

 SoftBank

Enterprise Business Briefing

June 1, 2021

Disclaimer

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Today's Agenda

1

**“New Market for
Enterprise Business”**

President & CEO

Junichi Miyakawa

2

**“Strategy for
Enterprise Business”**

Representative Director & COO

Yasuyuki Imai

3

“New Initiatives”

Senior Vice President, Deputy Head
Enterprise Business Unit

Kunihiro Fujinaga

New Markets for Enterprise Business

Junichi Miyakawa

President & CEO

Existing Enterprise Businesses



Fixed-line Phone



Smartphone



Tablet



Data Network

Telecommunications Market is Getting More Competitive.





Telecommunications Market

(Mobile/Voice call/Data NW services)

Approx. JPY **2.9** tn



Target Markets (2030)

Approx. JPY **100** tn

Transformation from a telecom carrier to a DX driver for businesses

— SoftBank

Enterprise Business

Businesses/Municipalities



Total Solution



A game changer looking ahead to future generations



Telecommunications



DX for Businesses

DX for Societies

Digitalize daily life and society



Arrival of a Super-digital Society



The world in which the entire society is digitally connected

Television



Smartphone



Wearable device



Self-driving vehicle



Train



Our business foundations: Overwhelming number of customer touchpoints

Customer Touchpoint



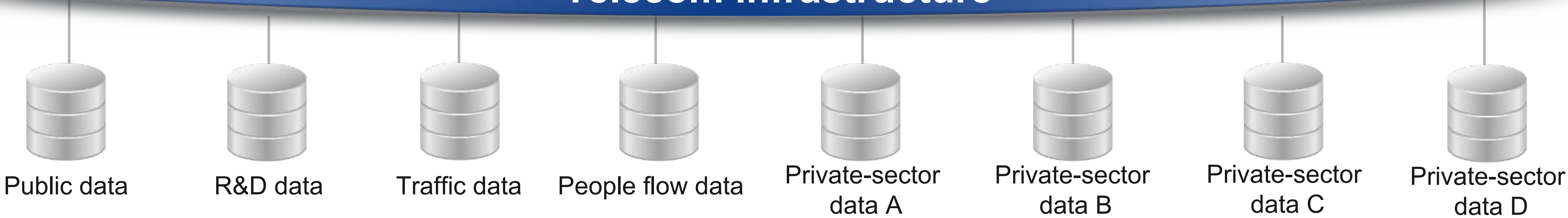
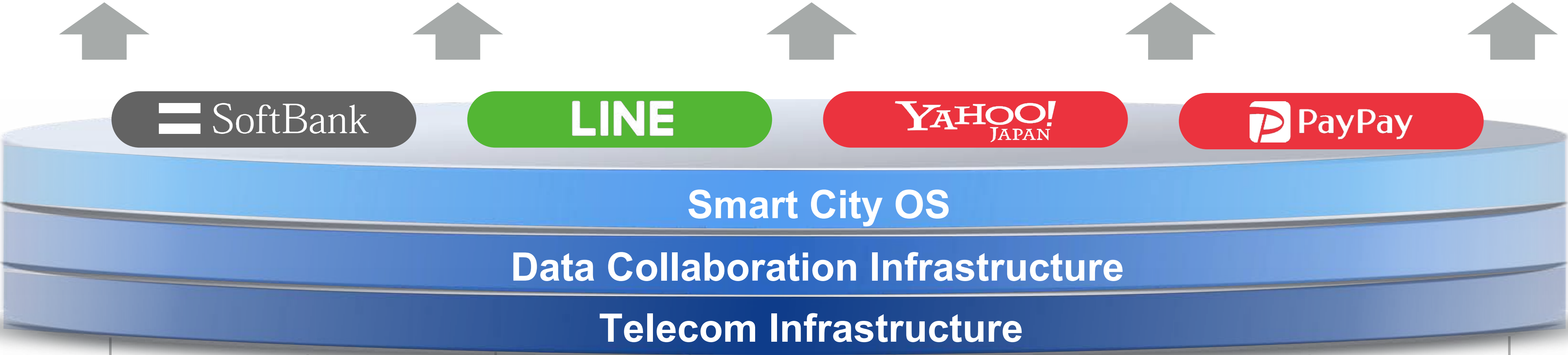
Sales Channels <Enterprise> Transaction with **95%** of large corporations <Consumer> **6,100** stores nationwide

Human Resources Sales force (Group) **Approx. 15k** Engineers (Group) **Approx. 10k**

Communication Platform/Infrastructure

Notes [No. of users] SoftBank Corp.: Cumulative No. of main subscribers (as of Mar. 2021) / Yahoo! JAPAN: No. of annual logged-in user IDs (as of Mar. 2020) / PayPay: No. of cumulative registered users (As of May 2021) / LINE: No. of monthly active users in Japan (as of Mar. 2021)
 [Sales Channel] Enterprise: Approximate percentage of listed companies with revenue of JPY 100 bn or more that have transaction with SoftBank Corp. (As of Feb. 2021) / No. of stores: Total of SoftBank and Y!mobile brands' directly-managed stores, agents, mass merchandisers and other retail channels (As of Mar. 2021)
 [Human Resources] Sale force: No. of SoftBank Corp.'s sale staff (Mar. 2021) / No. of engineers: Total of the engineers in SoftBank Corp., Yahoo Japan Corporation and LINE Corporation. (As of Mar. 2021)

Creating new digital solutions



*Data is the statistical data obtained with prior consent and complied with due consideration to the protection of personal information

Digital Twin

Simulations in virtual space to optimize environments in real space



Simulation/Future Prediction



Realizing an accident-free society through future prediction across the society.



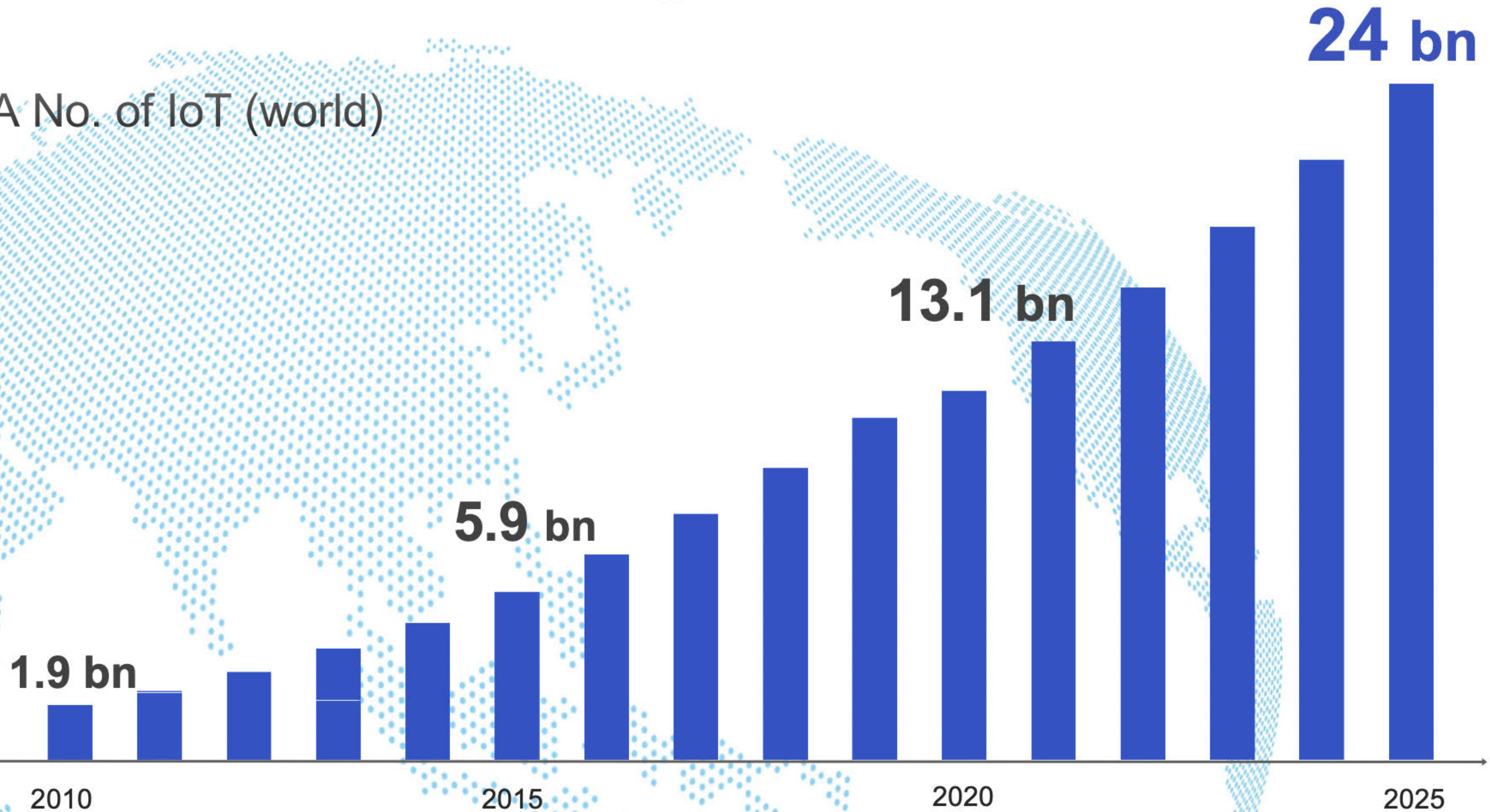
Global Expansion

Digital Services/Infrastructures originated in Japan



Acceleration of digitalization

A No. of IoT (world)



Sustainable Growth

83.6 bn



107.7 bn
(Up 29% YoY)



150 bn



FY2022

FY2030

Enterprise business to be the second key pillar of our business



**Consumer
Business**



**Enterprise
Business**



Other + Global Business
(incl. ZHD and PayPay services)

An aerial view of a city at sunset, with a large satellite dish in the sky. The city lights are visible in the foreground, and the sky is a mix of blue and orange. The text is overlaid on the image.

Make Japan a DX-advanced country

Transform SoftBank from a telecommunications carrier
to a DX company



SoftBank

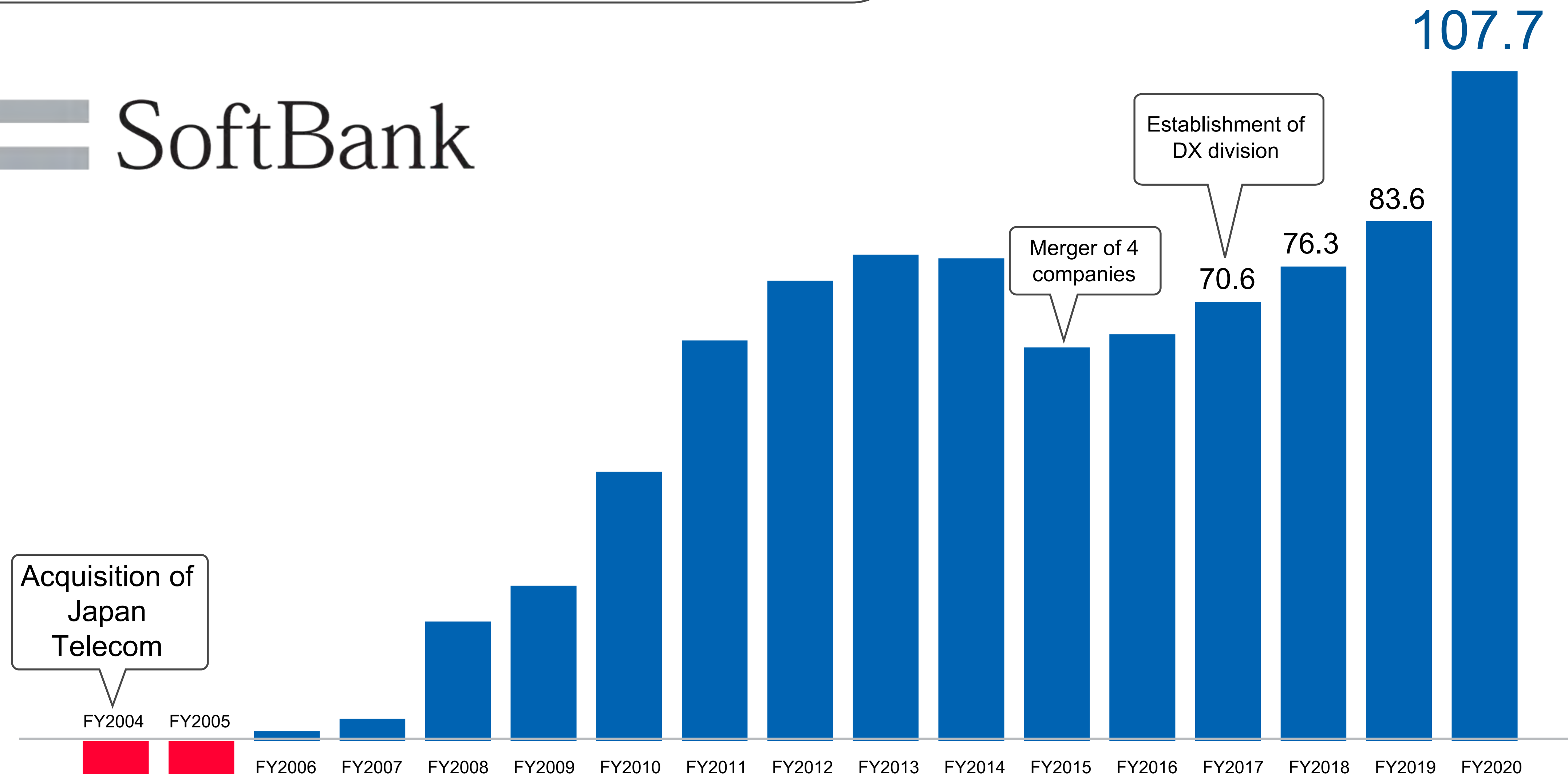
Representative Director & COO

Yasuyuki Imai

Enterprise Business Operating Income (Changes)

[billions of yen]

 SoftBank



*The figures in and before FY 2014 represent the operating incomes of former SoftBank Telecom, and the figures in and after FY 2015 represent the operating incomes of SoftBank Enterprise Business

Growth Factor = Business Model Shift

A telecom carrier



Cost Reduction

Solution-based business



Boost store's sales

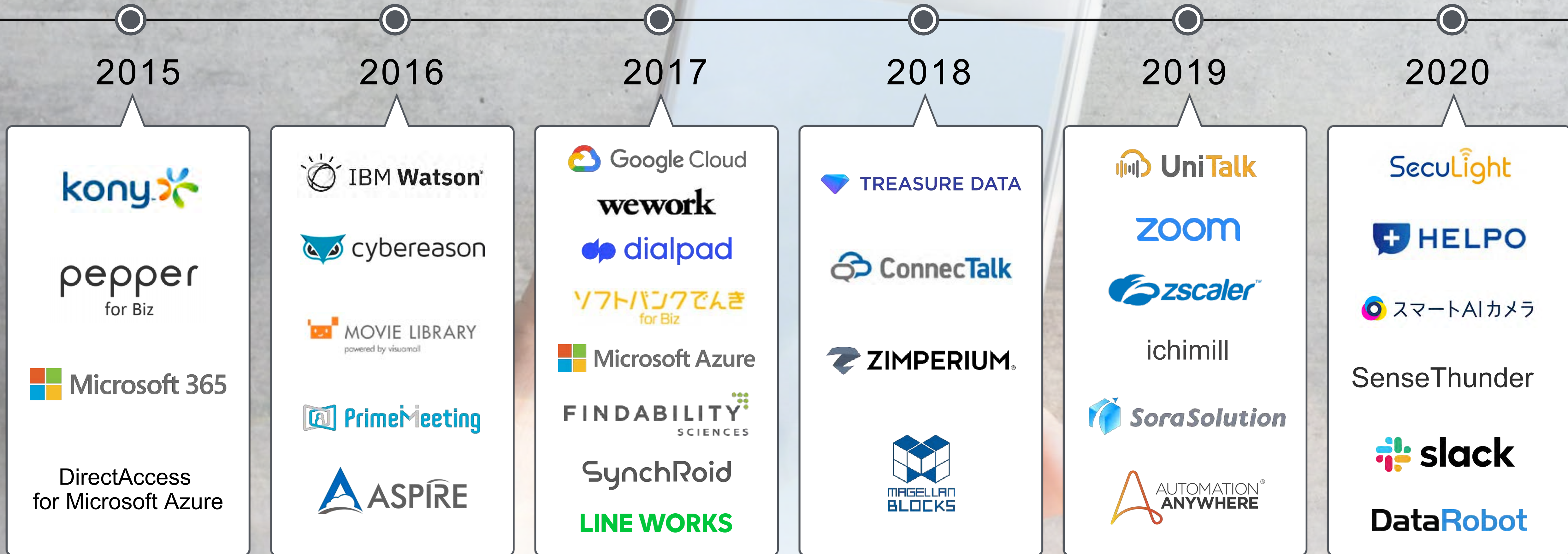


Acquire new customers



Labor saving

① Expansion of Solution Services

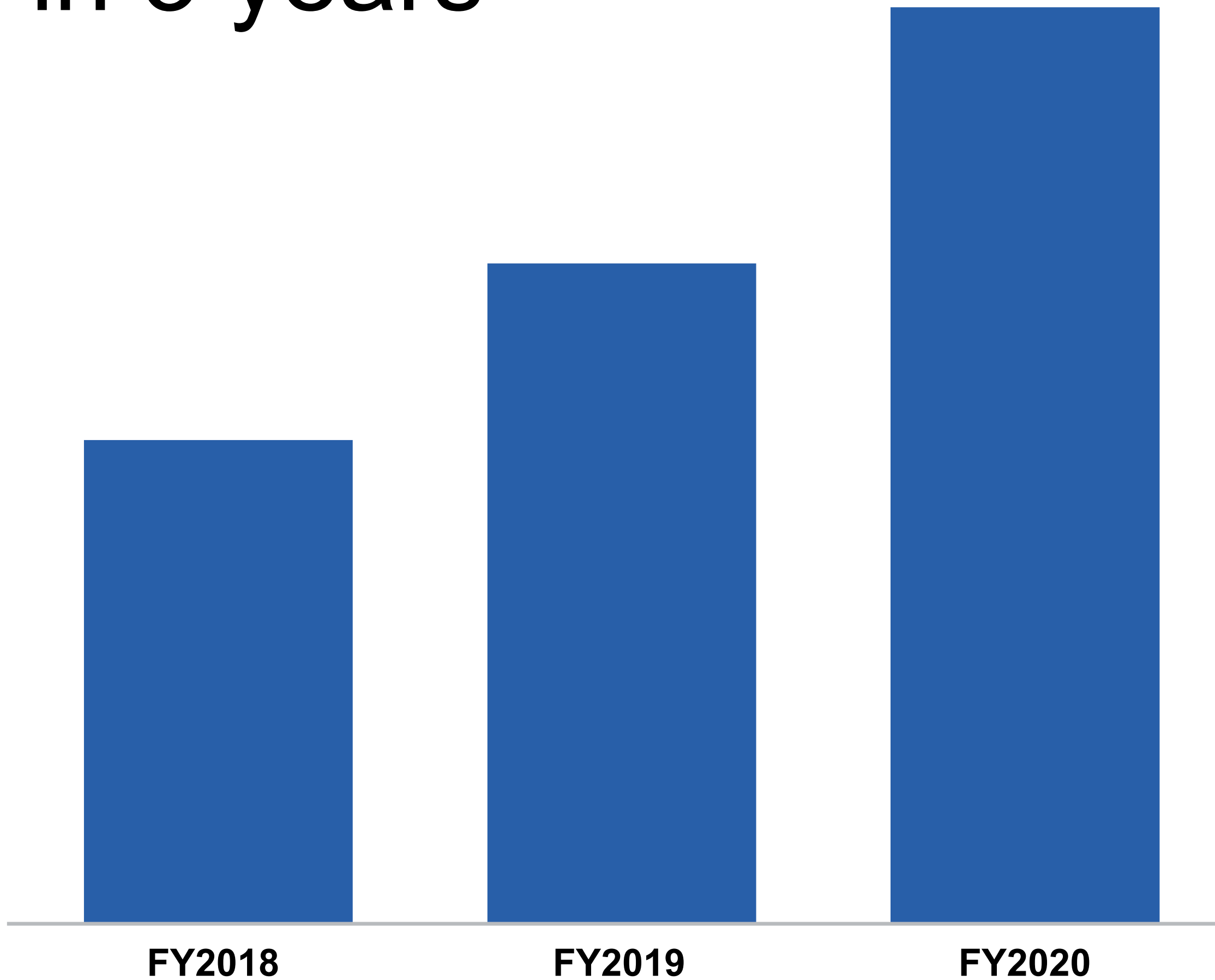


We ourselves are making full use of the services to offer solutions based on our know-how.

