Disclosure Based on TNFD Recommendations

Corporate activities receive the benefits of ecosystem services provided by biodiversity and natural capital, while simultaneously impacting the environment in some way.

The Company recognizes the importance of biodiversity conservation and supports the international community's goal of achieving “Nature Positive.” We have set reducing the impact of our corporate activities on ecosystems as our material issues and are promoting initiatives related to the conservation of biodiversity and natural capital.

Recognizing that the stable provision of telecommunication services is the responsibility of a business operator, we have constructed and are operating approximately 300,000 base stations nationwide to provide telecommunication services. On the other hand, we recognize that Japan has a wide range of habitats and environment with diverse organisms, and that there are important areas for biodiversity conservation that are the basis of ecosystem services. Based on this recognition, we conduct risk assessments regarding the impact of our operations on biodiversity. Both globally and domestically, we prioritize avoiding land development, such as base station construction, in areas of significant biodiversity. If such development is unavoidable, we take utmost care in considering the impacts on ecosystems and make efforts to minimize and restore significant impacts on important ecosystems. TNFD* establishes a framework for appropriately assessing and disclosing risks and opportunities related to natural capital and biodiversity. As a company adopting the TNFD's disclosure recommendations published in September 2023, we registered early as a TNFD Adopter in December 2023. In this disclosure, we report on our situation based on the following disclosure framework set forth in the TNFD's disclosure recommendations.

*TNFD: Taskforce on Nature-related Financial Disclosures

General requirements		
1.The application of materiality	2.The scope of disclosures	3.The location of nature-relatedissues
4.Integration with other sustainability-related disclosures	5.The time horizons considered	6.Stakeholder Engagement

	Category	Recommended disclosure
Governance	The organisation's governance of nature-related dependencies, impacts, risks and opportunities	a. The board's oversight of nature-related dependencies, impacts, risks and opportunities
		b. Management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities
		c. The organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples,Local Communities, affected and other stakeholders, in the organisation's assessment of,and response to, nature-related dependencies, impacts, risks and opportunities
Strategy	The effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material	a. The nature-related dependencies, impacts,risks and opportunities the organisation has identified over the short, medium and long term
		b. The effect nature-related dependencies,impacts, risks and opportunities have had on the organisation's business model, value chain,strategy and financial planning,as well as any transition plans or analysis in place
		c. The resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios
		d. The locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations
Risk& impact management	The processes used by the organisation to identify,assess,prioritise and monitor nature-related dependencies, impacts, risks and opportunities	a(1). The organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations
		a(2). The organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts,risks and opportunities in its upstream and downstream value chain(s)
		b. The organisation's processes for managing nature-related dependencies,impacts, risks and opportunities
		c. How processes for identifying, assessing,prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes
Metrics & targets	The metrics and targets used to assess and manage material nature-related dependencies,	a. The metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process
		b. The metrics used by the organisation to assess and manage dependencies and impacts on nature

	Category	Recommended disclosure
Governance	The organisation's governance of nature-related dependencies, impacts, risks and opportunities	a. The board's oversight of nature-related dependencies, impacts, risks and opportunities
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	impacts, risks and opportunities	c. The targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these

General requirements

1.The application of materiality;

Guided by the corporate philosophy “Information Revolution — Happiness for everyone,” SoftBank Corp. has contributed to society by providing innovative businesses and services. Today, as a good corporate citizen, SoftBank Corp. regards contributing to the creation of a sustainable world as one of its most essential management issues. Guided by the concept of “a world where all things, information and minds are connected,” SoftBank Corp. has identified six material issues with which it must engage in order to advance the development of a sustainable world. The standards we apply in identifying these material issues include not only their importance to SoftBank Corp., but how closely they relate to international guidelines and the concerns of stakeholders. By taking on these challenges as we pursue our “Beyond Carrier” strategy, we aim to enhance our corporate value and contribute to the realization of a sustainable world.

2.The scope of disclosures

Regarding our consumer,　enterprise, distribution, media e-commerce, and financial businesses, we comprehensively evaluated the business scale, dependencies, and impacts, including the upstream and down stream value chains, to determine priorities. As a result, we focus on forest (land) use in our core telecommunications business in Japan.

