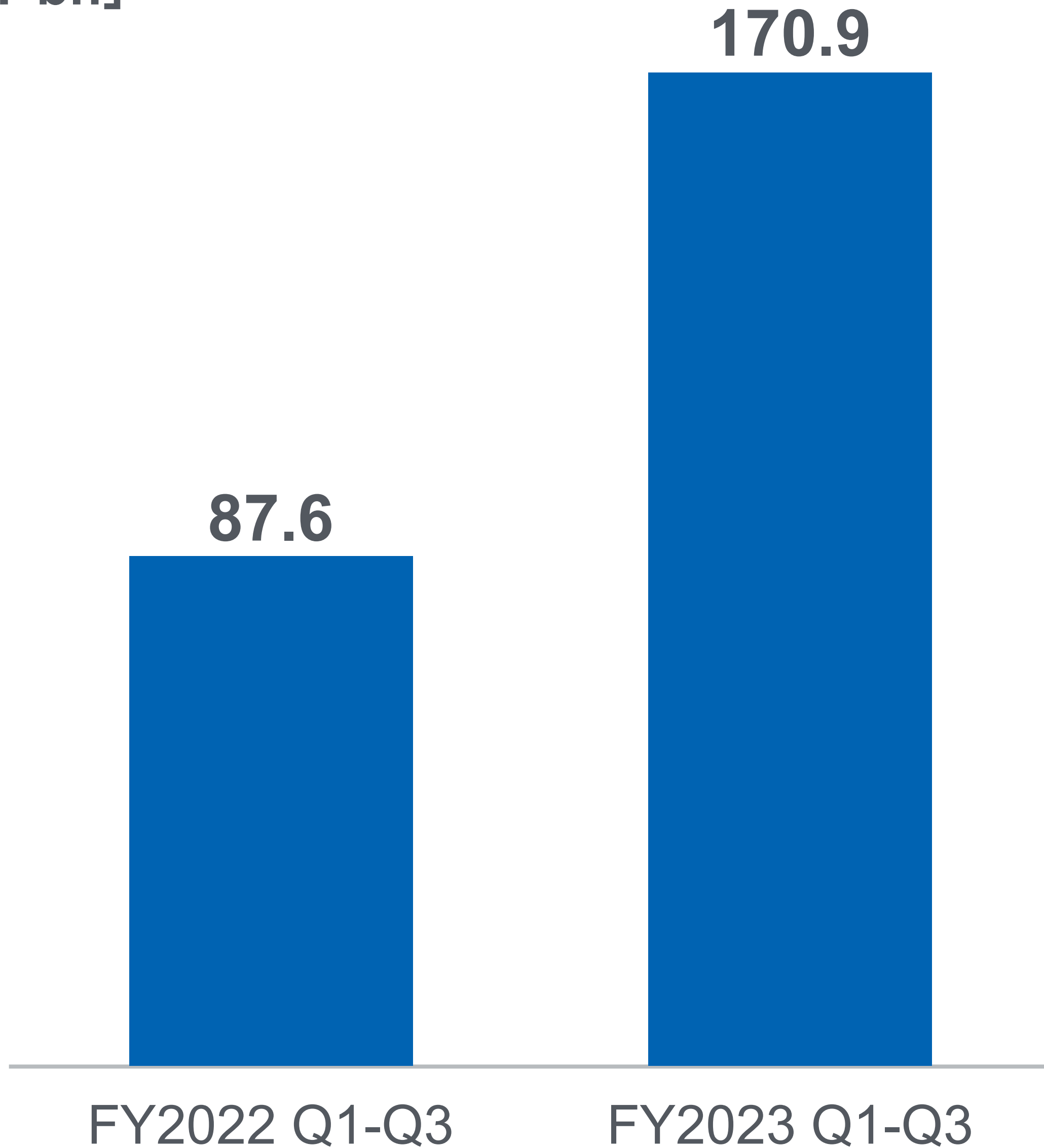
Financial Business

SB Payment Service



Financial Business: Revenue

[JPY bn]