*The services shown are examples

Reference: Cloud Sales (Changes)

1.9-fold growth in 3 years



Google Workspace

(Groupware)

Microsoft 365

(Groupware)

zoom

(Video communication platform)

slack

(Messaging platform)

LINE WORKS

(Chat for business)

UniTalk

(Cloud voice service)

ConnecTalk

(Integrated service of cloud PBX and FMC)

dialpad

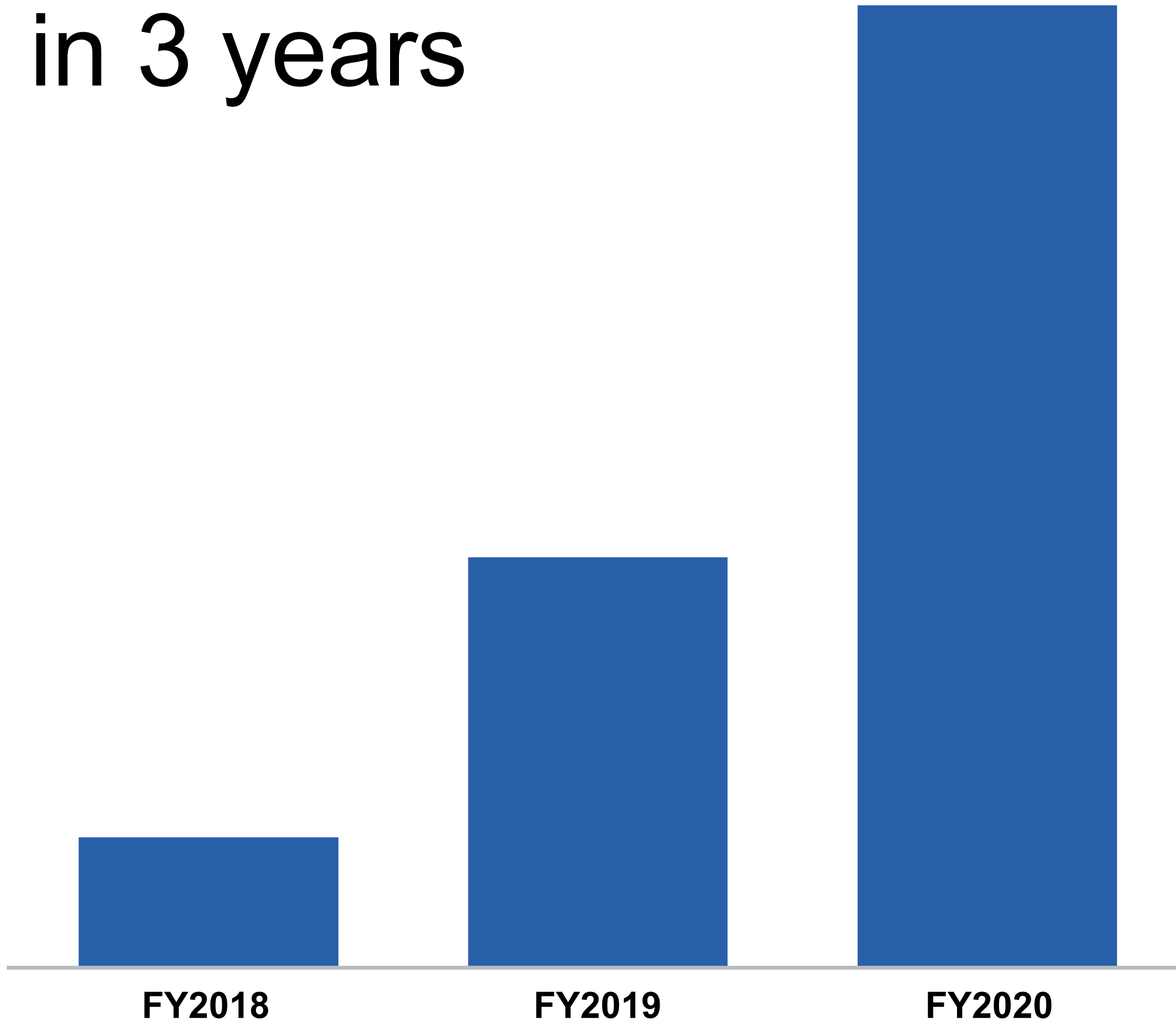
(Cloud-based business phone system)



*The services shown are examples

Reference: IoT Sales (Changes)

7.3-fold growth in 3 years



SecuLight
(IoT camera service)

SoraSolution
(Drone service)

Smart AI Camera
(Composite visualization solution)

Sumakashi
Smart Visualization Service
(Information visualization with sensors)

SenseThunder
(AI thermography solution)

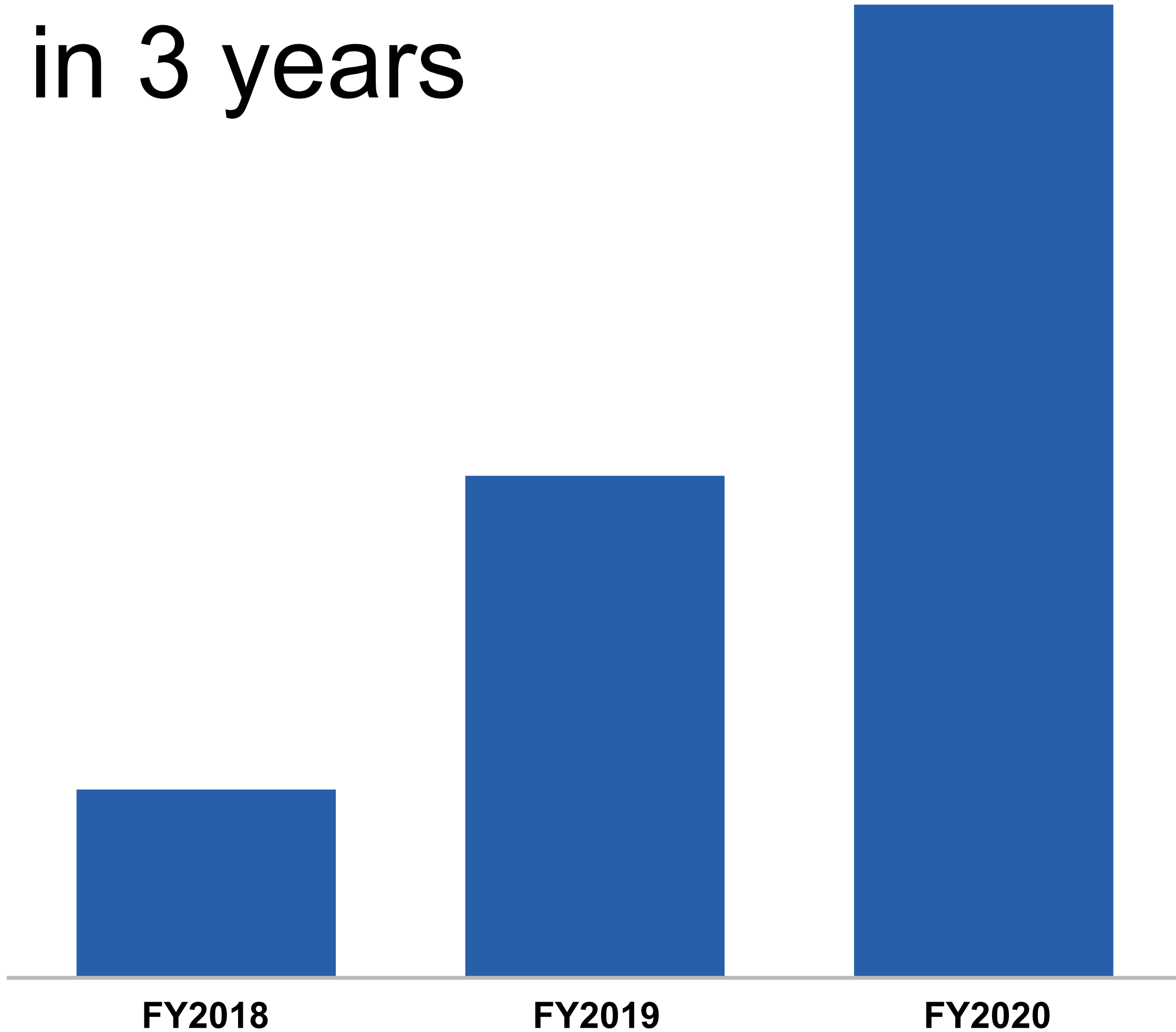
ichimill
(High-precision positioning service)



*The services shown are examples

Reference: Security Sales (Changes)

5.2-fold growth in 3 years



Internet VPN Access

(Remote access)



*The services shown are examples

② Human Resource Development /Setup of Sales Support Team

Development of
consulting sales force



Over 900
employees
took the training

Industry-based digital
solution service



Total 100
members are
assigned.

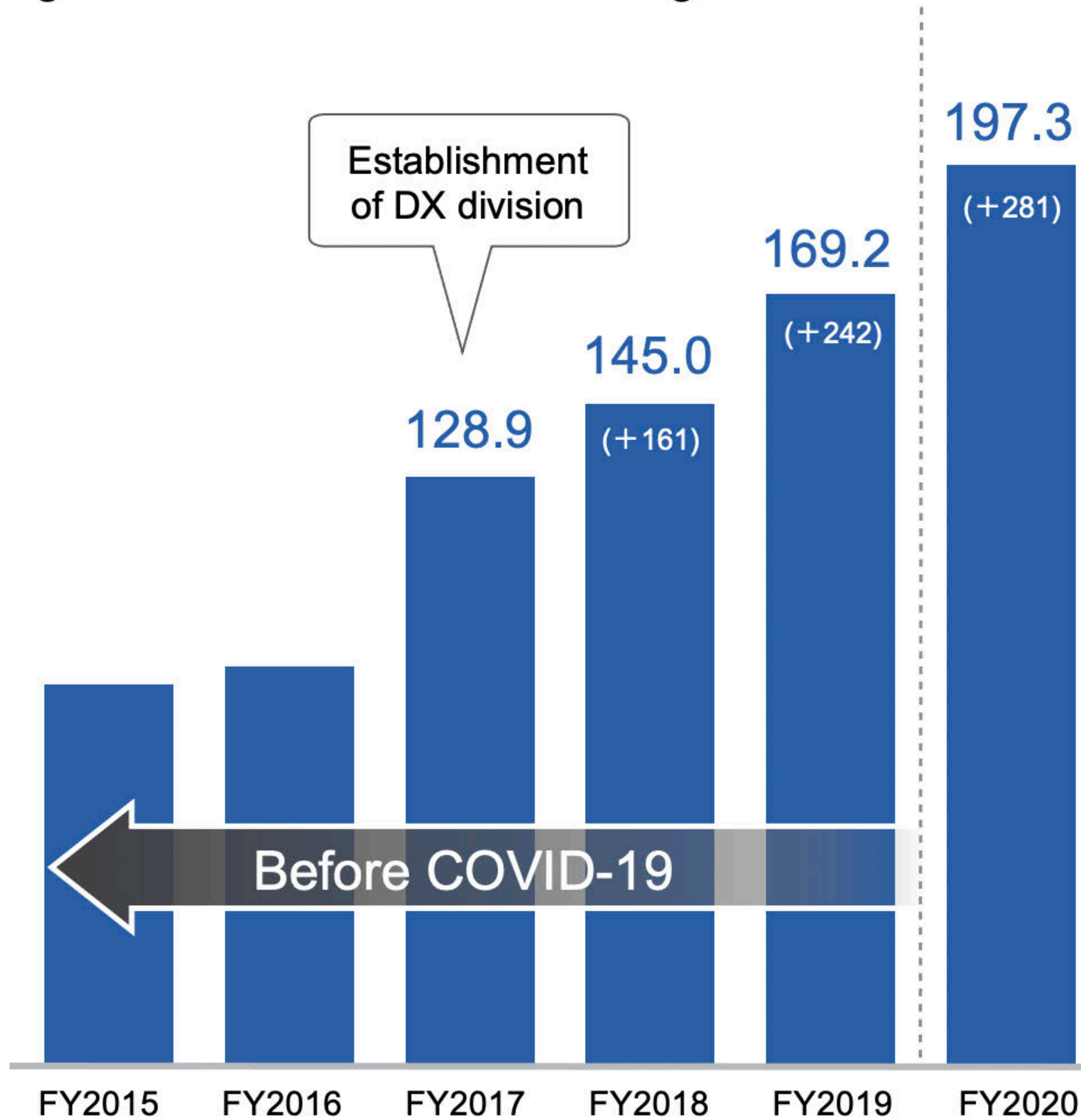
The image features a background of a city skyline at dusk or dawn, with a network of white lines and glowing nodes overlaid, suggesting a digital or business network. In the foreground, there are silhouettes of six business professionals in a line, looking towards the right. The text is centered over the image in a large, white, sans-serif font.

**Business Model Shift has led to
the growth of solution business**

Sales of Solutions & others (Changes)

[billions of yen]

*Figures within brackets are YOY growth rates



5th consecutive YoY increase



Enterprise Business Operating Income (Changes)

[billions of yen]

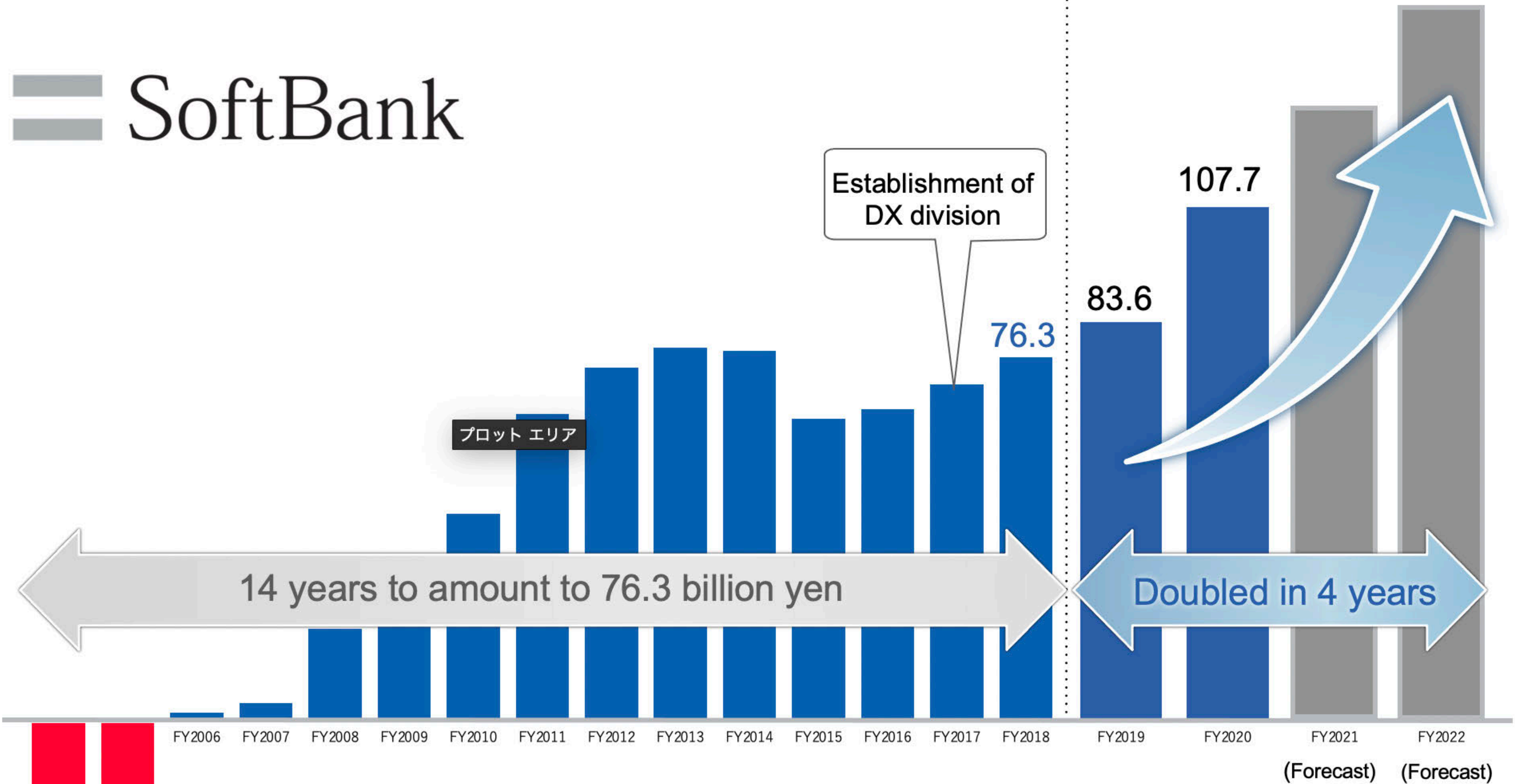
SoftBank

Establishment of DX division

プロット エリア

14 years to amount to 76.3 billion yen

Doubled in 4 years



*The figures in and before FY 2014 represent the operating incomes of former SoftBank Telecom, and the figures in and after FY 2015 represent the operating incomes of SoftBank Enterprise Business

SoftBank's DX “DX for Data Utilization”

= SoftBank



DX with Data Utilization



DX for Businesses



DX for Societies

DX with Data Utilization



DX solutions in 4 areas

Digital Communication

zoom Google Workspace

Microsoft 365 slack

LINE WORKS

SoftBank

SmartVPN

おとくライン

おとく光電話



Digital Automation

5G
SoftBank

Google Cloud

JCV
Japan Computer Vision Corp.

Microsoft Azure

VANTI

DataRobot

AUTOMATION ANYWHERE



Digital Marketing

YAHOO! JAPAN



TREASURE DATA

LINE for Business

GENERATE

INCUDATA

cinarra



Security



zscaler

ZIMPERIUM

cybereason



AI



Data



IoT

Technical capability to solve business challenges



5G

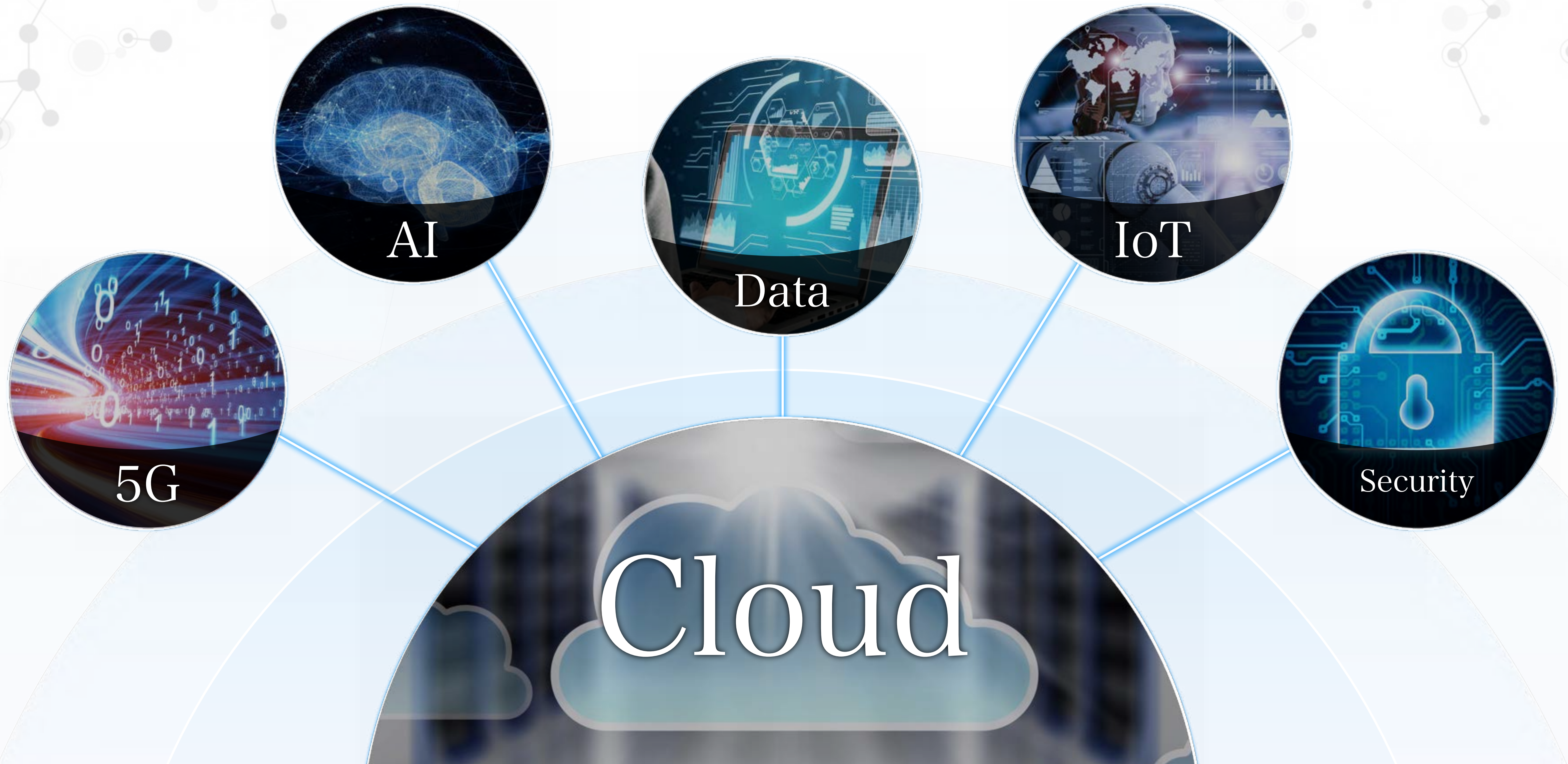


Cloud



Security

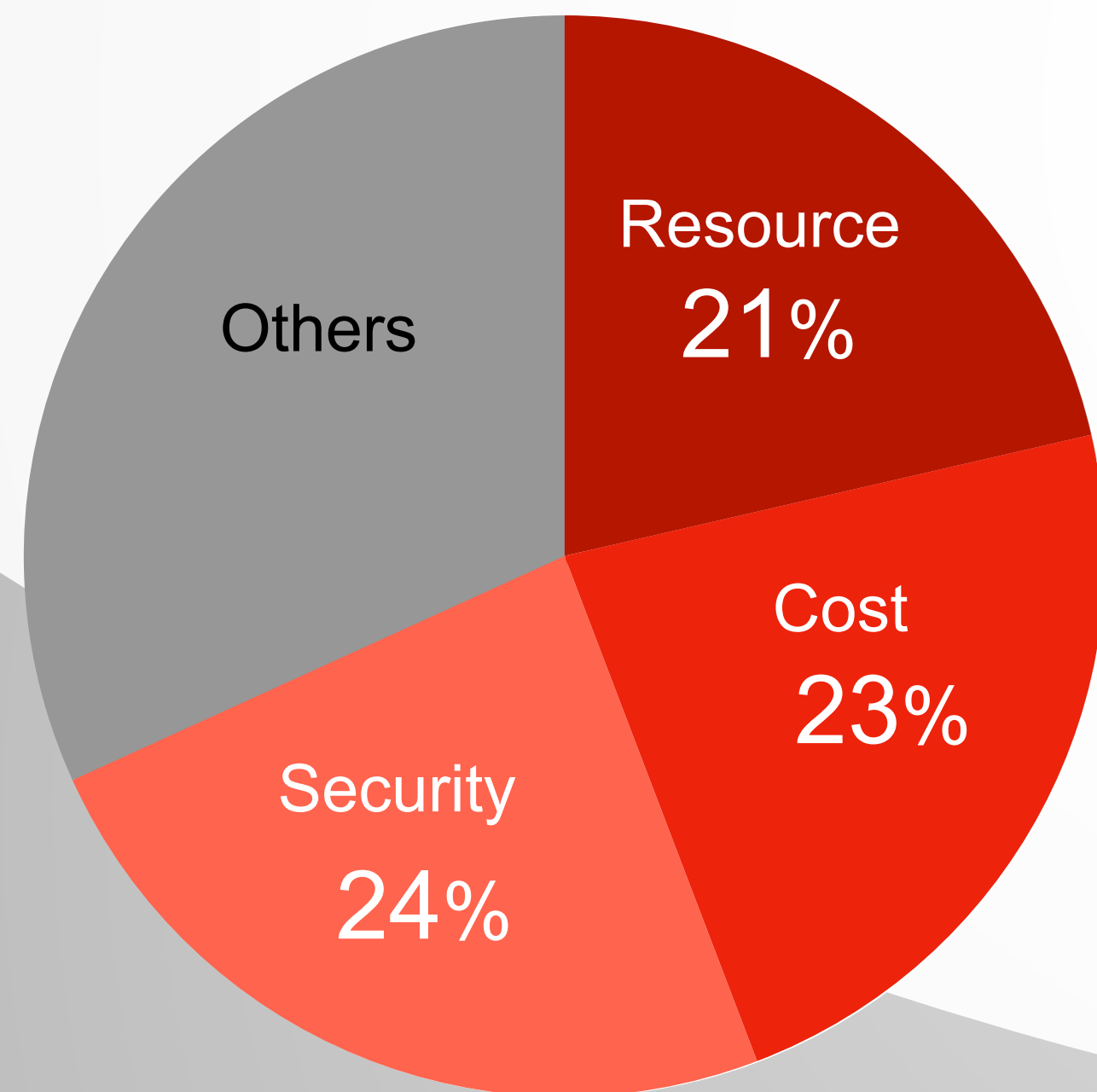
Cloud: Integration and management



Lack of system-building skills and human resources discourages business from using Cloud

Reasons for not using Cloud

n=1,911

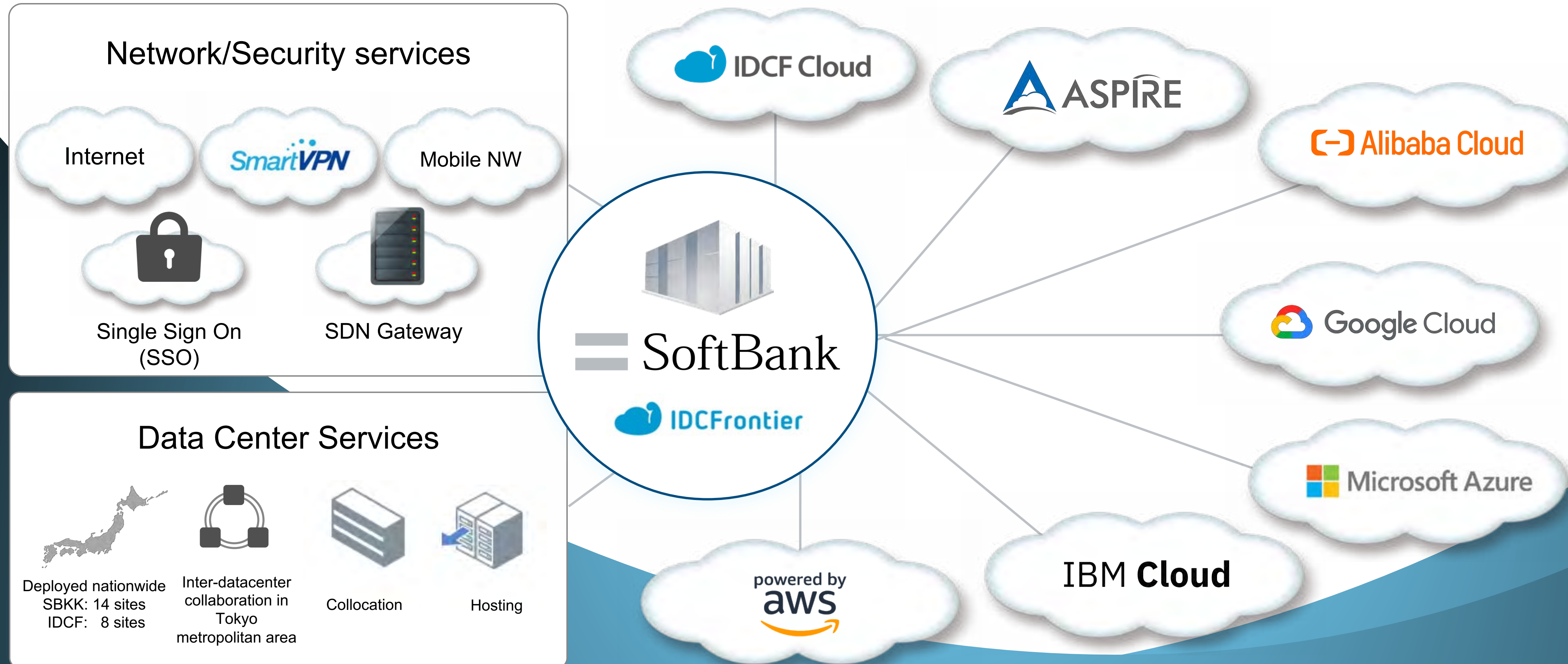


*Compiled based on "Report on demand trends for cloud service in Japan (2020)" published by MM Research Institute, Ltd.

