

**Earnings Results for the
Six Months Ended September 30, 2023
Investor Briefing**

SoftBank Corp.

November 8, 2023

Disclaimer

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For the definitions of numbers on this presentation, please refer to SoftBank Corp.’s data sheet.

Comparative period results (financial figures) have been restated due to the changes in accounting policies for transactions under common control in FY22Q3.

- **Revenue and profits increased, making steady progress towards full-year forecasts**
- **Mobile net additions continue to show good performance and mobile revenue is turning to a recovery trend**
- **PayPay achieved positive EBITDA for two consecutive quarters**

Revenue and profits increased. Good progress toward full-year forecasts

(JPY bn)	FY22 H1 (After retrospective adj. ^{*1})	FY23 H1	YoY	YoY%	Progress (vs. full-year forecast)
Revenue	2,808.6	2,933.8	+125.2	+4.5%	48.9% (6,000.0)
Adjusted EBITDA ^{*2}	858.2	890.7	+32.4	+3.8%	56.7% (1,570.0)
Operating income	486.8	514.4	+27.5	+5.7%	65.9% (780.0)
Net income ^{*3}	234.2	302.1	+67.9	+29.0%	71.9% (420.0)

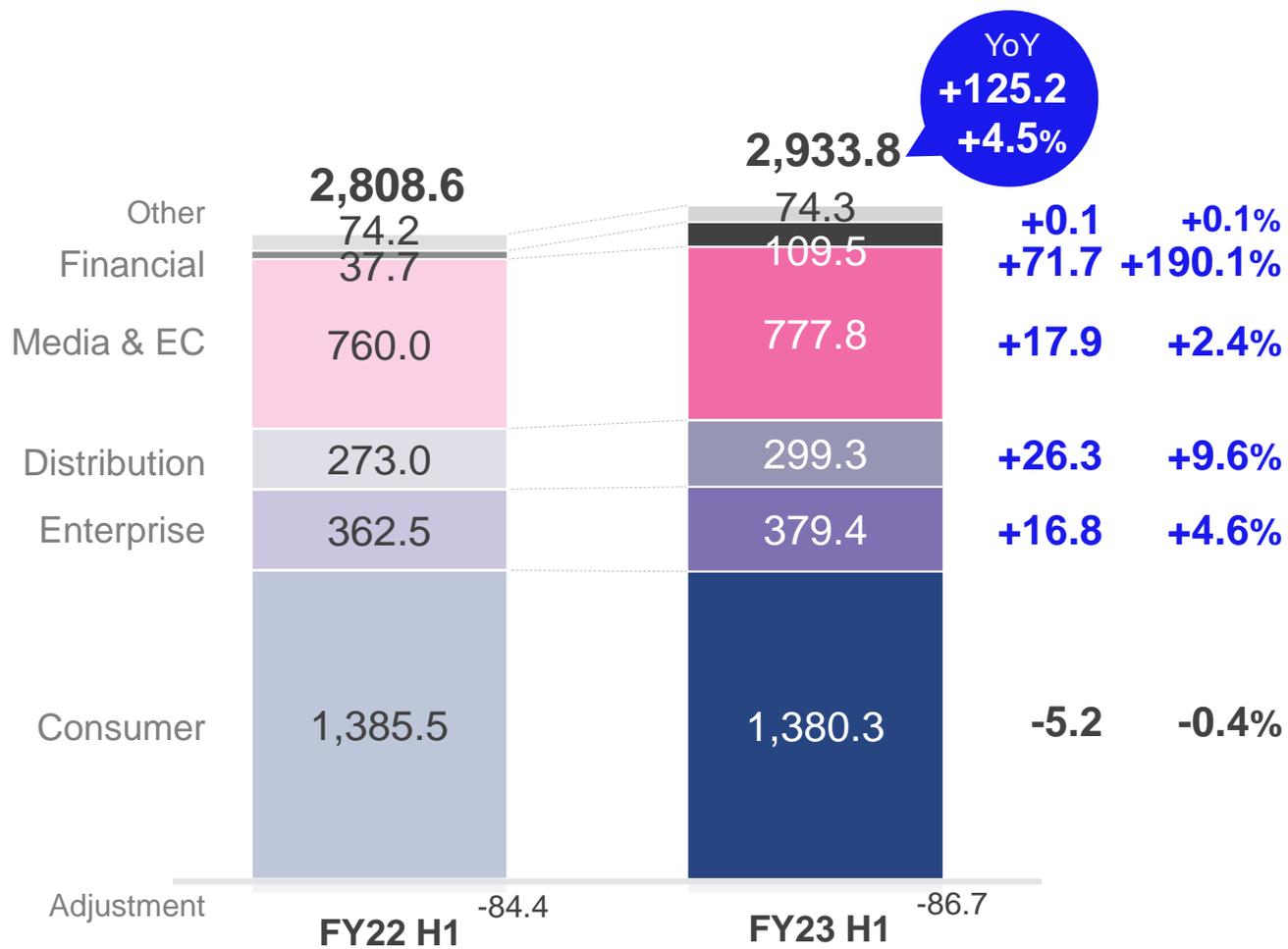
- Progress rate toward full-year forecast for operating income is 65.9% and for net income is 71.9%

*1: Comparative period results have been retrospectively amended due to changes in accounting policies. Refer to p44 for details (same hereafter unless otherwise noted)

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

adjustments, same hereafter *3: Net income: net income attributable to owners of SoftBank Corp., same hereafter

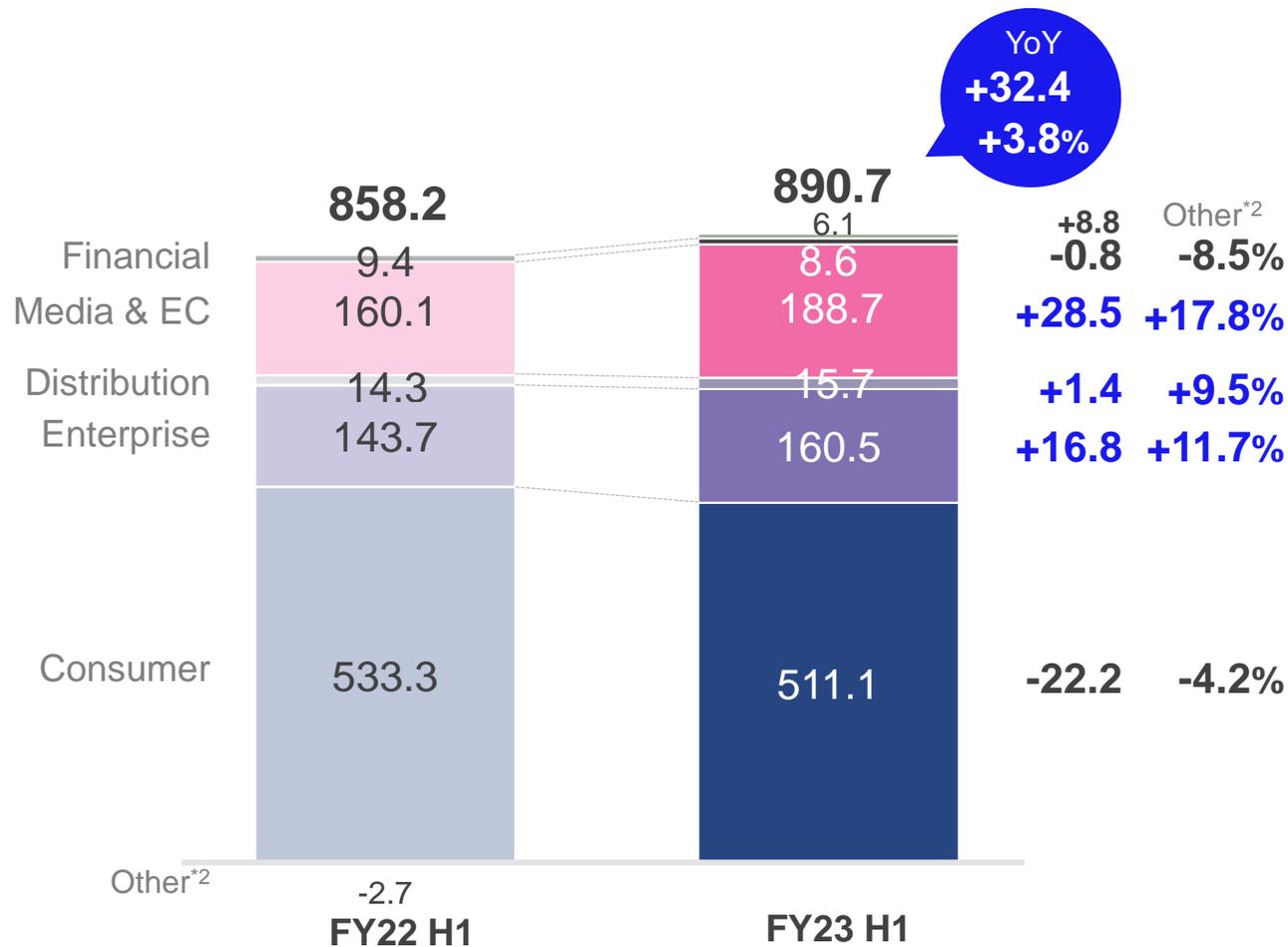
Non-telecommunications businesses*1 driving revenue increase



- Progress toward full-year forecast JPY 6 tn (record high) is 48.9% (FY22 H1 47.5%)
- Revenue increased in 4 segments; Enterprise, Distribution, Media & EC and Financial
- In Consumer, Electricity revenue decreased, while Mobile revenue is turning to a recovery trend (refer to p7, 8)

*1: Enterprise, Distribution, Media & EC and Financial

Adjusted EBITDA increased due to the profit increase in non-telecom businesses*¹ cost reduction etc. surpassing the impact of mobile service price reductions



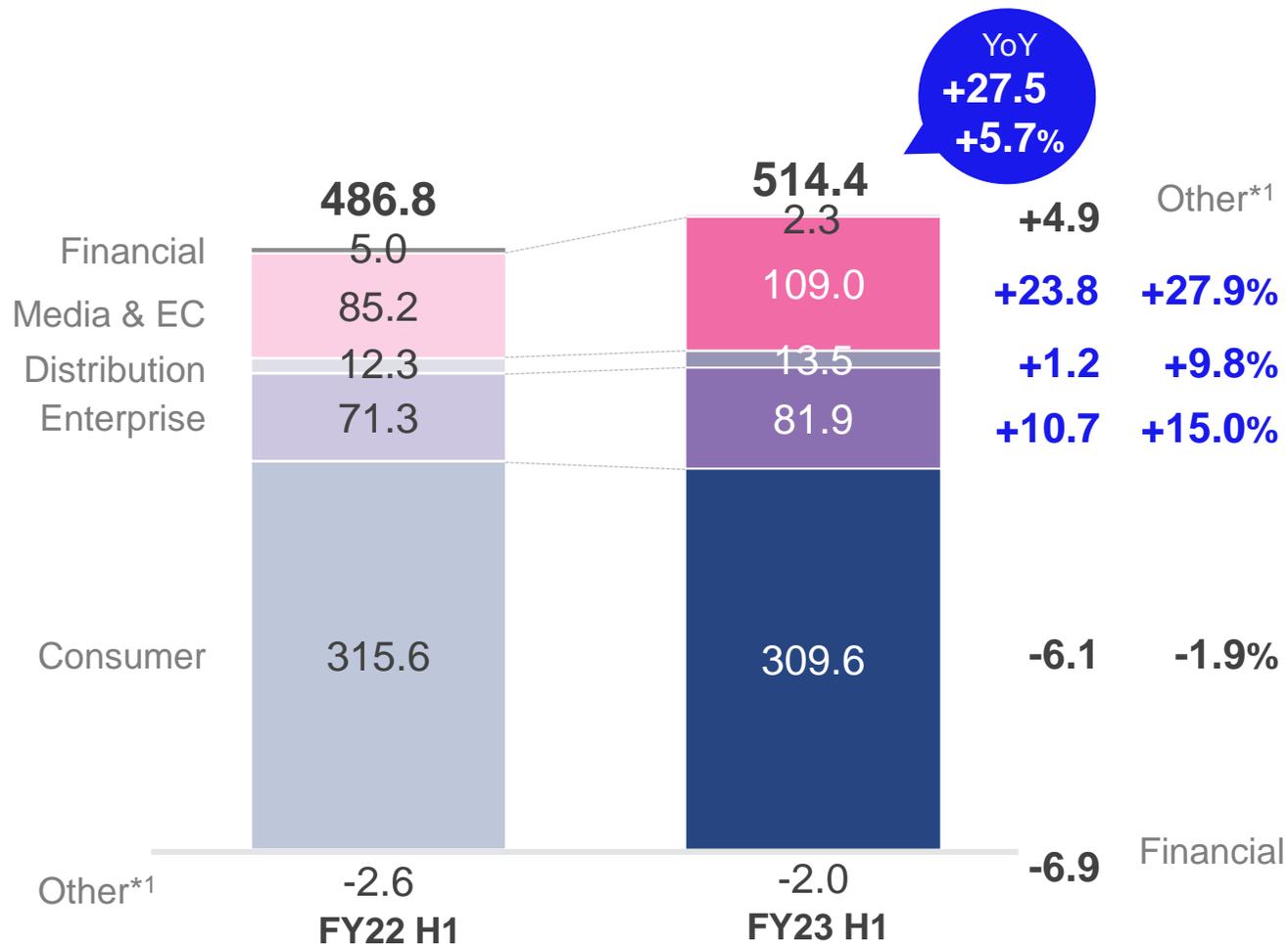
- Progress toward full-year forecast JPY 1,570.0 bn is 56.7%, showing steady progress

*1: Enterprise, Distribution and Media & EC

*2: Other includes inter-segment adjustments (FY22 H1: -3.0 bn, FY23 H1: 0.4 bn)

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

(JPY bn)



- Progress toward full-year forecast of JPY 780.0 bn is 65.9%

- Forecast by segment

(JPY bn)	FY22 Actual	FY23 Forecast	Variance	H1 Progress toward full-year forecast
Consumer	462.4	470.0	+2%	65.9%
Enterprise	135.1	152.5	+13%	53.7%
Distribution	24.3	26.7	+10%	50.7%
Media & EC	159.7	176.0	+10%	61.9%
Financial*	-12.4	-20.0	-	-
Other	-3.9	-25.2	-	-
Total	765.3	780.0	+2%	65.9%

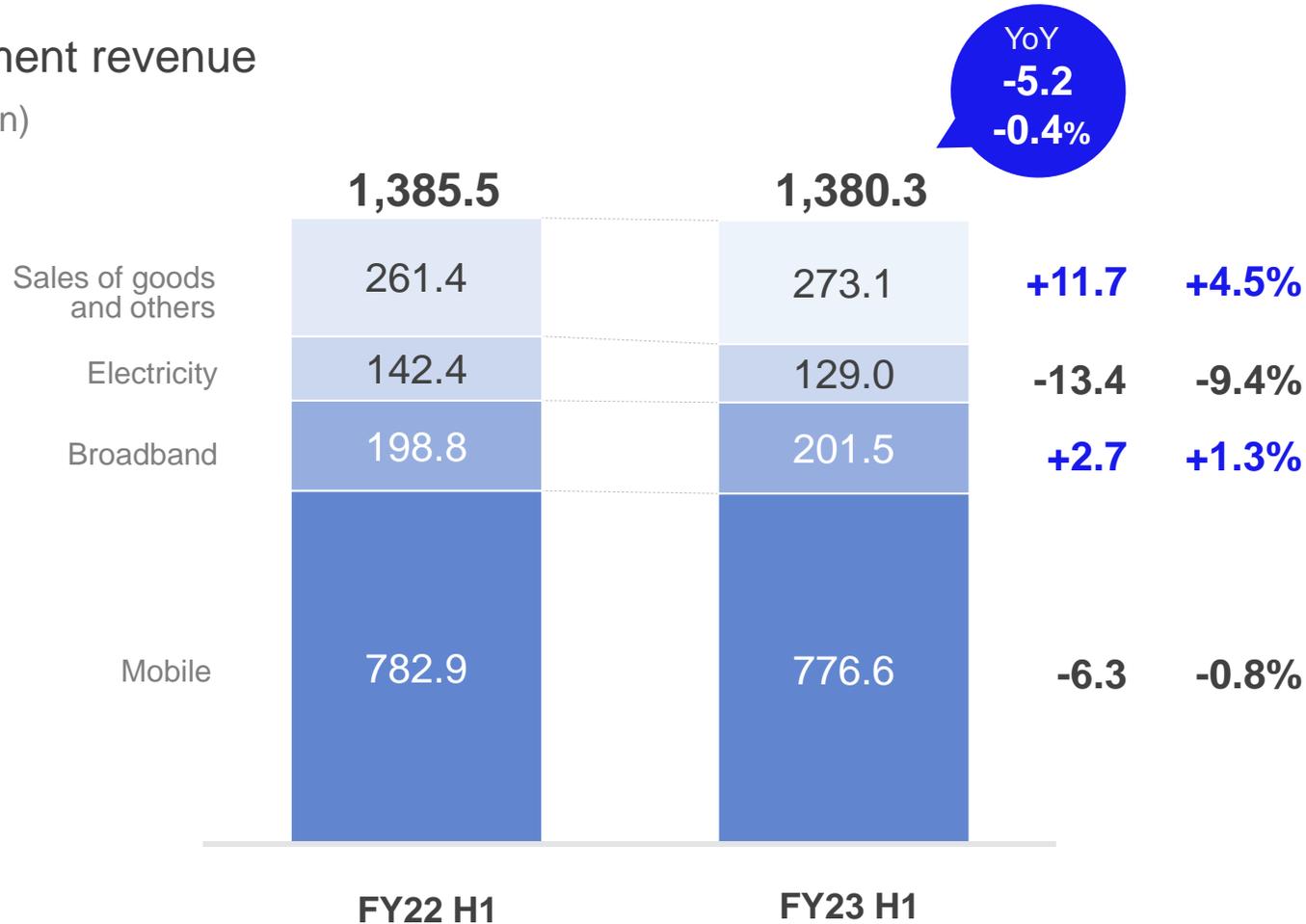
*Financial segment achieved improvement in profitability, assuming PayPay had been consolidated from FY22Q1

*1: Other includes inter-segment adjustments (FY22 H1: -1.8 bn, FY23 H1: 2.3 bn)

Sales of goods and others increased, while Electricity revenue decreased Decrease in Mobile revenue improved significantly (Refer to P8)

Segment revenue

(JPY bn)



- **Sales of goods and others**
Revenue increased in H1 due to mobile device unit price increase from FY22Q2
- **Electricity**
Revenue decreased due to decrease in electricity trading
- **Broadband**
Revenue increased from subscriber increase as well as from diminished discount campaigns
- **Mobile (Main factors)**

Mobile service price reductions*1	JPY -28.0 bn
Subscriber increase and others	JPY+21.7 bn
FY23 H1	JPY -6.3 bn
FY22 H1 (reference)	JPY -29.0 bn

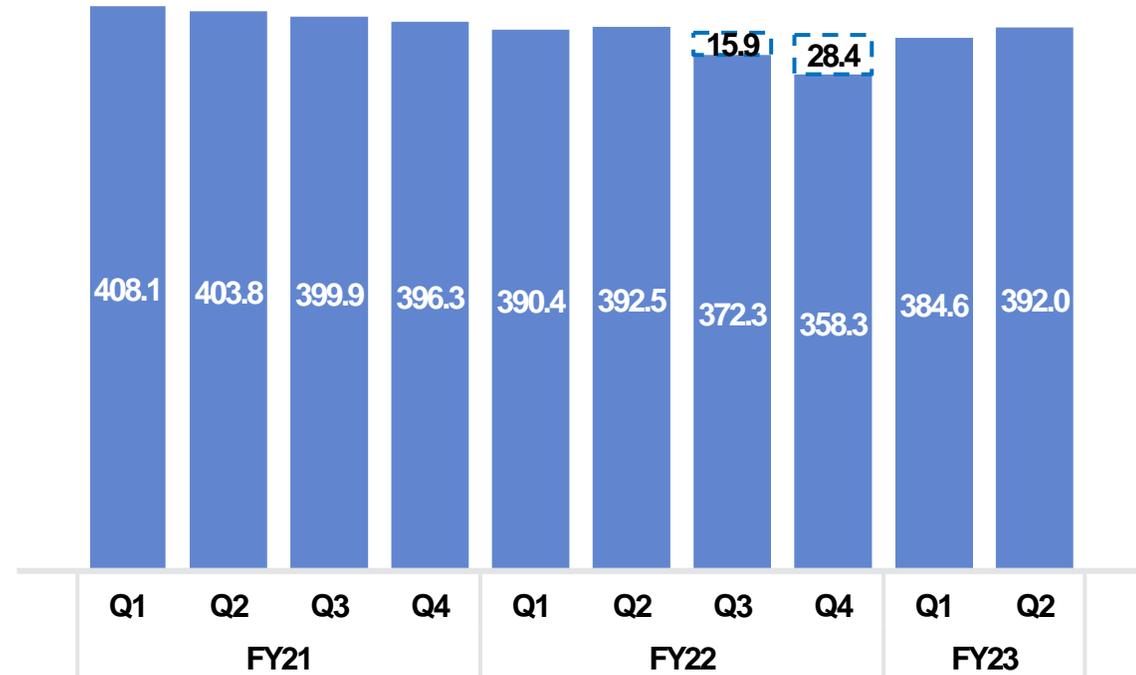
*1: Impact of new prices introduced in spring of 2021