3.The location of nature-related issues

We conducted a proximity survey of our telecommunications equipment used in our core telecommunications business in Japan to identify areas near critical biodiversity zones. Using the LEAP approach as a reference, we prioritized regions that require attention. We will focus on the status of mobile phone base stations installed nationwide and decentralized data centers, which are central to the Next-generation Social Infrastructure initiative.
* The LEAP approach：An integrated assessment process for evaluating nature-related risks and opportunities as indicated by the TNFD

4. Integration with other sustainability-related disclosures

To aim for the development of a sustainable society, an action plan integrating biodiversity conservation, climate change measures, and resource circulation is necessary. The Company has identified six key material issues to work towards the development of a sustainable society and positioned responding to the global environment as one of the important themes. In addition to contributing to biodiversity conservation, we have set KPIs and are monitoring progress in climate change measures and the promotion of a circular society.

▸Climate Change

Our Company supports the Paris Agreement, an international climate change goal, and in April 2020, we expressed our support for the TCFD recommendations*. We are committed to achieving our greenhouse gas reduction targets and actively disclosing information. In May 2021, we declared 'Carbon Neutral 2030,' aiming to achieve net-zero Scope 1 and 2 emissions by 2030. Furthermore, in August 2022, we announced 'Net-Zero' target, aiming to achieve net-zero supply chain emissions, including Scope 3, by 2050. In May 2024, we obtained SBT Net Zero certification. Climate change and biodiversity are interrelated issues, and we disclose information about our financial impacts and initiatives related to climate change based on the TCFD recommendations.

*TCFD: Task Force on Climate-related Financial Disclosures is an international initiative established by the Financial Stability Board (FSB) in 2015 to encourage companies to disclose information on the financial implications of the risks and opportunities that climate change presents to their businesses.

(Reference)Climate Change > Support for the TCFD recommendations

https://www.softbank.jp/en/corp/sustainability/esg/environment/climate-change/#sec-01

▸Promotion of a circular society

In our business activities, we contribute to reducing environmental impact and realizing a circular society by promoting the effective use of resources.

Mobile telephone handsets, batteries, and chargers, etc. contain rare metals (palladium, cobalt, Tantalum, etc.), gold, silver, copper, and many other precious resources.

As a member of the Mobile Recycle Network (MRN), an organization which engages in mobile telephone recycling activities, we promote the collection of used mobile telephone handsets, battery packs, chargers, and other items regardless of the mobile telephone carrier or manufacturer.

We have set and monitor KPIs for our materiality, including the number of used mobile phones reused/recycled, the recycling rate of dismantled base station communication equipment, and the recycling rate of industrial waste.

(Reference)Promotion of a Recycling-oriented Society
https://www.softbank.jp/en/corp/sustainability/esg/environment/resource-circulating/

5.The time horizons considered

We define the time frames for risk occurrence as follows: The short term is defined as within a few years, the medium term as approximately 3 to 5 years (equivalent to the duration of our Medium-term Management Plan), and the long term as approximately 10 to 30 years.

6.Stakeholder Engagement

In order to advance our business through engagement with a diverse range of stakeholders and achieve sustainable growth, we believe it is essential to cultivate strong relationships with all stakeholders and collectively create value for society.

In addition to this disclosure, we strive for proactive information disclosure to various stakeholders through our ESG Data Book, Sustainability Report, company website, securities reports, and integrated reports regarding nature-related information. Our approach to stakeholder engagement is detailed below. We also engage regularly with experts and hold ESG briefing sessions for investors. In FY2024, we held a session in March.

(Reference)Stakeholder Engagement
https://www.softbank.jp/en/corp/sustainability/esg/social/stakeholders/