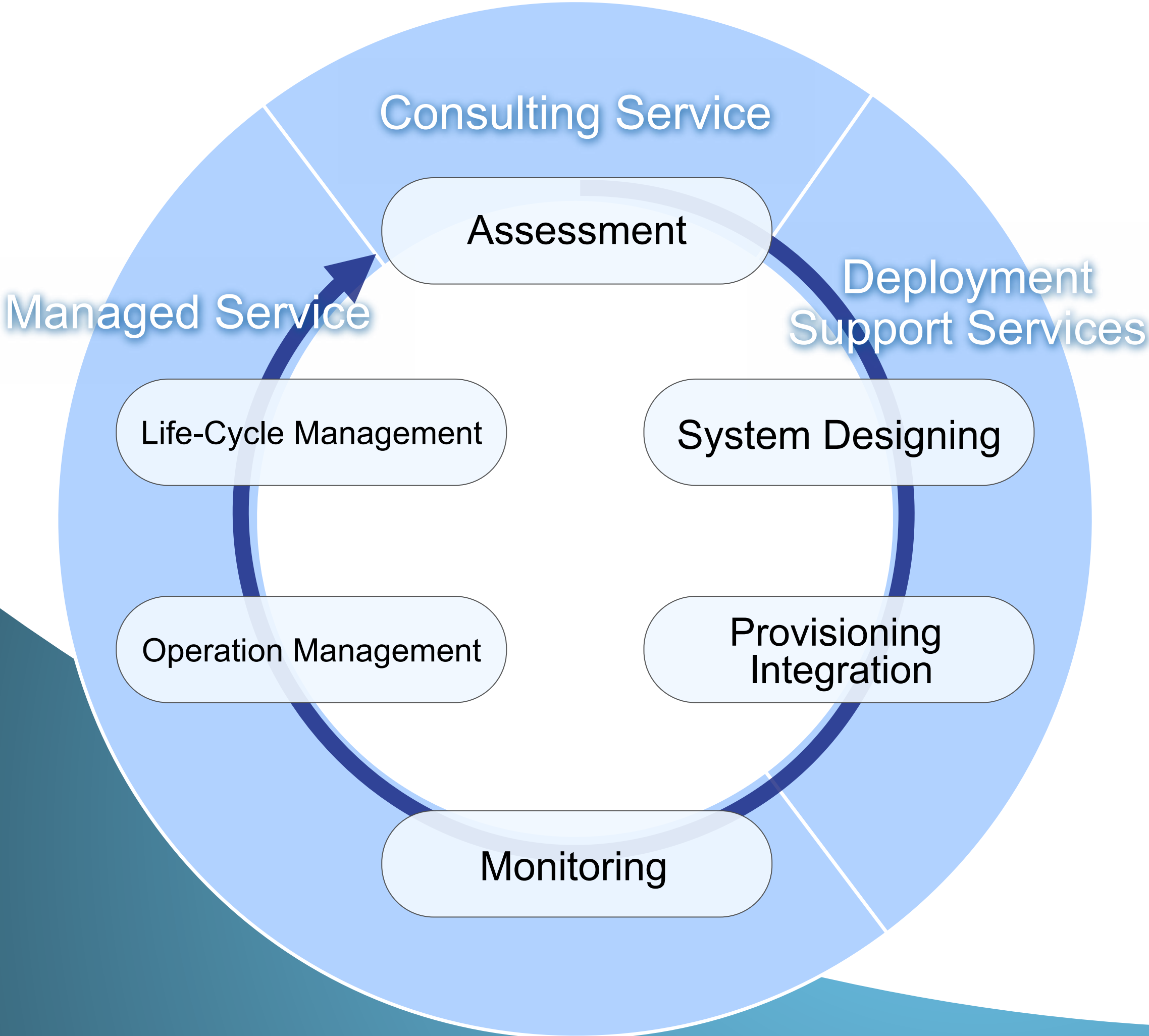


Multi-Cloud Strategy

Providing unified Cloud services for business



Full support from deployment to operation



Tools for unified cloud management services

Total support from consultation to system building and operation

Support with expert system engineers

Japan's only company certified as MSP^{*1} by Microsoft and Google Cloud^{*2}

Feb. 2020



Japan's first company with
2 Microsoft Azure Partner titles

The first carrier
in the world
awarded
2 MSP titles ✖



Microsoft Azure
Expert MSP



Microsoft Azure
Networking MSP

* As of February 2020

Apr. 2021

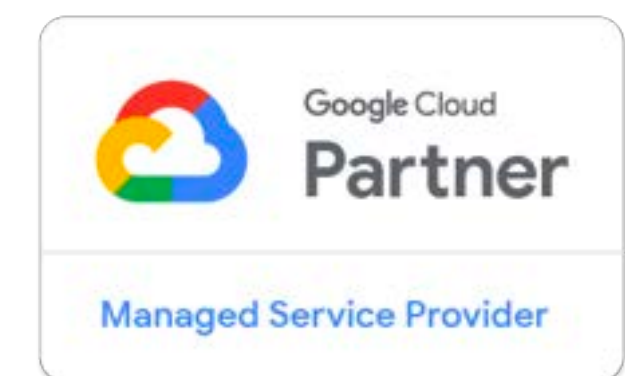


Certified as
Google Cloud Partner

Only 4 companies
certified
in Japan



Google Cloud MSP



*An internal survey as of May 2021

“Technological ability” and “Experience” in cloud utilization are highly evaluated



**Strict examination
by a third-party organization**

<Evaluated points>

**1. Diverse deployment
process**

**2. Automation technology for
system building**

**3. Continuous improvement
process**

DX solutions in 4 areas: Use cases

Digital Communication

zoom Google Workspace

Microsoft 365 slack

LINE WORKS

SoftBank

SmartVPN

おとくライン

おとく光電話



Digital Automation

5G
SoftBank

Google Cloud

JCV
Japan Computer Vision Corp.

Microsoft Azure

VANTI

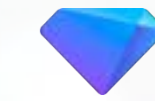
DataRobot

AUTOMATION ANYWHERE



Digital Marketing

YAHOO! JAPAN



TREASURE DATA

LINE for Business

GENERATE

INCUDATA

cinarra



Security



zscaler

ZIMPERIUM

cybereason

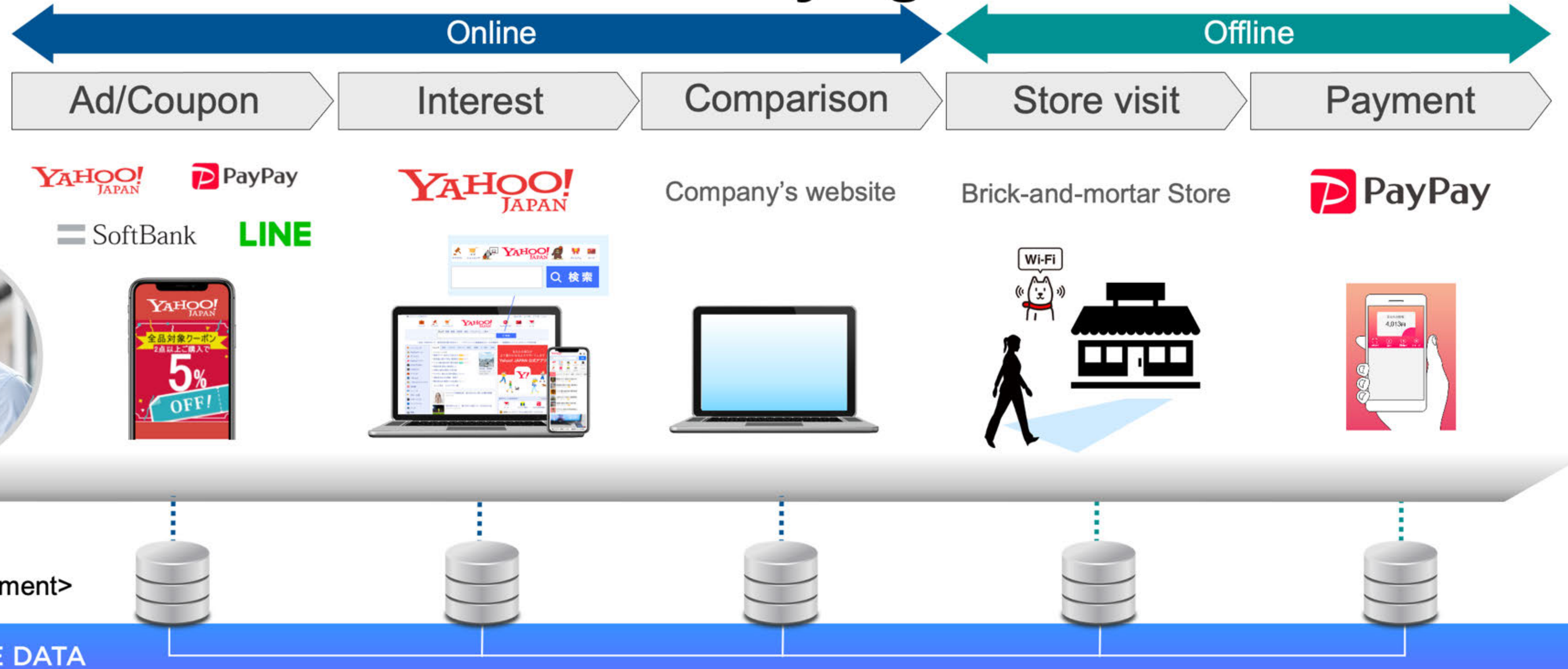


Example of DX support
for businesses
through data utilization

Retail Business

① Promote store visit – Digital Marketing

Provide support from understanding customer behaviors to verifying effects



*Customer data will be used only when the customer consents to the service

② Visualizing Stores – Digital Automation

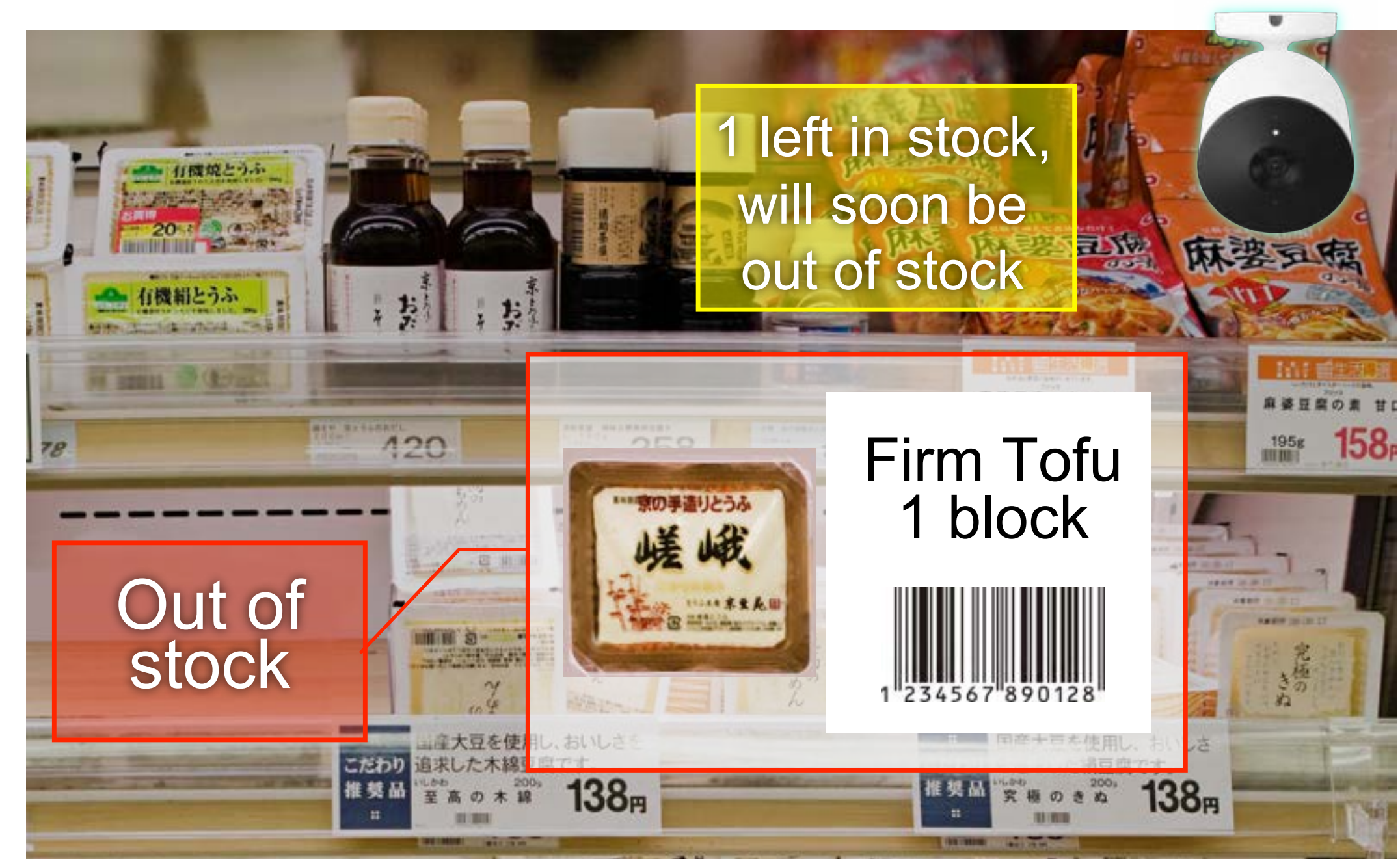
AI Camera visualizes/analyzes store status in real time

Predict how many people are queuing at checkout desk



Optimize cashier staffing.

Detect stock-out products



Reduce opportunity loss by prompt restocking

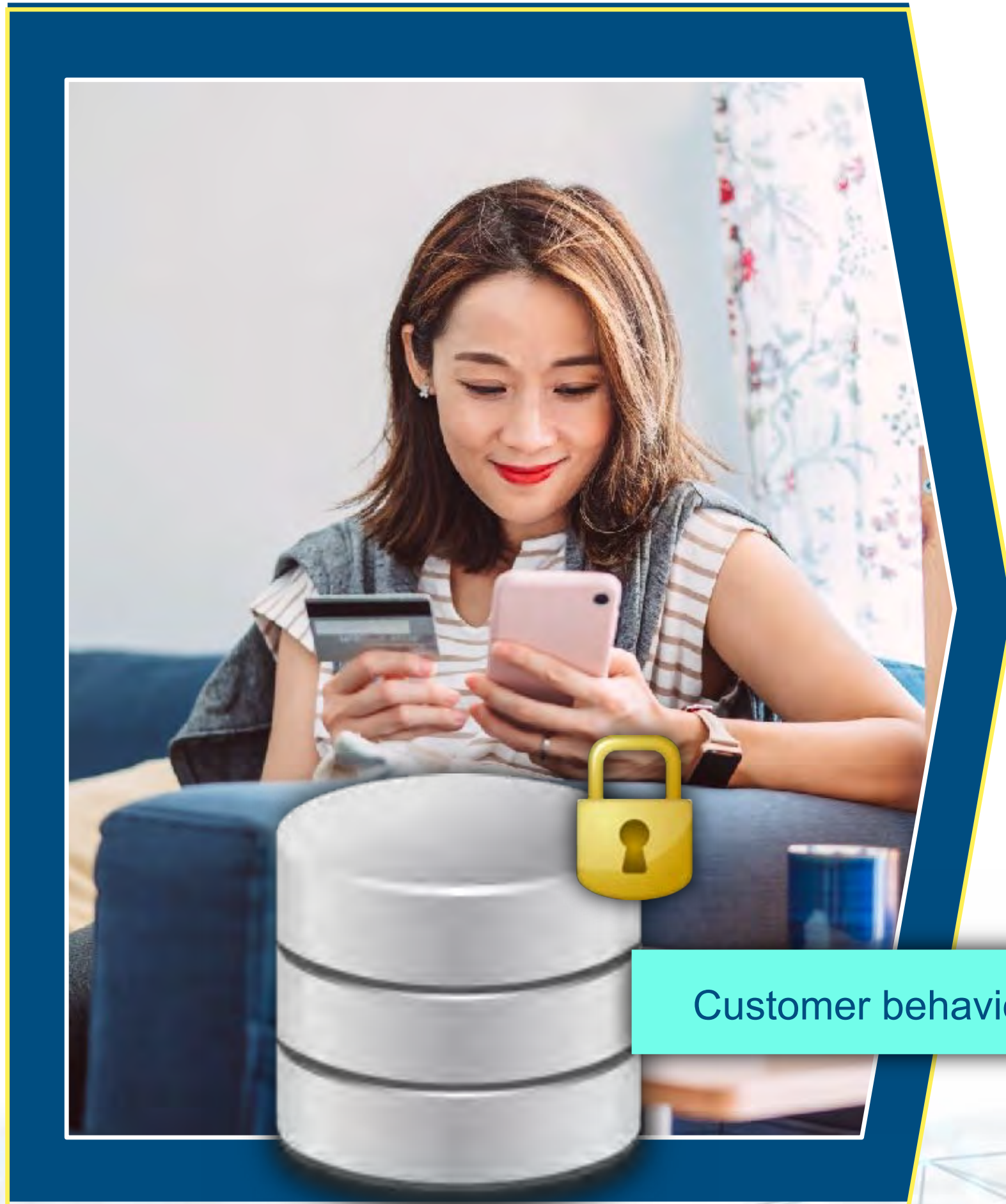
*The images will be used after they are processed not to identify individuals

③ Streamlined Operation - Digital Communication

Real-time stock-out notification enables prompt restocking



Data linkage enables DX in the entire retail business



Customer behavioral data, etc.



Inventory data, etc.



Promote store visit

Digital Marketing

Visualize store status

Digital Automation

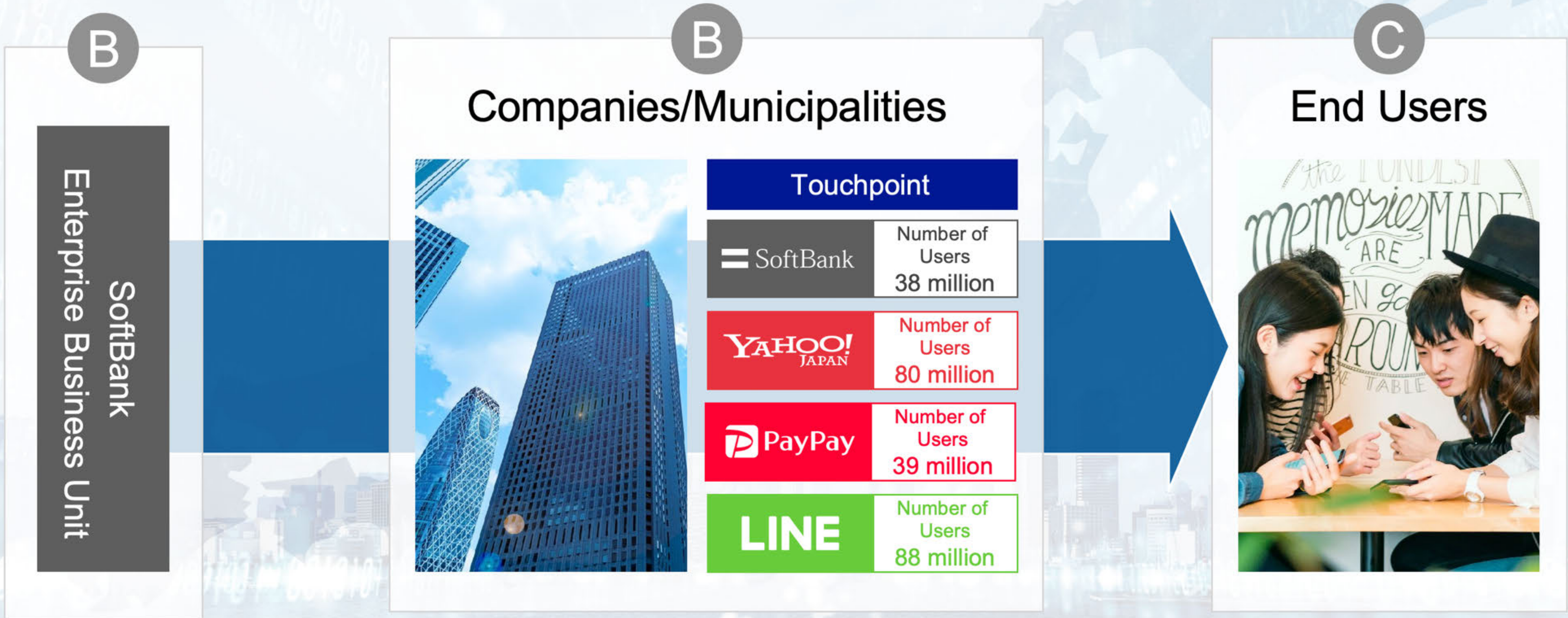
Streamline operations

Digital Communication

*Customer data will be used only when the customer consents to this service

*The images will be used after they are processed not to identify individuals

Providing services through our customer touchpoints



The number of users is defined as follows. SoftBank: Total number of main line subscriptions (as of March 2021)/Yahoo: Number of annual login user IDs (as of March 2020)
PayPay: Total number of registered users (as of May 2021)/LINE: Monthly Active Users (as of March 2021)

PayPay Use Case – SEVEN-ELEVEN JAPAN CO., LTD.