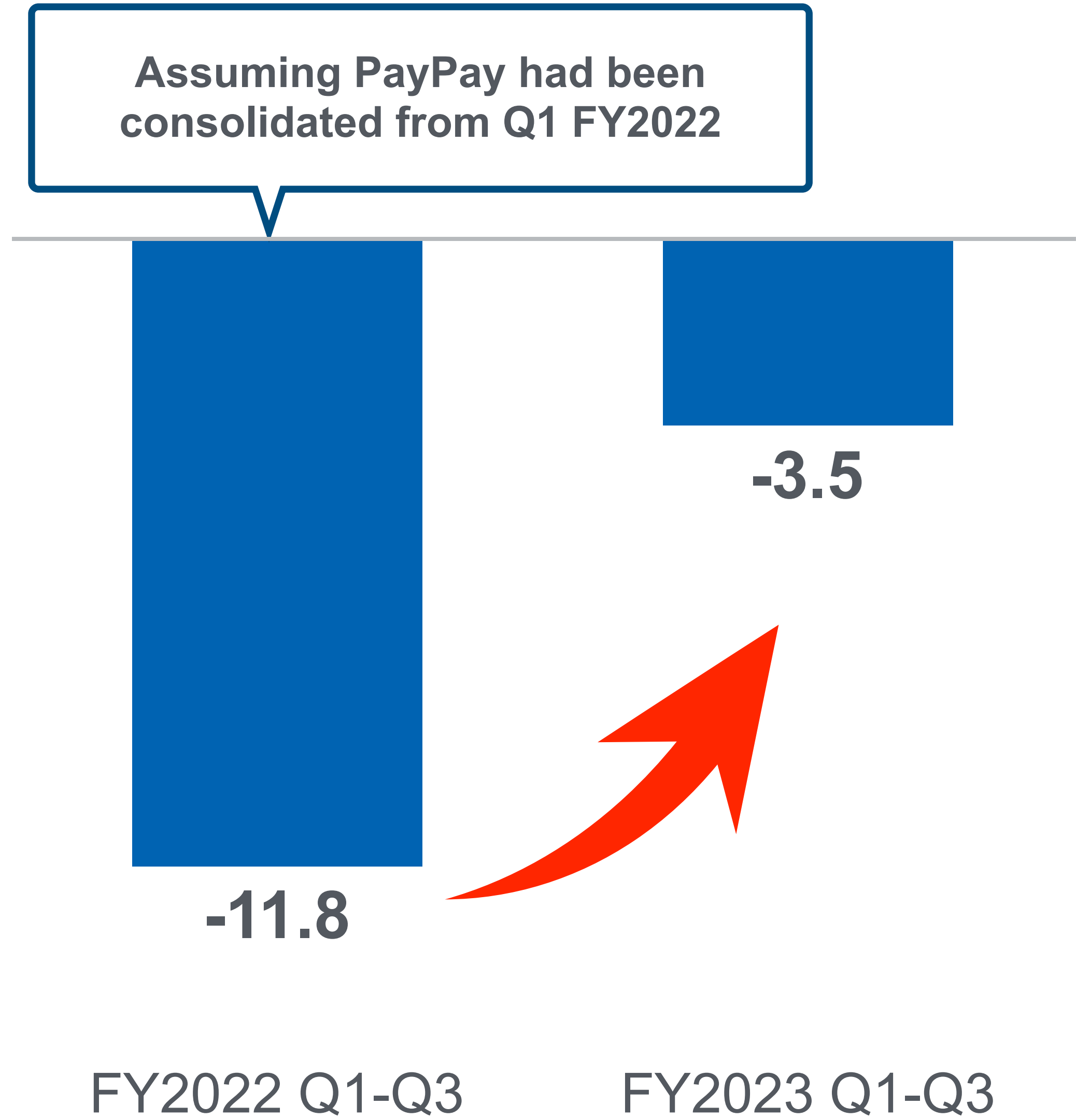


Up 95%

**Mainly due to consolidation of
PayPay Corporation**

Financial Business: Operating Income

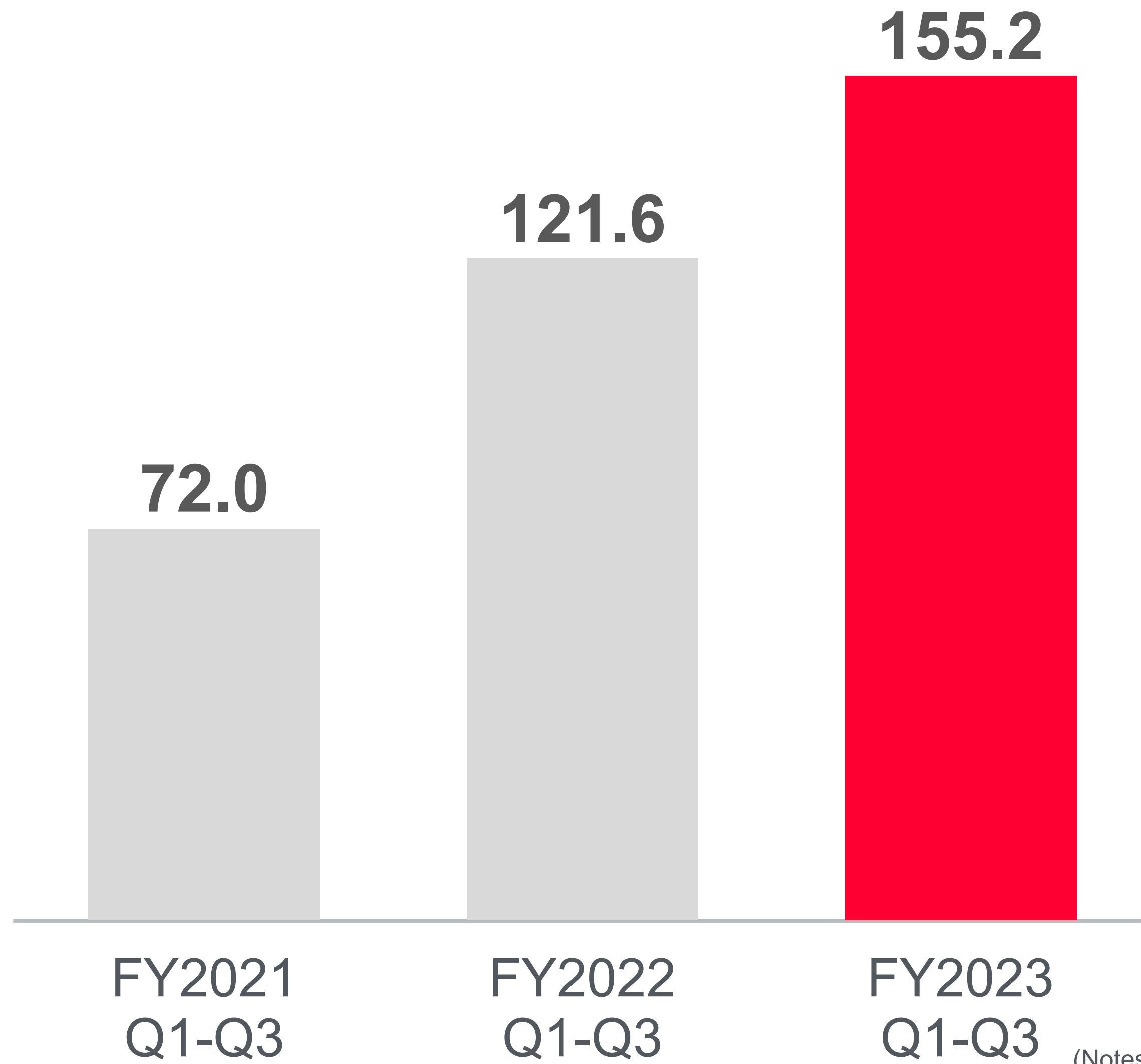
[JPY bn]



Actual performance improved significantly

PayPay Consolidated Revenue

[JPY bn]



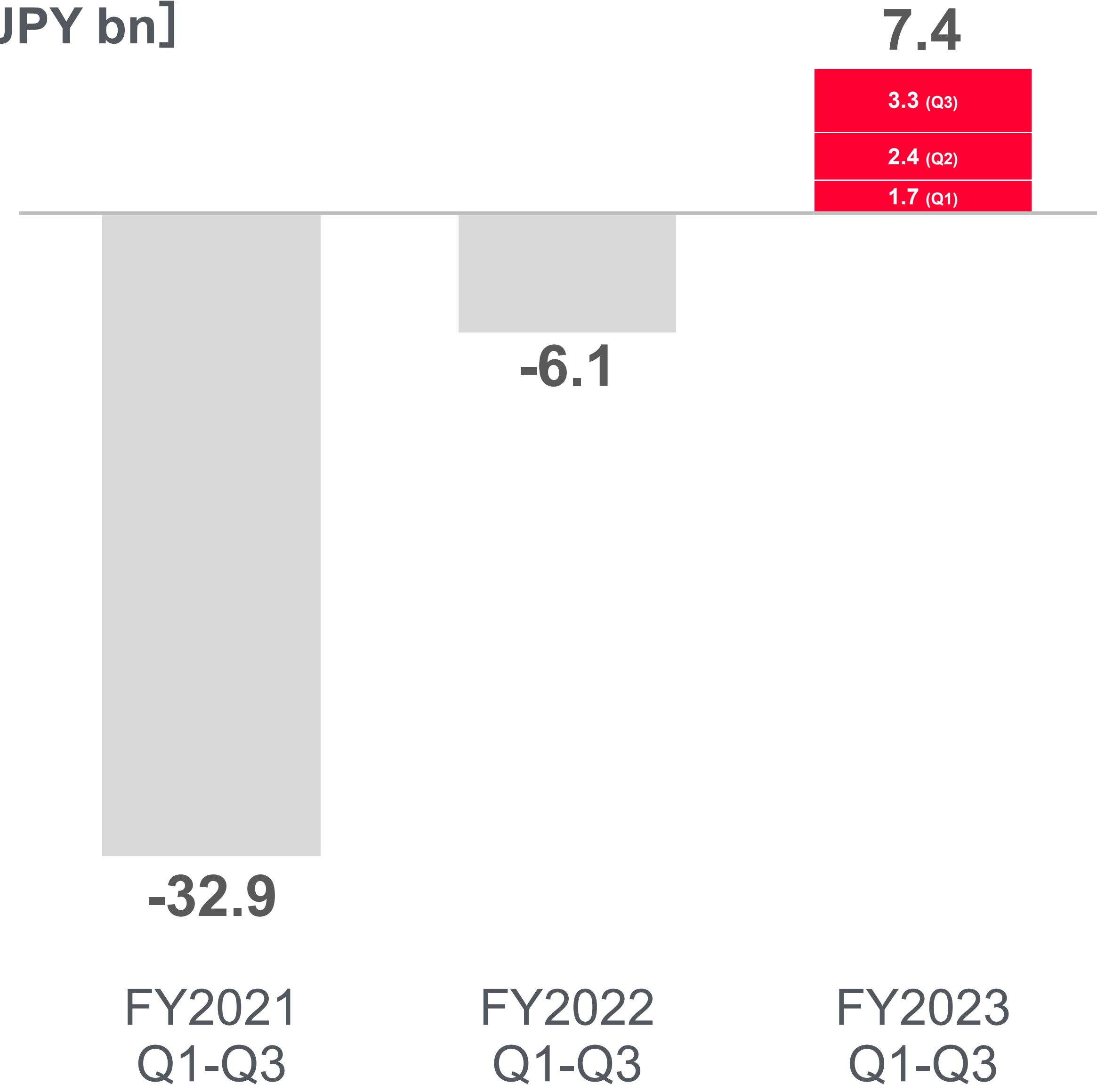
Up 28%

(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 nine months of revenue for each fiscal year), IFRS. Non-audited

PayPay Consolidated EBITDA



[JPY bn]