1. Governance

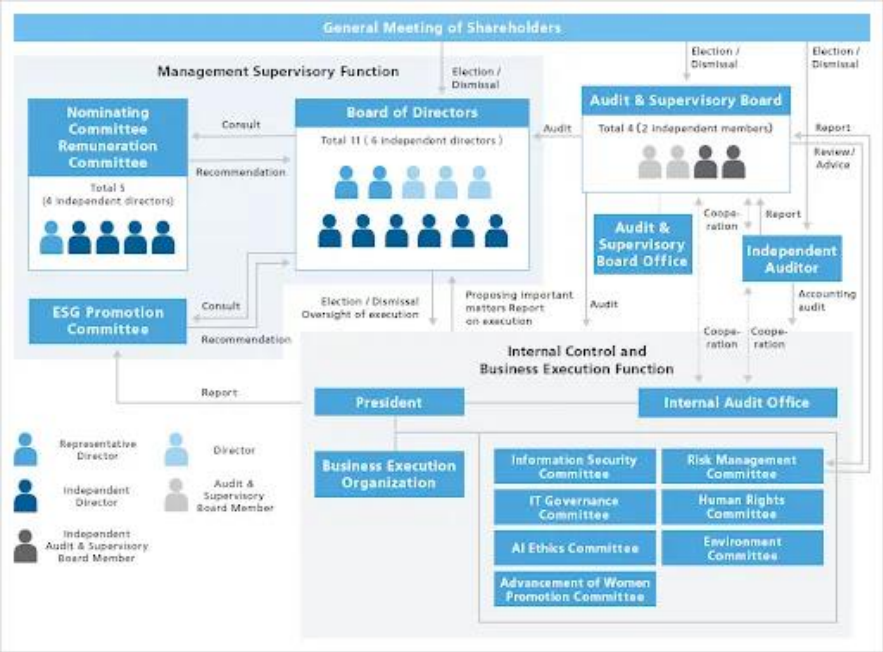
a. Supervisory structure by the Board of Directors

The ESG Committee has been established as an advisory body to the Board of Directors to promote measures related to this materiality. The President and CEO serves as the Chairman and Chief ESG Officer, and holds ultimate responsibility for the overall sustainability activities under the supervision of the Board of Directors. The ESG Promotion Committee, chaired by the President and comprising directors and members designated by the Chairman, convenes four times a year.

b Role of management

At the ESG Promotion Committee meeting held in April 2024, we discussed our business operations' dependence on and impact on biodiversity, setting initiatives to promote biodiversity and natural capital conservation as materiality KPIs. These were reported to the Board of Directors.

Furthermore, to manage risks and promote initiatives internally, we have established the Environment Committee under the oversight of the ESG Promotion Officer. The committee is chaired by the General Manager of the CSR Division and consists of environmental managers from each of our business units and major Group companies. It focuses on implementing specific measures towards achieving Nature-Positive outcomes.
Among the matters discussed and reviewed by the committee, those considered significant are reported to the ESG Promotion Committee.



(Reference)Promotion structure
https://www.softbank.jp/en/corp/sustainability/policy/#sec-02

C. Organization's Human Rights Policy for Stakeholders

▸Human Rights Initiatives

Under the concept of the “SoftBank Human Rights Policy” approved by the Board of Directors, SoftBank's human rights promotion activities are centered on the “Human Rights Committee,” which is chaired by the President and Representative Director, and whose members include executives responsible for Consumer Business, Corporate Business, Technology Unit, Finance, and Corporate Affairs, and the general managers of the Human Resources Division, General Affairs Division, Legal and Risk Management Division, and

CSR Division.

Since FY2020, the “Human Rights Committee” has held annual meeting to promote our human rights activities through daily operations such as managing human rights due diligence, investigating and addressing potential human rights violations and enhancing internal awareness of human rights through the planning and implementation of human rights-related training programs.
Matters deliberated by the “Human Rights Committee” are discussed and reported at the Board of Directors meetings.
In accordance with the United Nations Guiding Principles on Business and Human Rights, we have established a human rights due diligence process to clarify, evaluate, and identify human rights issues that are at risk of negative impacts due to our business activities.
For potential risks, we are taking appropriate measures to mitigate them. For actual human rights impacts, we are working to resolve the issues by removing the negative impacts and taking appropriate remedial measures for the victims, if necessary.

(Reference) SoftBank's Human Rights Policies
https://www.softbank.jp/en/corp/aboutus/governance/human-rights/

Specific initiatives are described below.