**App users rapidly increased
after embedding PayPay into its own app,**
showing the need to further strengthen app-based marketing

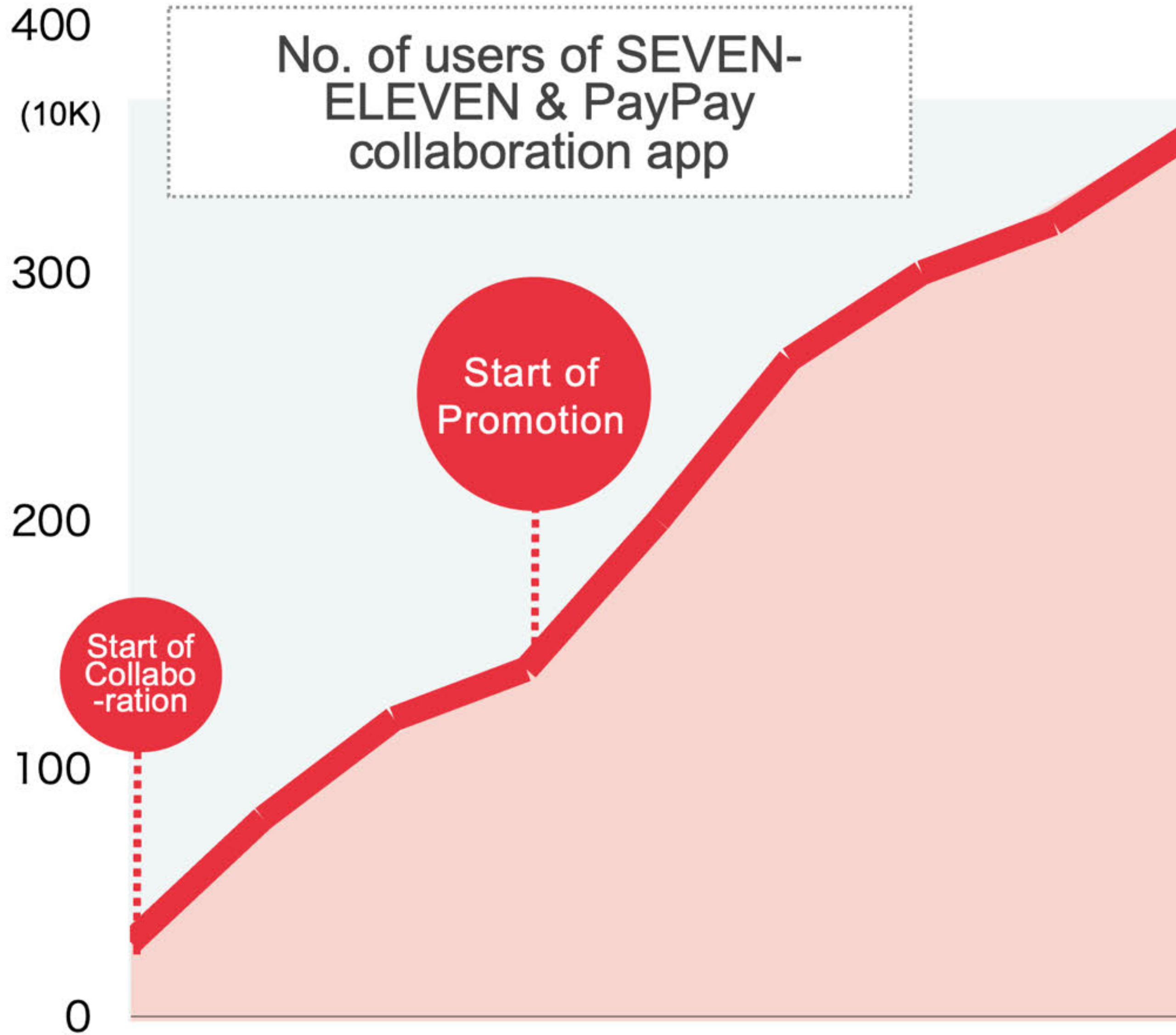


Increase
app users

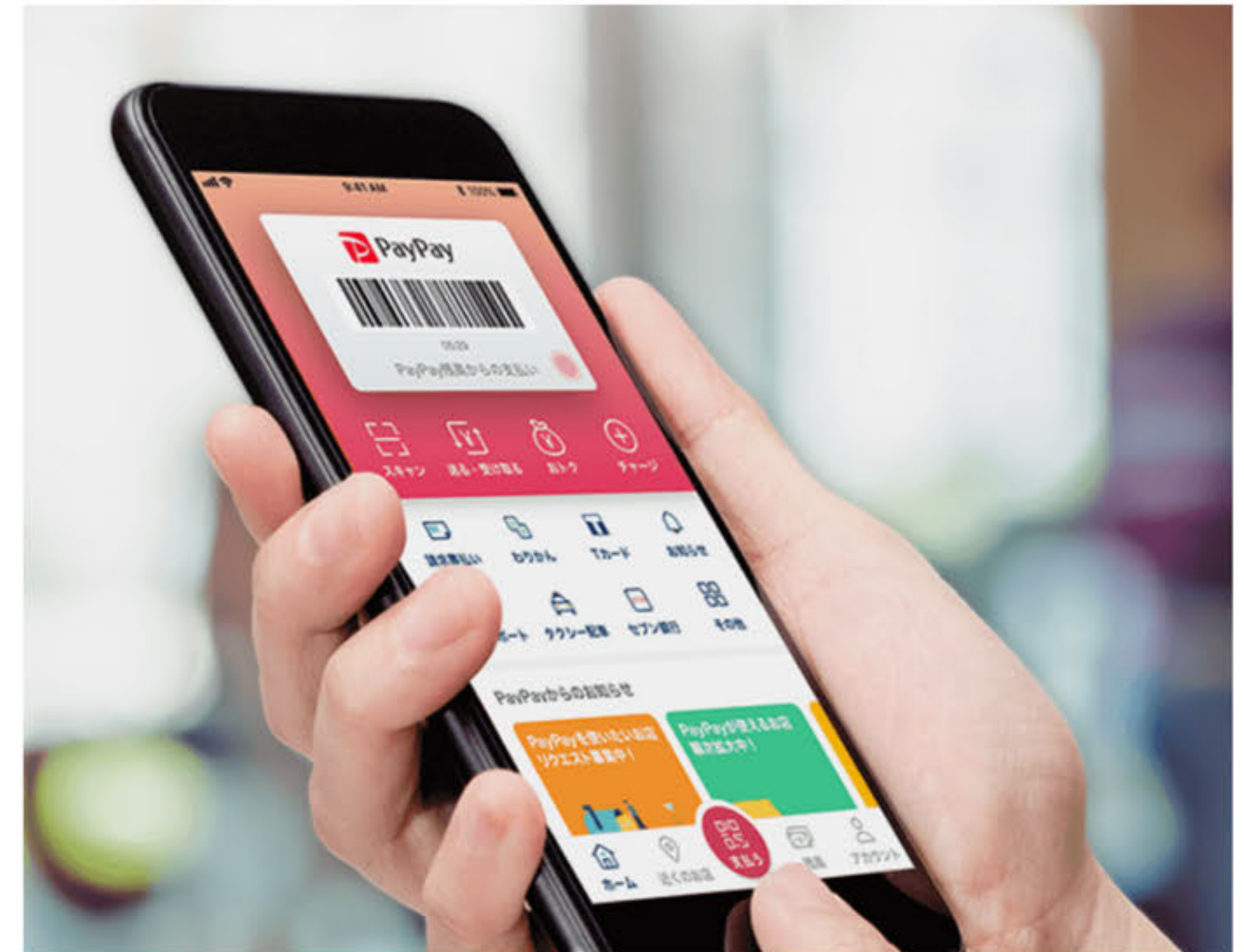
Improve
app utilization
rate

*The image is for illustrative purposes only

PayPay Collaboration Effect – SEVEN-ELEVEN JAPAN CO., LTD.



Over 3.5 million users in a month



2021 2/25

3/24

*Based on PayPay actual results

Utilization of the official account improved the usability in receiving a package

Prior notice about delivery schedule



Delivery notice



Rescheduling or redelivery



Approx.
47 million users
who friend with the Official
Account
*as of May 25, 2021

DX with Data Utilization



DX for businesses



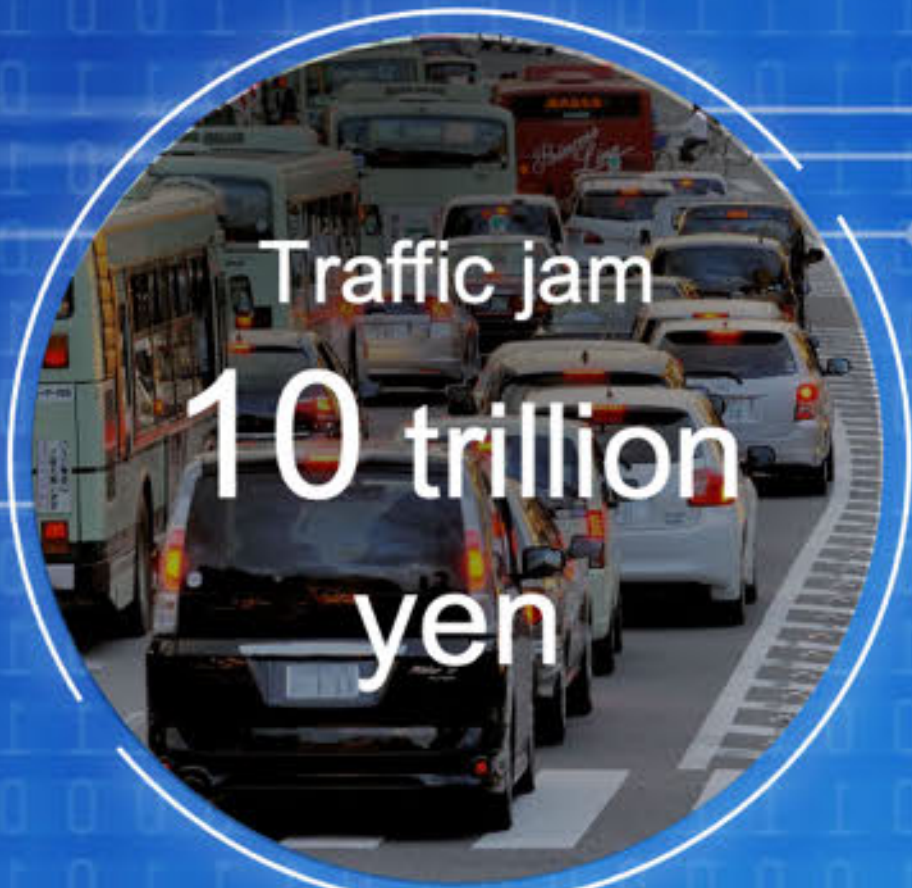
DX for societies

Japan's Social Challenges

Economic loss caused by social challenges (On an annual basis)



COVID-19
6 trillion yen



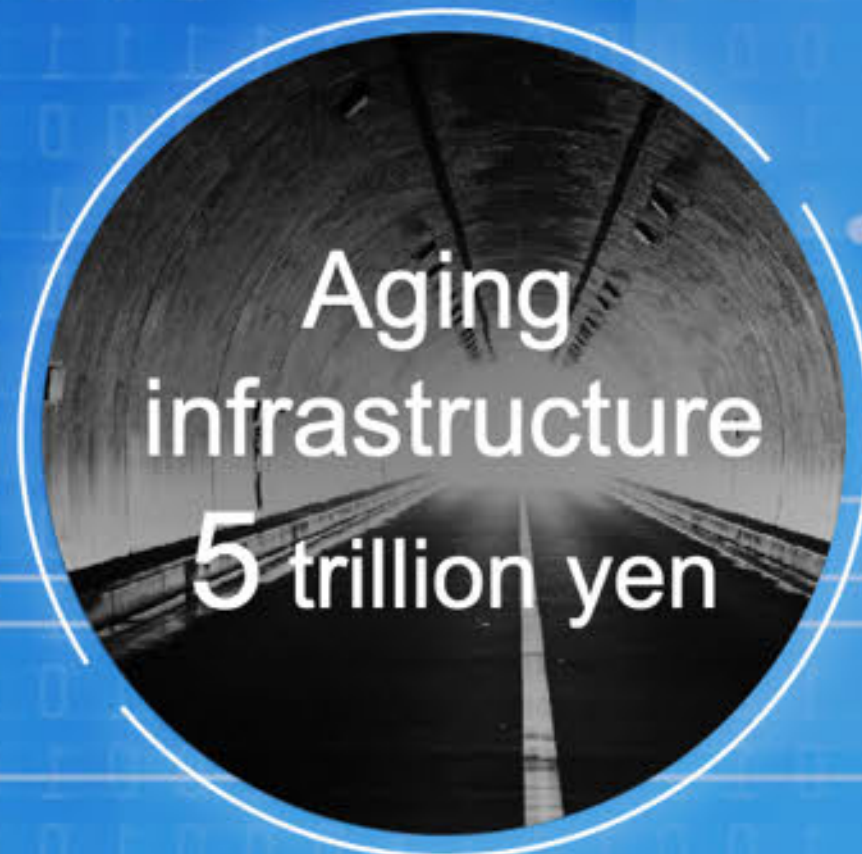
Traffic jam
10 trillion yen



Resignation due to childbirth
1.2 trillion yen



Natural disaster
43 trillion yen
(Cumulative amount of last 20 yrs)



Aging infrastructure
5 trillion yen



Cyber crime
1 trillion yen



National health expenditure paid by government
16 trillion yen



Shrinking working population
25 trillion yen



Food loss
2 trillion yen



Traffic accident
4.2 trillion yen

A professional team to create new businesses established
in October 2017

“Digital Transformation Division”

(DX Div.)