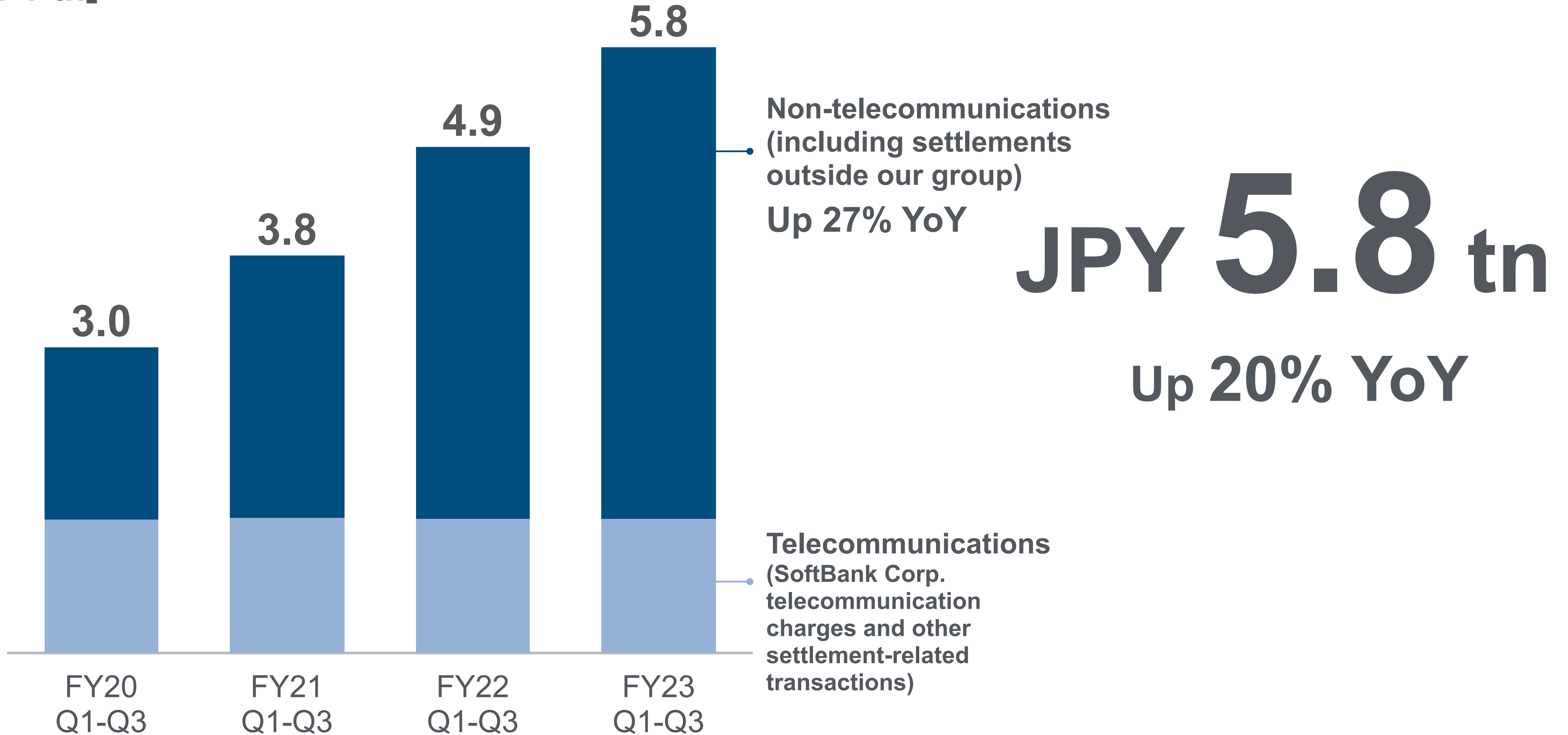


Profitable for three consecutive quarters

(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, calculated by adding depreciation and loss on disposal to operating income (including nine months for each fiscal year), IFRS, non-audited

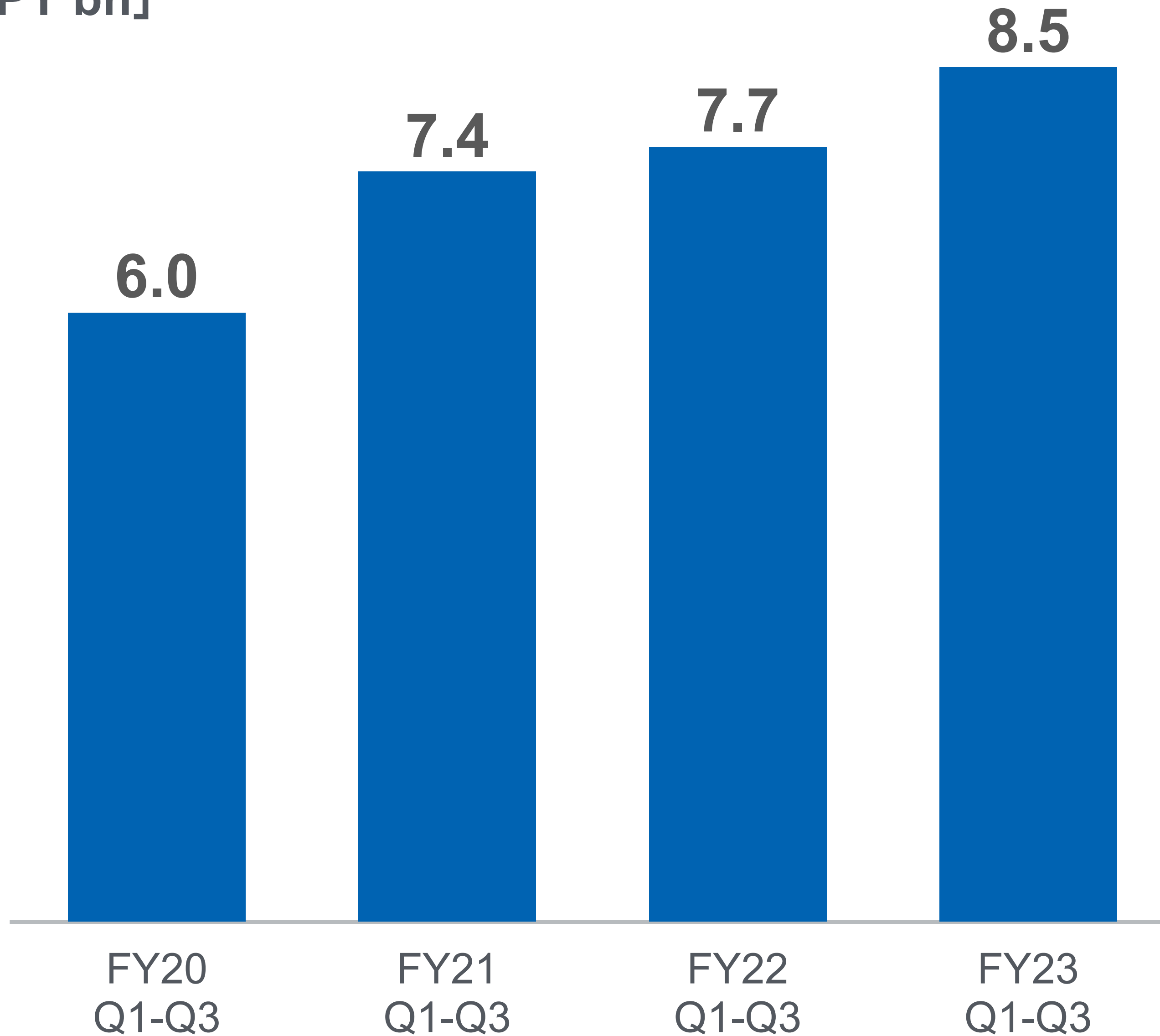
SB Payment Service: GMV

[JPY tn]