▸Responsible sourcing of minerals
Mobile phones and other wireless devices, including their batteries and chargers, etc. contain rare metals (palladium, cobalt, etc.), gold, silver, copper, and many other precious resources. The Company collects unwanted mobile phones for free and promotes reuse and recycling. By advancing recycling efforts, we can prevent environmental destruction such as deforestation caused by mining and avoid conflicts over mining rights. The Democratic Republic of the Congo, located in central Africa, is one of the countries rich in rare metals. However, conflicts over these resources continue. We are working with suppliers to avoid using conflict minerals, which fund human rights-violating rebel forces, in our products. Our Supplier Code of Conduct stipulates that conflict minerals (tantalum, tin, tungsten, and gold) that fund human rights-violating rebel forces in the Democratic Republic of the Congo and surrounding countries must not be used. We also require our suppliers to comply with this stipulation.

In fiscal 2020, we conducted a survey of primary suppliers on the country of origin of conflict minerals contained in their products using the Conflict Minerals Reporting Template (CMRT*1).

*CMRT (Conflict Minerals Reporting Template): A survey format for reporting conflict minerals provided by the Responsible Mining Initiative (RMI), which has established international guidelines on conflict minerals

(Reference) Responsible sourcing of minerals
https://www.softbank.jp/en/corp/aboutus/governance/supply-chain/#sec-05

▸Stakeholder engagement during construction of telecommunications facilities
The Company’s main service is domestic telecommunications, operating approximately 300,000 base stations nationwide. We believe that communication networks are an essential lifeline for society. It is the responsibility of telecommunications operators to build the latest high-quality networks and provide stable and reliable communication services.
On the other hand, we recognize the risk that new base station construction and associated land development may impact ecologically important areas. It is crucial to proceed with necessary procedures during construction and ensure sufficient understanding and cooperation from relevant government agencies, local residents, and the community.

Given the expected surge in power demand for data centers due to the proliferation of generative AI (artificial intelligence), the Company is advancing a Next-generation Social Infrastructure initiative that will distribute green data centers across Japan, with consideration for climate change measures and biodiversity. Scheduled to open in FY2026, the Hokkaido Tomakomai AI Data Center will be developed as the core "Brain DataCenter" for our Next-generation Social Infrastructure initiative. With a site area of 700,000 square meters, it will be one of the largest of its kind in Japan.

Prior to the commencement of construction, on February 22, 2024, we signed a comprehensive partnership agreement with Hokkaido to promote the revitalization of local industries through the use of the data center. Additionally, we will work on environmental conservation in collaboration with the local community, such as participating in the Hokkaido Tree Planting Festival held in Tomato and Nagomi-no-Mori, where the construction is planned

2.Strategy

a. Nature-related dependencies/impacts, risks and opportunities

We engage in business activities across a wide range of segments including telecommunications, DX solutions, distribution, media e-commerce, and finance. In analyzing biodiversity-related risks and opportunities, we conducted scoping to prioritize evaluations within targeted business areas. This scoping process was conducted based on business scale and general assessments using ENCORE*.

*ENCORE: The dependency and impact analysis online tool featured in TNFD, developed jointly by the Natural Capital Finance Alliance (NCFA) and the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC)

▸Tie business segments to ENCORE sub-industries

We classified each business segment—consumer, enterprise, distribution, media EC, and finance— for evaluation using ENCORE, linking them with ENCORE sub-industries.

▸Organize dependencies and impacts considering the scale of operations of each business

Based on the evaluation results of ENCORE, we identified the telecommunications business as needing prioritized detailed analysis due to its high dependency and impact, organized through sorting dependencies and impacts using the revenue ratios of each business. （table1）

▸Organize and compare the level of dependence and impact of each project

We visualized the evaluation results regarding how each business depends on and impacts ecosystem services and natural capital using a heatmap.We recognized that high priority telecommunication businesses depend on the protection of telecommunication facilities such as base stations from weather disasters due to the disaster prevention function of forests, and that the construction of telecommunication facilities is likely to have an impact on terrestrial ecosystems.（table2,3）

▸Identify risks and opportunities

We examined company-wide operations and selected business risks related to the natural environment and identified businesses with high dependence on and impact on biodiversity. （table4）

The anticipated impacts, risks, risk mitigation strategies, and opportunities will be detailed in b. Impact on financial planning.