Started with
120 members

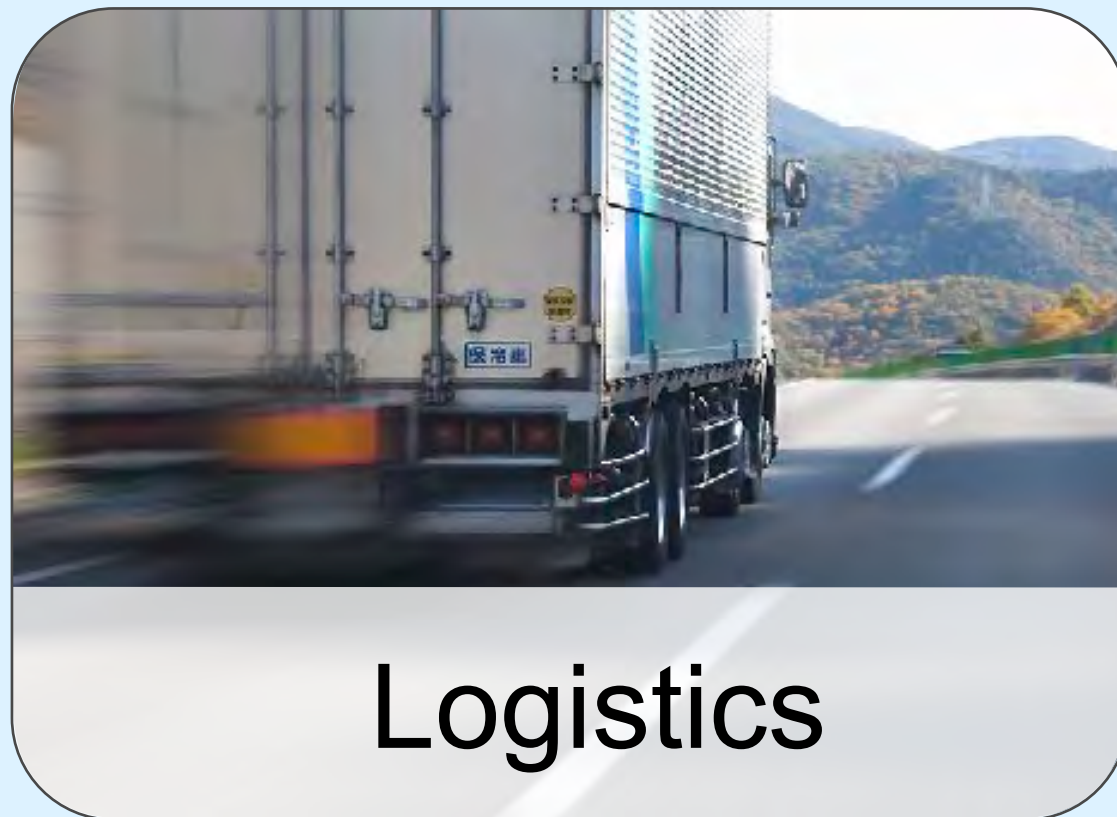
<DX Division's Mission>

**Address Japan's social
challenges**

**Create the next core
business for SoftBank**

<Solutions to Social Challenges>

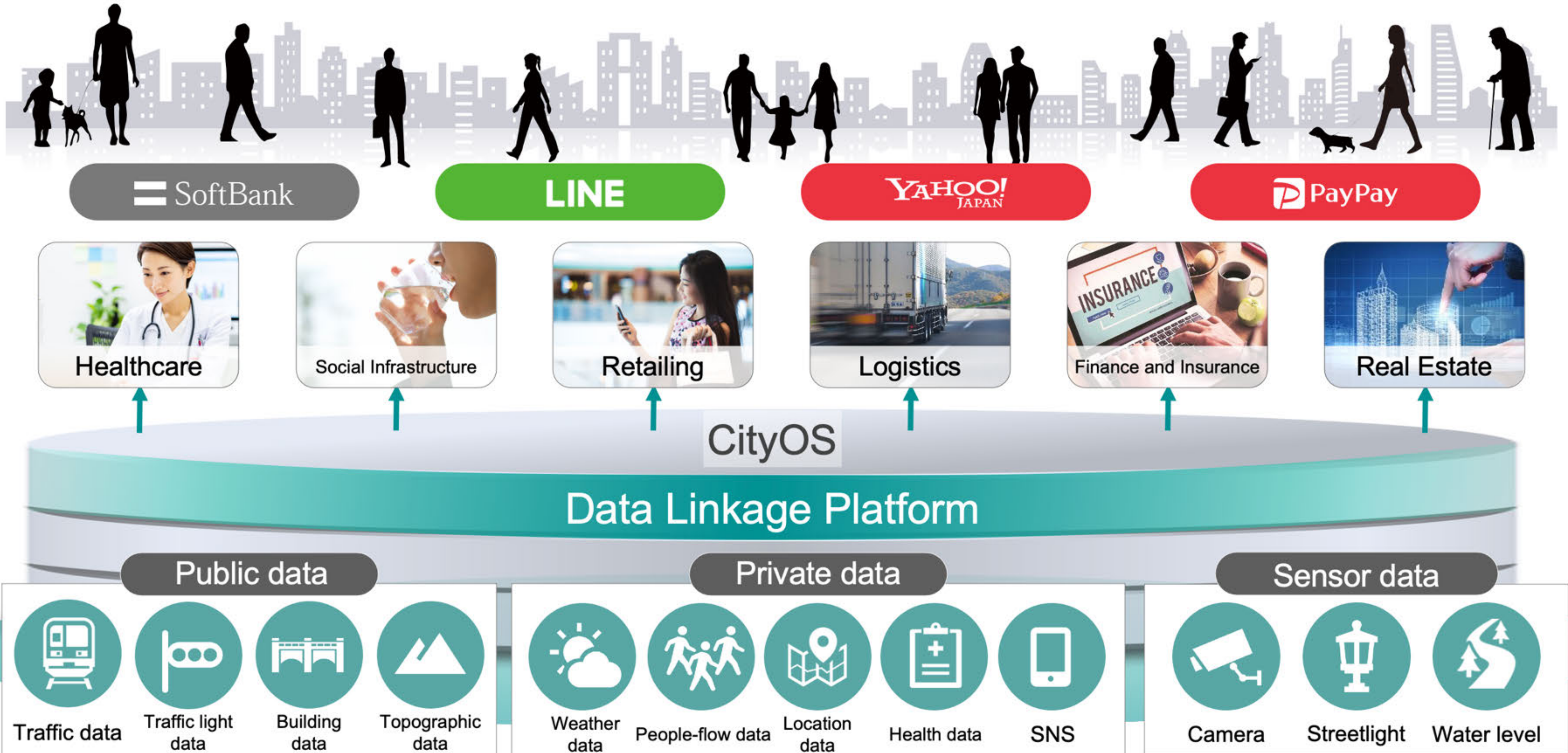
17 new businesses have already started



“Connecting dots” is important to spread them across the society

- Future Vision -

Co-Creation to build CityOS and promote DX in Japan



- Future Vision -

Co-Creation to build CityOS and promote DX in Japan



Touch Points with end users

Creating digital solutions

Building data utilization platform

Data in public and private sectors

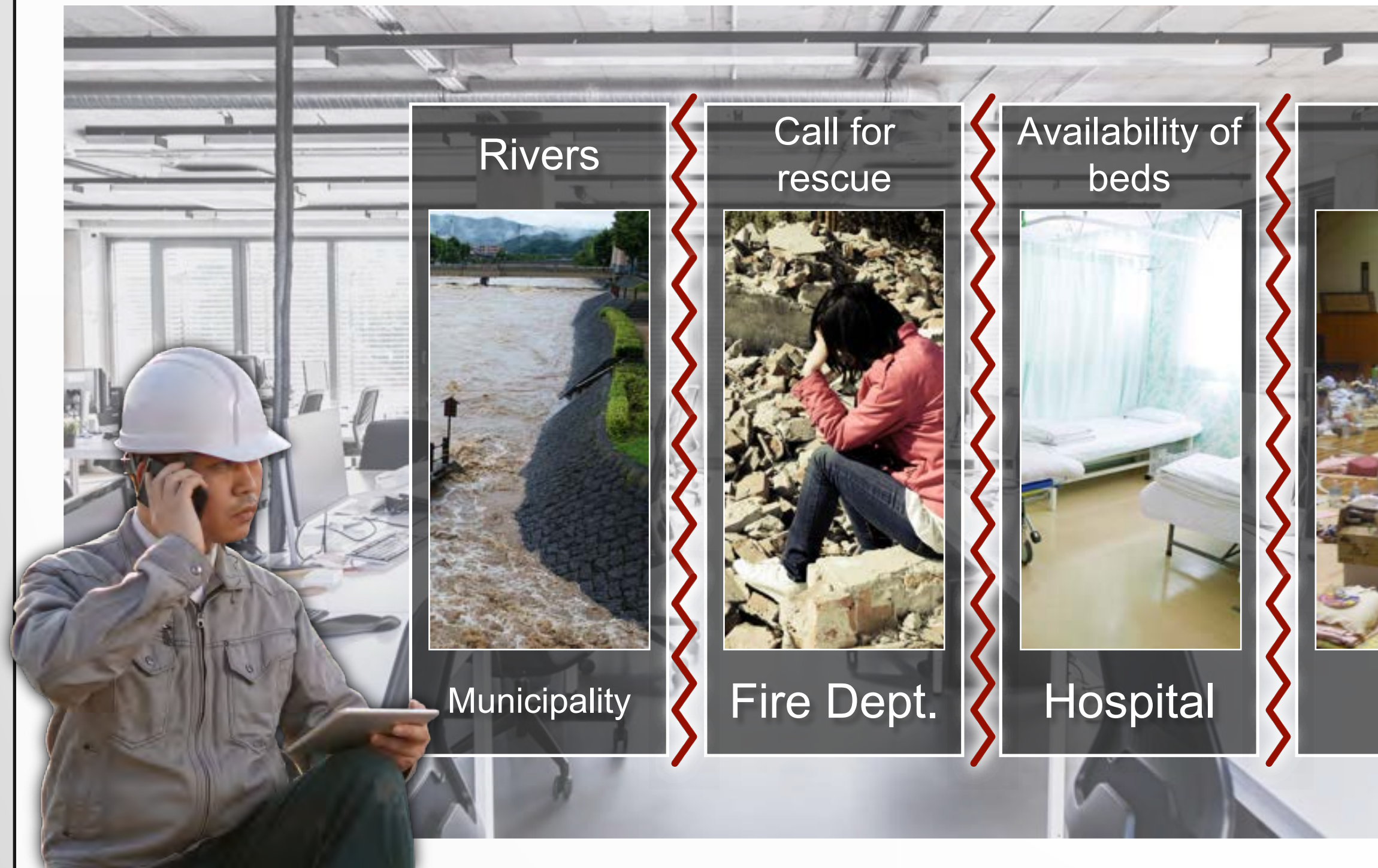
CityOS

Data Linkage Platform

Challenges in Disaster Prevention

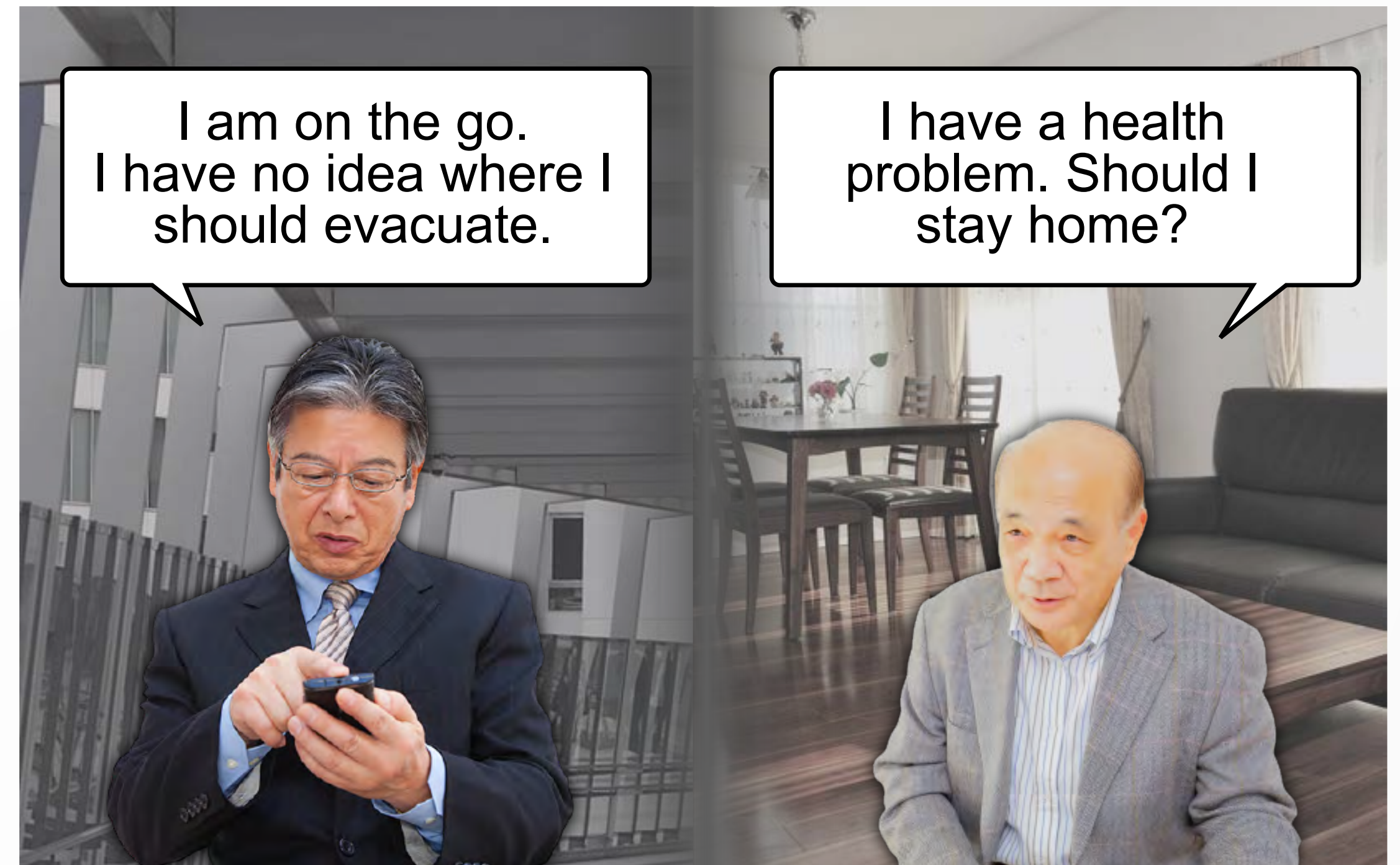
Municipality

Segmented data prevents grasping the situation



Resident

Not having enough information what to do next



- CityOS Use Case - Integrated city information enables more up-to-date disaster prevention measures

Municipality

**Grasp the situation
without delay**

Resident

**Understand
the action to take**

Integrate disaster information in the community

CityOS

Data linkage platform

Public data



Traffic data



Traffic light
data



Building
data



Topographic
data

Private data



Weather
data



People-flow
data



Location
data



Health data



SNS

Sensor data



Camera



Streetlight



Water
level

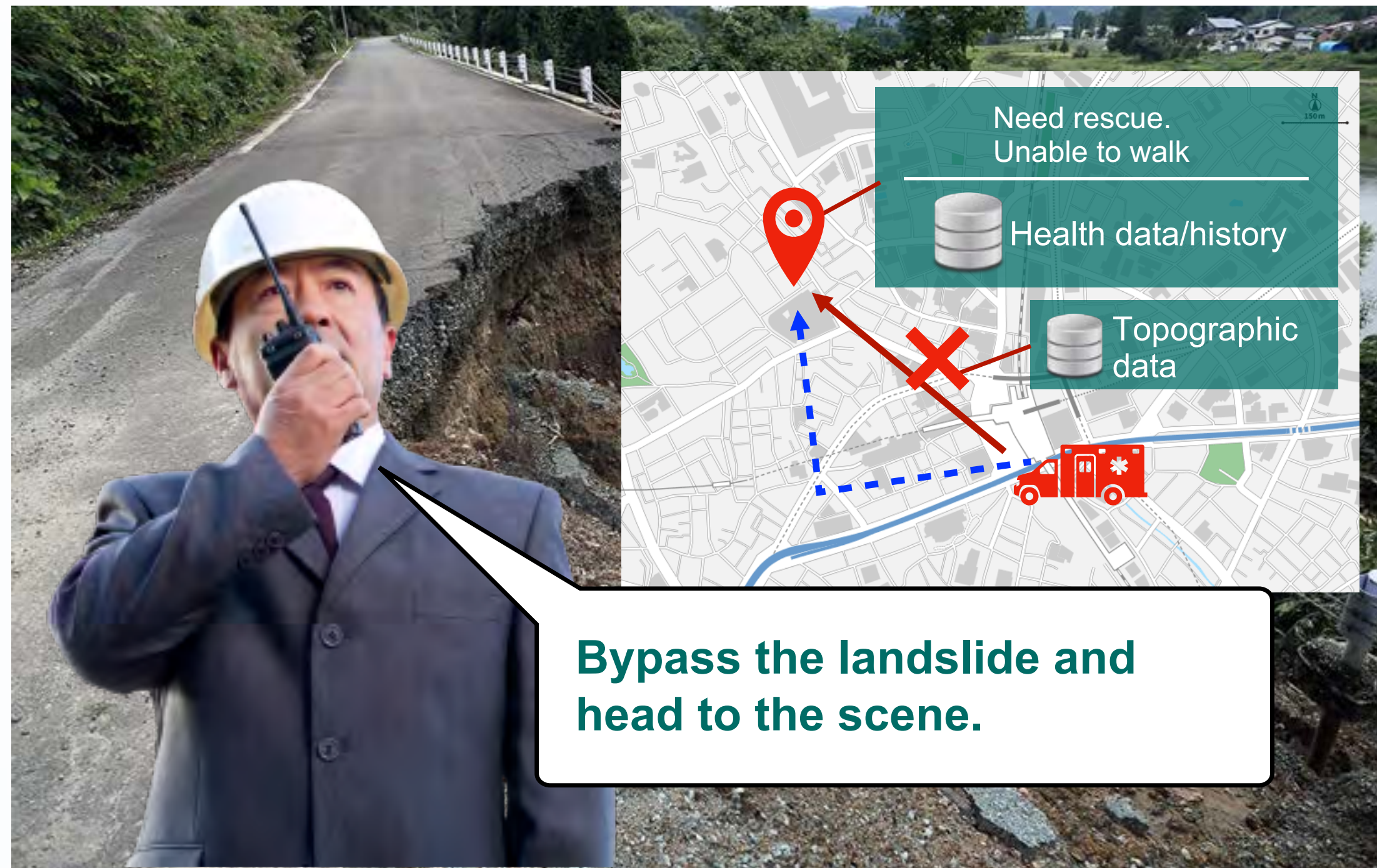
*Personal information will be used after obtaining resident's agreement

CityOS Use Case

Municipality

Grasp the situation in real time

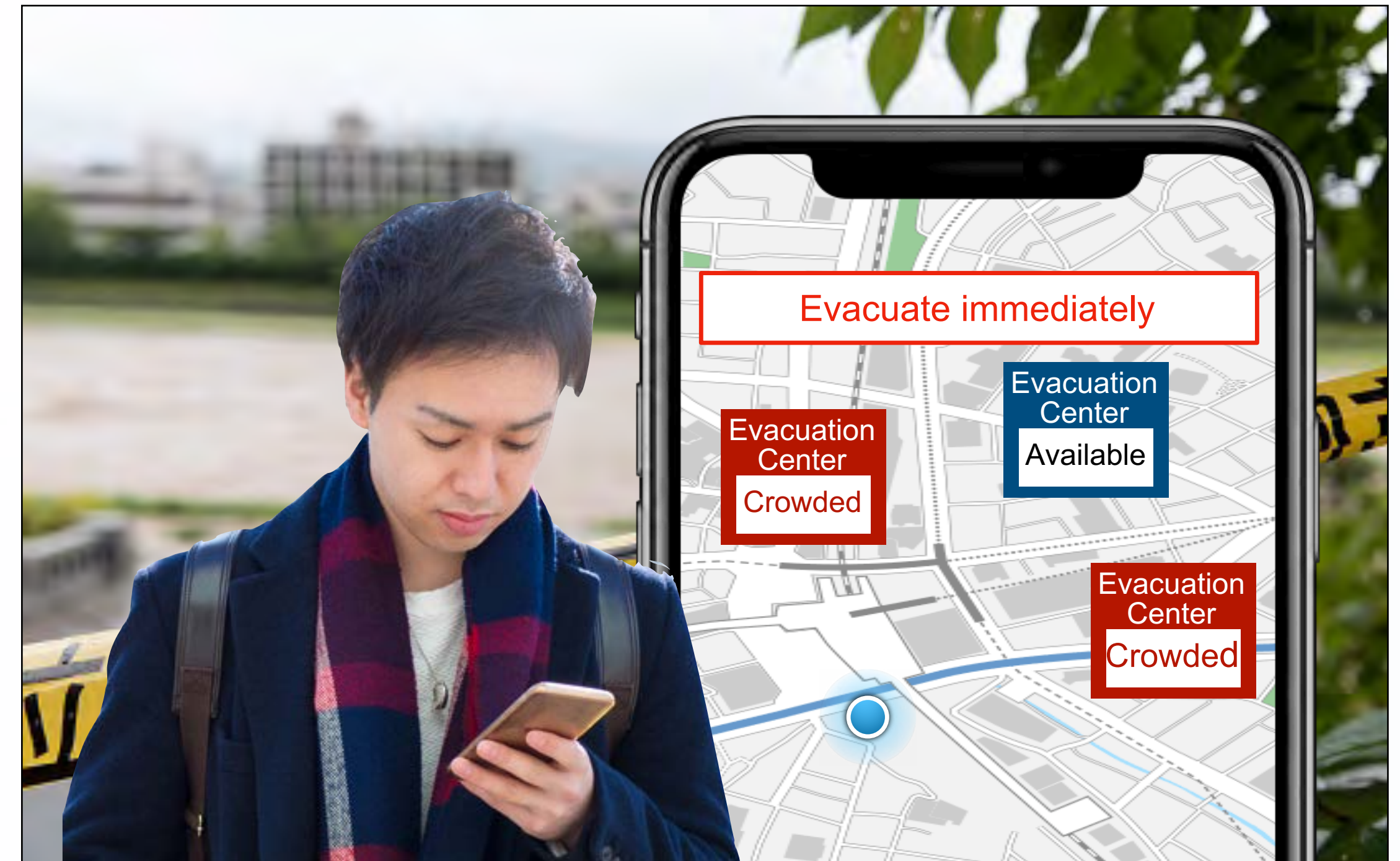
Precise evacuation instruction
/Quick rescue activity



Resident

Advise residents to take actions

Distribution of information optimal
for each user



CityOS Use Cases



**For a safe and secure society
and solving social issues**

“Digital Twin”

- an indispensable technology for social implementation



Research & Development of "Next-Gen AI City Simulator"



Development of
algorithm to guide
people flow

 SoftBank

Technological insight
/know-how



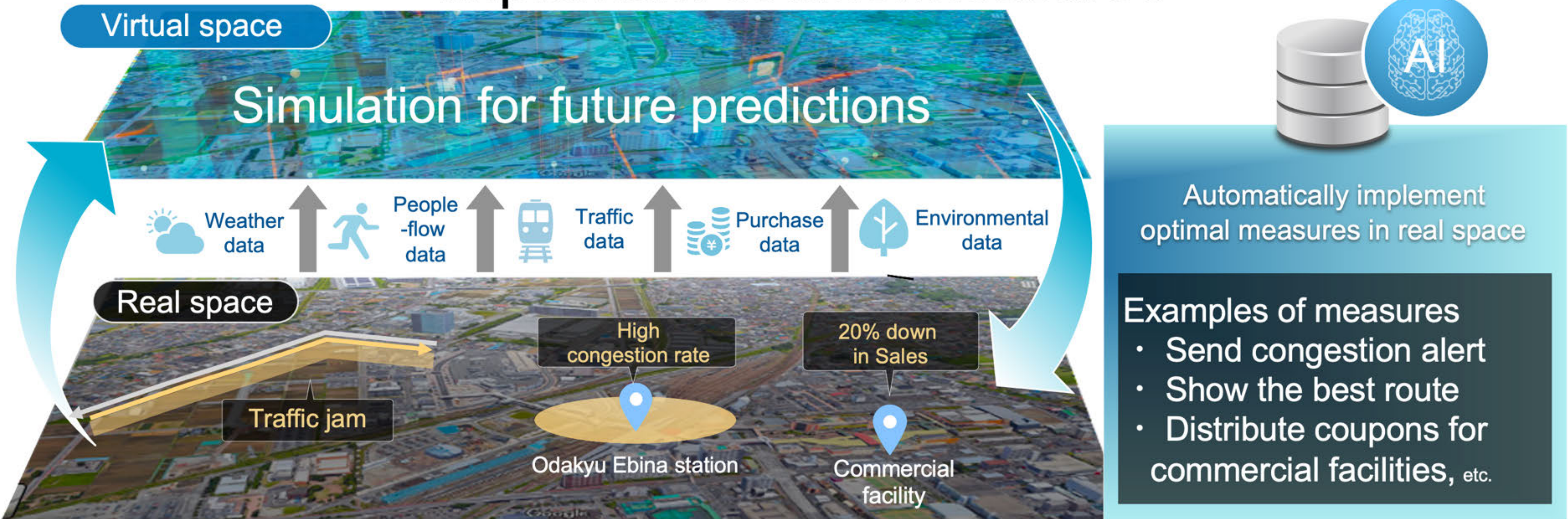
Provision of a field for PoC
(commercial facilities
/stations, etc.)

GRID

Building of an R&D
environment

“Next-Generation AI City Simulator” Scheme

Visualize and Analyze the issues in the city to automatically implement countermeasures



Bring solutions to the city by optimizing people flow

*Only statistic data will be used for R&D

SoftBank

Make Japan a DX-advanced country by utilizing data



New initiatives to promote DX in the society and businesses

Released today

1

Healthcare business

Released May 10

2

Water infrastructure business

Released May 7

3

New advertising business

Released today

4

5G Consortium

Released May 31

5

Executive Briefing Program

SoftBank

Senior Vice President,
Deputy Head Enterprise Business Unit

Kunihiro Fujinaga

New initiatives to promote DX in the society and businesses

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New advertising business



Released today

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5G Consortium



Released May 31

5

Executive Briefing Program



SoftBank



New initiatives to promote DX in the society and businesses

Released today

Market size
JPY5.9 ^{tn*}

1

Healthcare business

2

Water infrastructure business

3

New advertising business

4

5G Consortium

5

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SoftBank

*Calculated by SoftBank based on "Next-Generation Healthcare Industrial Council Materials" (Ministry of Economy, Trade and Industry), "Current Status & Future Vision of Remote Medicine" (Seed Planning, Inc.) and the estimates of the Ministry of Health, Labor and Welfare and Mizuho Bank, Ltd, etc.

Crisis in continuation of medical service

Doctor

Hospitals with doctors who work more than 155 hours overtime per month

71%

Overworked

Government

Medical expense in 2018

JPY16 tn

(National health expenditure: JPY43 tn)

Rising medical cost

Citizen

It takes more than 30 min to see a doctor in a hospital

43.2%

A high hurdle in visiting a hospital

July 2020

Release of healthcare app “HELPO”



Doctors/nurses
/pharmacists answer
questions *

(24 hours/365 days)

Health & medical
consultation by chat



Health mall
Delivery of not only OTC drugs but
also daily goods



Hospital search

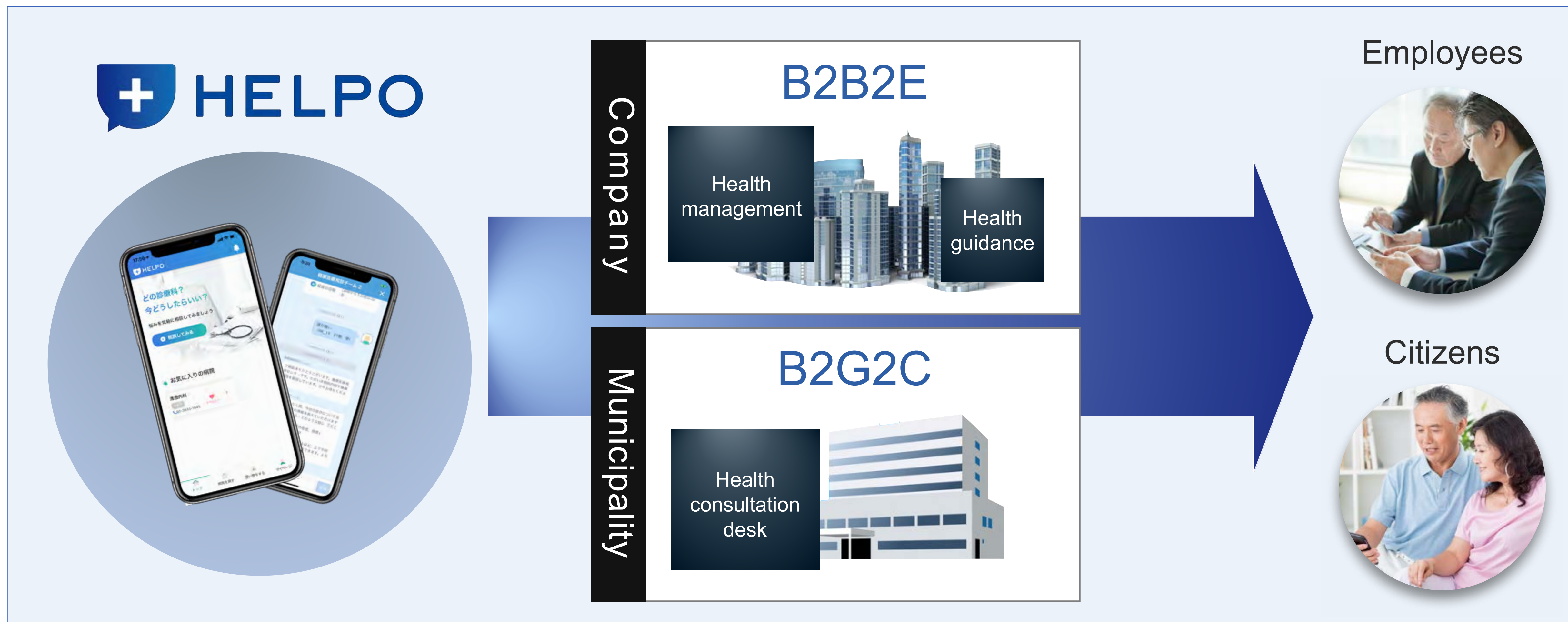


Saliva PCR test



*Health & medical consultation by chat

Healthcare service for companies and municipalities



Saliva PCR test service for businesses, municipalities and individuals made available by HELPO from application to test result