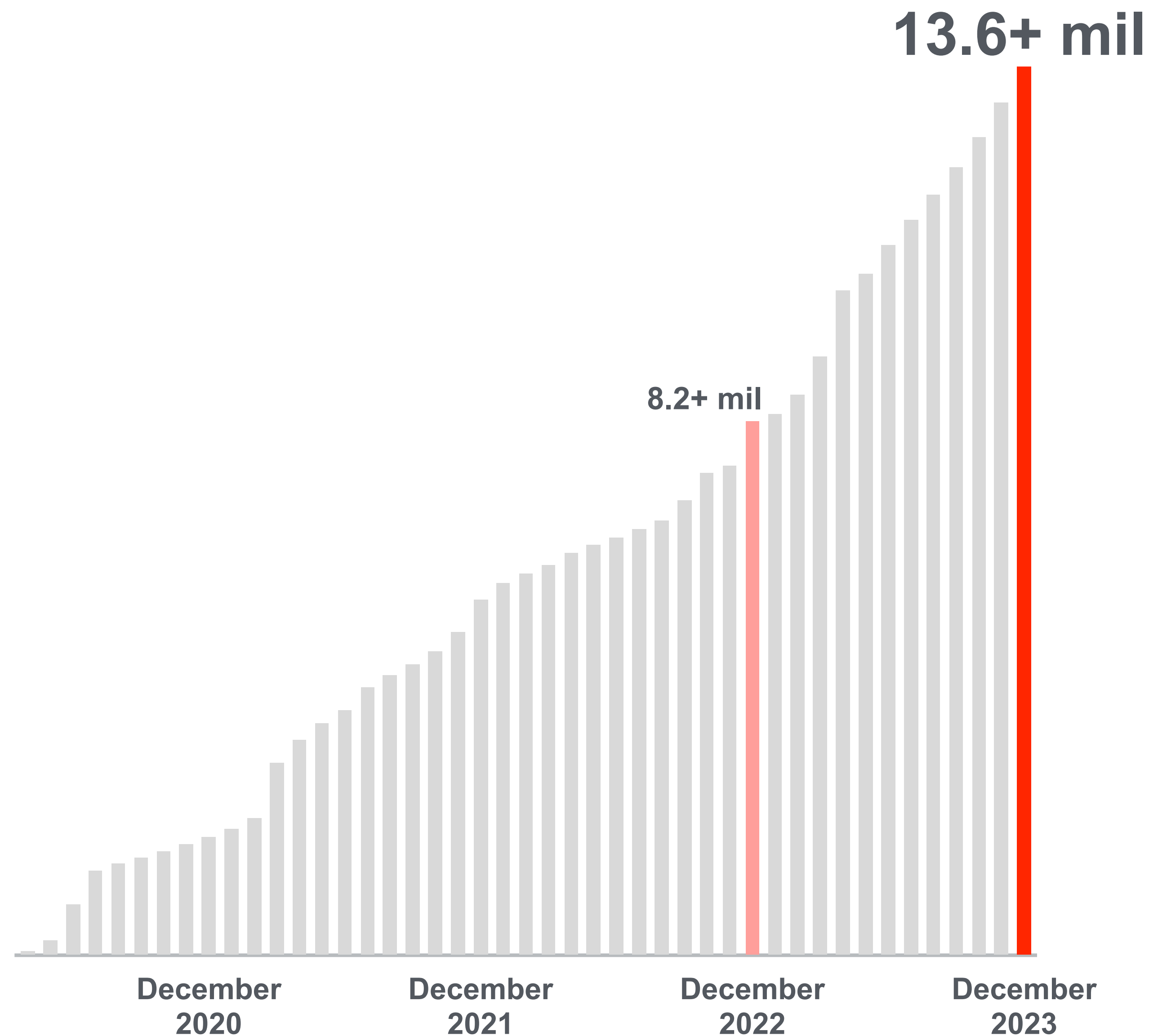
SB Payment Service: Operating Income

[JPY bn]



Up 10%

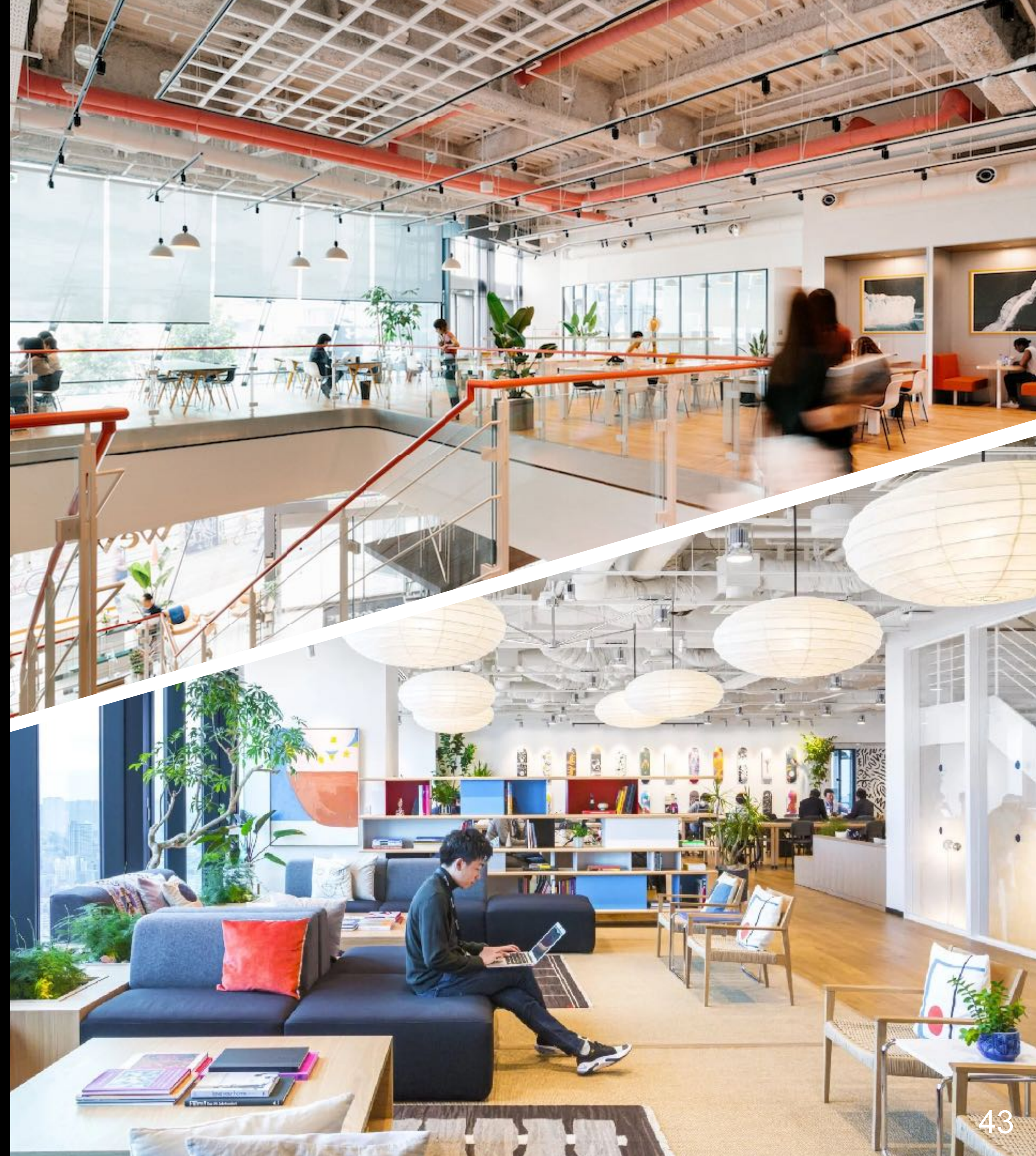
PayPay 証券 : Cumulative Number of Point Investment Users