（table1）Dependence/impact considering the scale of operations of each business

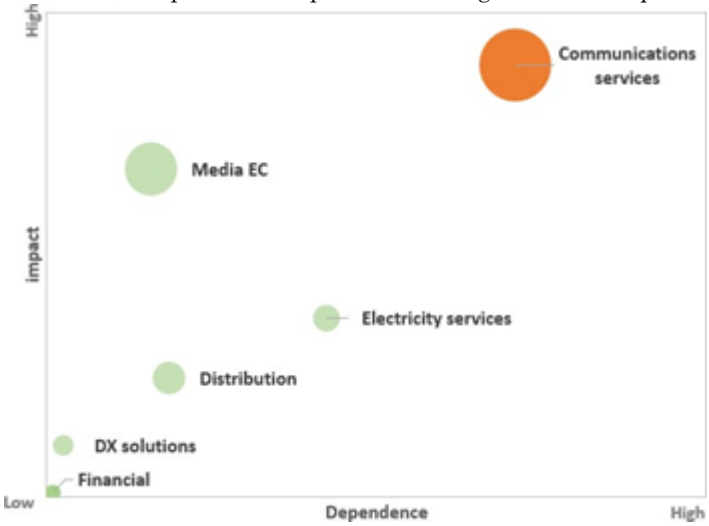


table2）Heatmap "Dependence”

Business Classification	Bio-remediation	Climate regulation	Dilution by atmosphere and ecosystems	Filtration	Flood and storm protection	Ground water	Mass stabilisation and erosion control	Surface water	Water flow maintenance	Water quality
Telecommunication										
Electric Power Services										
DX Solution										
Distribution										
Media EC										
Financing										

（table3）Heatmap "Impact”

Business Classification	Disturbances	Freshwater ecosystem use	GHG emissions	Marine ecosystem use	Non-GHG air pollutants	Soil pollutants	Solid waste	Terrestrial ecosystem use	Water pollutants	Water use
Telecommunication										
Electric Power Services										
DX Solution										
Distribution										
Media EC										
Financing										

*Tables 1 to 3 are intended for prioritizing the scoping of projects, aiming to achieve relative and objective evaluation results based on business scale and ENCORE.The business classifications are presented considering the

GICS sub-industries used in ENCORE.

（table4） Risk analysis results

Classification		Business risks	Anticipated impacts	Magnitude of risks		
				Short- term	Mid- term	Long- term
Physical risks	Acute	Worsening damage due to intensified natural disasters associated with ecosystem degradation	Increased disaster preparedness and recovery costs for equipment, and revenue loss due to prolonged service outages	High	High	High
	Chronic	Expansion of water-stressed areas	Impact on the procurement and securing of water for business operations	Medium	Medium	Medium
Transition risks	Market/ reputation	Changes in customer behavior and preferences	The delay in responding to market changes leads to a decline in brand image and loss of business opportunities	Low	Medium	Medium
		Insufficient evaluation of information disclosure	The impact of lost orders, boycotts, as well as on talent acquisition, funding, and stock prices	Low	Low	Low
		Resource shortage	Increased demand and depletion of raw materials such as rare metals leading to supply shortages and higher procurement costs	Low	Low	Medium
	Policy and law	Tightening of regulations	Increased costs due to the introduction of new tax systems, tightening of regulations, rising litigation risks, etc.	Low	Medium	Medium
	Technology	Impact on the transition to sustainable new technologies	Increased development costs, transition delay impacting finances, and failures in investments	Medium	Calculation under consideration	

b.Impact on financial planning

It is estimated that about half of the global GDP (USD 44 trillion) is at financial risk due to biodiversity loss and the depletion of natural capital. We assessed business risks related to the natural environment across the entire company, identifying businesses with high dependency or impact on biodiversity. To evaluate the magnitude of these risks, we conducted scenario analyses—a method for enhancing our responsiveness to risk uncertainty—and identified those expected to arise over the next 30 years that may have significant financial impacts, including on both upstream and downstream segments of the value chain (Table 4 above).

As a result, we recognize that physical risks, such as damage to telecommunications infrastructure, may have a significant impact on our financial planning. The evaluation results are presented below.

▸Physical risks（acute）

Due to the degradation of forests' disaster mitigation functions resulting from biodiversity loss, we recognize potential risks such as increased costs for disaster preparedness and restoration of communication facilities—particularly base stations—stemming from the increased frequency and severity of natural disasters caused by global warming.