Apply for a test

Application/Test details



Screening test

Test kit will be provided
Collect & send a sample



SB Covid-19 Testing Center

Test result notification

Check test result
After-test follow-up



440K
samples have been
tested

Telemedicine and Medication Guidance Services

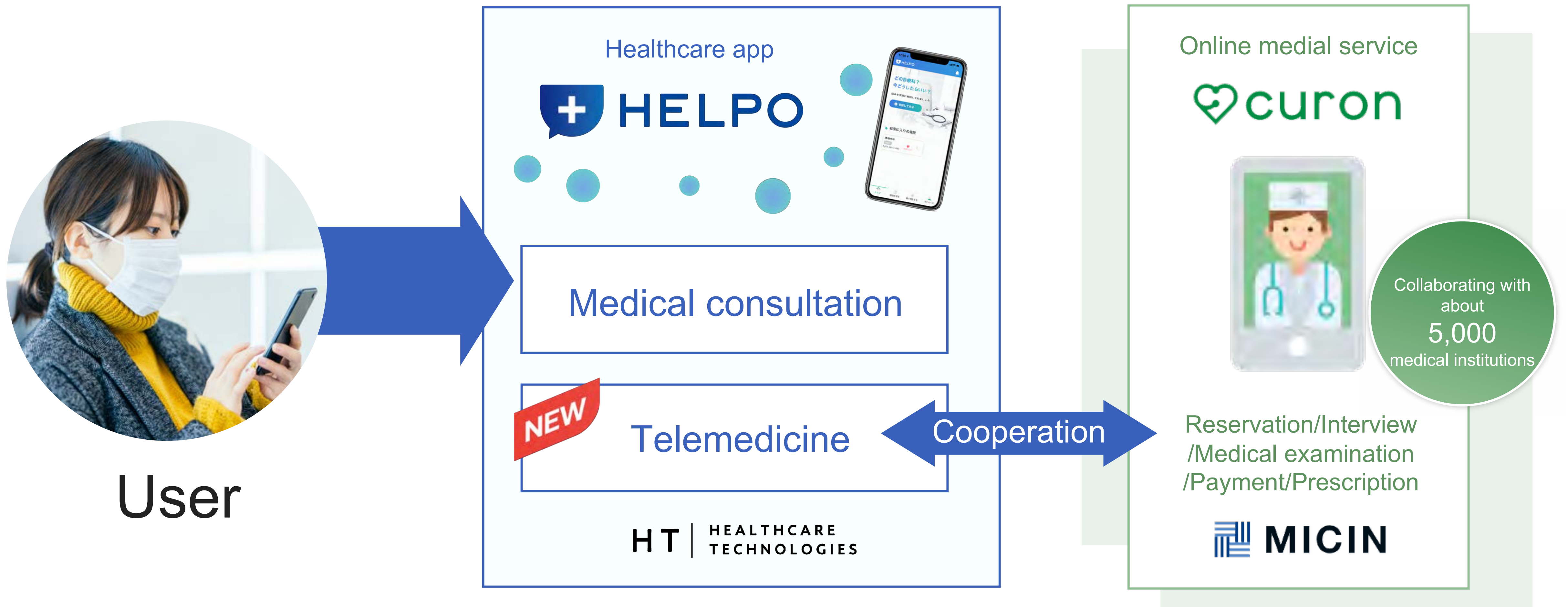
- In addition to health & medical consultation, telemedicine will be made available -
Due to start in June 2021



User

Doctor

Co-creation to expand functions and promote Healthcare DX in Japan



We will continually increase the number of co-creating partners

One-stop service from medical consultation to telemedicine

Medical consultation

Reservation

Hospital search

Telemedicine

Payment/
Prescription delivery



DX to solve challenges of doctors and patients



New initiatives to promote DX in the society and businesses

1

Healthcare business

2

Water infrastructure business

Market size
JPY10tn*

3

New advertising business

4

5G Consortium

5

Executive Briefing Program

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One of the infrastructures indispensable to life

Water & sewerage coverage ratio

98%

World-leading water treatment technology

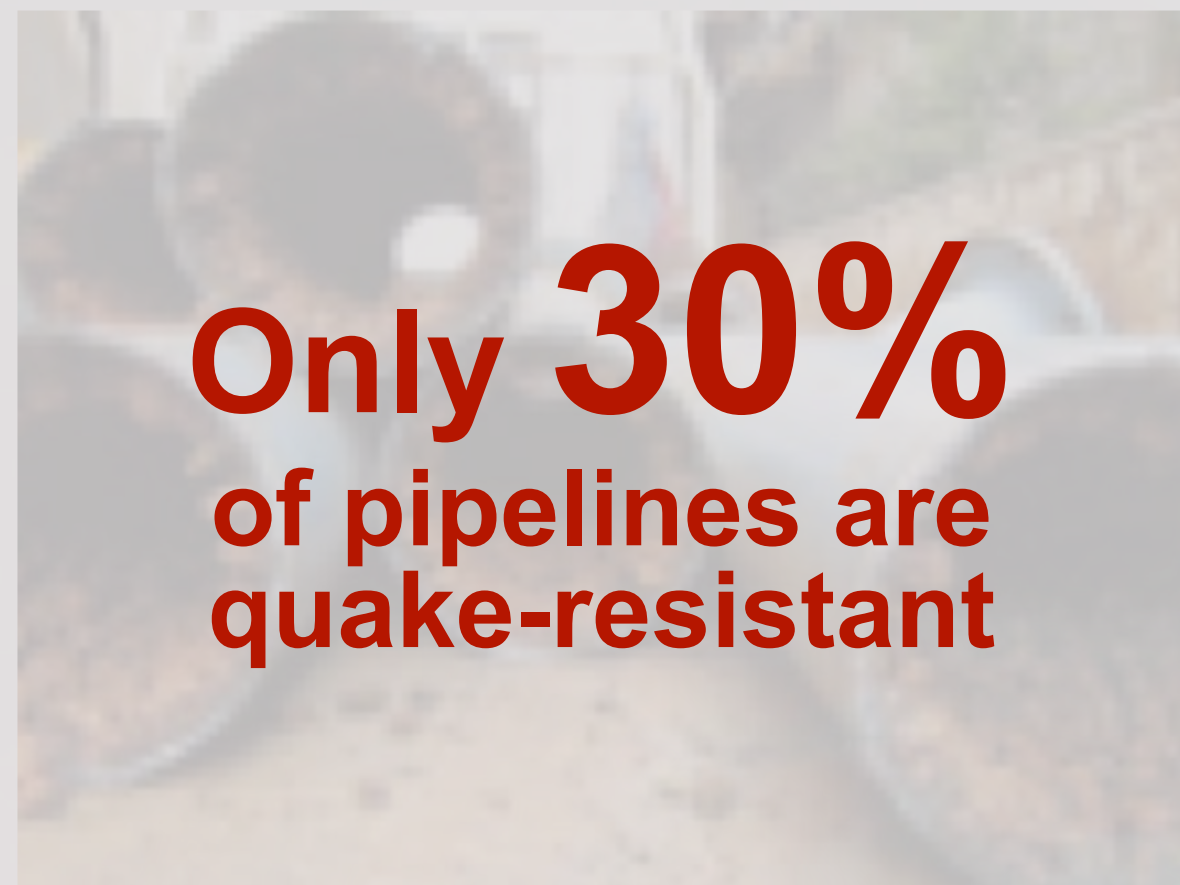
One of the few countries that supplies drinkable tap water



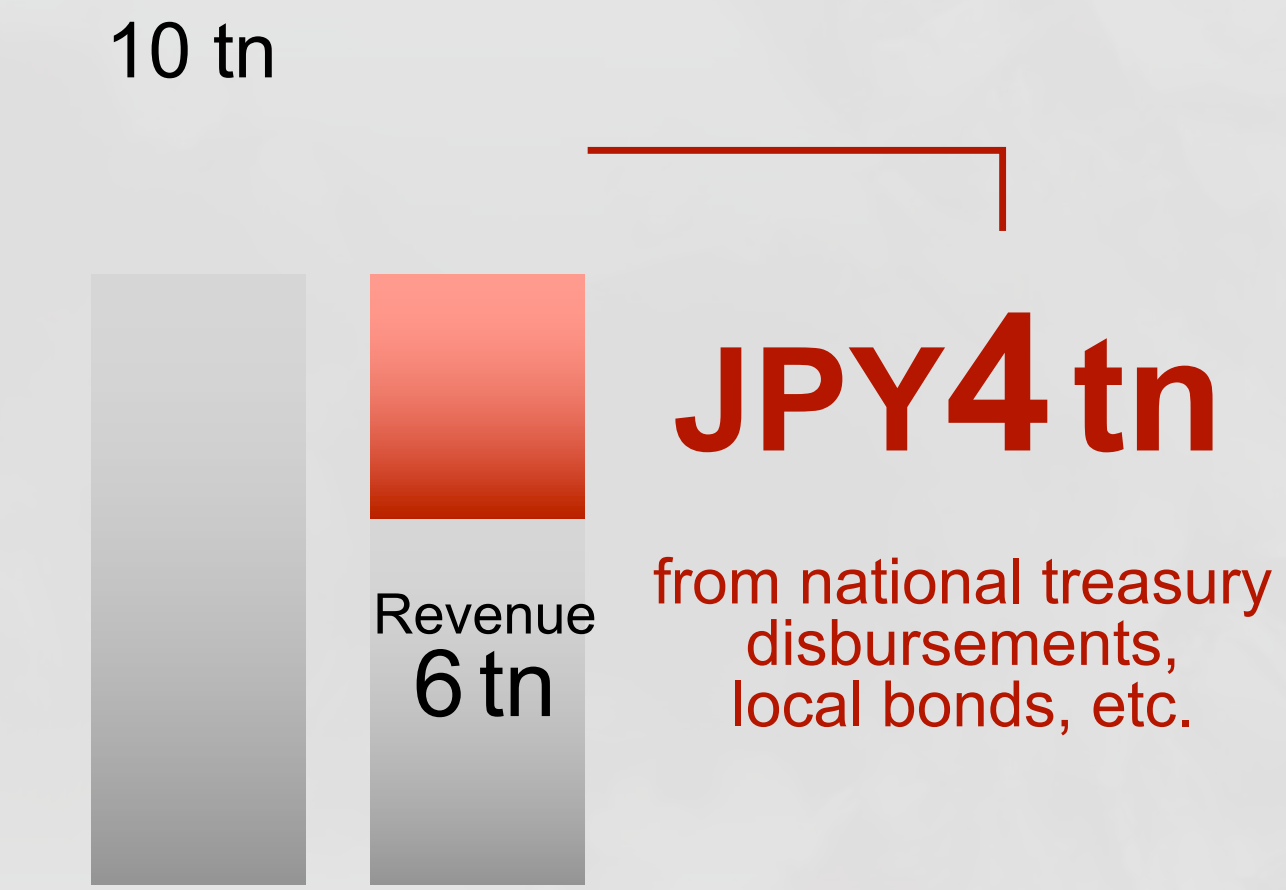
Water

However, the problems are piling up

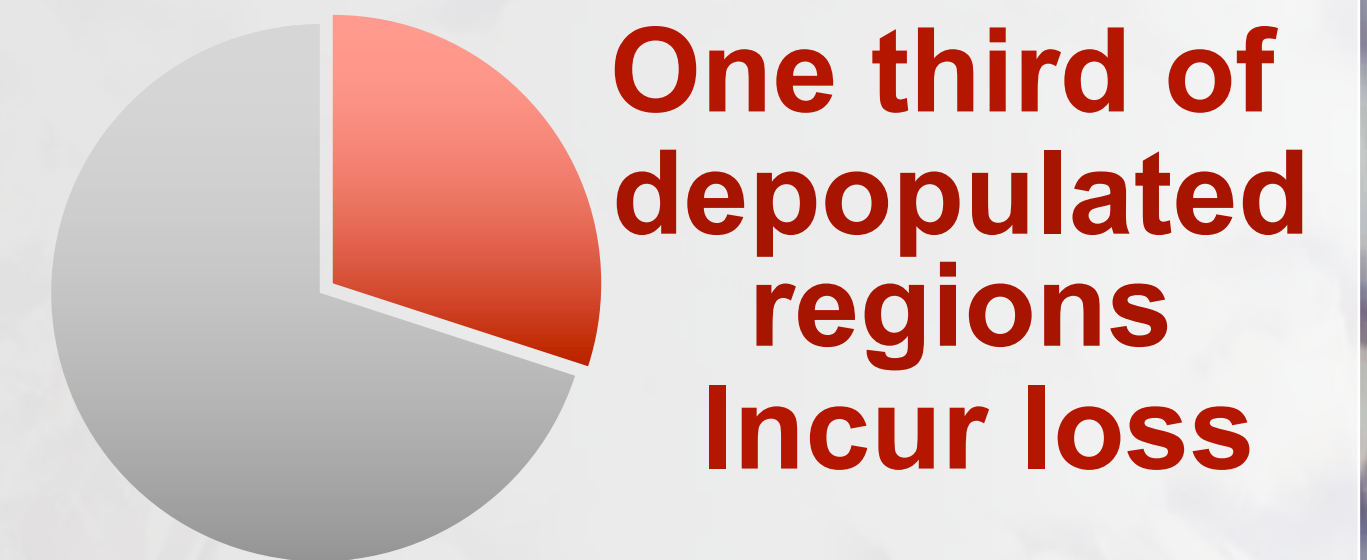
Aging facilities



Maintenance cost



Loss-making operation



Aggravated especially in rural and depopulated areas

The world is facing even more serious problems

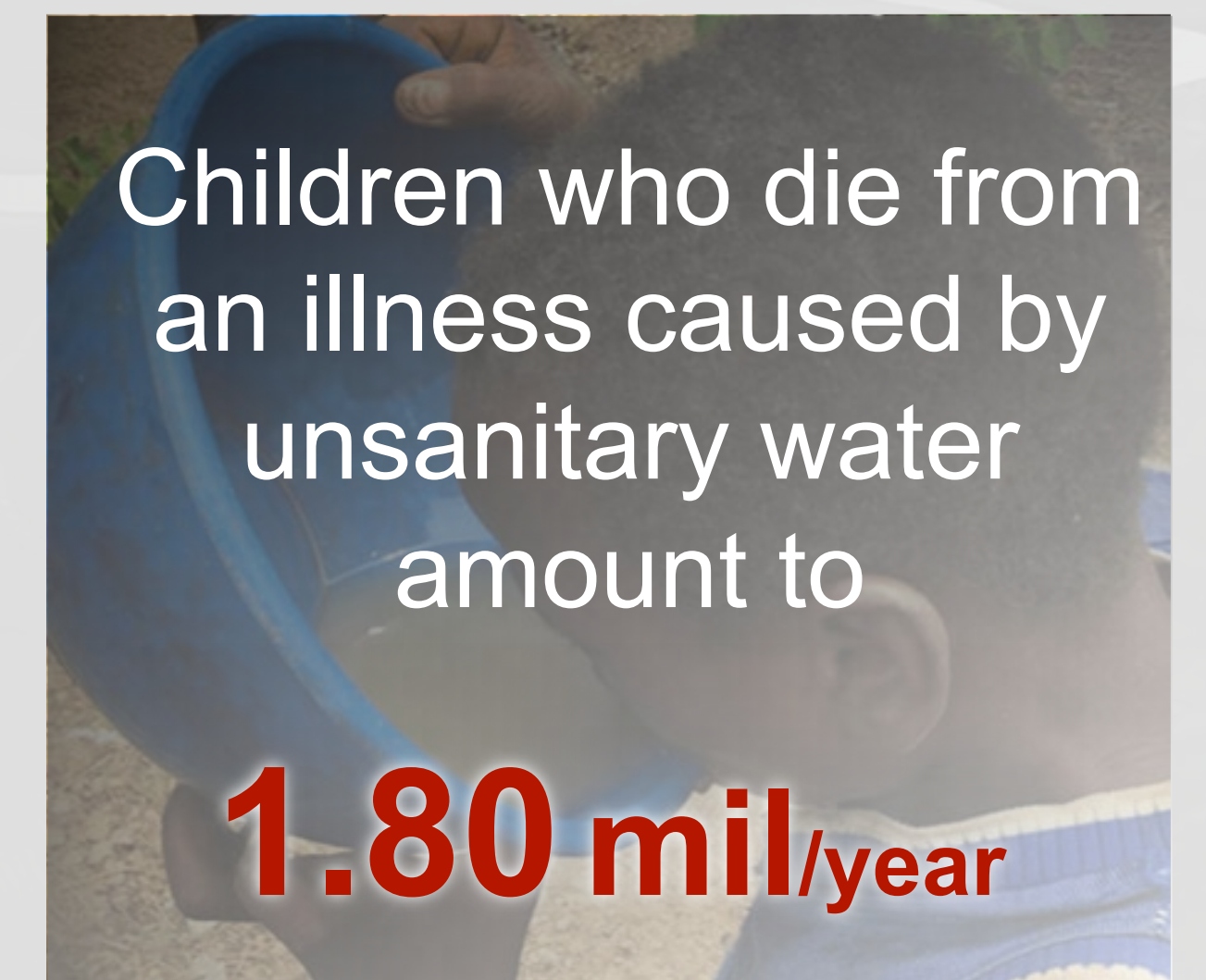
Water shortage



Sanitation problem



Illness



Capital and Business Alliance with WOTA

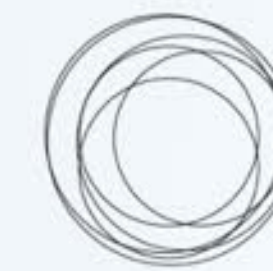
Co-creation with
businesses and municipalities

 **SoftBank**

NW

IoT
(Module)

Developing water recycling
technology



WOTA

AI

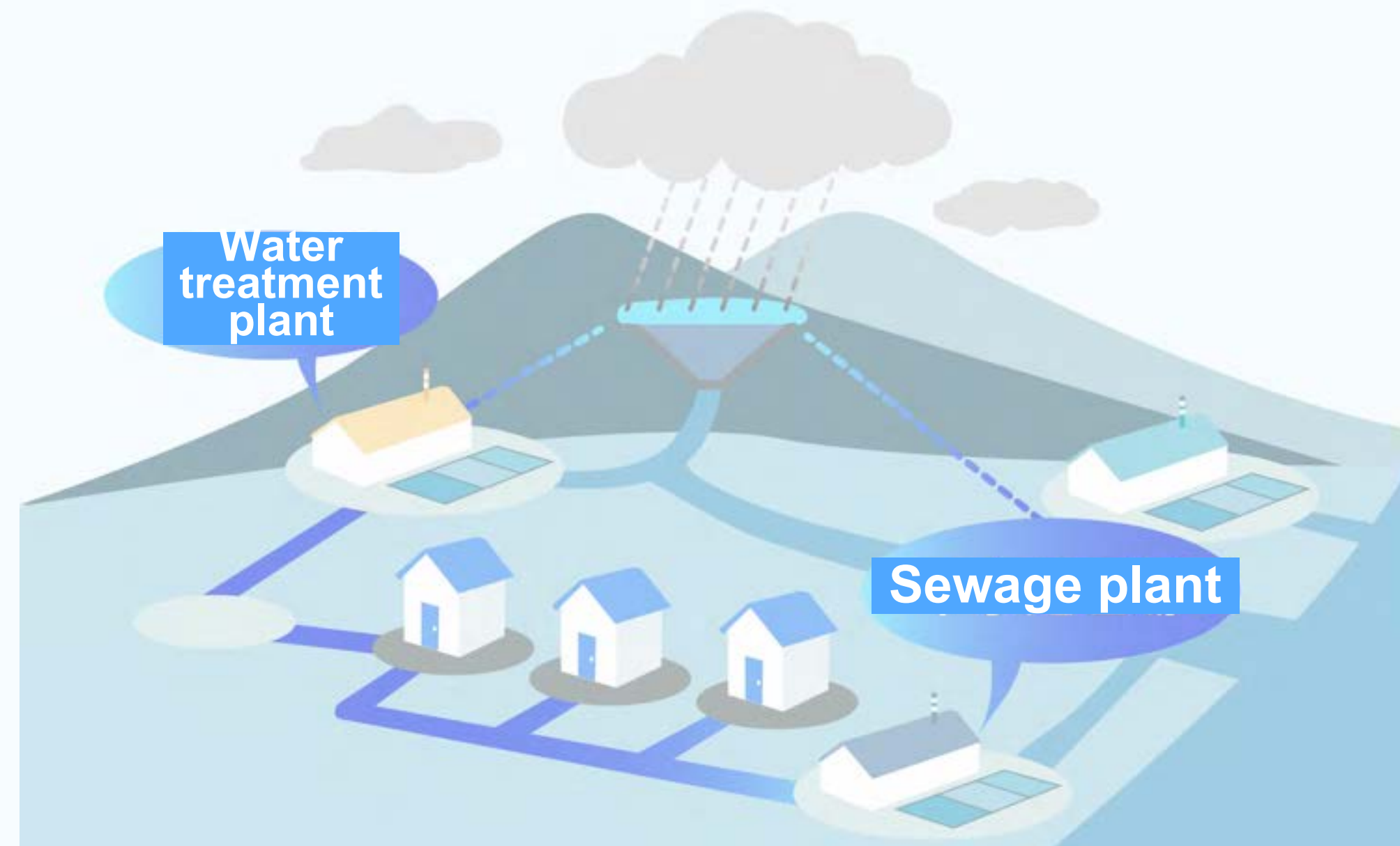
IoT
(Sensor)

Bring solutions to water-related social challenges
by next-gen water infrastructure

A world WOTA pursues (Vision)