Mobile revenue is turning to a recovery trend, and expect to return to growth in FY23 H2 (excluding the impact of customer acquisition measures)

Mobile revenue quarterly trend

(JPY bn)

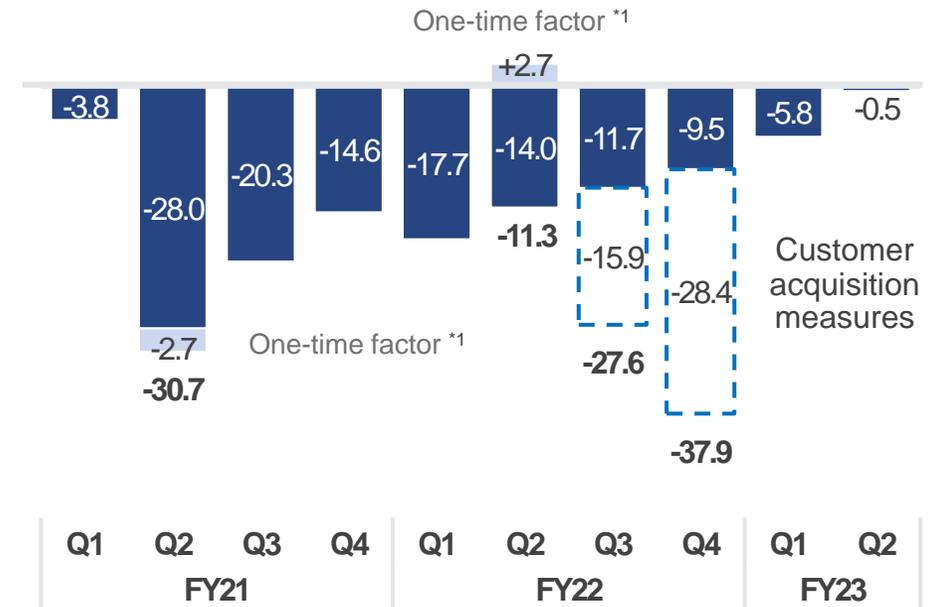
Customer acquisition measures
44.3 bn



Mobile revenue YoY

(JPY bn)

-0.9%	-7.1%	-4.8%	-3.5%	-4.3%	-2.8%	-6.9%	-9.6%	-1.5%	-0.1%	YoY decrease
-0.9%	-6.5%	-4.8%	-3.5%	-4.3%	-4.1%	-2.9%	-2.4%	-1.5%	-0.1%	*Actual figures excluding impact from customer acquisition measures and one-time factors

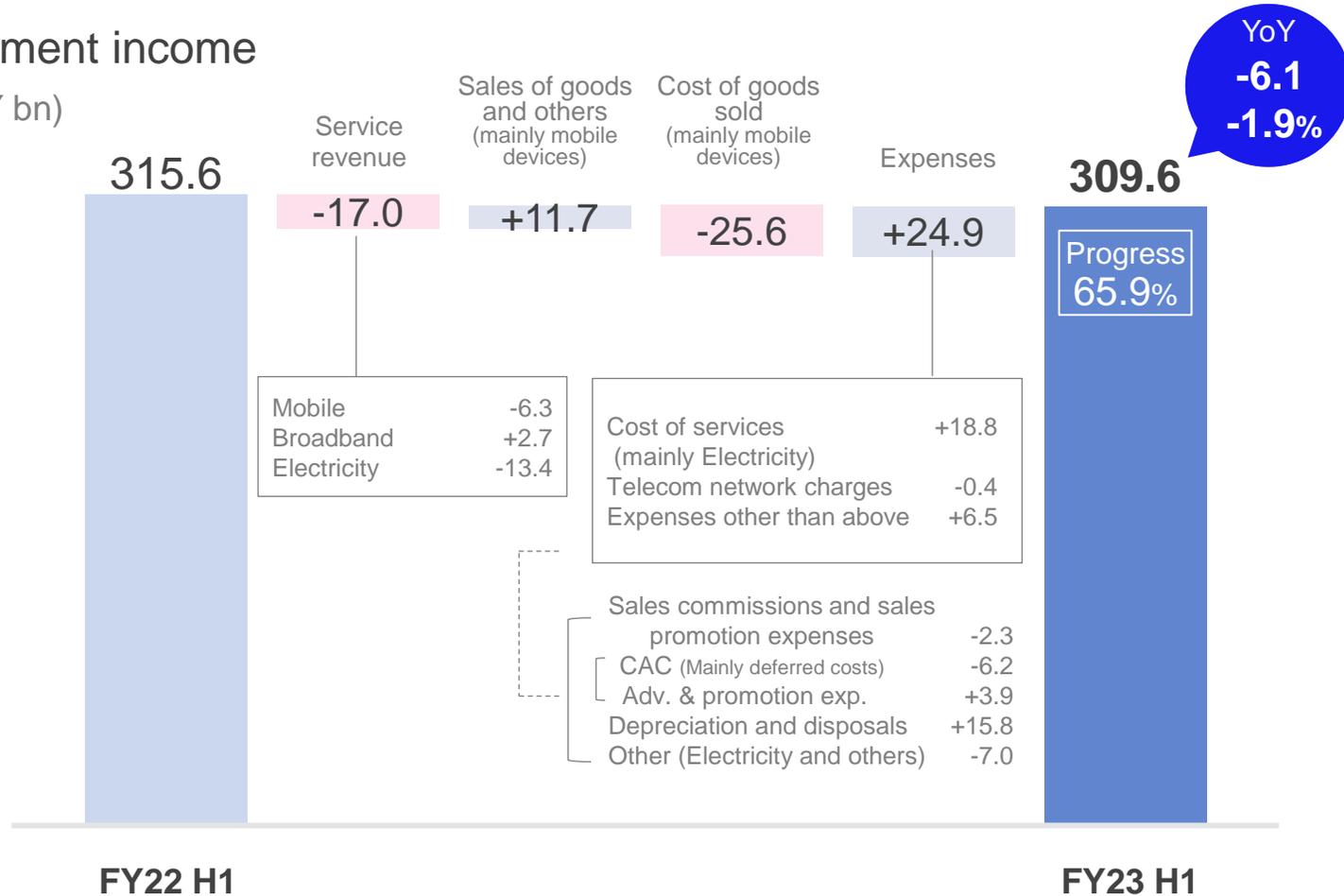


*1 : Impact from introduction of Data Carry-over and free basic charge for one-month in FY21

Decrease in profit improved YoY to JPY -6.1 bn* due to mobile revenue recovery (Refer to P8), cost reduction and improvement in electricity. Steady progress toward full-year forecast of profit growth

Segment income

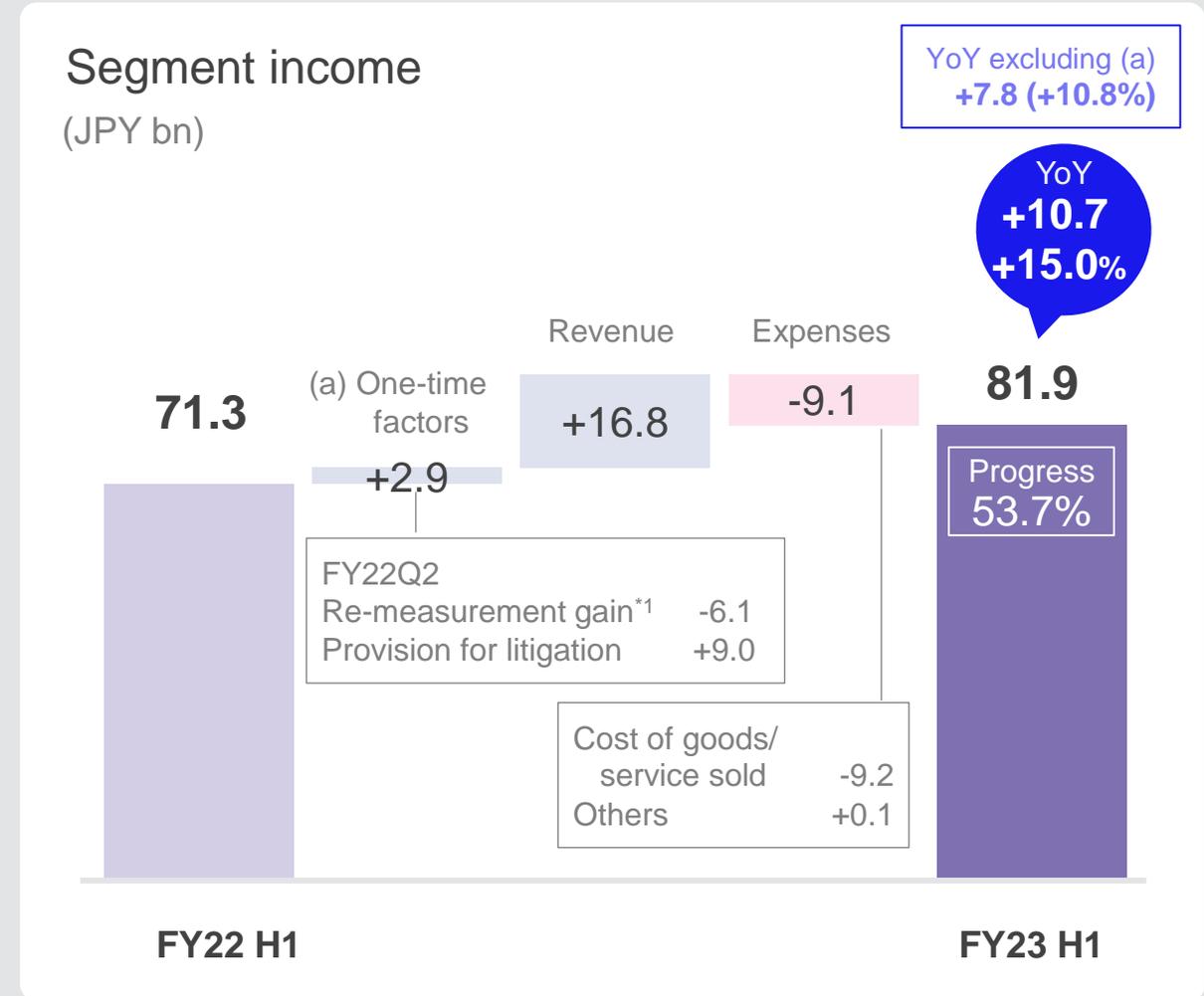
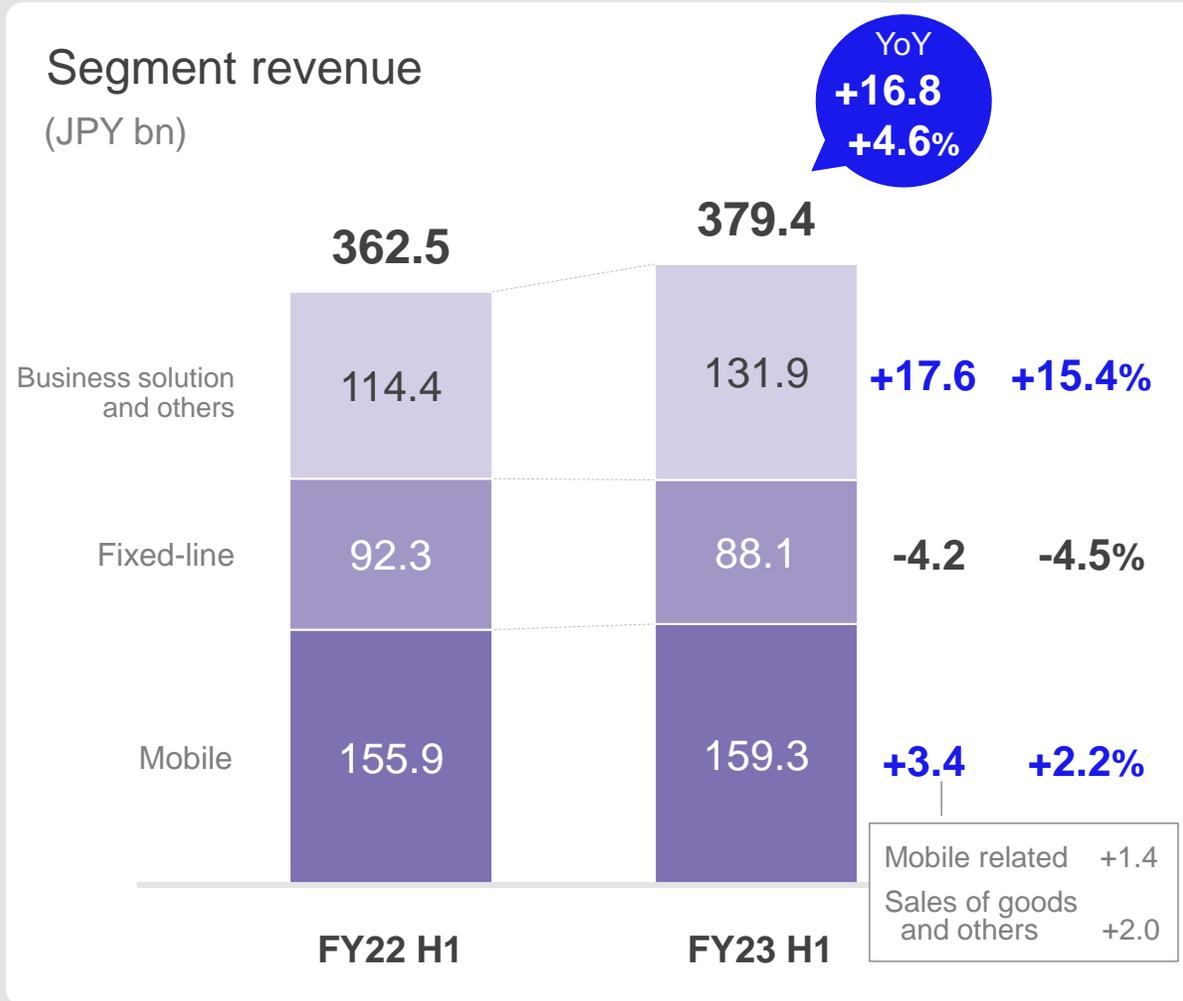
(JPY bn)



- Sales of goods and others / Cost of goods sold JPY -13.9 bn
Increase in device units shipped and impact from sales promotions
- Electricity
Profit increased due mainly to improved gross profit after price revision (including the lifting of ceiling of fuel cost adjustment)
- Sales commissions and sales promotion expenses/
Depreciation
-Depreciation and sales promotion expense decreased due to streamlining
-Customer acquisition-related costs (CAC) increased with deferred expenses in the past years

* Reference: FY22 H1 YoY JPY -49.0 bn

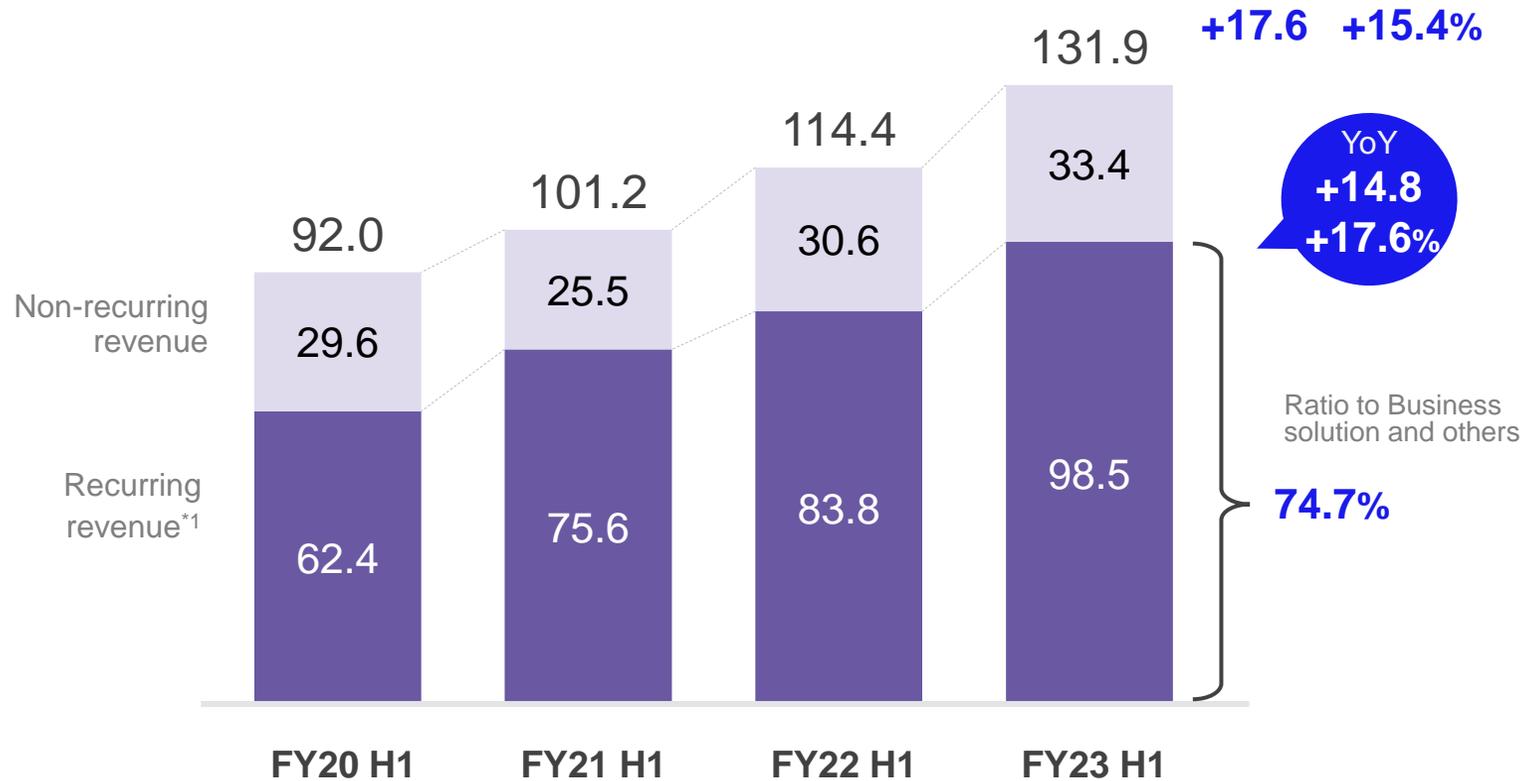
Profit increased due to growth in Business solution and others revenue, in line with full-year forecast of double-digit growth YoY. Growth at pace of doubling profit in 5 years (from FY18 JPY 76.3 bn to FY23 JPY 152.5 bn)



*1: HEALTHCARE TECHNOLOGIES Corp.