YoY
+5.4 mil
Up 66%

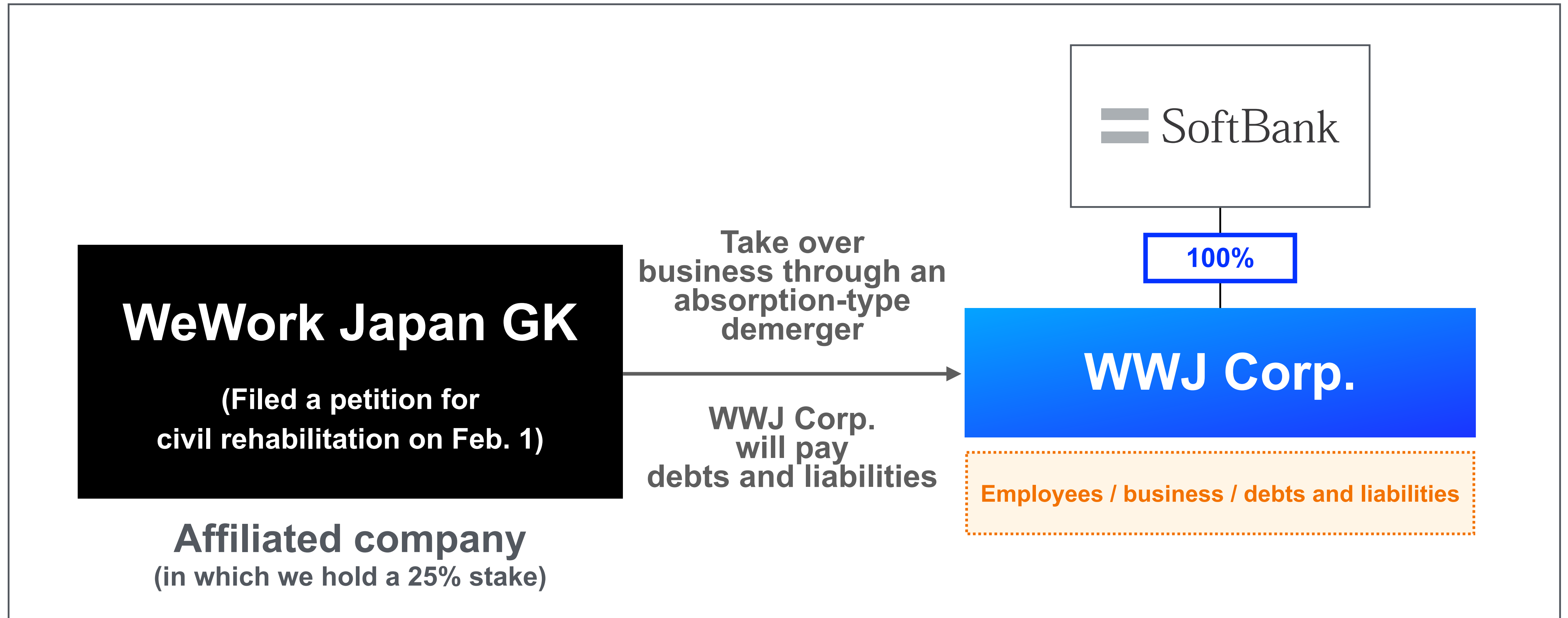
WeWork Japan

Our wholly-owned subsidiary will take over WWJ business for future growth



Business Takeover of WeWork Japan

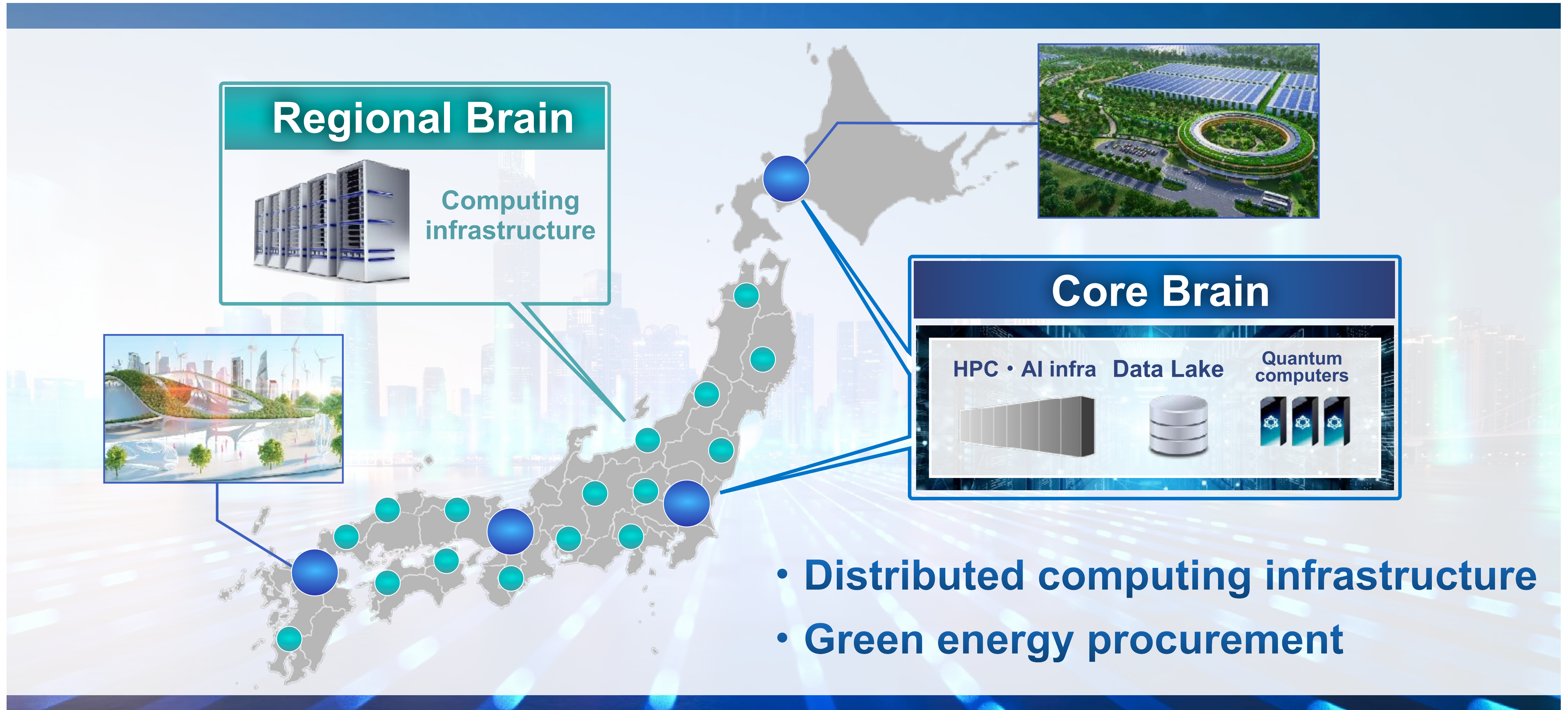
Our wholly-owned subsidiary will take over the business and provide services for quick execution of growth strategies





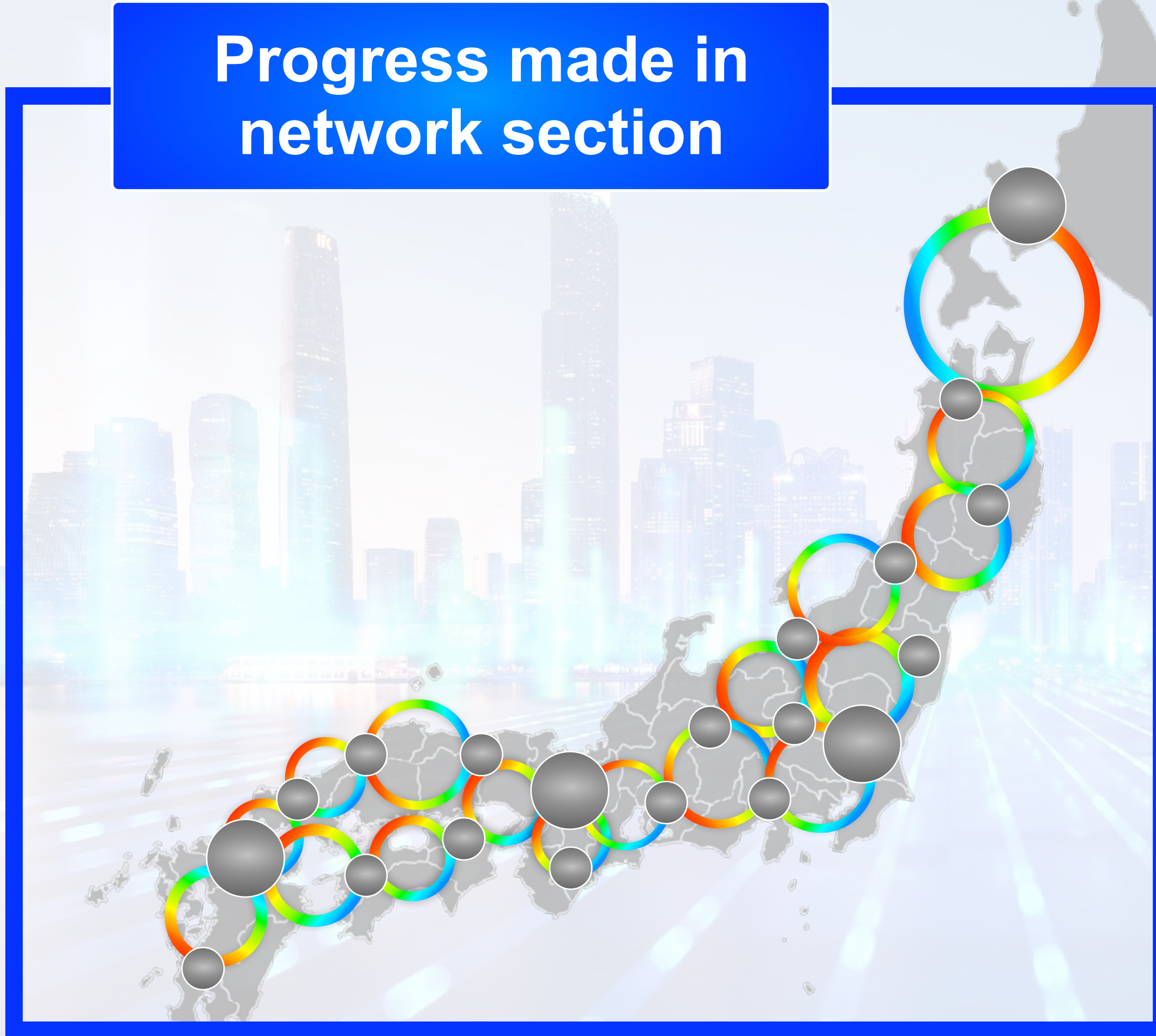
Progress Toward Building Next-generation Social Infrastructure