Additionally, these risks also include procurement disruptions caused by value chain breakdowns, business opportunity losses, and potential secondary damage to surrounding areas due to affected facilities. Using past internal cost records as a benchmark, we assessed the potential future financial impact of such scenarios.
As a result, while the costs associated with recovery, including personnel expenses, are expected to be limited, we anticipate that the financial impact of disasters will be significant due to the extensive presence of communication infrastructure, particularly the numerous base stations installed nationwide. Furthermore, we found that even if we implement reinforcement measures focusing on high-risk equipment, it is difficult to fully eliminate the escalating risks of climate-related disasters. We recognize this as a highly probable long-term risk, and in the event of a large-scale disaster, we may face serious consequences, including service disruptions and social accountability.

To address this, we utilized flood inundation data provided by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and conducted a physical risk assessment for all outdoor base stations (excluding rooftop installations). As a result, we have confirmed that the risk is particularly high in coastal and riverine areas in the Kanto and Chugoku-Shikoku regions. For example, when Typhoon No. 19 hit in October 2019, record-breaking rainfall caused rivers to overflow and landslides over a wide area, including the Kanto region, leaving more than 100 people dead or missing, and many of our base stations were flooded or suffered power outages and other extensive damage, resulting in areas where communication was not possible.

As a measure to adapt to the increasing frequency of flood damage due to the rise in typhoon and linear precipitation occurrences, we invested approximately 2.1 billion yen in FY2023 to mitigate equipment damage risks and ensure stable service continuity during widespread power outages, primarily by implementing the following measures:

・Deployment of mobile base stations
・Deployment of portable base stations
・Battery replacement and maintenance support
・Deployment of portable generators

▸Physical risk（Chronic）
We considered the impacts of water stress such as floods and droughts due to the effects of global warming and biodiversity degradation, as well as the procurement impacts from semiconductor supply delays.
Additionally, we assessed the implications related to securing business water supply, including server cooling water for data centers.
As a result, we found that minimizing the possibility of occurrence through supply chain reassessment and efficiency improvements in water use is feasible. However, water risk remains a global issue, particularly challenging to eliminate completely in Japan, which is highly dependent on overseas water sources. We believe that if such risks occurs, the financial impact, such as supply disruptions, could be significant.

▸Transition Risk（Market／Reputation）
The demand for ambitious goals from corporations towards the Nature Positive targets set for the year 2030 is increasing each year. Concurrently, societal awareness against greenwashing is also rising. We have assessed the potential business impacts if our biodiversity initiatives are perceived as inadequate. This includes evaluating the effects on sales, stock prices, and brand image, as well as considering the business impacts stemming from the depletion of natural capital and economic repercussions due to social unrest. As a result, we recognize that actively disclosing information based on TNFD recommendations and promoting activities that contribute to

achieving Nature Positive outcomes are priority areas for enhancing corporate value. In December 2023, we proactively registered as a TNFD Adopter, and during the ESG Promotion Committee meeting held in April 2024, we discussed the dependencies and impacts of biodiversity in our business operations. We set initiatives promoting biodiversity conservation and natural capital preservation as KPIs under our material issues.
In the long term, we anticipate rising costs of raw materials due to resource depletion and increased market demand. To effectively utilize resources, the Company has set KPIs under our material issues to monitor and achieve goals related to the reuse/recycling of used mobile phones, the recycling rate of decommissioned base station communication equipment, and the recycling rate of industrial waste.
The expansion of the low-carbon and decarbonization market, along with changes in customer behavior and preferences, is expected to increase investment costs for providing carbon-neutral solutions, such as renewable energy. However, we also see this as a business opportunity.

▸Transition Risk（Policy and legal）
We have considered the introduction of strengthened forest environmental taxes in Japan and new regulations such as the Biodiversity Net Gain (BNG) policy introduced in the UK, which aims to increase biodiversity by 10% or more through development. At present, we believe the likelihood of such developments occurring domestically is low, but if they do occur, they could have a certain level of financial impact.

▸Transition Risk（Technology）
We are assessing the potential financial impact of technology gaps that may hinder business development in responding to regulatory requirements. We are concerned that any discrepancy in service levels compared to those of other companies could decrease our competitiveness.