Recurring revenue showed continuous growth

(JPY bn)



- Recurring revenue, which accounts for more than 70% of Business solution and others revenue, recorded +17.6% YoY

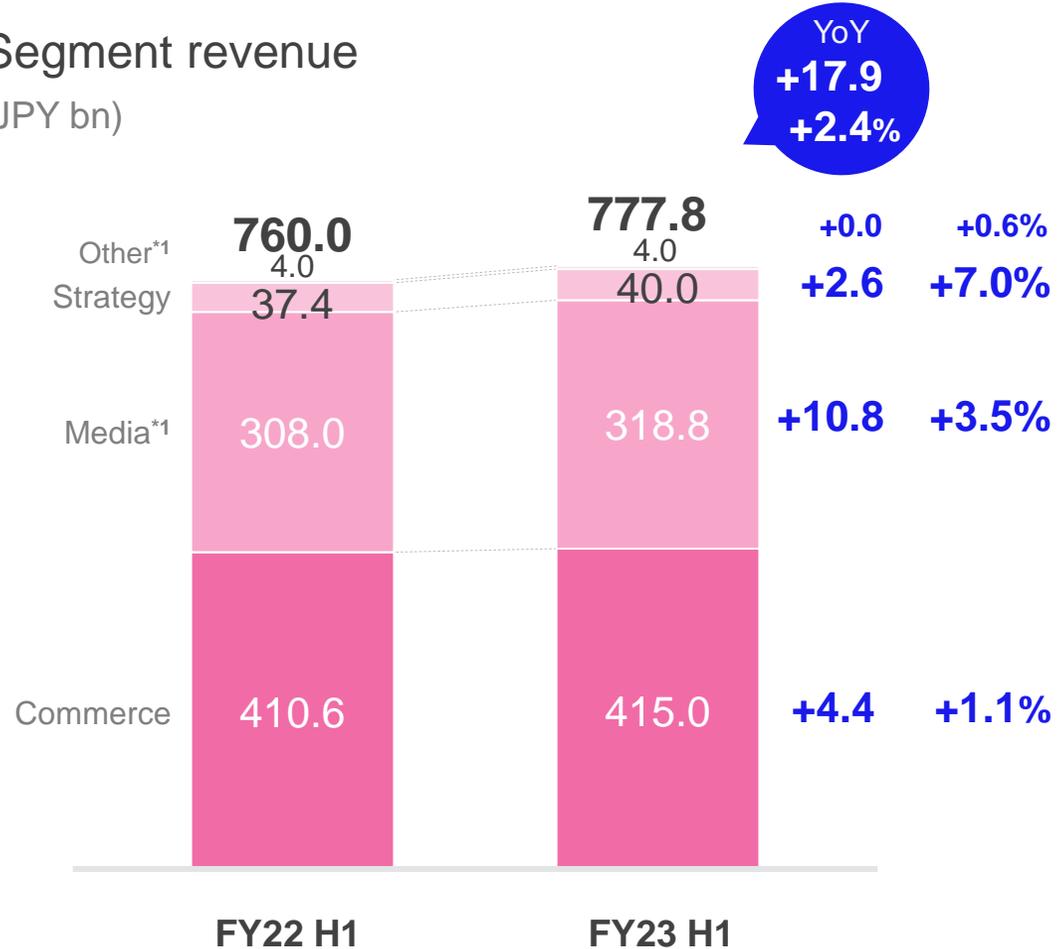
*1: Recurring revenue in cloud, security and IoT, etc., and revenue from data centers and digital marketing, etc.

Profit increased due to cost optimization efforts and one-time factors Steady progress toward full-year forecast of double-digit growth

(JPY 176.0 bn)

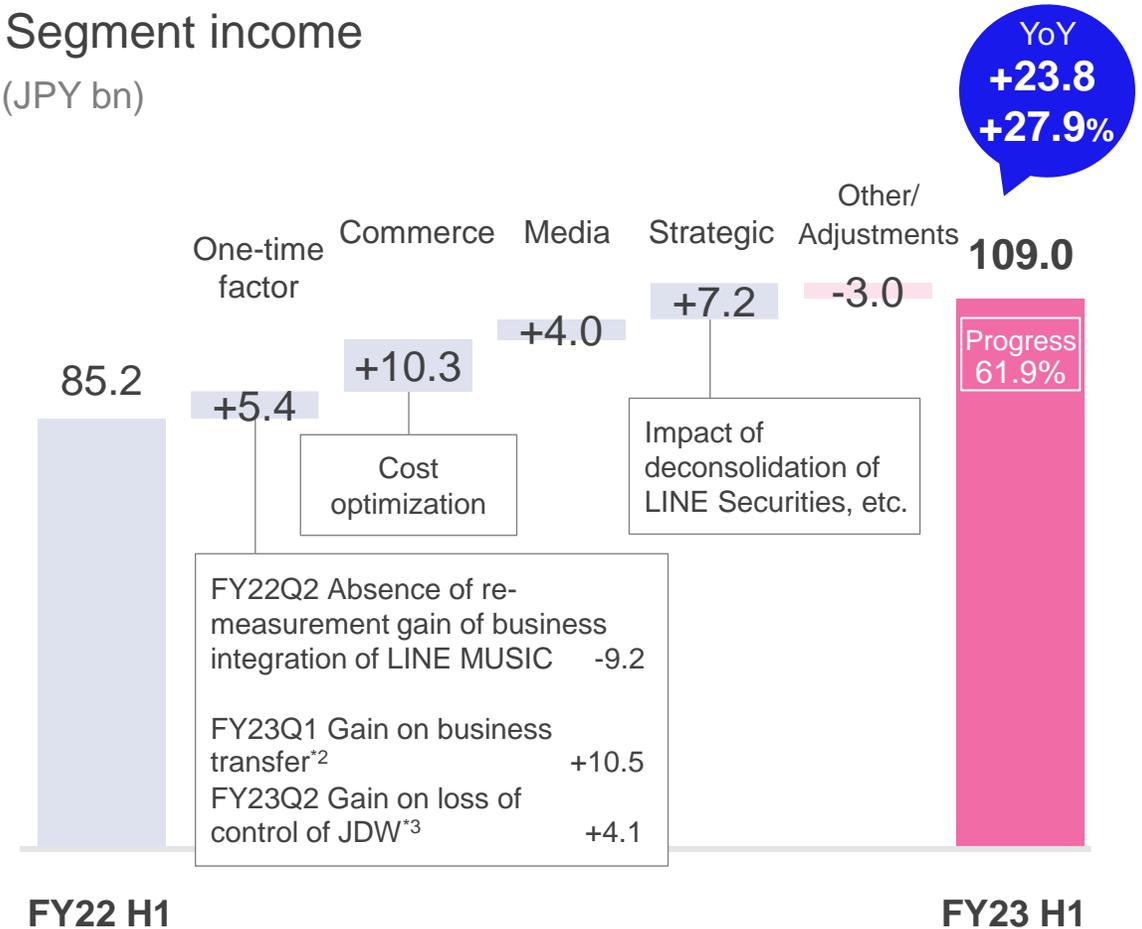
Segment revenue

(JPY bn)



Segment income

(JPY bn)

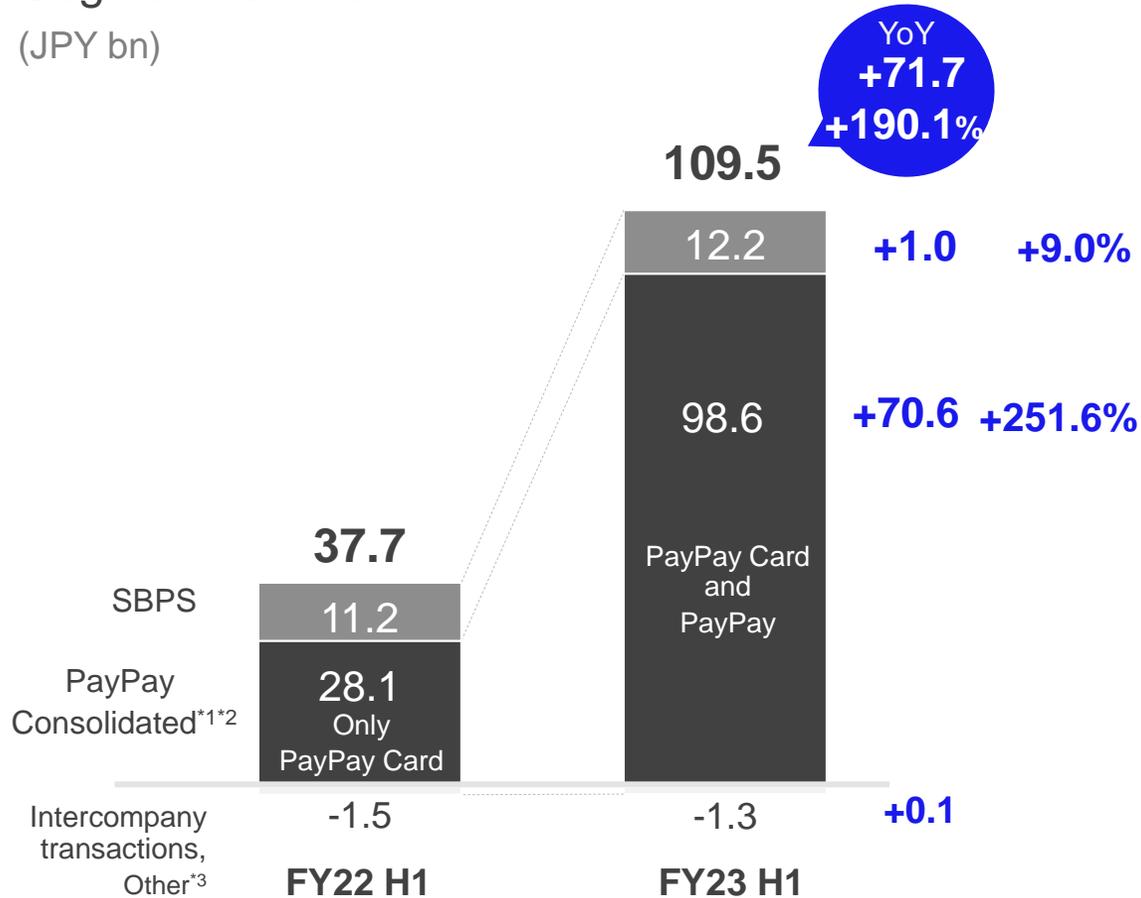


*From FY22Q3, "Financial" was newly established as a reportable segment due to the consolidation of PayPay Corporation. At the same time, the Group has reviewed the company composition of each segment, and retrospectively amended the figures for FY22H1 *1: In FY23Q1, the Z Holdings (current LY Corporation) ("ZHD") Group revised its management categories and reclassified the categories of certain services. Accordingly, the breakdown of "Media" and "Other" for FY22 has been restated to reflect these changes. *2: The recording of a gain on business transfer associated with the transfer of AI Company business operated by LINE Corporation to WORKS MOBILE Japan Corp. *3: Gain on loss of control of JDW Co., Ltd., which handles "LINE TAXI" in Taiwan, resulting from a third party's investment in it

Profit decreased due to PayPay consolidation. Actual improvement by JPY 7.3 bn

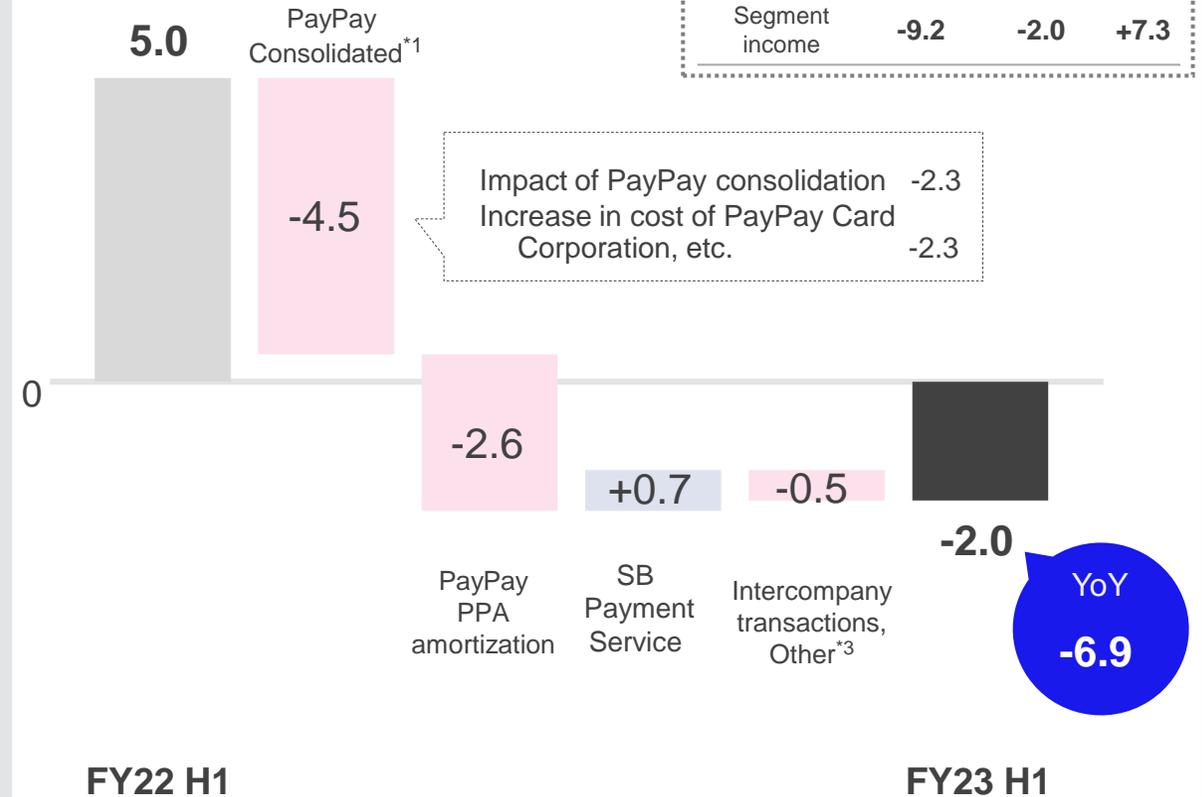
Segment revenue

(JPY bn)



Segment income

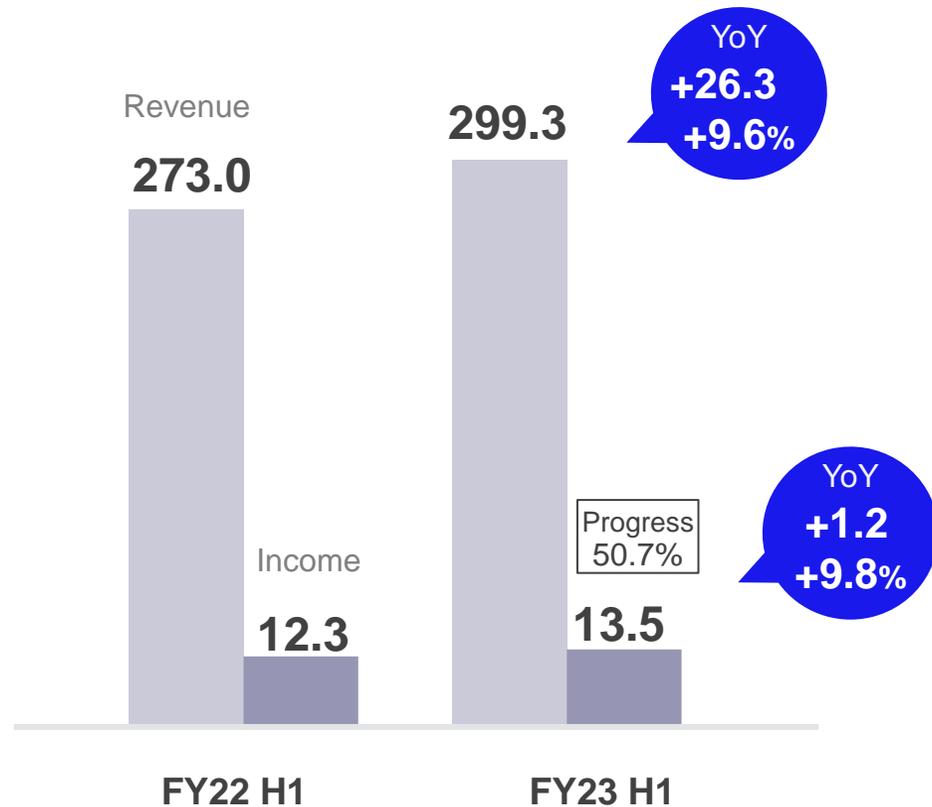
(JPY bn)



*1: PayPay's consolidated figure (includes PayPay Corporation ("PayPay") and PayPay Card Corporation ("PayPay Card"). Figures after elimination of intercompany transactions between the two companies.). Independently calculated by the Company by making relevant IFRS adjustments. Non-audited. Figures of FY22H1 consists of PayPay Card only. Figures of FY23H1 consists of PayPay Card and PayPay's results (consolidated PayPay from FY22Q3), *2: Revenue of PayPay Card in FY22H1 does not include revenue from the acquiring business taken over from Yahoo Japan Corporation in October 2022 *3: "Intercompany transactions, Other" includes PayPay Securities Corporation standalone figures and intercompany transactions in the Financial segment, other than those between PayPay and PayPay Card

Revenue and profit in Distribution increased due to steady growth of ICT business for enterprise customers (+10% profit growth for full-year)

Distribution: segment revenue and income
(JPY bn)

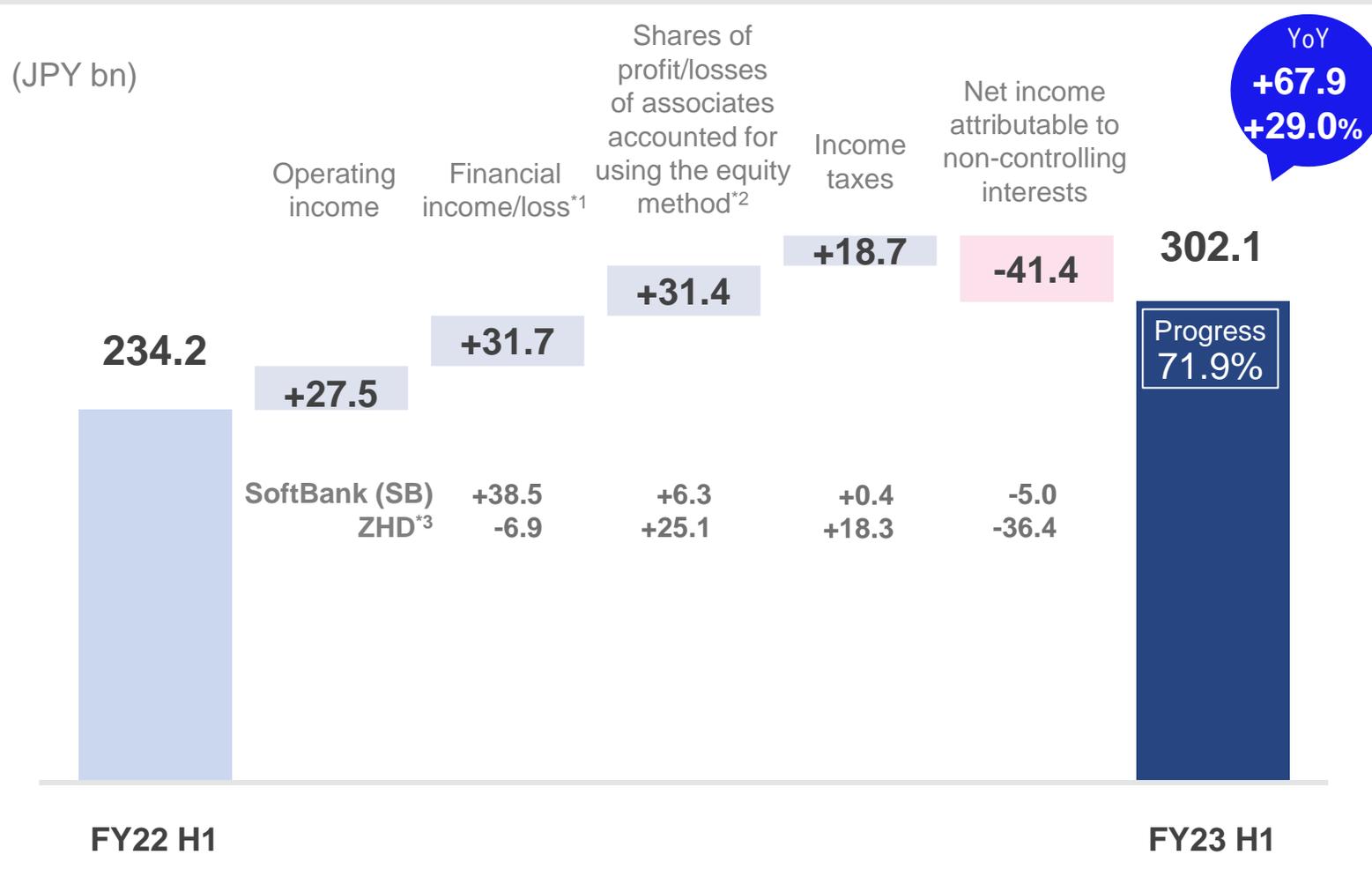


Others*1: operating income
(JPY bn)