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

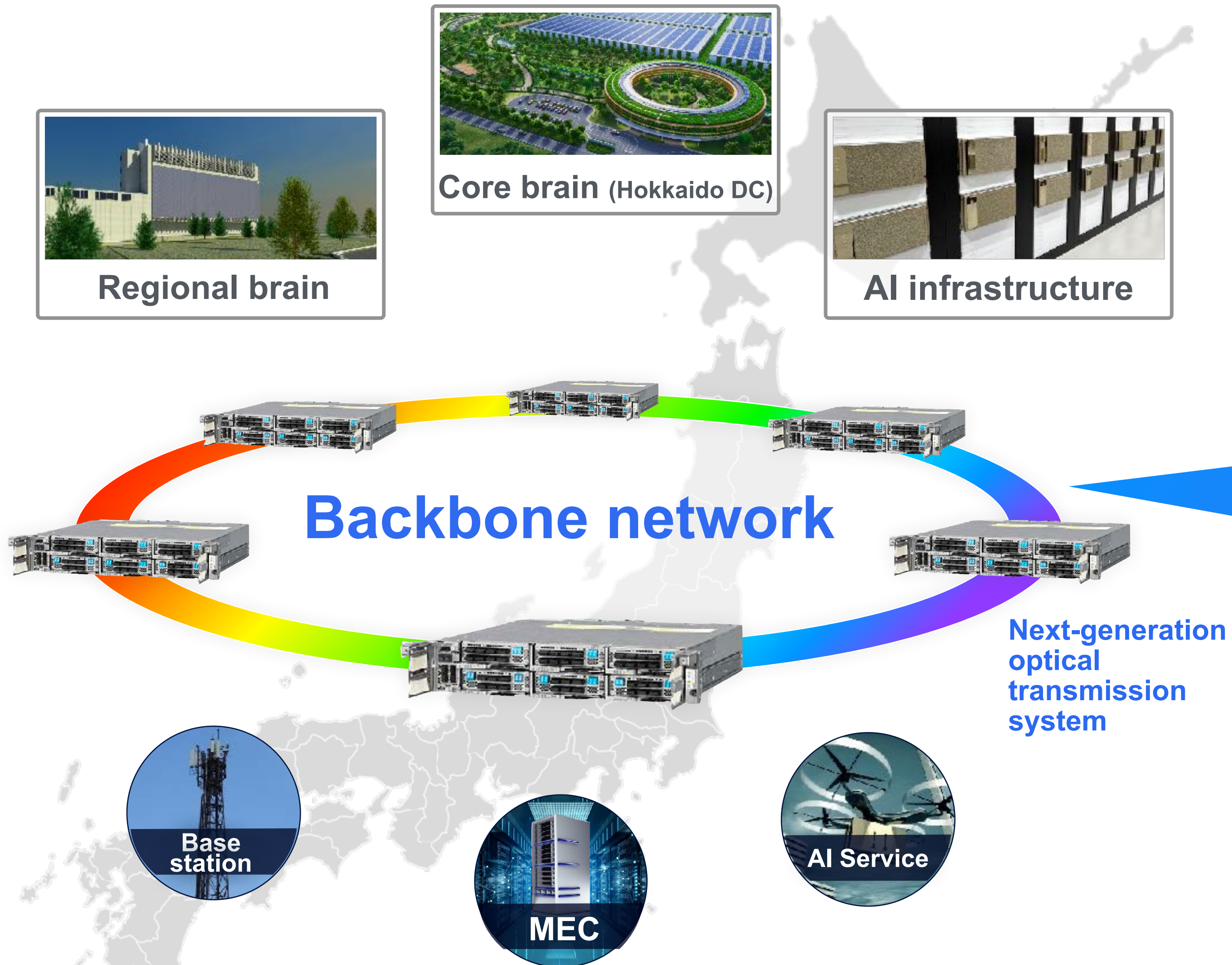


Structure of Next-generation Social Infrastructure (AI Data Center)

Progress made in network section



Network for Next-generation Social Infrastructure



All optical network

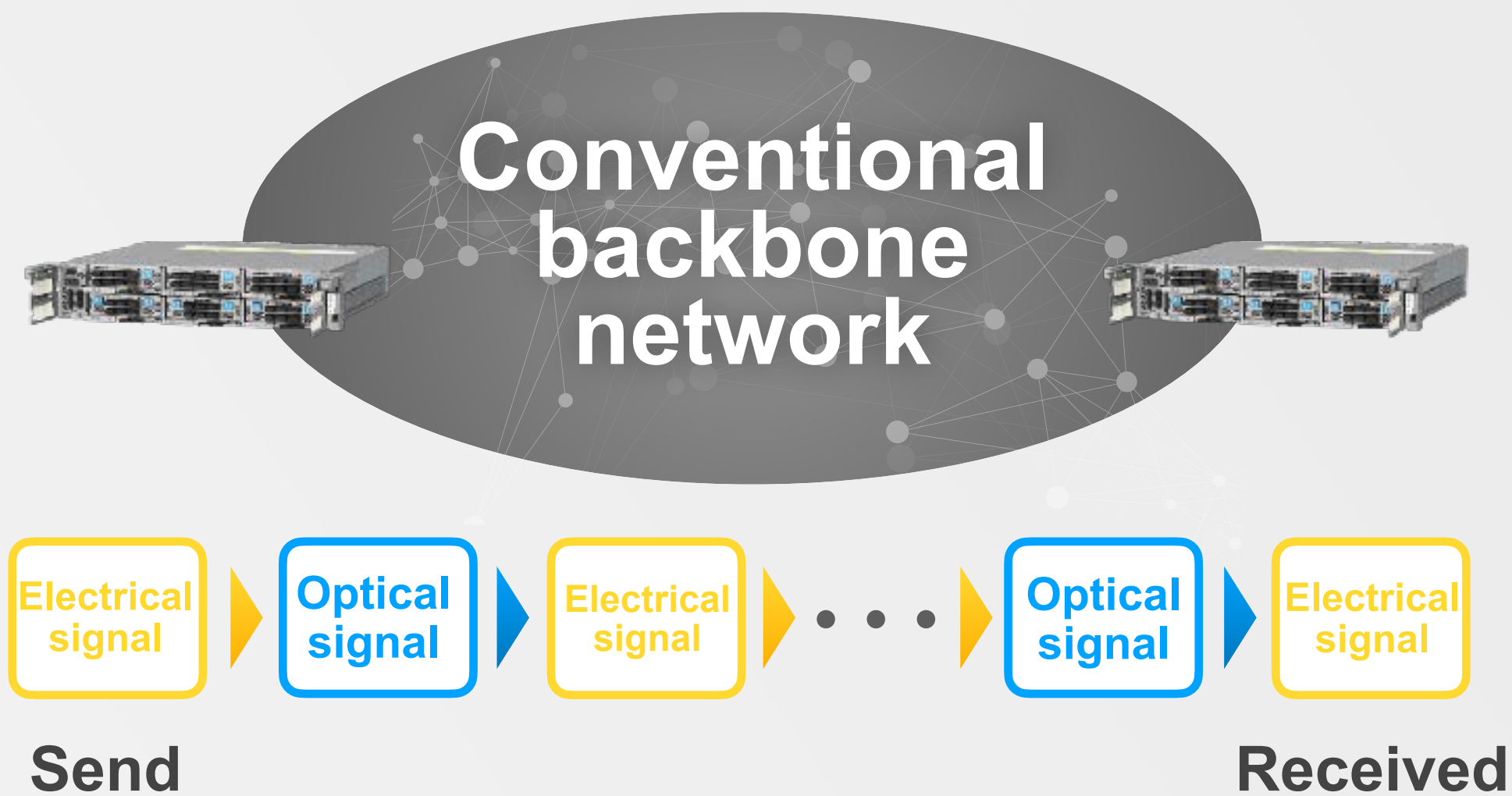
Enabling energy-efficient, low-latency, and high capacity core network connections through optical technology

Nationwide expansion completed

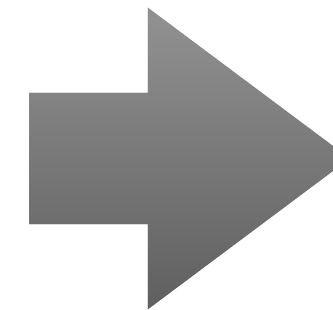
(Announced jointly with Fujitsu Limited in October 2023)