Technology driven **next-gen water infrastructure**

Large-scale water circulation system
connected to water pipes in vast area



Small-scale water circulation system
not dependent on water pipes



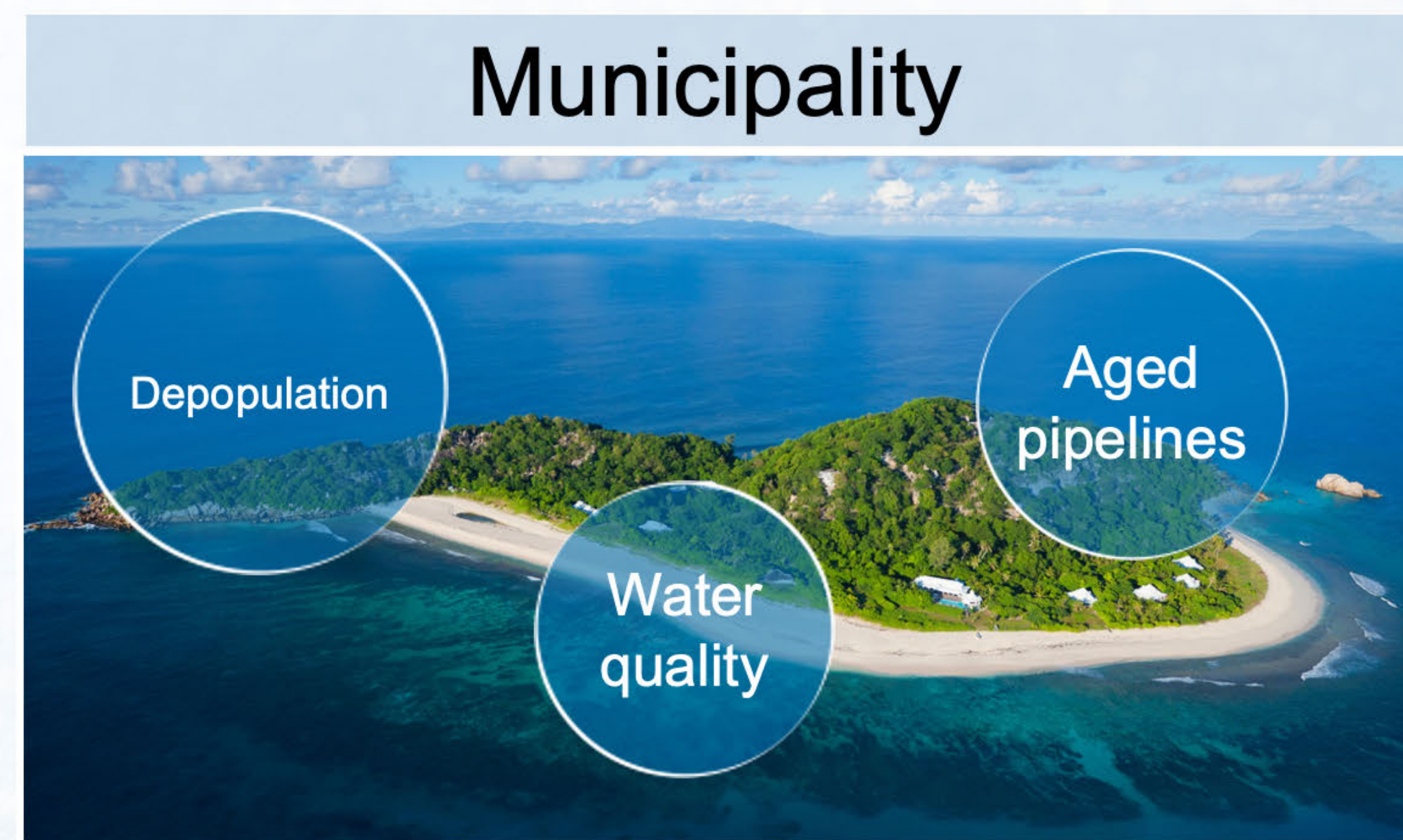
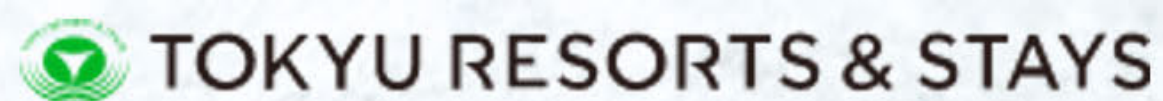
Reduction of maintenance cost in depopulated areas/
Water supply at the time of disaster

Project for Implementation

Co-Creation to create a model case of water infrastructure



Working with Tokyu Land and Tokyu Resorts & Stays to create sustainable infrastructure



Provision of water infrastructure in depopulated areas and remote islands, etc., which are facing problems

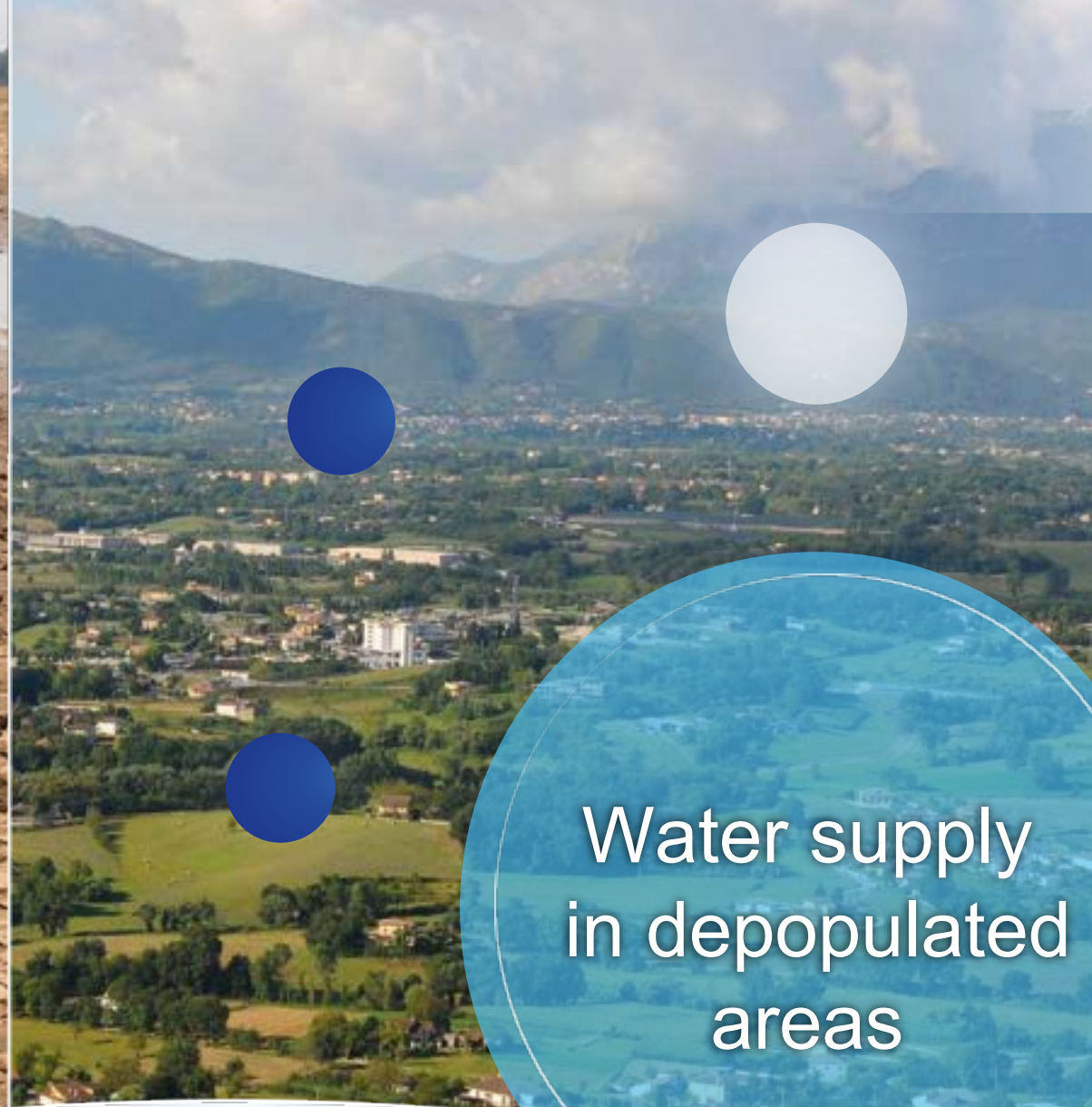
Solving water-related challenges which Japan and the world are facing



Improve public health



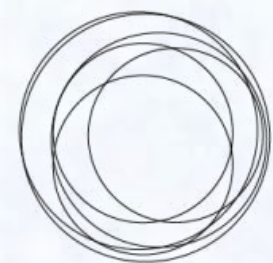
Improve water shortage



Water supply in depopulated areas



Water supply at the time of disaster



WOTA



SoftBank

New initiatives to promote DX in the society and businesses

1

Healthcare business

2

Water infrastructure business

3

New advertising business

Market size
JPY2.6 tn*

4

5G Consortium

5

Executive Briefing Program

SoftBank

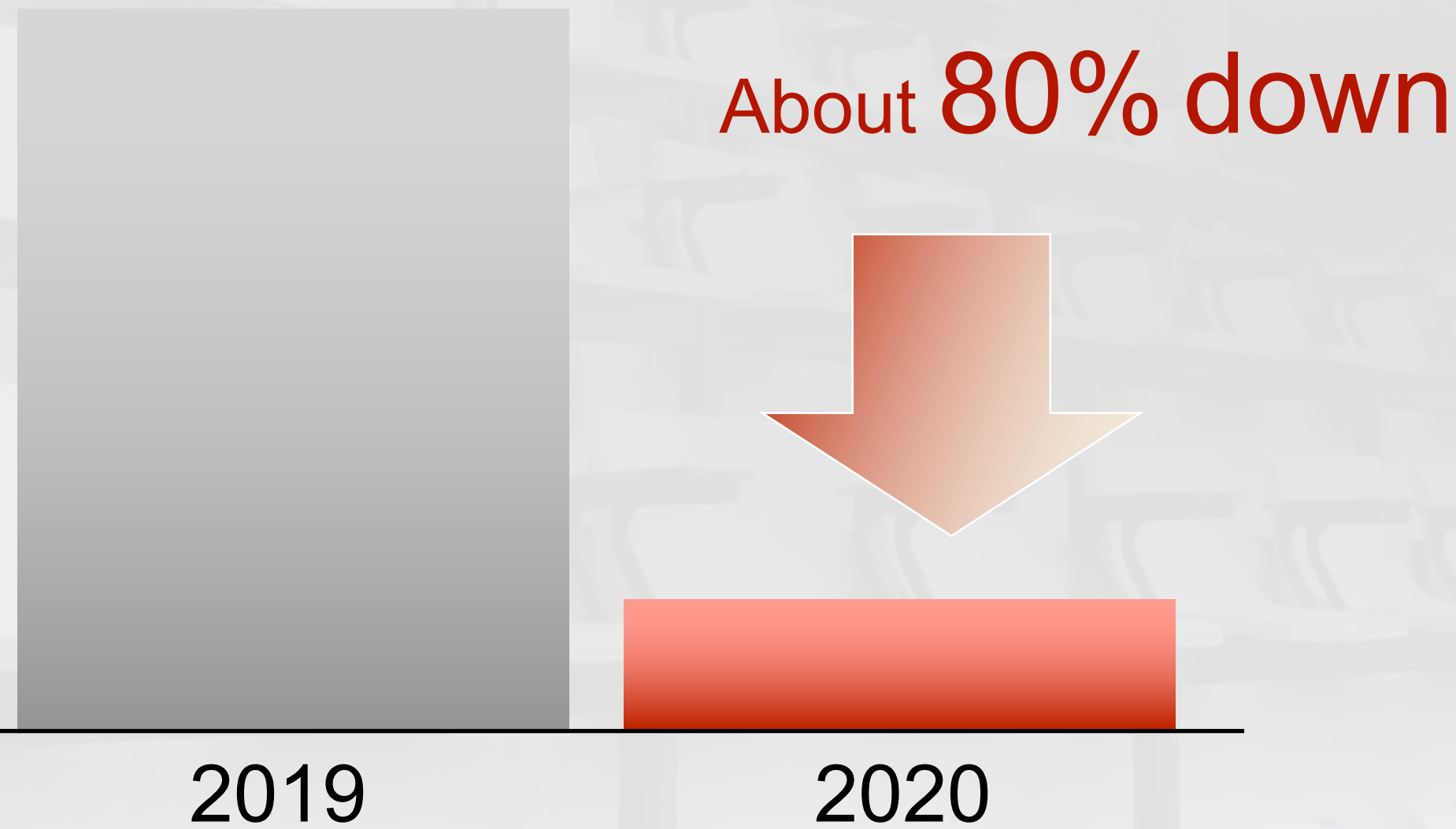
<A challenge facing the sports industry>

Declining audience turnout **reduces advertising opportunities for businesses to be showcased in stadiums**

<Audience turnout>



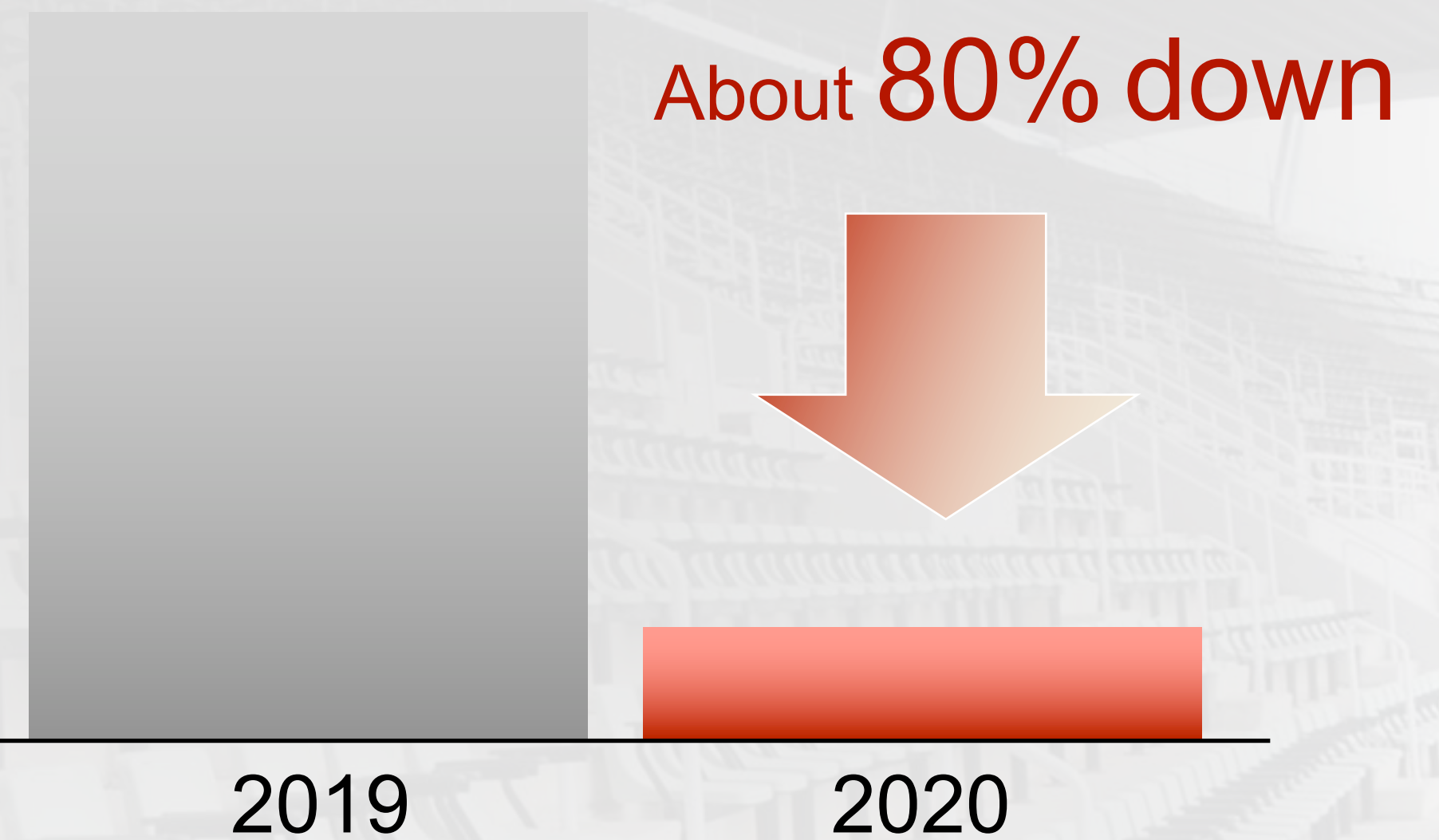
Professional baseball



*Nippon Professional Baseball Organization



J League (J1)

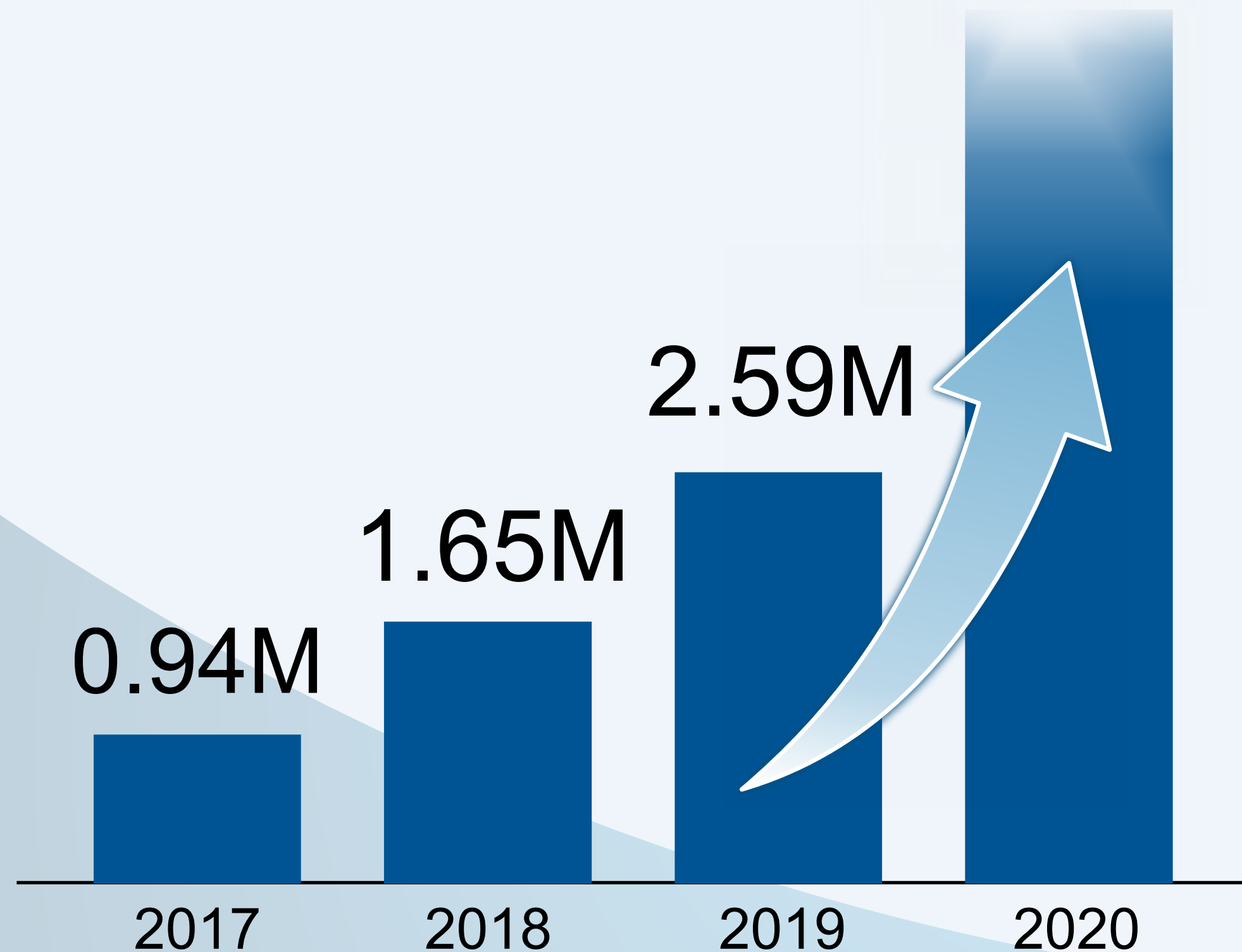


*FOOTBALL CHANNEL

Change in Viewing Medium

More viewers use the Internet to watch live sports

<Changes in the number of sports streaming users>



About **Tripled**
in 3 years



Launch of virtual advertising service

Virtual ad images are inserted to be displayed during live sports broadcasts



<Media for ad placement>



Baseball LIVE



DAZN



Pacific League TV

*Collaborating with Vizrt's "Eclipse Insertion"

Plans for Future 1

Expand to other sports and entertainment events



*Games played at Fukuoka PayPay Dome

Plans for Future 2

Ad placement according to user's interest and attributes



- Living in Kyushu
- Big drinker
- Male
- 40s

- Living in Hokkaido
- Cosmetics lover
- Female
- 20s



*Future service image

A digital globe with a network overlay. The globe is rendered in shades of blue and green, with a grid of glowing lines and nodes connecting various points across its surface. The background is a dark blue space filled with stars and a bright light source on the right side, creating a lens flare effect.

**Furthermore,
we will expand the
marketing and advertising
businesses globally**

- Beyond Japan -



Agreed to capital and business alliance with ADA

One of the largest data and AI marketing companies in Southeast Asia



(To be an equity method affiliate)

About ADA

A subsidiary of major telecommunication group in Southeast Asia



Communication domain

More than **150 mil users** in Asia

Country	Number of users
Malaysia	8.68 mil
Indonesia	57.89 mil
Sri Lanka/Cambodia	23.79 mil
Nepal	15.73 mil
Bangladesh	50.90 mil
Total	157 mil

Digital domain

Expanding business with a focus on **advertising and finance**

Data/AI Marketing

E-wallet

Fintech (small loan)

*Market capitalization: Listed on Kuala Lumpur Stock Exchange, as of March 31, 2021
*The number of users is calculated based on Axiata Group "4Q20 Data Financials" and "Integrated Annual Report 2019" as of Q4 2020 except Cambodia and for Cambodia, as of FY2019

Purpose of Alliance

Global expansion of digital marketing business

Value chain in digital marketing market



Consulting sales/implementation
across domains in 9 Asian countries



SoftBank's digital marketing products

*9 Asian countries: Malaysia, Singapore, Indonesia, Thailand, Philippines, Cambodia, Sri Lanka, Bangladesh and South Korea

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5G Consortium

Released today

5

Executive Briefing Program

SoftBank

<5G deployment schedule>

A full-scale launch of 5G in FY2021

March 2020

March 2021

During FY2021

Spring 2022

During FY2022

Service start



Done

Nationwide deployment
(47 prefectures)

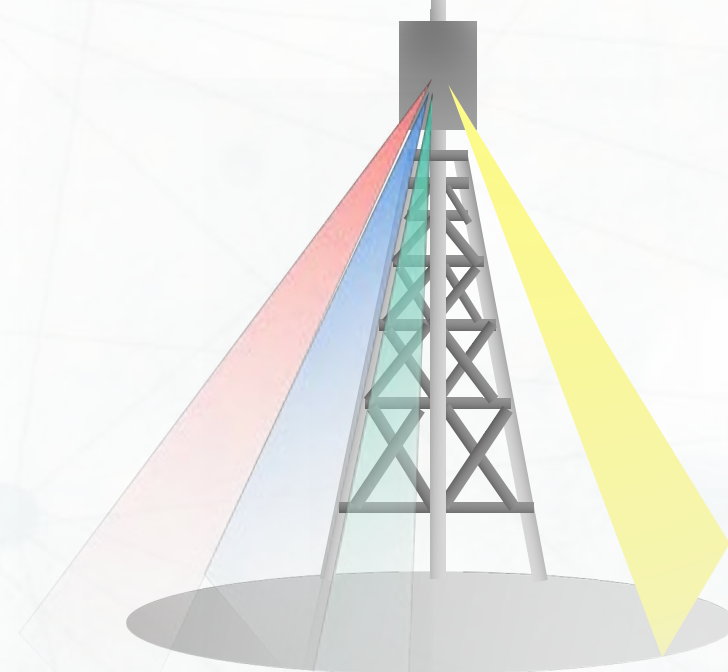


Done

Start
of Standalone

5G core network

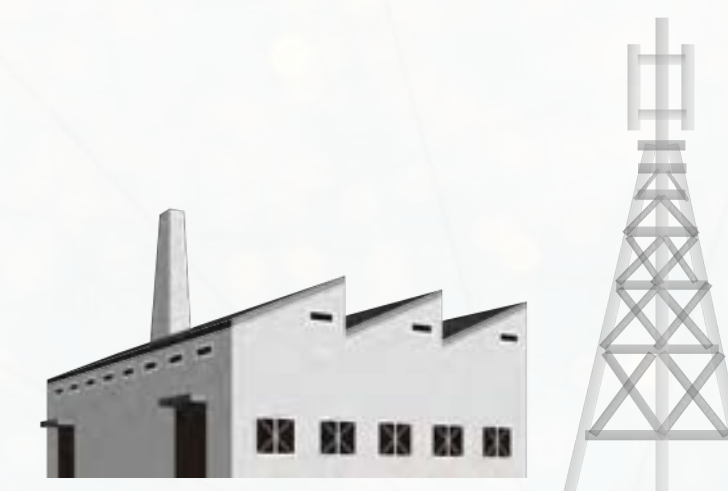
5G base station



Population coverage
90%



Private 5G



Individual 5G network
per company
/municipalities

PoC ① – 5G utilization in construction industry

PoC to demonstrate the remote operation of construction machines for solving skilled worker shortage and workload reduction in construction sites