	FY22 H1	FY23 H1	YoY	YoY%
SB Players*2	4.8	0.5	-4.3	-89%
SB Technology*2	2.3	2.3	+0.0	+1%
ITmedia	1.4	1.1	-0.3	-24%
Others (including adjustments)	-11.1	-1.5	+9.6	-
Total	-2.6	2.3	+4.9	-

*1: Company composition revised due to establishment of Financial segment *2: JGAAP

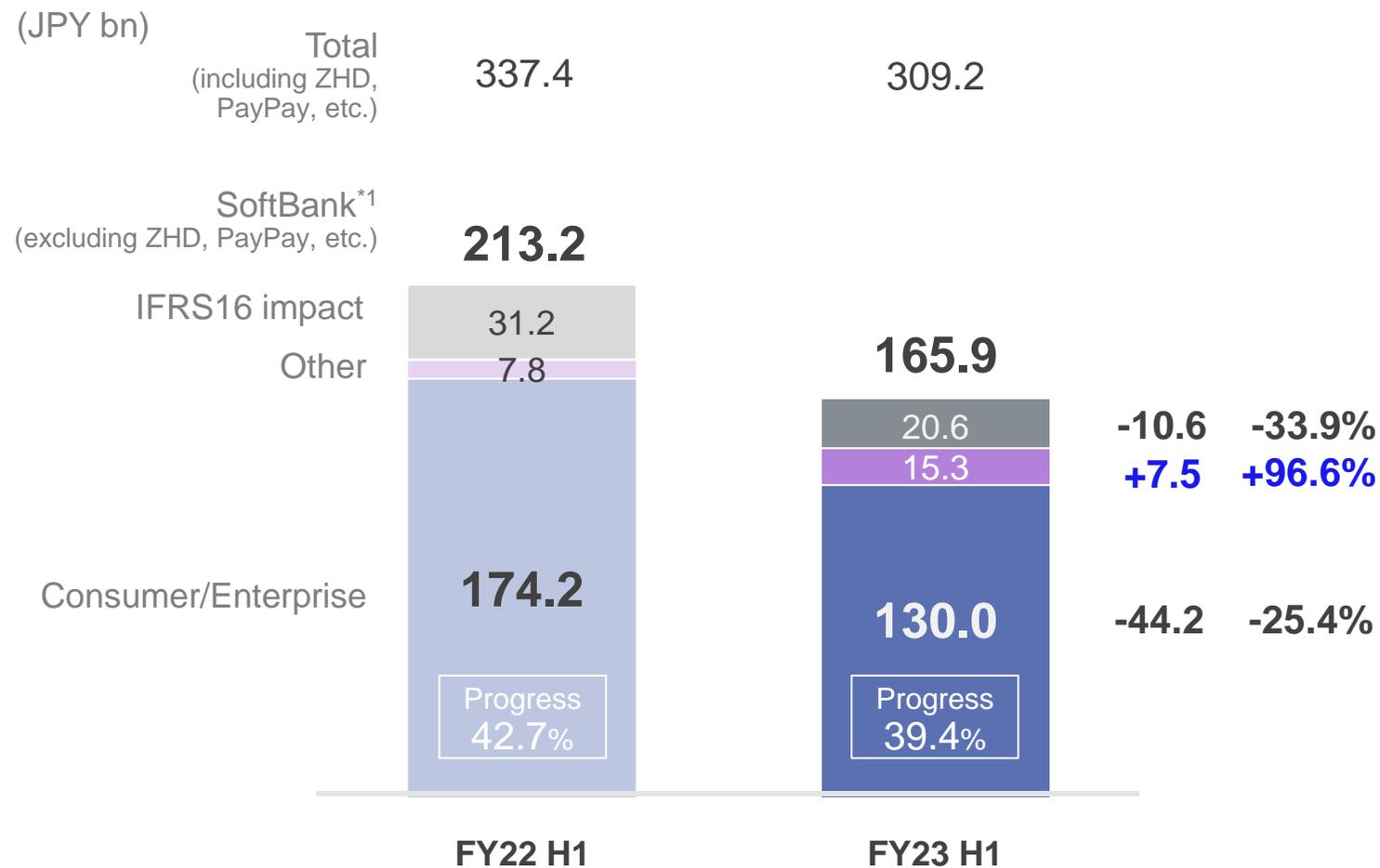
Good progress to full-year forecast due to one-time factor in addition to operating income growth



- Progress toward full-year forecast of JPY 420.0 bn is 71.9%
- Financial income/loss*1
SB: Absence of an impairment/valuation gain recorded in FY22*4 / Absence of delay damages associated with litigation
- Shares of profit/losses for affiliates using the equity method*2
SB: Improved due to PayPay consolidation, etc.
ZHD: Improved due to gain on change in equity associated with increase in ZHD's equity interest in Webtoon and absence of impairment loss of Demae-can and other LINE associates
- Income taxes
ZHD: Increased due to tax effects from reorganization, etc.
- Net income attributable to non-controlling interests
Increase in ZHD's net income

*1: Financial income/loss Includes financing income/costs, gain/loss on sales of equity method investments, including an impairment *2 Includes gain/loss on changes in equity *3: Calculated using SoftBank's financial statements *4: Absence of valuation loss recorded in FY22 H1 on FVTPL financial assets

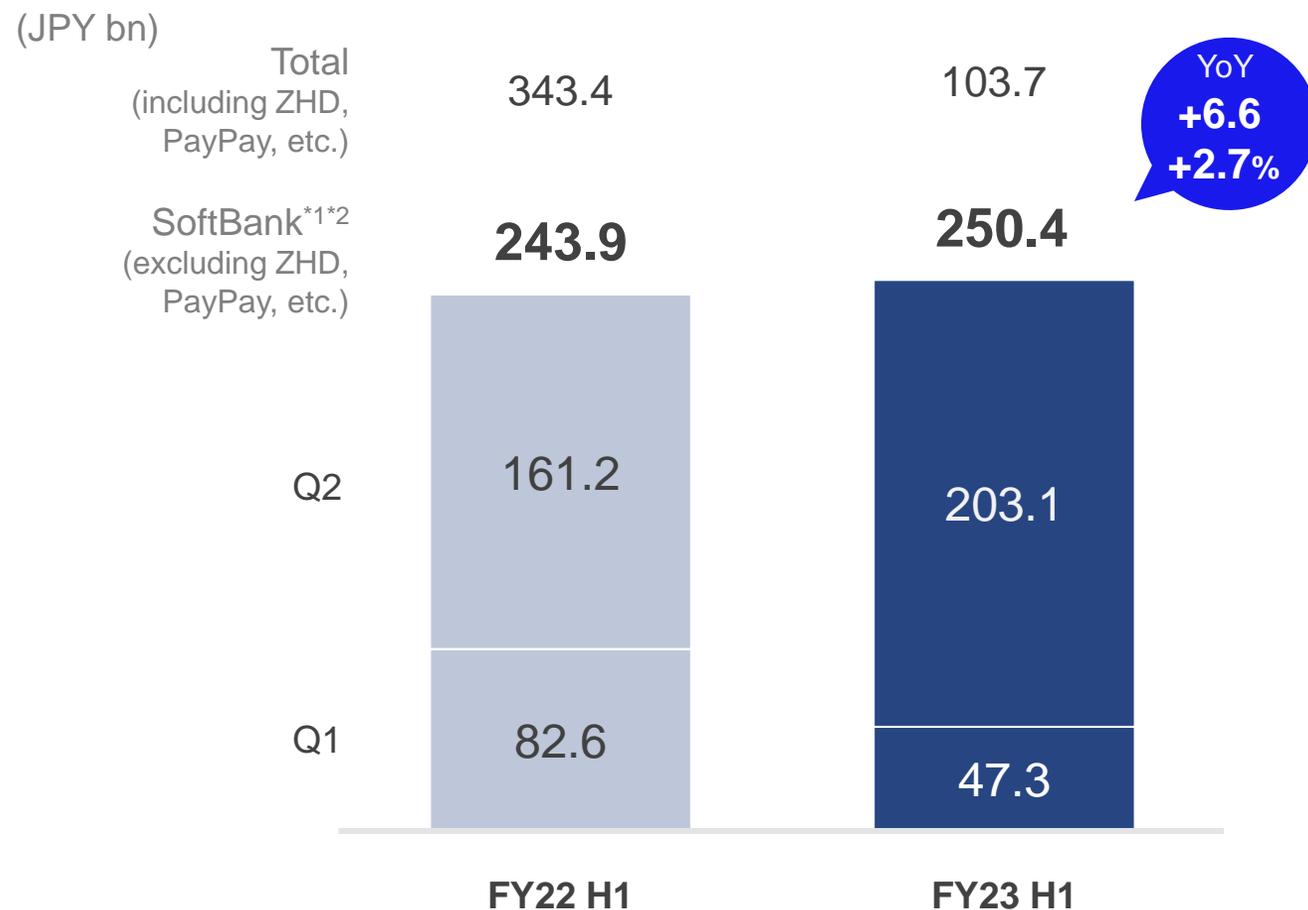
Decreased YoY with the completion of 5G coverage deployment



- Full-year forecast of CAPEX for Consumer and Enterprise (excluding IFRS16 impact) is JPY 330 bn. Progress toward full-year forecast is 39.4% (FY22 JPY 407.5 bn)

*1: Acceptance basis, excluding A Holdings Corporation (“AHD”), ZHD Group, B Holdings Corporation (“BHD”), PayPay, PayPay Card, PayPay Securities Corporation, PPSC Investment Services Corporation, devices for rental services, and shared equipment (contributions by other operators)

Steady progress toward high level of adjusted FCF generation

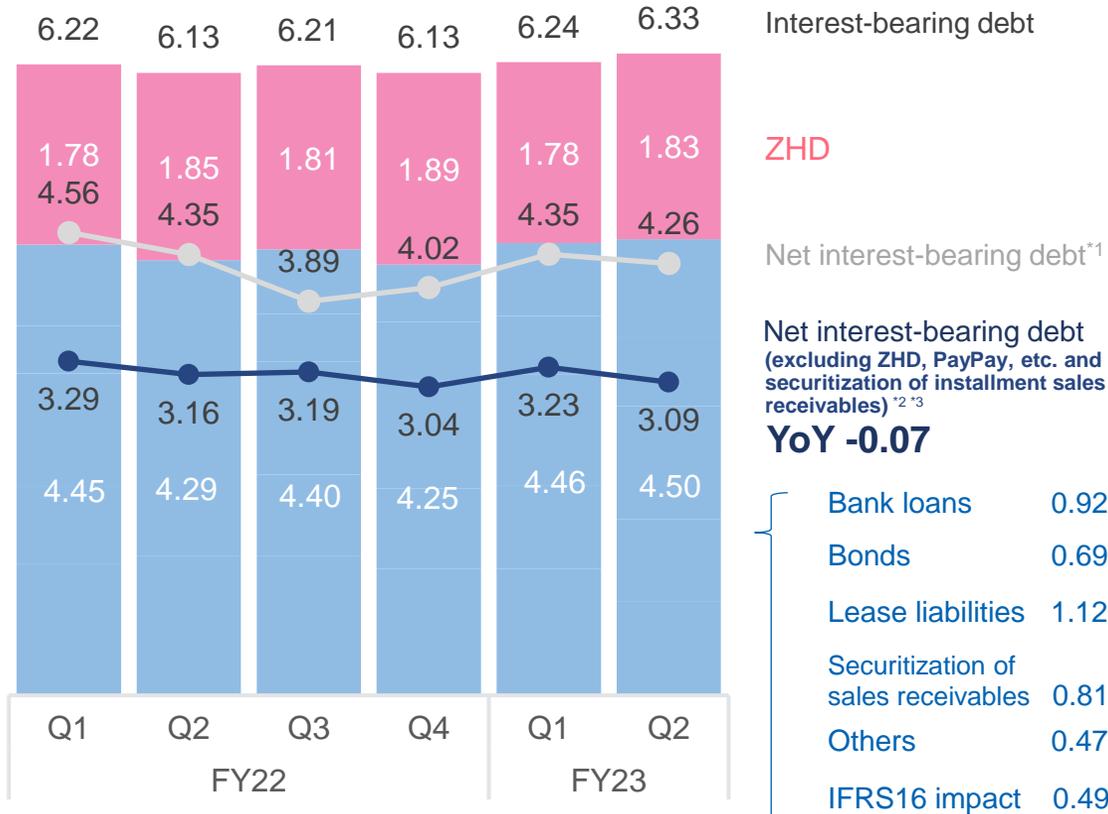


- Operating CF YoY JPY 14.0 bn
Increase in EBITDA
Improvement of Working Capital
Increase in Income taxes
- Investment CF YoY JPY -7.4 bn
Effects of payment made for capital expenditures accepted in FY22
- For FY23 full-year, continue to generate high level of adjusted FCF as in previous fiscal year

Net interest-bearing debt down by JPY 70.0 bn YoY Expect net leverage ratio at the end of FY23 to be at same level of 2.5x as in FY22

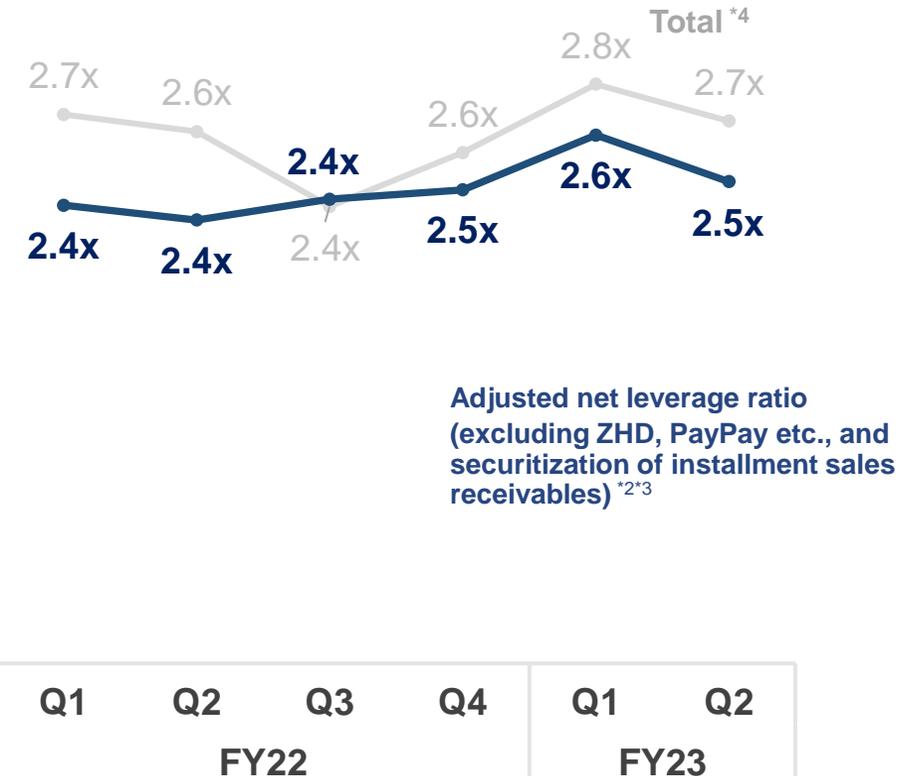
Interest-bearing debt / Net interest-bearing debt

(JPY tn)



Net leverage ratio

(Times)



*For the breakdown of interest-bearing debt (excluding ZHD, PayPay, etc.), refer to Data Sheets p.4 *1: Net interest-bearing debt = interest-bearing debt – cash and cash equivalents – cash reserve of securitization of sales receivables *2: Excludes net interest-bearing debt and adjusted EBITDA of AHD, ZHD Group, BHD, PayPay, PayPay Card, PayPay Securities Corporation, and PPSC Investment Service Corporation interest-bearing debt of securitization of installment sales receivables and cash reserve for securitization of sales receivables *3: As of FY23Q2, the definition has been changed and PayPay Securities Corporation and PPSC Investment Service Corporation has been included in "Z Holdings and PayPay, etc." In accordance with this change, figure for FY23Q1 has been retrospectively amended *4: Net leverage ratio = net interest-bearing debt / adjusted EBITDA (LTM)

Shareholders' equity ratio is 15.5%. Ratio of total equity to total assets increased to 25.6%

(JPY bn)	As of Mar 31, 2023	As of Sep 30, 2023	Variance
Cash and cash equivalents	2,059.2	2,011.3	-47.8
Other assets	12,623.0	13,031.8	+408.8
Total assets	14,682.2	15,043.2	+361.0
Interest-bearing debt	6,134.5	6,326.0	+191.5
Other liabilities	4,864.6	4,860.5	-4.1
Total liabilities	10,999.1	11,186.4	+187.3
Total equity attributable to owners of the Company	2,224.9	2,325.9	+100.9
Non-controlling interests	1,458.1	1,530.9	+72.7
Total equity	3,683.1	3,856.7	+173.7
Net interest-bearing debt^{*1}	4,020.1	4,258.0	+238.0
Shareholders' equity ratio^{*2}	15.2%	15.5%	+0.3%
Ratio of total equity to total assets	25.1%	25.6%	+0.6%

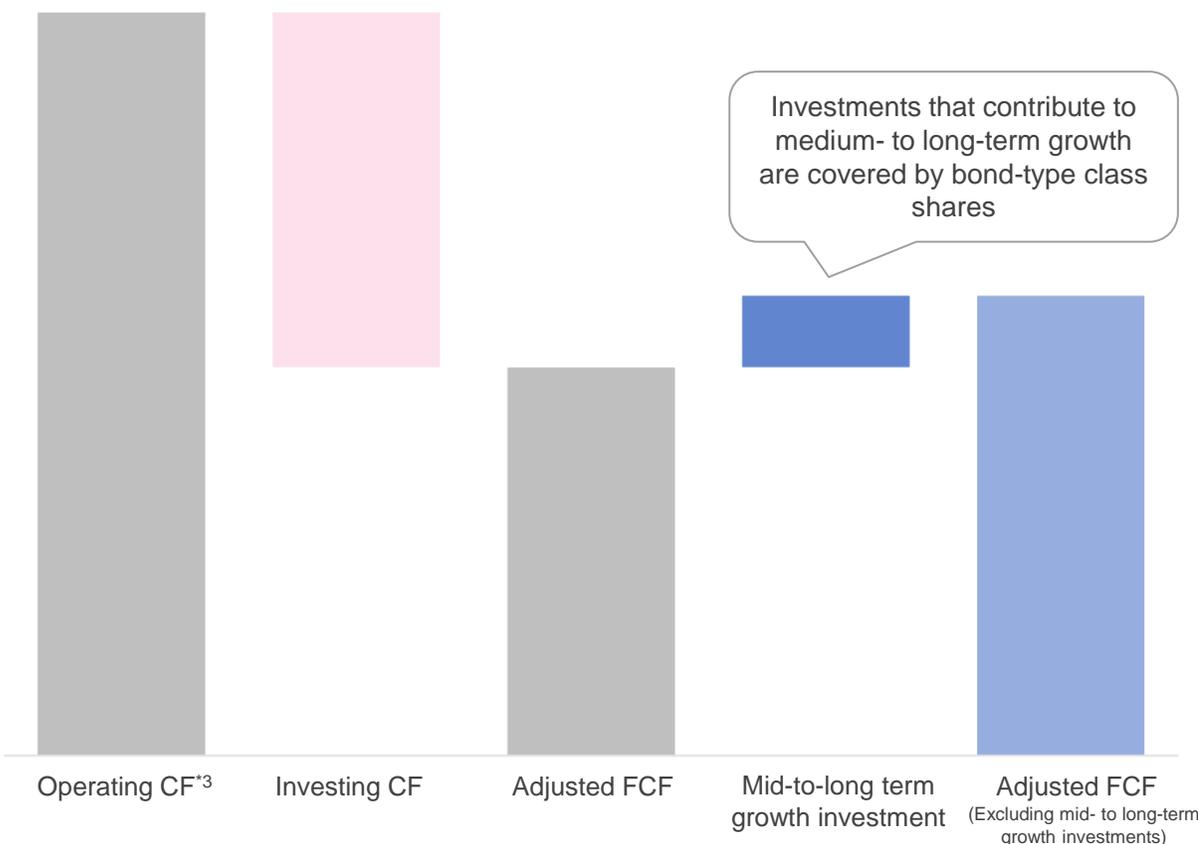
- Other assets JPY +408.8 bn
Increased mainly due to increase in investment securities in banking business, other financial assets as well as trade and other receivables
- Interest-bearing debt JPY +191.5 bn
Increased due to various types of fund procurement at SoftBank
- Equity JPY +173.7 bn
Increased due to net income for the period after dividend payout

*1: Net interest-bearing debt = Interest-bearing debt – Cash and cash equivalents – Cash reserve of securitization of sales receivables

*2: Shareholders' equity ratio = total equity attributable to owners of the Company ÷ total assets

Strengthen financial foundation for both growth investment and high level of shareholder returns

Relationship between bond-type class share issuance and adjusted FCF (concept)



Issue amount	JPY 120.0 billion
Fixed dividend annual rate^{*1}	2.5%^{*2}
Date of listing	Listed on the TSE Prime Market on November 2
Use of proceeds	Mainly for growth investment related to next-generation social infrastructure (Distributed AI data centers, digital platform, super-distributed computing infrastructure (xIPF), generative AI, etc.)