Power Saving With All Optical Network

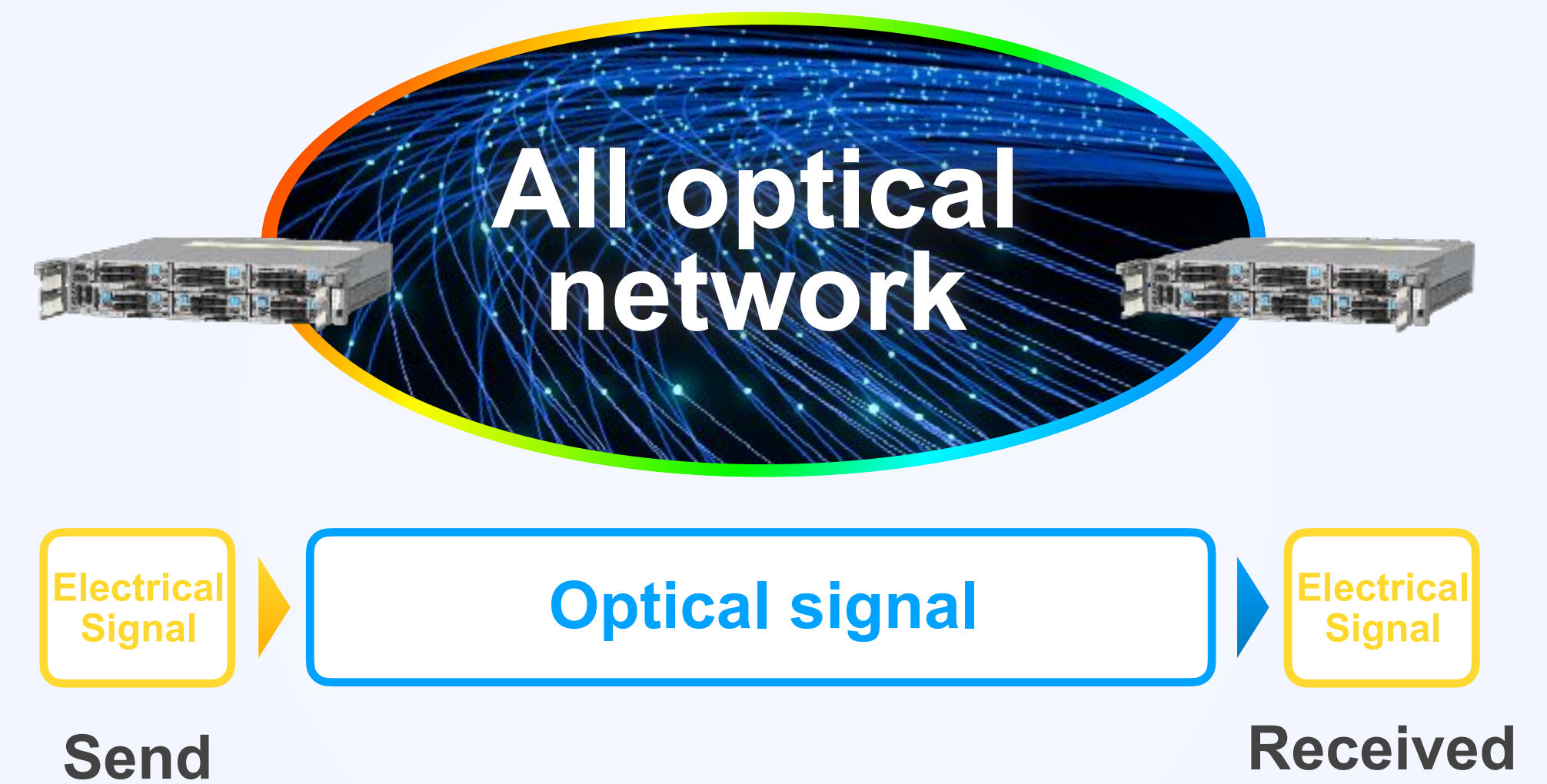
Conventional



**Multiple photoelectric conversions
required within network
Cause energy loss**



All optical network



**No need for photoelectric
conversion within network
Greatly reduce power consumption
(up to 90% reduction)**

Progress of Homegrown LLM



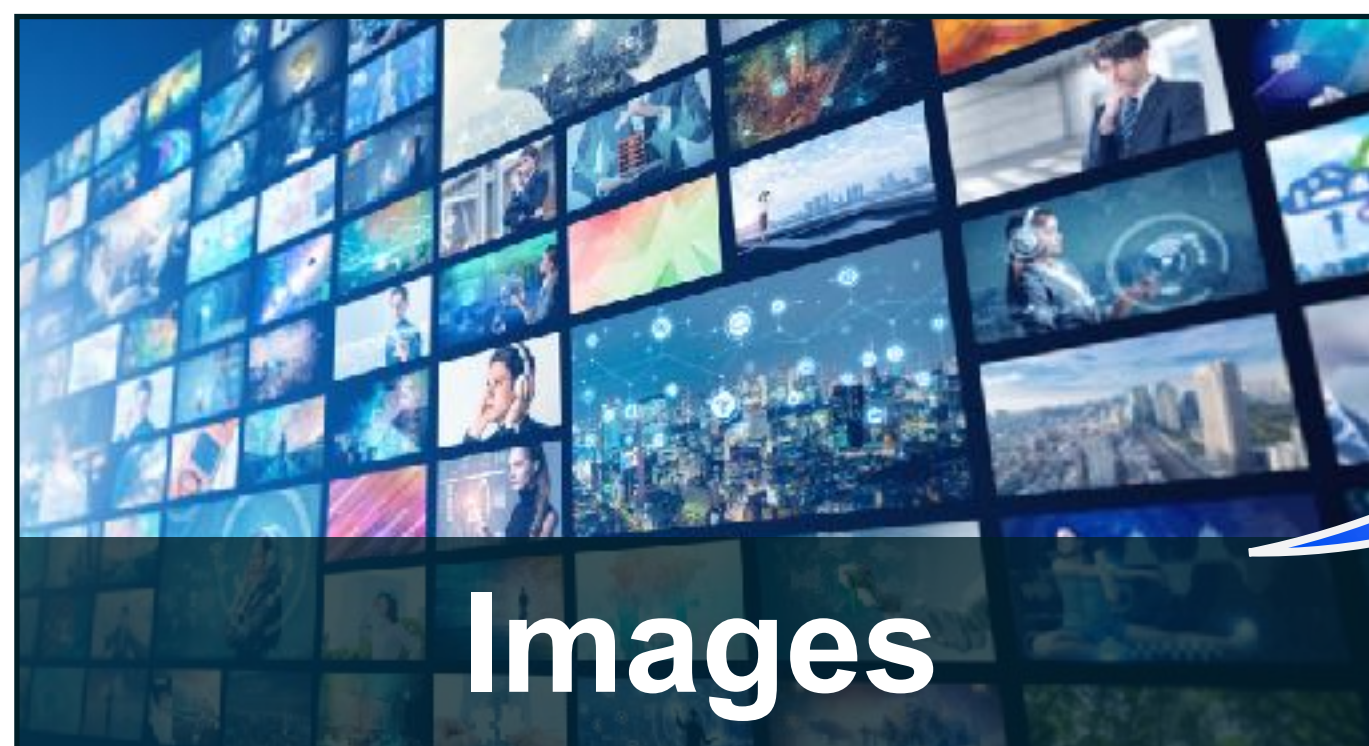
Steady progress toward
buildup of LLM with
390 billion parameters