▸Risk response measures, opportunities
Actions taken to reduce business risk can also be significant business opportunities.It is said that by utilizing cutting-edge technologies such as AI, IoT, and Big Data, and by analyzing vast amounts of environmental data through AI's learning function, it is possible to predict the impact on the global environment. The use of cutting-edge technology in environmental issues is attracting attention around the world because it enables us to take various countermeasures based on such predictions. We are striving to maximally utilize cutting-edge technologies such as AI and IoT, and synergies between group companies to achieve power efficiency in our facilities and equipment and implement measures to contribute to the conservation of biodiversity.

WOTA, a new water circulation system that does not depend on water infrastructure
We are collaborating with WOTA Corporation, with whom we have entered into a capital business partnership, to address the financial challenges in the water supply business. We are working on solving the issues in depopulated and island areas where maintaining water infrastructure is difficult. Utilizing WOTA Corporation's “Residential Connection System,” which enables 98% recycling of all domestic wastewater without connecting to existing water supply systems, we have been conducting pilot experiments in Toshima Village, Tokyo since June 2023. We are striving towards realizing a mechanism to supply water reliably in island areas.
Furthermore, we are also conducting sales of water circulation-type handwashing stands called “WOSH,” which enable water use even in the event of water supply disruption due to disasters, and portable water recycling systems called “WOTA BOX,” which provide bathing opportunities in evacuation centers.

Using drones to improve the efficiency of inspection and surveying work

We provide one-stop services from pre-introduction support, arranging drone equipment, flight applications, automatic AI analysis of acquired data, and report management, enabling “anyone” to “easily” utilize drones without relying on the skill of the operator. By linking with ichimill, a high-precision positioning service, the system achieves highly accurate automatic flight with minimal errors. As an example of its use in forest status inspections, the system can significantly improve work efficiency through its bird's-eye view effect compared to visual inspections using cranes, etc., thereby reducing worker shortages and hazardous work.

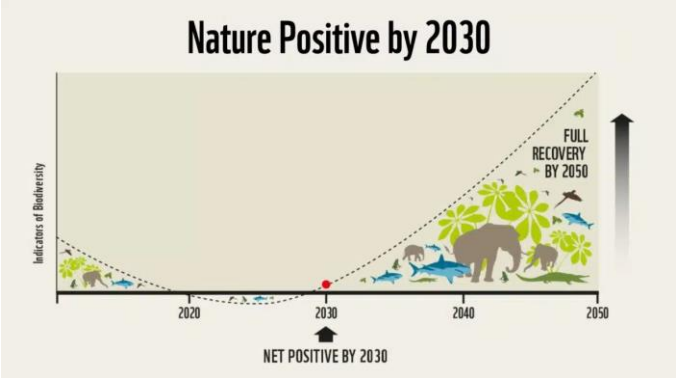
Research and development of smart forestry through the use of robots

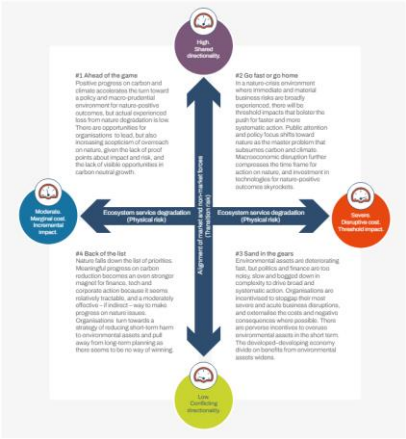
Japan’s forestry industry faces numerous challenges, such as a declining rate of domestic lumber supply due to demographic graying, labor shortages and insufficient price competitiveness, as well as the negative environmental impact of the resulting decline in CO2 absorption by Woodlands.To solve social issues in the forestry industry, SoftBank Corp. is researching ways to support the adoption of ICT in the industry, including robots, drones, AI and 5G. In FY2021, SoftBank Corp. was commissioned to carry out a New Energy and Industrial Technology Development Organization (NEDO) research program on zero-emission electric robots for forest maintenance in rural areas. Under this project, we conducted tests of the usefulness of four-legged walking robots jointly with the Forestry and Forest Products Research Institute. Furthermore, in June 2022, the Forestry and Forest Products Research Institute and SoftBank Corp. announced a pilot test program to determine what kind of tasks four-legged walking robots could perform in forestry, building on the results of testing so far with the aim of realizing smart forestry using robots. Going forward, we will work toward the practical implementation of digital technologies in the primary sector by quickly achieving smart forestry utilizing robots and other technologies.