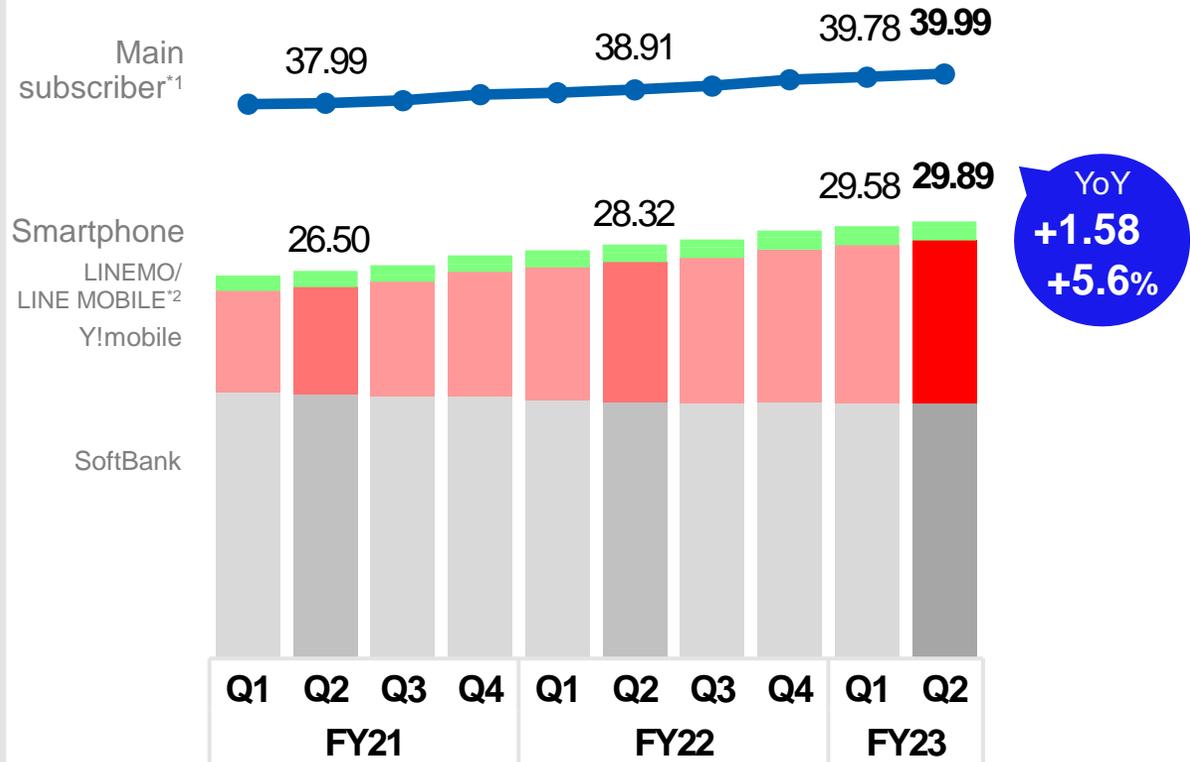
^{*1} Issue price is JPY 4,000. Fixed annual dividend is JPY 100 per share (The amount of the preferred dividend to Series 1 Bond-Type Class Shares with a record date of March 31, 2024 will be JPY 41.53 (calculated based on actual day counts on a 366-day year basis)). ^{*2} If the record date falls in 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% ^{*3}: Including the amount of funds raised through securitization of mobile device installment receivables and the amount of repayment

Mobile subscribers grow steadily, smartphone subscribers achieved 30 mil in November

Churn rate for main subscribers slightly improved YoY (Target announced in August 2020)

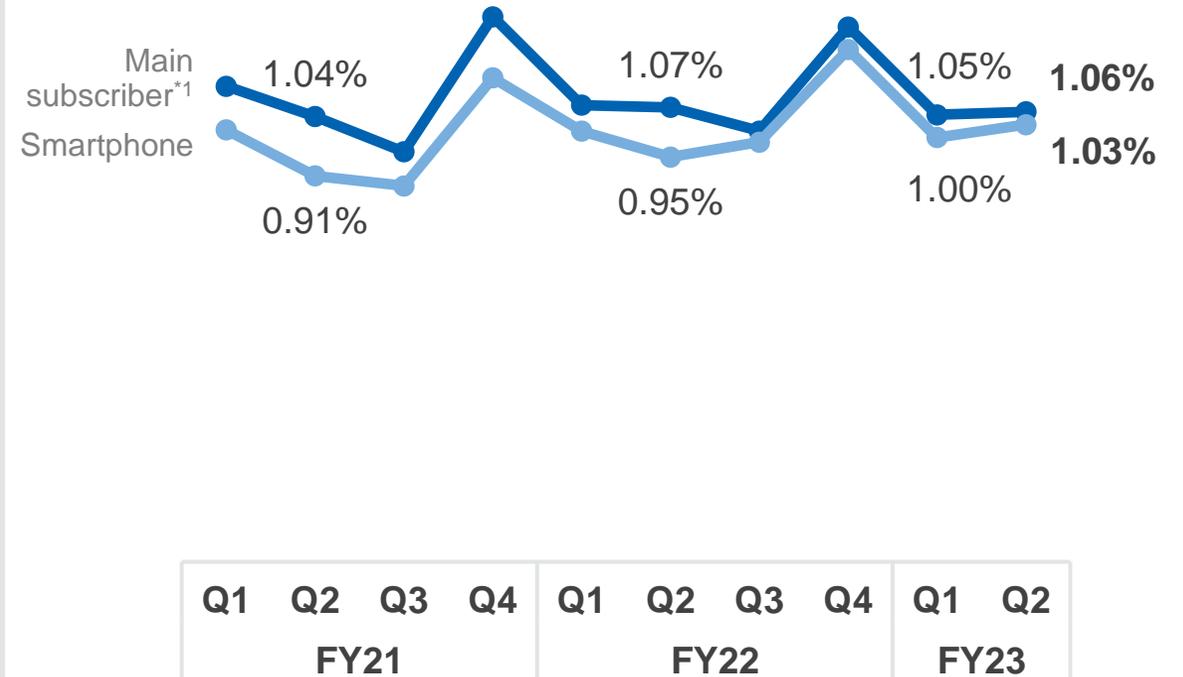
Smartphone cumulative subscribers

(Mil)



Churn rate

(%)



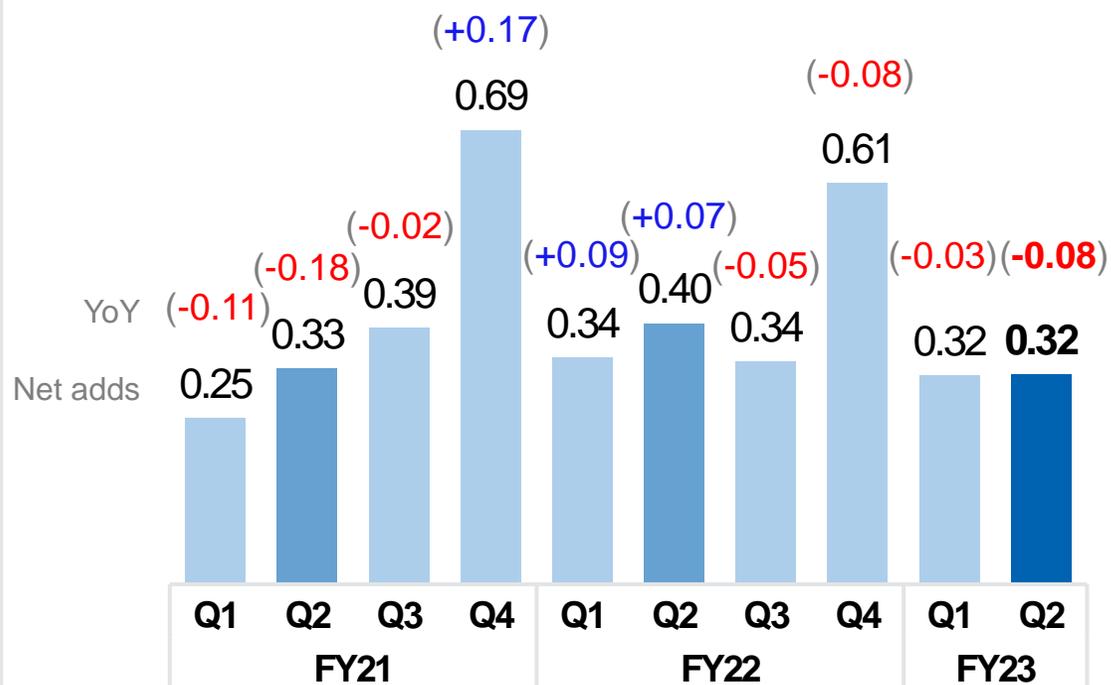
*Includes enterprise subscribers *1: Smartphones, feature phones, tablets, mobile data communications devices, Wireless Home Phone and others

*2: Shown as the sum of LINEMO and LINE MOBILE subscribers

Mobile subscriber net additions continue to show good performance

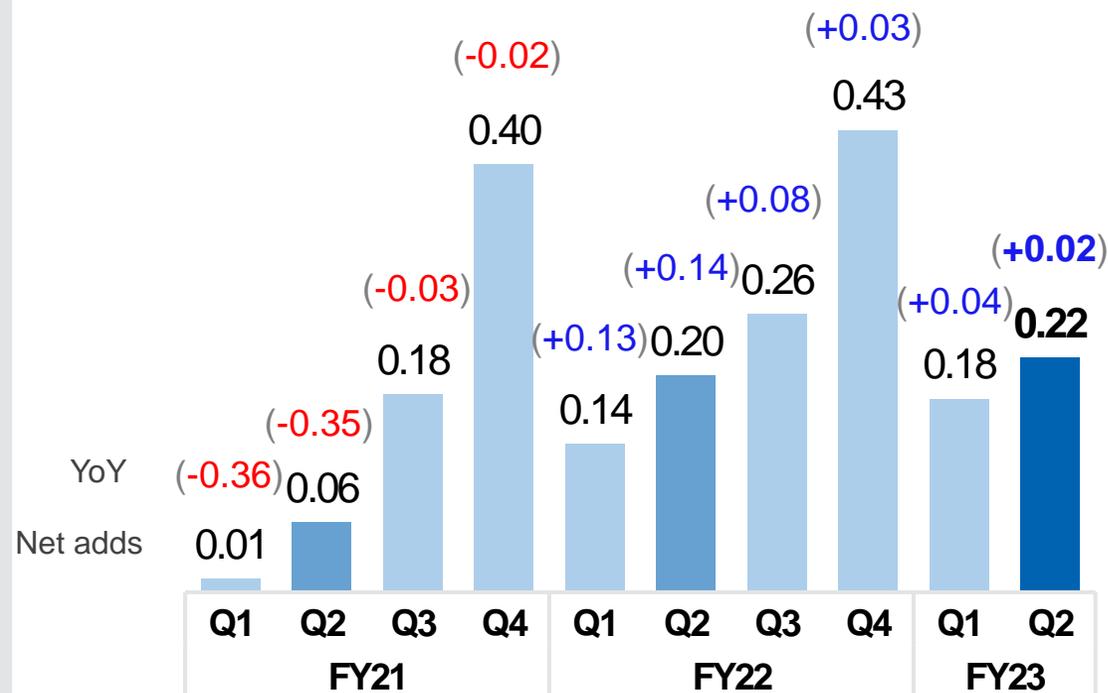
Smartphone net additions*¹ (QoQ)

(Mil)



Main subscribers net additions*¹ (QoQ)

(Mil)

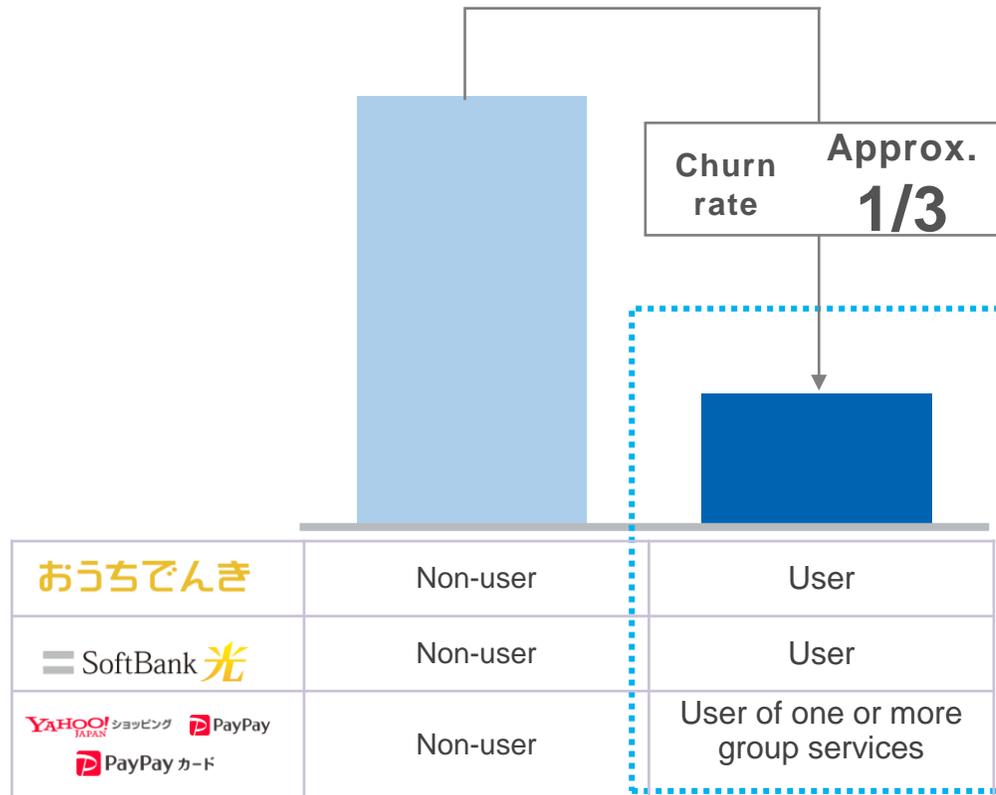


*Includes enterprise subscribers

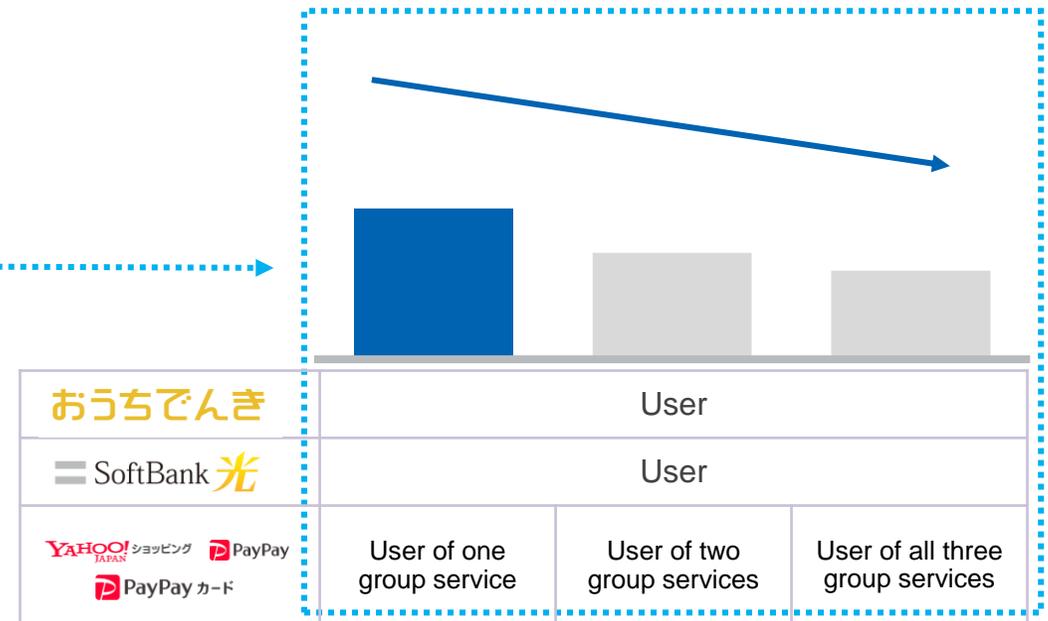
*1 : Net additions = number of subscribers at the end of the current quarter - number of subscribers at the end of the previous quarter

As usage overlaps, group services effectively curb smartphone churn rates

Smartphone churn rate (FY23 Q2)*1

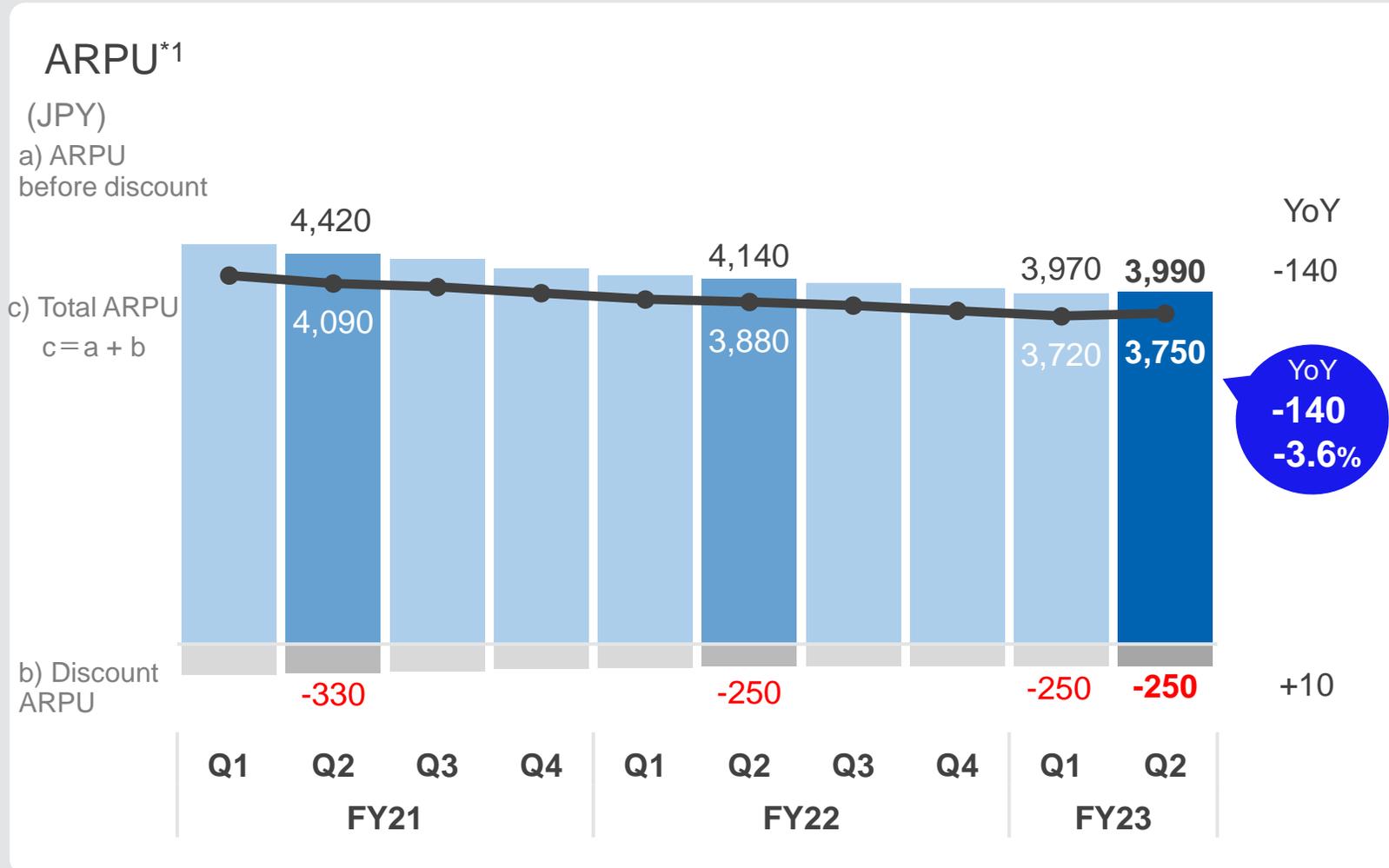


Smartphone churn rate by group service usage (FY23 Q2)*1



*1: Churn rate for "SoftBank" and "Y!mobile" smartphones, calculated based on the total of net churn and churn through MNP (Mobile Number Portability). Subscribers moving within our mobile brands and enterprise subscribers are excluded. "SoftBank Hikari" includes "SoftBank Air" subscribers. Group services include "Yahoo! JAPAN Shopping," "PayPay," and "PayPay Card."