Multimodal LLM

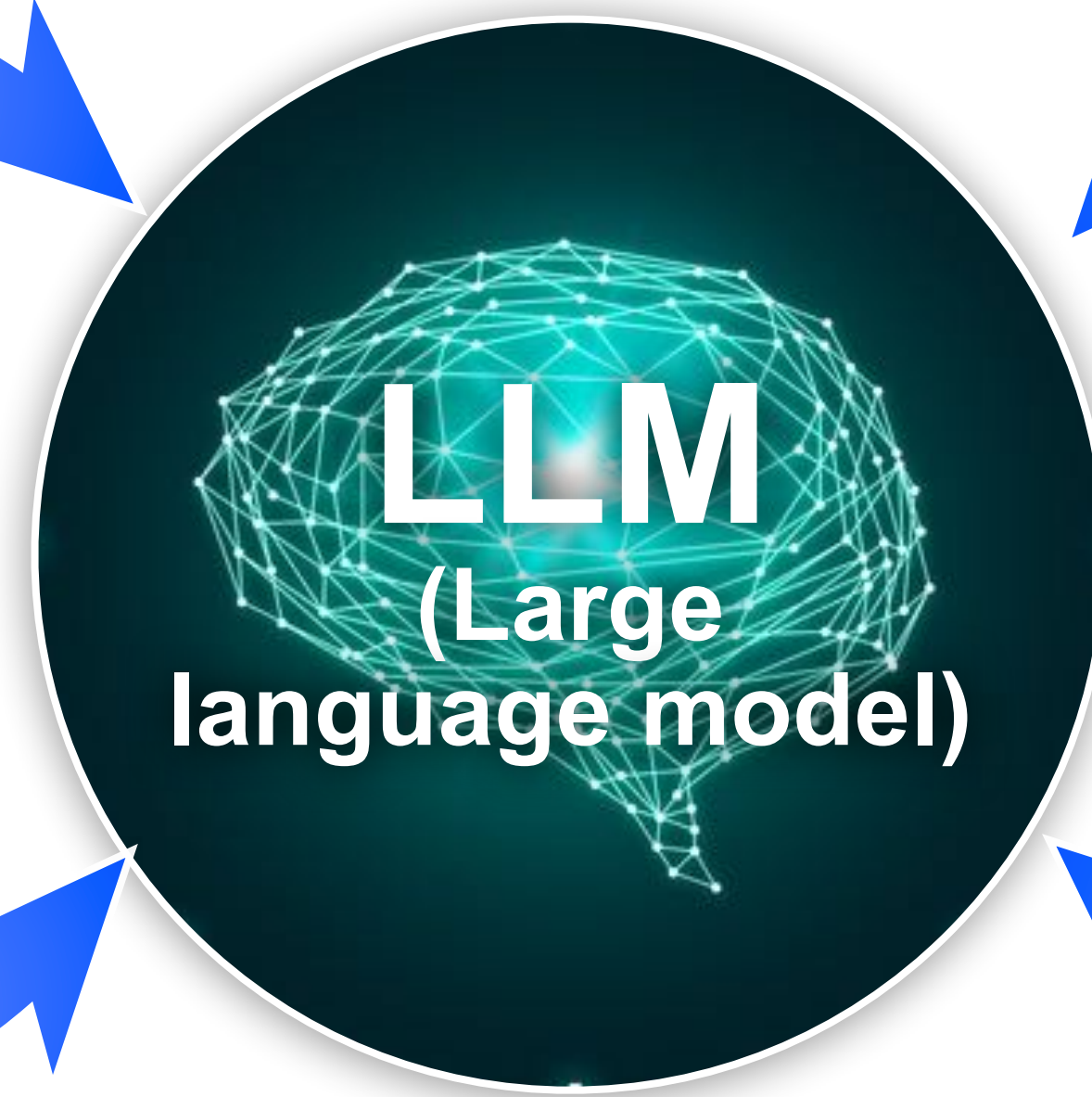
Aim to complete in FY2024



Symbols



Coding



390 billion parameters

Future initiatives



Further expand our computing platform

Aiming for
1 trillion parameters

A large blue-bordered box containing a photograph of a server room on the left and text on the right. The text reads "Further expand our computing platform" and "Aiming for 1 trillion parameters".

Focus Areas and Responsible Departments

Departments directly reporting to CEO (partial list)

Focus area

Research Institute of Advanced Technology	R&D of advanced technologies <small>(6G / battery / quantum computer, etc.)</small>
Alliance & Investment Strategy Division	Collaboration with external companies / planning and promotion of strategic investments
Digital Infrastructure Architect Office	Development of xIPF and computing infrastructure
Green Transformation Promotion Division	Procurement of green energy
ESG Planning & Management Office	Enhancing SDGs and ESG initiatives
Women's Activity Promotion Committee	Promotion and strengthening of women's active participation
iPaaS Business Project Office	Planning and consideration of the iPaaS business
AI Project Promotion Office	Promotion of AI-related business development
Next Gen Social Infrastructure Promotion Office	Building next-generation social infrastructure <small>(Hokkaido Data Center, etc.)</small>
Beyond Japan Project Office	Promotion of global strategy

Beyond Japan



Announced Investment in Cubic Telecom

(December 2023)

Providing a global IoT platform primarily for SDCV

(software-defined connected vehicles)

**Invest approx.
JPY 75 billion**

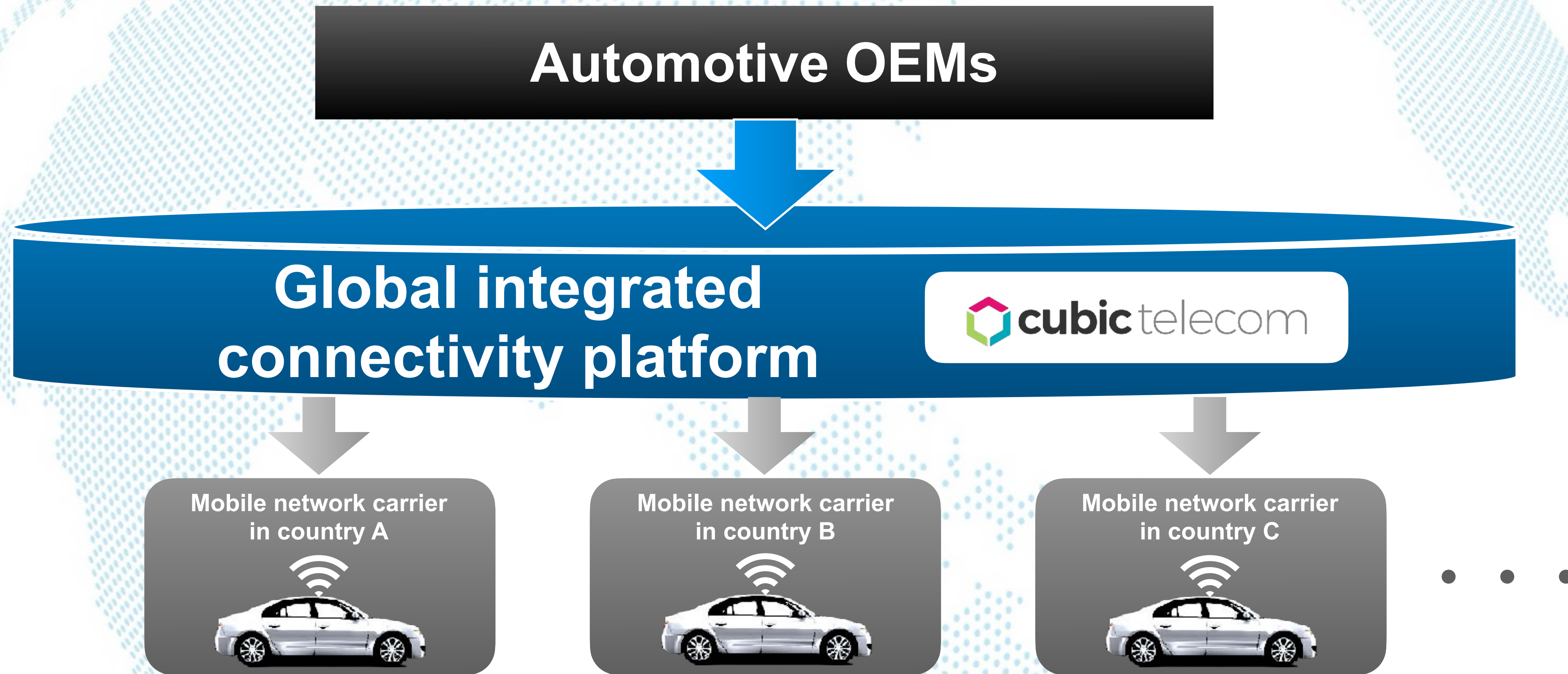
(Approx. EUR 473 million)

**Acquire 51% equity stake
Cubic Telecom will become
a consolidated subsidiary**



Features of Cubic Telecom

1. Possess one integrated global platform that enables auto OEMs* to centrally manage connectivity, services and data
2. The platform can offer connectivity services in more than 190 countries



(Note) The investment in Cubic Telecom Ltd. is subject to regulatory approvals in various jurisdictions, and other customary closing conditions, and is expected to close in the first half of 2024

*Automotive OEMs: Automotive, transportation and agriculture original equipment manufacturers (OEMs)

Global Trends

Collaboration with next-generation transportation infrastructure



Considering various business expansions using global integrated connectivity platform



+



December 2023

Selected for second consecutive year



Our Distinguished Position

	FY2022	FY2023
Listed companies worldwide	60,000	
DJSI assessed	Global market capitalization Top 3,500 companies	
DJSI World components worldwide	333	321
Japanese companies selected	37	38
Telecommunications industry	Only SoftBank Corp. (Acquired the top score in Japan)	

Received the Grand Prize for “Nikkei SDGs Management Award” (November 2023)

**NIKKEI
SDGs**

Grand Prize 2023

**Grand Prize
SoftBank Corp.**

(Top of 899 companies in Japan)

Strategy and
Economic Value
Award

**Mizuho
Financial
Group, Inc.**

Social Value Award

**TOPPAN
Holdings Inc.**

Environment
Value Award

**Nippon
Telegraph and
Telephone
Corporation**



ESG External Assessment Summary

Received multiple highest ratings

The 5th
Nikkei SDGs
Management Award

Grand
prize

NIKKEI
SDGs

大賞 2023

Decarbonized
Management
Ranking, GX500

1st
place



DJSI World

Selected for
second
consecutive
year

Member of
Dow Jones
Sustainability Indices

Powered by the S&P Global CSA

MSCI
ESG Ranking

AAA

MSCI
ESG RATINGS



CCC | B | BB | BBB | A | AA | AAA

Summary

1 Full-year forecasts revised upward

**2 Mobile revenue achieved turnaround
To achieve full-year revenue growth one year ahead of plan**

3 Progressing toward medium to long-term growth
“Building Next-generation Social Infrastructure” “Beyond Japan”

4 ESG highly evaluated by third parties



Information Revolution — Happiness for everyone

≡ SoftBank





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