*LTE network is used in the PoC

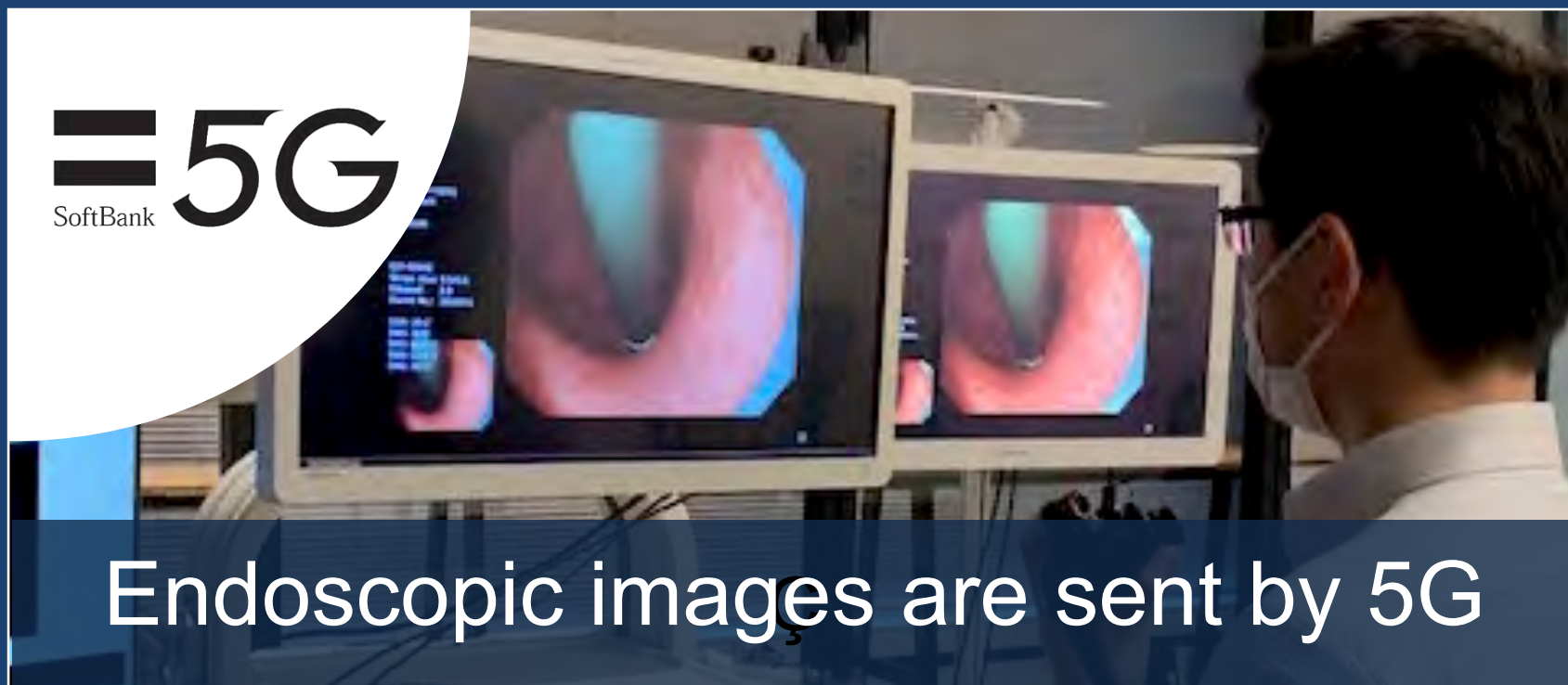
PoC ② - 5G utilization in healthcare sector

Press release on March 26



PoC for future provision of a remote diagnosis support system
**to eliminate regional health disparities and
reduce doctors' workload**

1



• Images sent by 4G look blurry, but images sent by 5G are clear.

• Image quality is high. It will prevent diagnostic oversight.

2



• AI support will reduce workload.

*AI image diagnosis support uses the AI Image Diagnosis Support System of AI Medical Service Inc.
*Implemented as part of the social implementation project of "Innovative AI Hospital System" adopted by Cabinet Office's Cross-ministerial Strategic Innovation Promotion Program (SIP)

Released today

SoftBank 5G Consortium

Start inviting
new members

Establishment of “SoftBank 5G Consortium”

Positioning of 5G Consortium

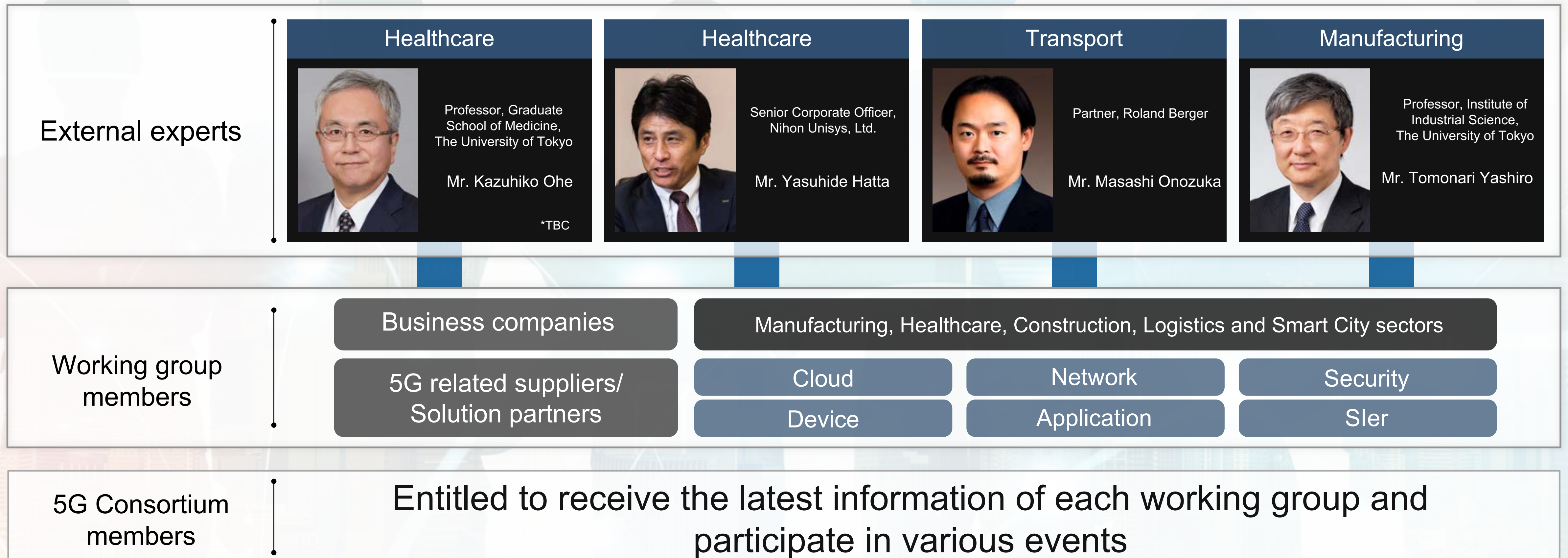
Existing ONE SHIP members + new members



5G Consortium Structure

Focusing on manufacturing, healthcare, construction, logistics and smart city industries

where there are growing needs for labor saving and IT/OT



Opened in October 2020

A place for co-creating 5G business

5G X LAB OSAKA

(Private-public initiative collaborating with
Osaka City & Osaka Business Development Agency)

Visited by about **170**
organizations in 6 months
after opening *



Accelerating co-creation mainly with
local companies in Osaka

5G X LAB
OSAKA

*The number of visitors from October 2020 to March 2021 (currently closed due to the state of emergency)

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Executive Briefing Program

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Executive Briefing Program

- Promote technological experience and DX -

Executive Briefing Center

Demo
area

Meeting room

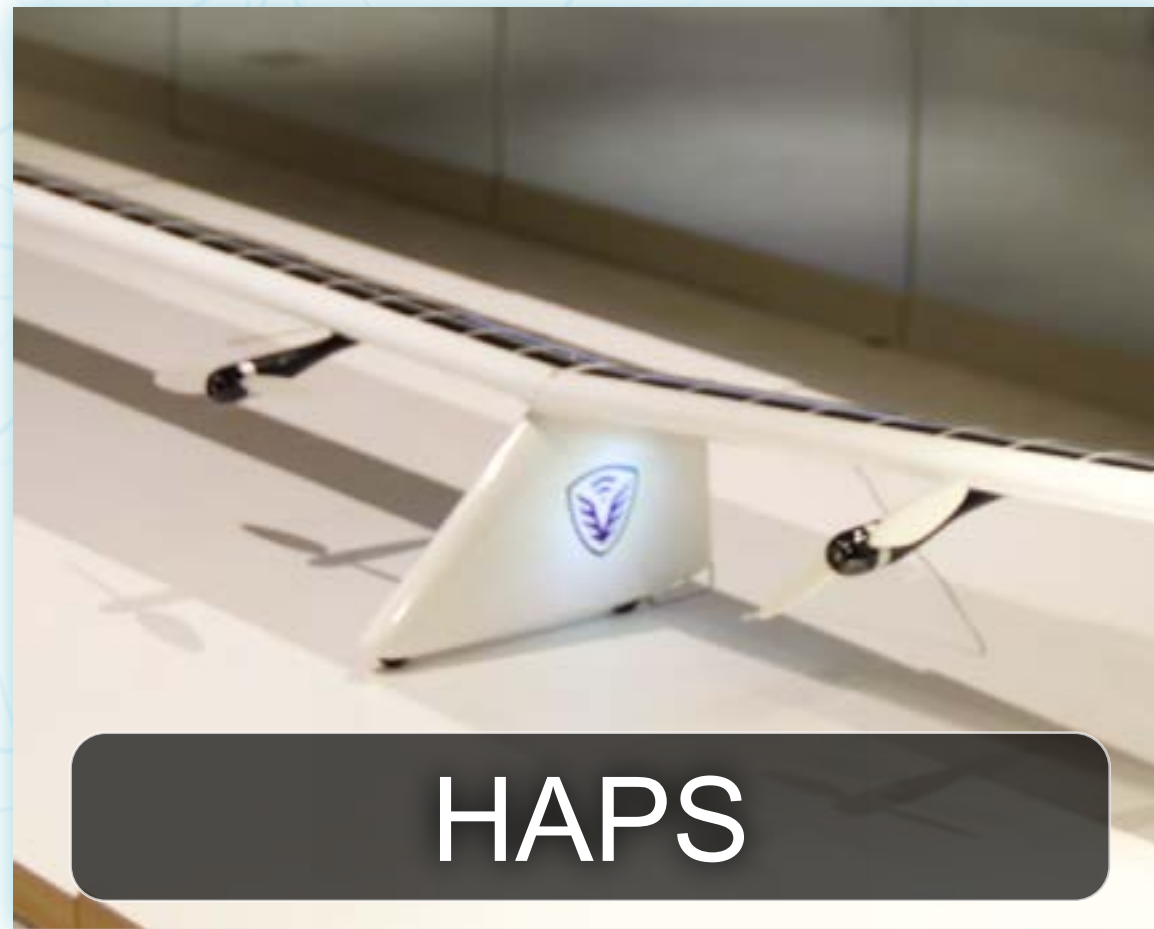
Display of
solutions

Huge video
equipment

Executive Briefing Center Open today
(New Takeshiba HO 18F)

Displayed contents

More than 50 contents are always displayed



HAPS



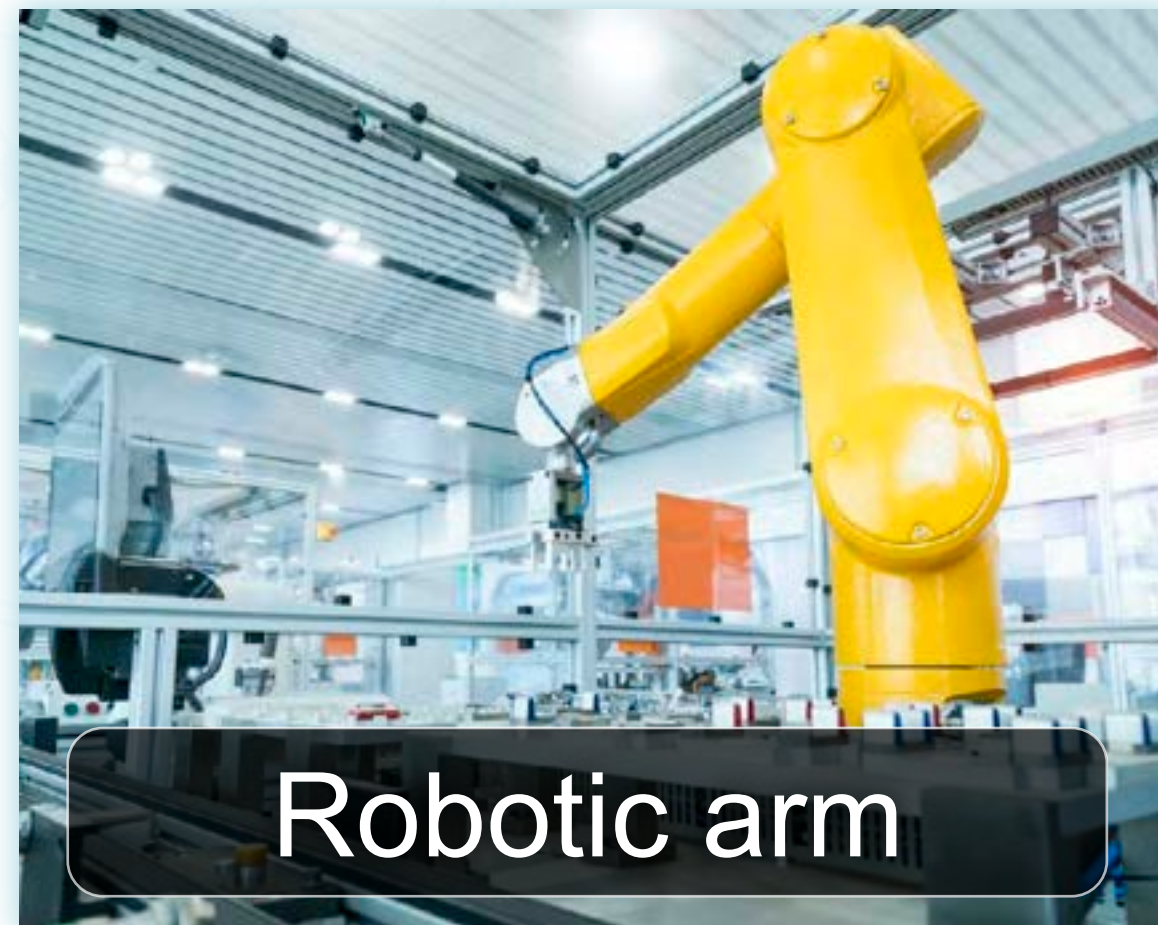
Digital Twin



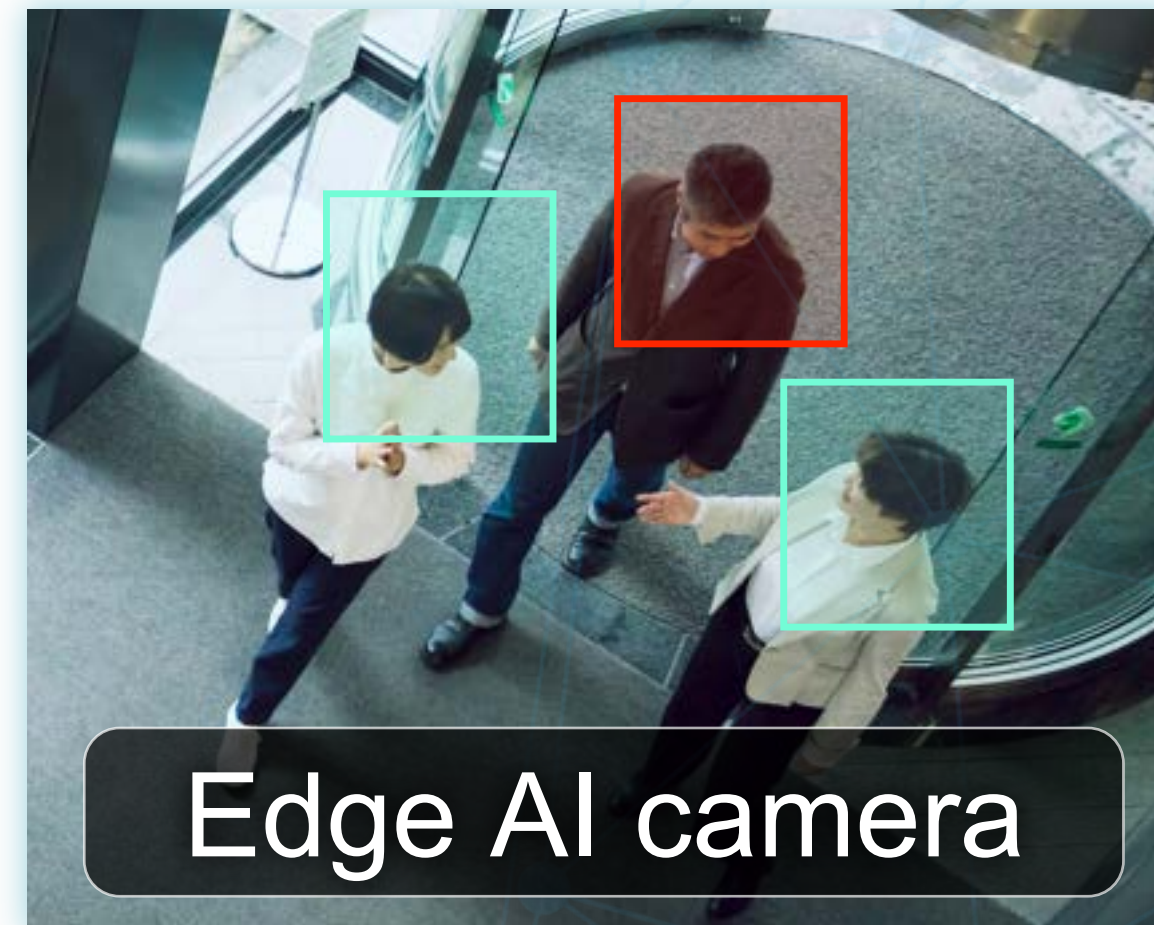
Delivery robot



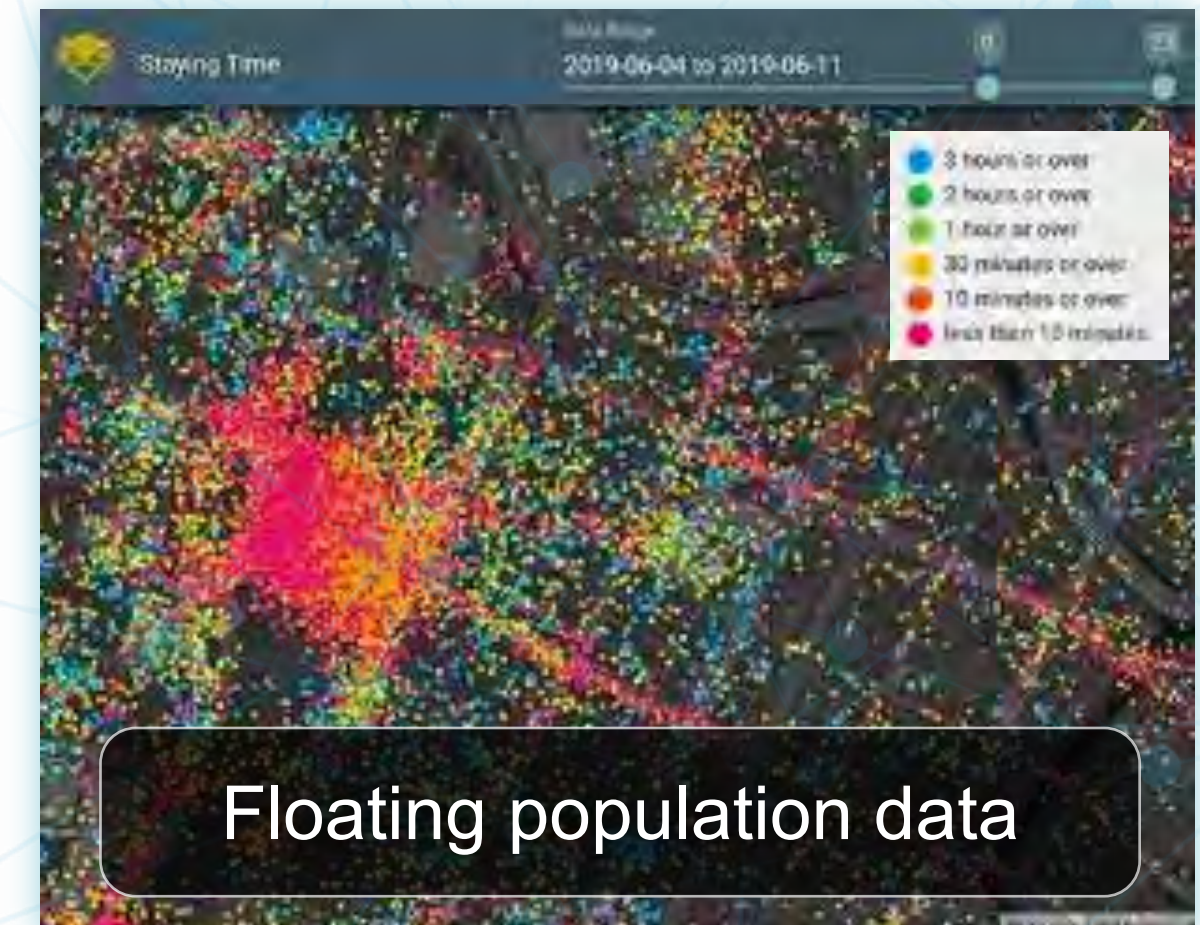
5G visual inspection



Robotic arm



Edge AI camera



Floating population data

*The images are only for illustration purpose

- Executive Briefing Program - Accelerate DX with customers while drawing a roadmap to the future together



Understanding
customers'
challenges



Technological
experience



Sharing
use cases



Discussion

DX with Data Utilization



DX for Businesses



DX for Societies

Contents Released Today

“A society Enterprise Business pursues”

- Make Japan a DX advanced country

“Enterprise Business Strategy”

- Promoting business DX in 4 areas
- Promoting social and industrial DX based on CityOS

“New Initiatives”

- Launch of HELPO online medical service
- Launch of water infrastructure business with WOTA
- Start of virtual advertising
- Establishment of 5G Consortium
- Start of Executive Briefing Program

SoftBank
for Biz