Decline of ARPU YoY is further narrowing down and total ARPU shows sign of bottoming out QoQ



- ARPU before discount: YoY JPY -140
 - (-) Mobile service price reduction impact (approx. JPY -110)
 - Increase of Y!mobile composition ratio
 - (+) ARPU increase due to penetration of Smartphone Debut Plan +
- Discount ARPU: YoY JPY +10
 - (+) Decrease in monthly discount due to penetration of unbundling plans

	Total ARPU YoY (JPY)				
	Q1	Q2	Q3	Q4	Full-year
FY22	-270	-200	-210	-200	-220
FY23	-190	-140	—	—	-130
		(-230) ^{*2}			(Forecast)

*Includes enterprise subscribers

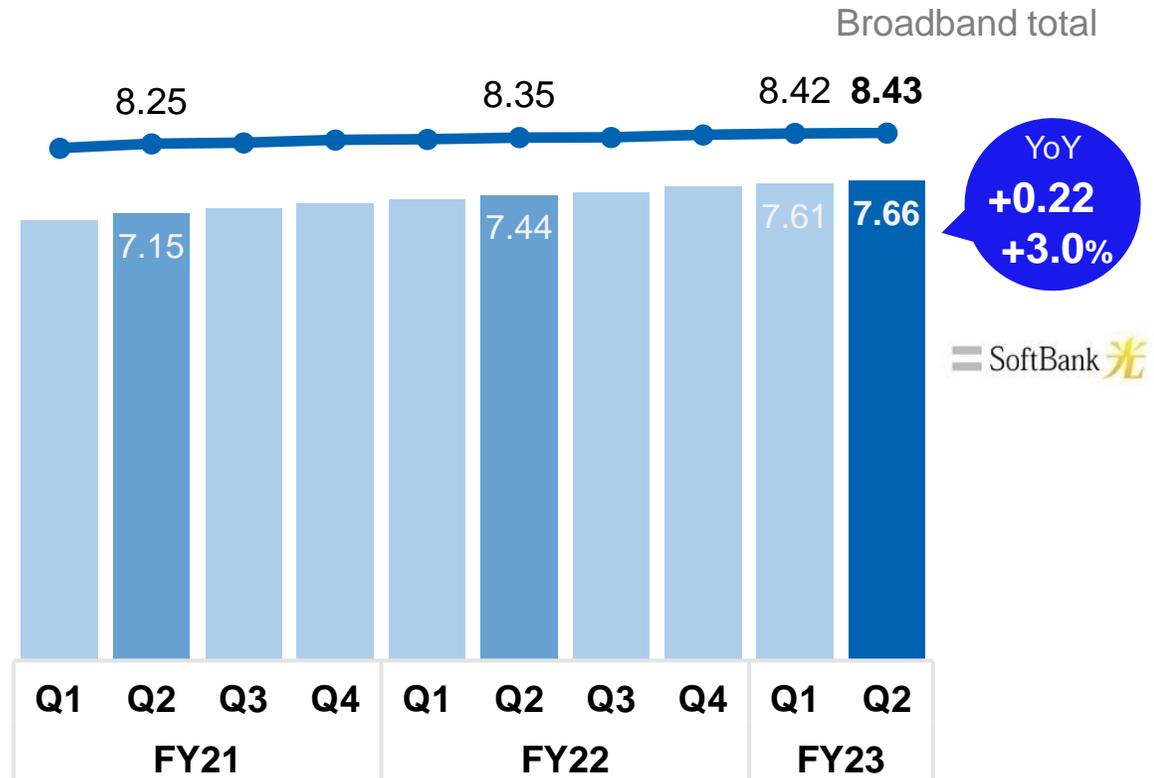
*1: ARPU: Average Revenue Per User per month (rounded to the nearest JPY 10). Revenue deductions relating to reward points and programs supporting handset payments are not included in calculation of ARPU *2: Excluding one-time factor (Absence of impact from introduction of Data Carry-over and free basic charge for one-month in FY21)

Broadband: SoftBank Hikari (FTTH) subscribers grew steadily

Electricity: Subscribers decreased YoY. Customer acquisition activities resume sequentially

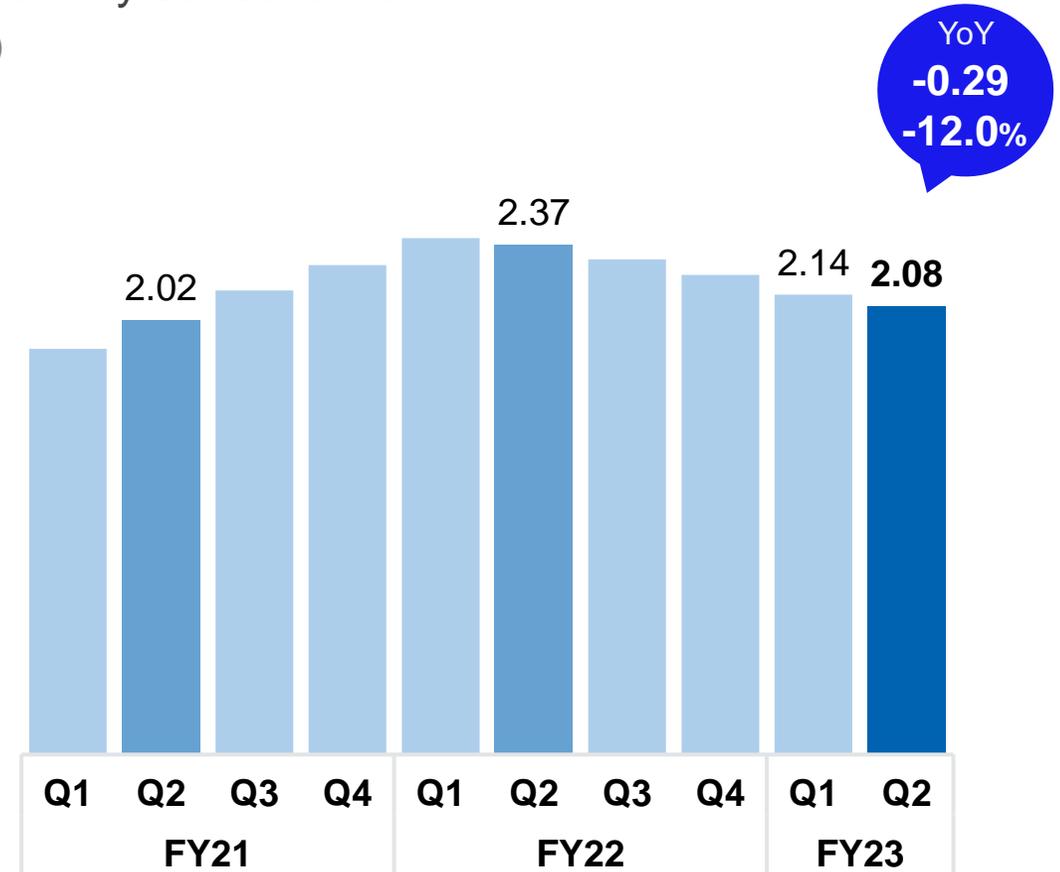
Broadband cumulative subscribers (in service)

(Mil)



Electricity subscribers ^{*1}

(Mil)

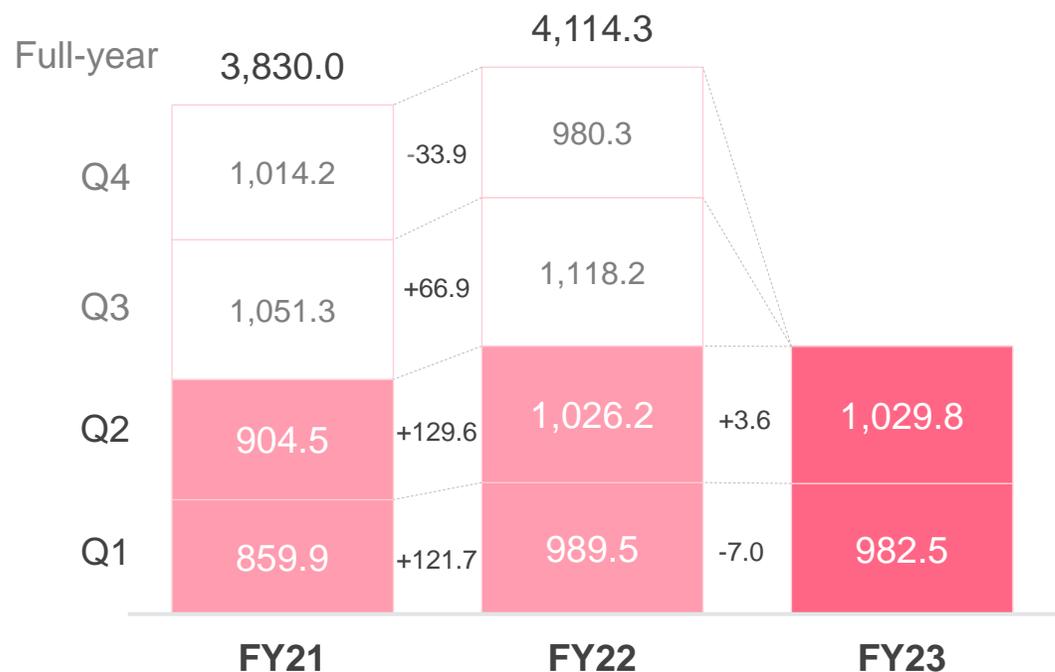


*1: Electricity refers to trading and supply of electric power and provision of electric power trading agency services including Ouchi Denki service

Both EC transaction value and Group total advertising revenue are on recovering trend YoY after hitting bottom at FY22 Q4

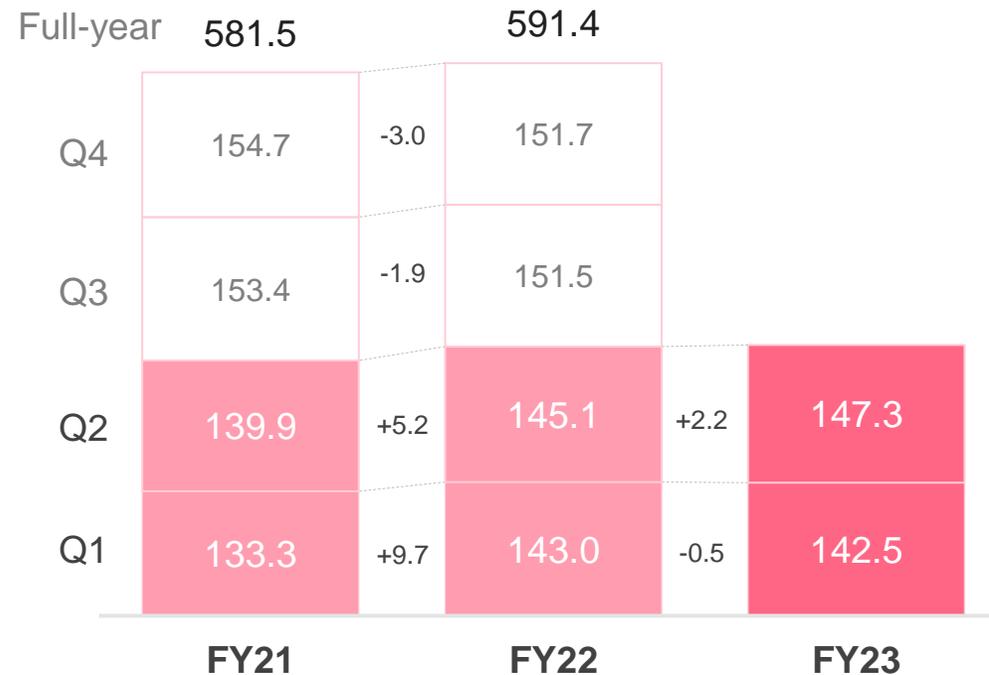
EC transaction value*1, 2

(JPY bn)



Group total advertising revenue *2,3

(JPY bn)

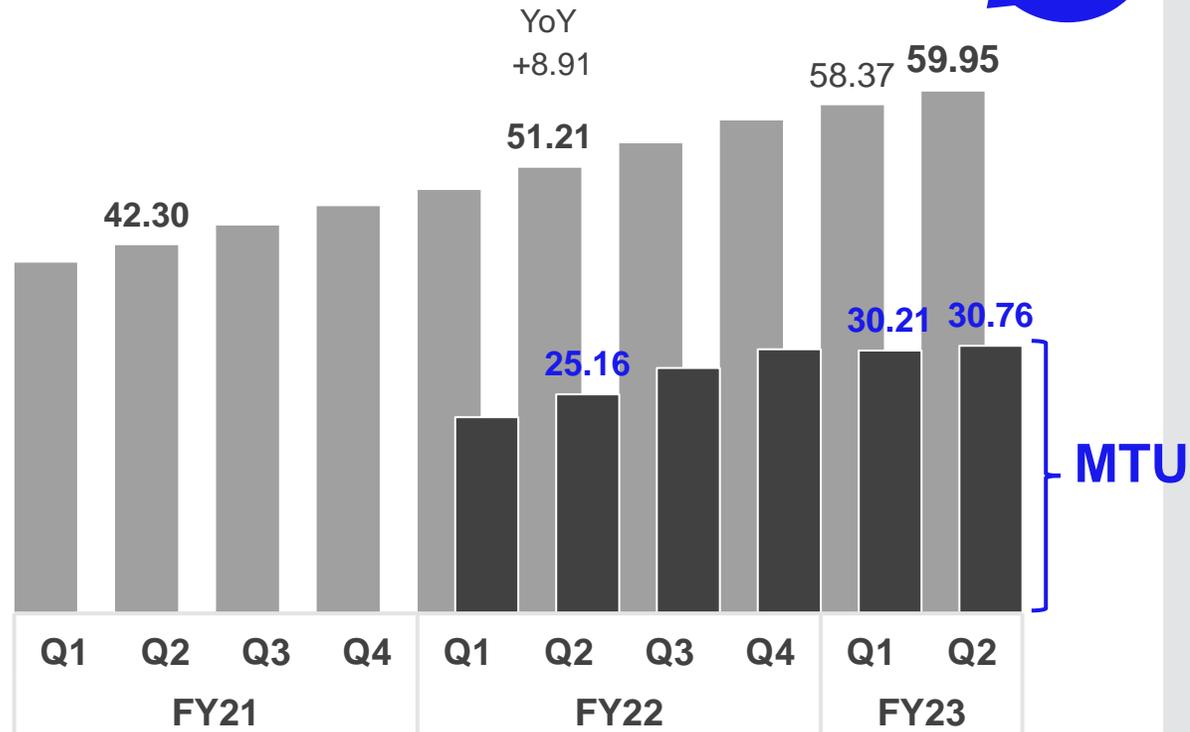


*1: Total transaction values of Domestic Shopping Business, Reuse Business, Other (Merchandise), ASKUL Corporation's BtoB-related revenue via Internet (closing date: 20th of every month), Domestic Services, Domestic Digital Content and Overseas E-commerce *2: Figures are rounded down to the nearest 0.1 billion *3: Total of LINE total advertising revenue and Yahoo! JAPAN total advertising revenue. Group total advertising revenue includes shopping-related advertising revenue of commerce and display advertising revenue, account advertising revenue, search advertising revenue and other advertising revenue.

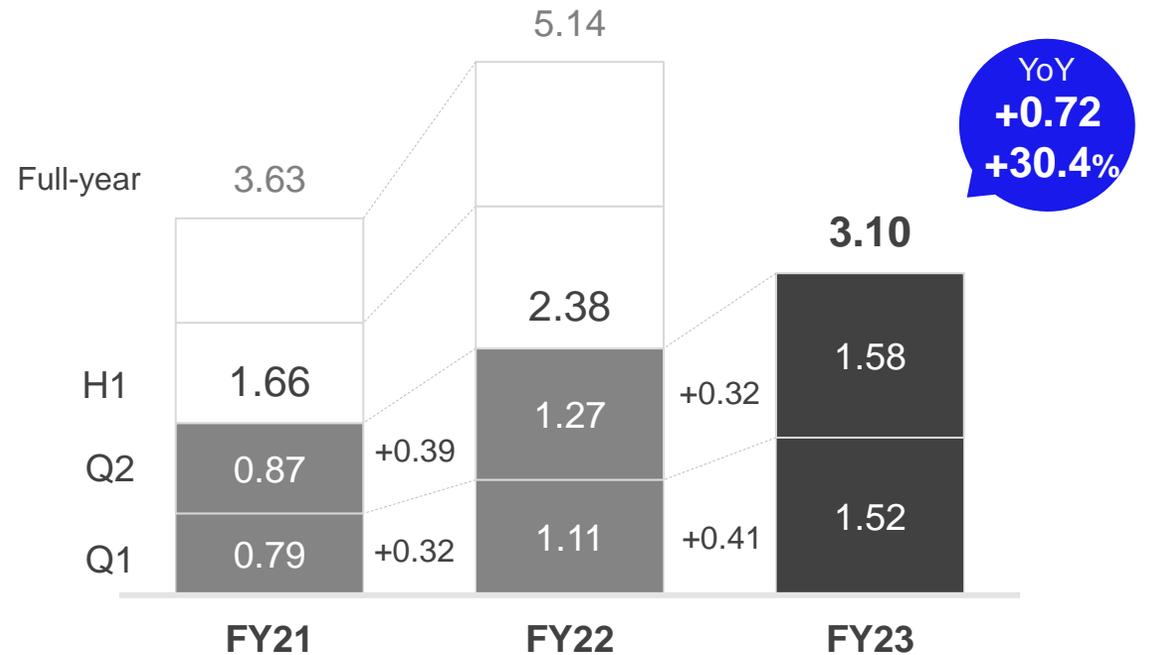
Keeping steady growth in registered users, number of payments up by 30.4%

Registered users*1*3

Monthly transaction users (MTU)*2*3
(Mil)



Number of payments*4
(bn)

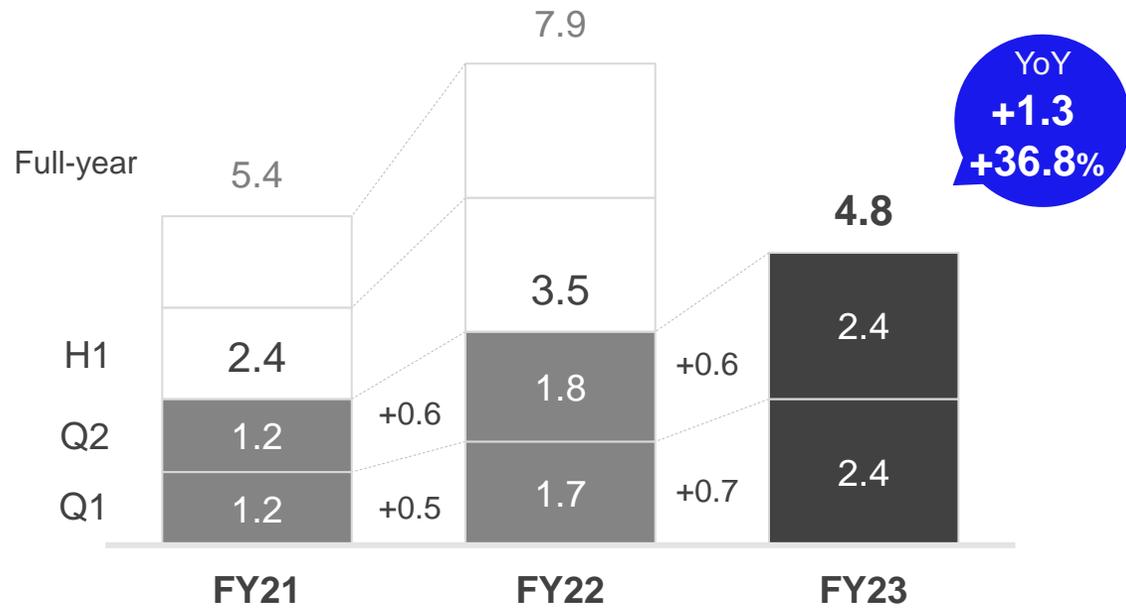


*1: Number of users who have registered for a PayPay account *2: Number of monthly transaction users (MTU) : Number of unique users who made a transaction once or more per month. The use of the "Send/Receive" function of "PayPay Balance" between users is not included. Payments via Alipay and LINE Pay, etc. are included. As of the end of each quarter. *3: Figures are rounded down to the nearest 0.01 million *4: Does not include the use of the "send/receive" function of "PayPay balance" between users; includes payments via "Alipay", "LINE Pay", etc. from FY21 Q4. Payments through the deferred payment "Credit (Pay later, former Atobarai)" launched in February 2022 are included

Both in PayPay standalone and consolidated, GMV continue to grow significantly

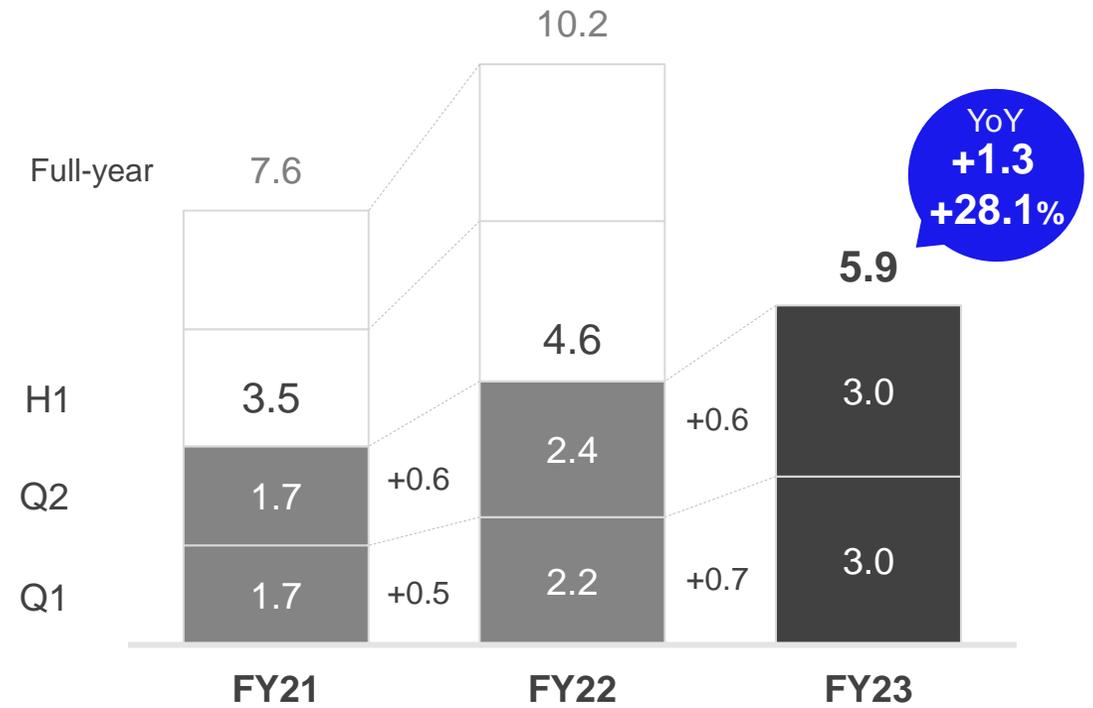
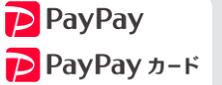
PayPay standalone GMV*1

(JPY tn)



PayPay consolidated GMV*1*2

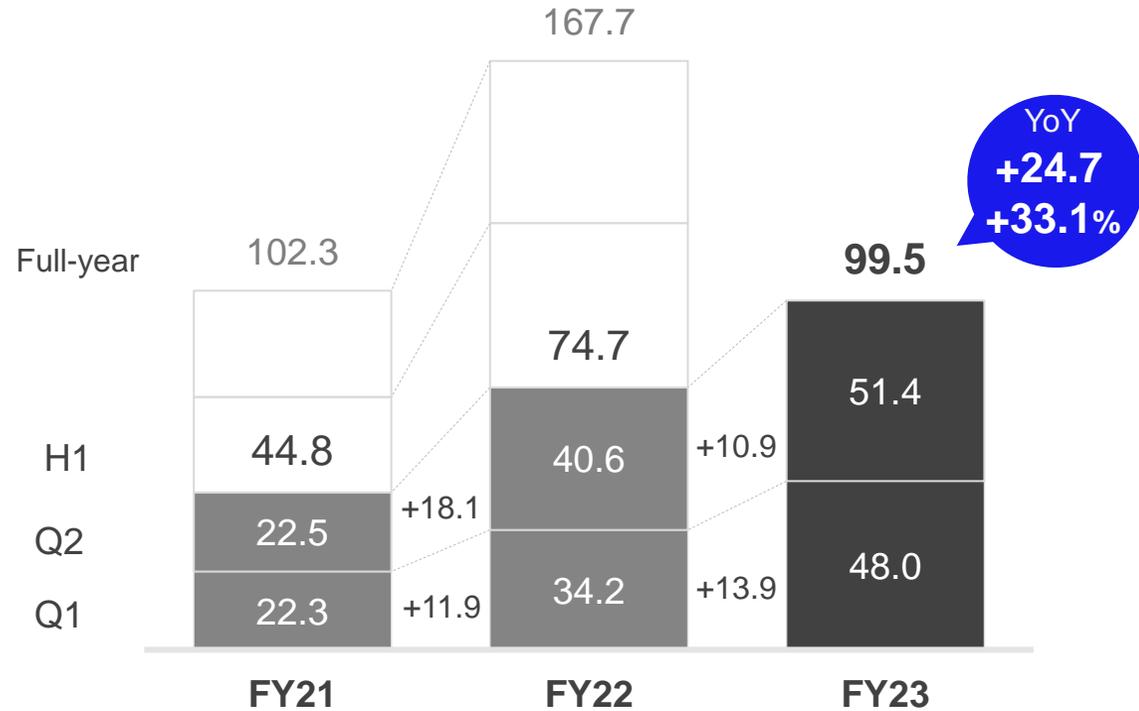
(JPY tn)



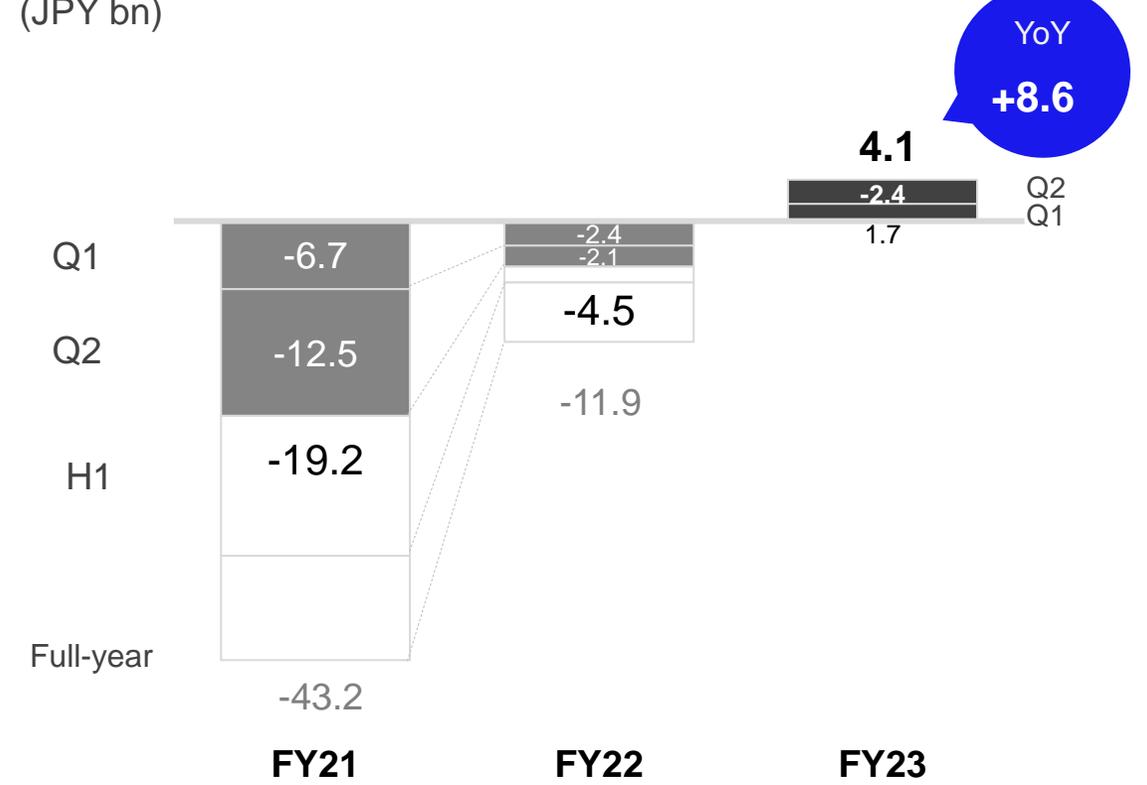
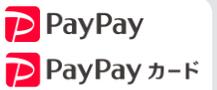
*1: The use of the "Send/Receive" function of "PayPay Balance" between users is not included. From FY21Q4 onward, payments via Alipay and LINE Pay, etc. are included. Payments through the deferred payment "Credit (Pay later, former Atobarai)" launched in February 2022 are included *2: GMV of PayPay Corporation and PayPay Card Corporation have been retrospectively totaled since FY21. The figures eliminate internal transactions between the two companies.

Revenue grew steadily and EBITDA achieved positive for two consecutive quarters

Revenue
(JPY bn)



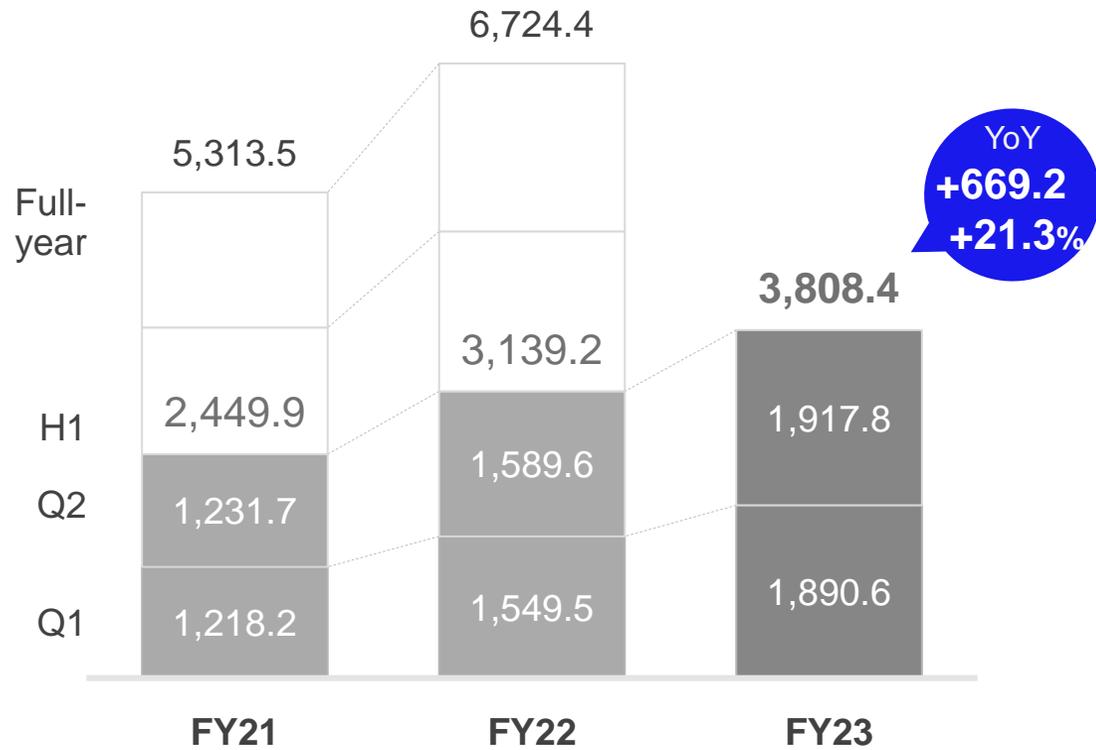
EBITDA
(JPY bn)



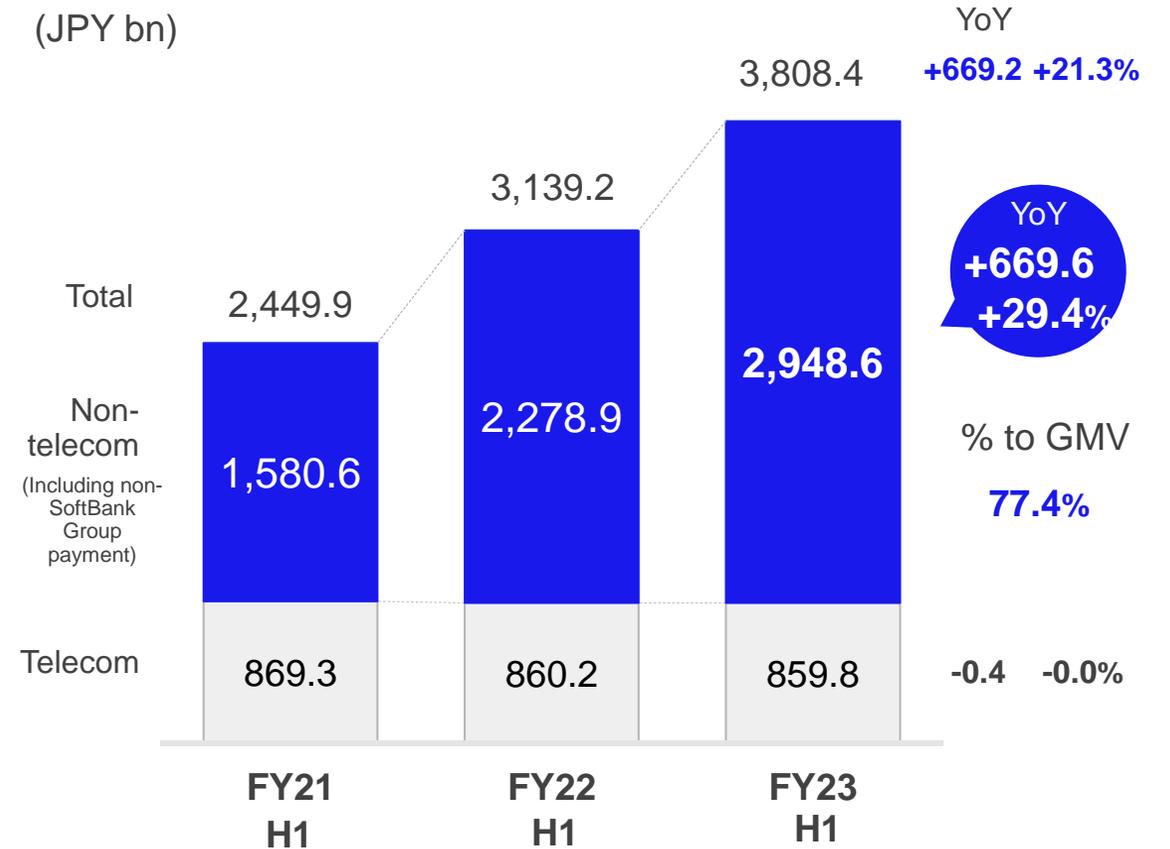
* Consolidated the financial statements of PayPay Card Corporation from the beginning of FY21 by applying the pooling-of-interests method. Consolidated both PayPay revenue and EBITDA from the beginning of FY21, IFRS. Non-audited. PayPay consolidated basis, EBITDA is calculated as operating income plus depreciation.

GMV continues double-digit growth, non-telecom GMV is driving the growth

GMV *1
(JPY bn)



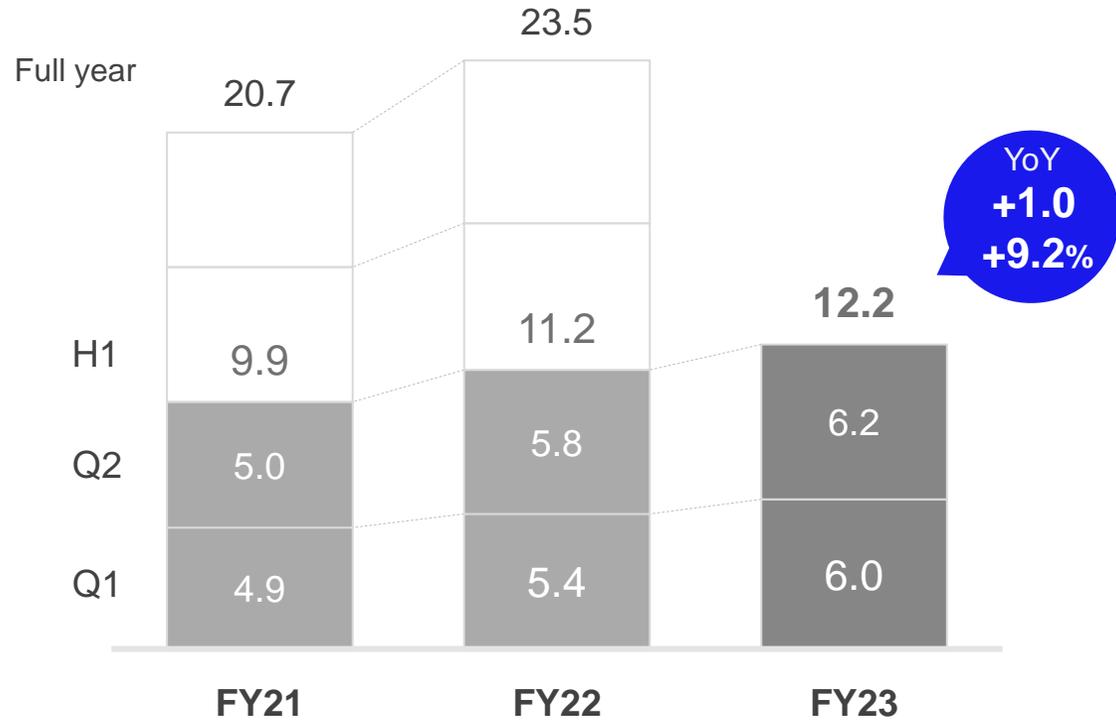
GMV (Breakdown of telecommunications and non-telecommunications) *1
(JPY bn)



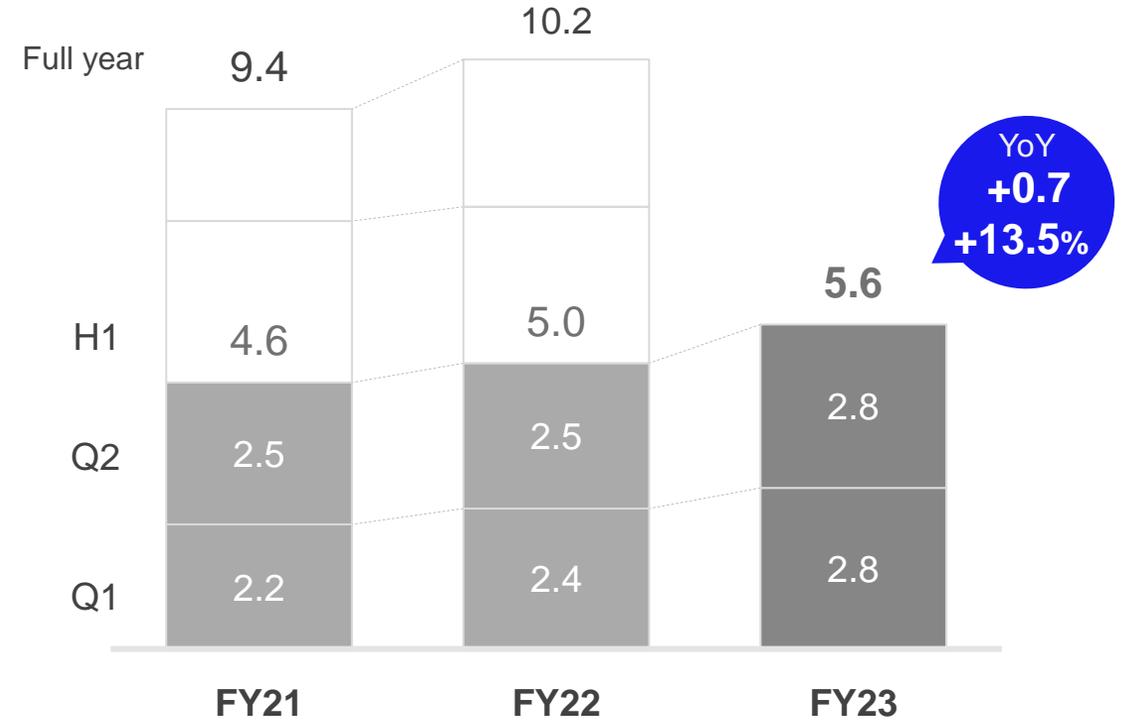
*1: Due to omissions in the aggregation of GMV for certain transactions, the GMV from FY22Q1 onwards has been retrospectively amended

Revenue increased and operating income continued double-digit growth

Revenue
(JPY bn)



Operating Income
(JPY bn)



- **World's First Successful 5G Communication Test from the Stratosphere (September 2023)**

In cooperation with the Rwandan government, successfully conducted the world's first 5G communications test from the stratosphere*¹ using a HAPS*² unmanned aircraft equipped with 5G communications equipment developed by the company. Plans to conduct research on the potential use and commercialization of HAPS in Rwanda and other African countries.

- **Signed Distribution Partner Agreement with OneWeb (September 2023)**

Accelerate collaboration to launch and upgrade OneWeb's satellite communication services in Japan, aiming to create a seamless communication environment anywhere by realizing a ubiquitous network that integrates NTN solutions*³ and terrestrial mobile networks through the use of OneWeb and other satellites and HAPS.

- **Opened Free Public Wireless LAN in the Event of Communication Disruption (September 2023)**

Five mobile service carriers*⁴ have opened up free public wireless LAN services using the unified SSID for disasters "00000JAPAN" as a means of communication in the event of a large-scale communication failure. Internet access is available by providing "00000JAPAN" from access points of mobile service carriers, public wireless LAN carriers, and local governments that agree with this purpose.

*1 The world's first successful 5G communication test in the stratosphere utilizing airplane-shaped HAPS, based on publicly available information as of October 17, 2023. Survey by SoftBank Corp. *2 High Altitude Platform Station, a stratospheric communications platform that provides a stable communications network from the stratosphere to wide areas *3 Non-Terrestrial Network, non-terrestrial network *4: NTT DOCOMO, INC., KDDI Corporation, Okinawa Cellular Telephone Company, SoftBank Corp., Rakuten Mobile, Inc.

APPENDIX

FY2023 H1 Operating Income Progress by Segment

(JPY bn)	FY23 H1 Actual	FY23 Full-year forecast	Progress toward full-year forecast
Consumer	309.6	470.0	65.9%
Enterprise	81.9	152.5	53.7%
Distribution	13.5	26.7	50.7%
Media & EC	109.0	176.0	61.9%
Financial	-2.0	-20.0	-
Other	2.3	-25.2	-
Total	514.4	780.0	65.9%

Consolidated Statement of Income

(JPY bn)	FY22 H1	FY23 H1	Variance	Reasons for Variance
Revenue	2,808.6	2,933.8	+125.2	
Cost of sales	-1,431.5	-1,466.5	-35.0	
Gross profit	1,377.0	1,467.2	+90.2	
Selling, general and administrative expenses	-902.3	-970.8	-68.5	
Other operating income	21.1	19.5	-1.6	
Other operating expenses	-9.0	-1.6	+7.4	
Operating income	486.8	514.4	+27.5	
Gain on changes in equity interest	5.3	20.3	+15.0	Increase from the change in the ZHD's equity interest in Webtoon Entertainment Inc.
Share of gain/losses (-) of associates accounted for using the equity method	-28.5	-12.1	+16.4	Increased due to PayPay consolidation in FY22 Q3 and absence of loss in Demae-can and other LINE associates
Financing income	8.5	9.2	+0.7	
Financing costs	-52.1	-36.1	+16.0	Increased due to valuation loss from FVTPL and absence of delay damages associated with litigation recorded in FY22
Gain on sales/ loss of equity method investments	0.6	5.2	+4.6	
Impairment loss on equity method investments	-10.3	-	+10.3	
Profit before income taxes	410.3	501.0	+90.6	
Income taxes	-146.9	-128.2	+18.7	Decreased due to tax effect associated with intra-group reorganization of ZHD
Net income	263.5	372.8	+109.3	
Net income attributable to				
Owners of the Company	234.2	302.1	+67.9	
Non-controlling interests	29.3	70.7	+41.4	

Consolidated Statement of Financial Position (Assets)

(JPY bn)	As of Mar 31, 2023	As of Sep 30, 2023	Variance	Reasons for Variance
Total assets	14,682.2	15,043.2	+361.0	
Current assets	4,948.1	4,994.1	+46.0	
Cash and cash equivalents	2,059.2	2,011.3	-47.8	
Trade and other receivables	2,389.7	2,458.5	+68.8	Increase in PayPay deposits and deposits under the Fund Settlement Law, increase in new PayPay cardholders and increase in trade receivables due to sales measures, etc.
Other financial assets	194.9	178.6	-16.3	
Inventories	159.1	164.3	+5.2	
Other current assets	145.1	181.4	+36.2	Income taxes refundable due to withholding of dividends from ZHD Group, etc.
Non-current assets	9,734.1	10,049.0	+315.0	
Property, plant and equipment	1,673.7	1,717.6	+43.9	
Right-of-use assets	763.6	739.4	-24.2	
Goodwill	1,994.3	1,989.8	-4.5	
Intangible assets	2,529.1	2,500.3	-28.8	
Contract costs	334.3	335.0	+0.7	
Investments accounted for using the equity method	218.2	272.5	+54.4	Increased due to gain on change in equity associated with increase in equity interest in Webtoon, and increase in shares of WORKS MOBILE Japan Corp. (for the value in transfer of AI Company business operated by LINE Corporation)
Investment securities	241.3	266.1	+24.8	
Investment securities in banking business	288.8	432.5	+143.7	Increase in investment securities in PayPay Bank Corporation
Other financial assets	1,528.7	1,635.7	+107.1	Increase in housing and personal loan balance of PayPay Bank Corporation
Deferred tax assets	59.6	60.6	+1.0	
Other non-current assets	102.5	99.5	-3.0	

Consolidated Statement of Financial Position (Liabilities)

(JPY bn)	As of Mar 31, 2023	As of Sep 30, 2023	Variance	Reasons for Variance
Total liabilities	10,999.1	11,186.4	+187.3	
Current liabilities	6,372.6	6,918.5	+545.8	
Interest-bearing debt	2,064.2	2,620.6	+556.4	Increase from issuance of commercial paper
Trade and other payables	2,317.4	2,202.9	-114.5	Decrease in payables for non-current assets
Contract liabilities	116.2	123.5	+7.3	
Deposits for banking business	1,472.3	1,552.1	+79.8	Increase in deposits at PayPay Bank Corporation
Other financial liabilities	6.7	3.8	-3.0	
Income tax payables	116.2	143.7	+27.5	
Provisions	63.6	52.4	-11.3	
Other current liabilities	216.0	219.6	+3.6	
Non-current liabilities	4,626.5	4,268.0	-358.5	
Interest-bearing debt	4,070.3	3,705.4	-364.9	Refer to current interest-bearing debt
Other financial liabilities	30.2	26.5	-3.7	
Provisions	94.1	101.0	+6.9	
Deferred tax liabilities	341.2	332.1	-9.1	
Other non-current liabilities	90.6	103.0	+12.4	

Consolidated Statement of Financial Position (Equity)

(JPY bn)	As of Mar 31, 2023	As of Sep 30, 2023	Variance	Reasons for Variance
Total equity	3,683.1	3,856.7	+173.7	
Equity attributable to owners of the Company	2,224.9	2,325.9	+100.9	
Common stock	204.3	209.4	+5.1	
Capital surplus	685.1	693.0	+8.0	
Retained earnings	1,392.0	1,484.4	+92.4	+302.1 from net income and -203.5 from dividend payments by SoftBank, etc.
Treasury stock	-74.1	-88.0	-13.9	
Accumulated other comprehensive income	17.7	27.1	+9.4	
Non-controlling interests	1,458.1	1,530.9	+72.7	
Shareholders' equity ratio ^{*1}	15.2%	15.5%	+0.3%	
Ratio of total equity to total asset	25.1%	25.6%	+0.6%	

*1 : Shareholders' equity ratio = total equity attributable to owners of the Company ÷ total assets

Consolidated Statement of Cash Flows

(JPY bn)	FY22 H1	FY23 H1	Reasons for Variance
Cash flows from operating activities	604.0	587.0	
Net income	263.5	372.8	
Depreciation	375.2	371.7	
Change in working capital	-26.1	-83.6	
Interest paid	-30.6	-29.8	
Income taxes paid/refunded	-121.6	-118.0	
Other	143.6	73.9	Decrease related to loans in banking business
Cash flows from investing activities	-233.2	-502.2	
Purchases of/proceeds from sales of property, plant and equipment and intangible assets	-318.5	-317.2	
Proceeds from sales/redemption of investments	-39.5	-45.0	
Proceeds from (payments for) obtaining control of subsidiaries	-6.0	-	
Other	130.8	-140.0	Increase in purchase of investment securities in banking business
Cash flows from financing activities	-211.4	-141.3	
Proceeds from interest-bearing debt	1,085.9	1,338.0	
Repayment of interest-bearing debt	-1,174.3	-1,504.4	
Net increase/decrease of short-term interest-bearing debt	108.1	258.9	
Cash dividends paid	-202.3	-203.3	
Cash dividends paid to non-controlling interests	-42.0	-23.2	
Effect of exchange rate changes on cash and cash equivalents	13.2	-7.3	
Effect of exchange rate changes on cash and cash equivalents	10.2	8.7	
Cash and cash equivalents at the beginning of the period	1,546.8	2,059.2	
Cash and cash equivalents at the end of the period	1,716.4	2,011.3	
Adjusted free cash flow	343.4	103.7	

Adjusted FCF (FY2023 H1)

(JPY bn)



*1: Adjusted FCF = FCF + (proceeds from the securitization of installment sales receivables – repayments thereof) *2: Includes AHD, ZHD Group, BHD, PayPay, PayPay Card, PayPay Securities Corporation, and PPSC Investment Service Corporation *3: Excludes FCF of AHD, ZHD Group, BHD, PayPay, PayPay Card, PayPay Securities Corporation, PPSC Investment Service Corporation and loans to board directors, etc., and includes dividend received from AHD

PayPay Consolidated* ¹	(JPY bn)	As of Mar 31, 2023	As of Sep 30, 2023	Variance
	Total assets		1,701.8	1,625.1
Cash and deposits		641.2	474.0	-167.2
Other assets		1,060.6	1,151.1	90.5
Total liabilities		1,644.0	1,569.8	-74.2
Interest-bearing debt		648.4	583.4	-65.0
Other liabilities		995.6	986.4	-9.2
Total equity		57.8	55.3	-2.5

SB Payment Service Corp.* ²	(JPY bn)	As of Mar 31, 2023	As of Sep 30, 2023	Variance
	Total assets		292.7	267.6
Cash and cash equivalents		40.6	39.3	-1.3
Trade and other receivables		107.7	111.2	+3.5
Other assets		144.3	117.0	-27.3
Total liabilities		254.5	224.9	-29.6
Trade and other payables		249.9	219.8	-30.0
Other liabilities		4.6	5.1	+0.5
Total equity		38.2	42.6	+4.4

*1: PayPay consolidated financial statements. Unaudited *2: JGAAP. Non-consolidated financial statements. Unaudited

306 group companies at the end of September 2023 (of which, 229 subsidiaries and 77 affiliate*¹ companies)

Segment	Company Name	Ratio of Voting Rights Held	Business Description
Consumer	Wireless City Planning Inc.	31.8%	Telecommunication services (Economic interests : 99.5%)
	SB Power Corp.	100.0%	Sales and purchase of power and mediating power transaction
	SB Mobile Service Corp.	100.0%	Call center business
Enterprise	IDC Frontier Inc.	100.0%	Data center business
	SB Engineering Corp.	100.0%	Construction and operation related to telecommunications
	eMnet Japan co. Ltd.	41.3% * ²	Internet advertising business
Distribution	SB C&S Corp.	100.0%	Distribution and sales of IT-related products, provision of IT-related service
Media &EC	Z Holdings Corporation * ³	64.4%	Holdings company
	Yahoo Japan Corporation	100.0%	E-commerce, internet advertising business
	LINE Corporation	100.0%	Provision of content services, advertising, and financial services based on LINE
	ZOZO, Inc.	51.0%	Operation of an e-commerce fashion website, distribution of private brand, operation of fashion media
	ASKUL Corporation	45.0%	Mail-order service of office-related products and other delivery services
	Ikyu Corporation	100.0%	Operation of internet sites that provide reservation services for high-end hotels and restaurants, etc.
	ValueCommerce Co., Ltd.	51.9%	Advertisement business, CRM business
PayPay Bank Corporation	46.6%	Banking business	

Blue : Listed company

*1 : Affiliate companies include joint ventures

*2 : As of end of June 2023

*3 : On October 1, 2023, Z Holdings, as the surviving company, completed an intra-group reorganization involving mainly itself and two of its core wholly owned subsidiaries, LINE Corporation and Yahoo Japan Corporation. On the same date, Z Holdings changed its trade name to LY Corporation

Segment	Company Name	Ratio of Voting Rights Held	Business Description
Financial	PayPay Corporation	69.8%	Development and offering of electronic payment services such as mobile payment
	PayPay Card Corporation	100.0%	Credit card, card loan, credit guarantee business
	SB Payment Service Corp.	100.0%	Payment processing
	PayPay Securities Corporation	66.0%	Securities business specializing in smartphones
Other	HAPSMobile Inc. *1	100.0%	R&D and manufacturing of network equipment for HAPS business
	SB Media Holdings Corp.	100.0%	Intermediate holdings company that owns IT media Inc.
	ITmedia Inc.	52.6% *2	Operation of comprehensive IT information site “ITmedia”
	SB Players Corp.	100.0%	Solution services for government
	SB Technology Corp.	54.1% *2	Cloud services, security monitoring services, provision of IoT solutions
	Cybertrust Japan Co., Ltd.	58.0% *2	IoT, Linux/OSS, certification authority and security business

Blue : Listed company

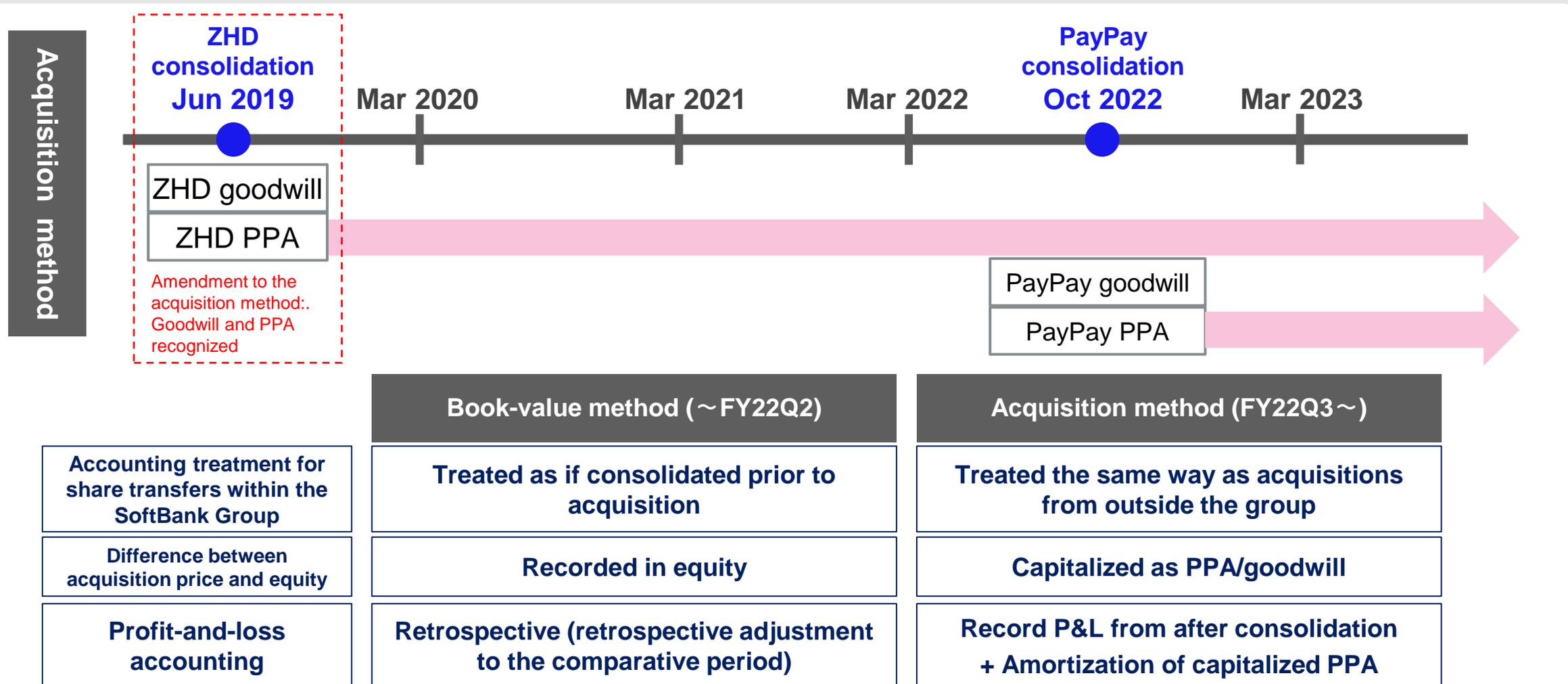
Segment	Company Name	Ratio of Voting Rights Held	Business Description
Affiliate companies	WeWork Japan G.K.	25.0%	Provision of co-working spaces
	Geniee, Inc.	31.7% *2	Marketing technology business
	Demae-can Co., Ltd.	36.9% *2	Operation of website “Demae-can” and related businesses

Blue : Listed company

*1: HAPSMobile Inc. was merged into SoftBank Corp. by an absorption-type merger on October 1, 2023 and dissolved

*2: As of end of March 2023

Due to changes in accounting policy in FY22Q3, accounting treatment involving consolidation of ZHD in June 2019 will be retrospectively amended from the book-value method to the acquisition method (retrospective adjustments to FY21)



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