c. Resilience of strategy

To evaluate the magnitude of the risks indicated in Table 4 regarding nature-related dependencies, impacts, risks, and opportunities, we conducted scenario analyses.
We forecasted the business environment by incorporating information specific to the telecommunications industry and created multiple scenarios that consider the financial impacts of risks. These scenarios also referenced the IPCC's 1.5°C and 4°C climate change scenarios. Based on the major scenarios deemed highly feasible and significantly impactful to the Company, we conducted an importance assessment of various business risks selected across the company.

In developing these scenarios, we identified driving forces that could change the business environment and forecast potential future business conditions. The timeframe for environmental changes was set according to the Kunming-Montreal Global Biodiversity Framework agreed upon at COP15 in 2022, with the baseline year being 2020 and the target year 2030 (Figure 1) to halt nature loss. We referred to the scenario analysis guidance presented by TNFD, which uses two axes (vertical axis: social trends/transition risks, horizontal axis: nature-related physical risks) (Figure 2), to create four scenarios specific to the telecommunications industry. Ultimately, we selected the two scenarios that posed the highest risks to the Company.





(Figure 1) Quoted from The Nature Positive Initiative
(Figure 2) Quoted from TNFD "Recommendations of the Taskforce on Nature-related Financial Disclosures"

▸Scenario （Ⅰ）
In a world where nature is slowly degrading, nature positivity is being promoted on a global and national level, and economies are growing, the pressure on companies to be nature positive remains high, users demand sustainable products and services, and laws and regulations continue to strengthen.On the other hand, we envisioned a business environment where the acceptance of cost pass-throughs needed to comply with regulations and meet consumer demands contributes to increased sales. ESG initiatives are valued, making it easier to secure funding. Given the gradual nature degradation, there is no urgent need to address issues such as telecommunications infrastructure.

▸Scenario （Ⅱ）
We envisioned a world in which the world's interest in nature-positive activities is high and coordinated, but the damage caused by the loss of nature is becoming more and more devastating, and ecosystems are degrading and resources are being depleted at a rapid pace. Compared to Scenario (I), the adaptation measures, such as damage to telecommunication infrastructure, need to be addressed urgently.

▸Scenario （Ⅲ）
We envisioned an unstable world in which ecosystems are rapidly degrading and resources are being depleted, and supply chains and infrastructures are even more affected by ecosystem degradation than they are today, impacting business activities. In addition, the world is unconcerned about nature positivity, and ESG initiatives are less likely to be appreciated due to the trend to focus on price rather than environmental impact, and we assumed an impact on business performance due to reduced services and narrowing of customer targets to absorb the costs.

▸Scenario （Ⅳ）
We envisioned a state in which the world is unconcerned with nature positivity, but nature is degrading more slowly than it is now.

Taking the above into consideration, we examined the scenarios (II) and (III), which we assumed pose higher risks for the Company, particularly concerning the "b. Impact on

financial planning" as mentioned earlier.

d. Business activities in priority areas

In the above-mentioned a. Nature-Related Dependencies and Impacts, Risks and Opportunities>‣Arrangement of Dependencies and Impacts Considering the Business Scale of Each Business, ENCORE recognized that the telecommunication business depends on the protection from natural disasters by the forest disaster prevention function of telecommunication facilities and that there is a high possibility of impacts on terrestrial ecosystems due to the construction of telecommunication facilities.

We used IBAT* to confirm the proximity of biodiversity significant areas, such as domestically protected natural reserves under laws and internationally managed areas, to prioritize regions for investigation. This included nationwide base stations and data centers, which serve as central facilities in the Next-generation Social infrastructure plan dispersed across Japan. For the evaluation, we referred to the LEAP approach, as demonstrated in the TNFD framework.

As a result, 15% of the base stations installed outdoors (excluding rooftops, etc.) were located in nature conservation areas, which were identified as priority areas for risk identification.

We have confirmed that the Hokkaido Tomakomai AI Data Center scheduled to open in FY2026 is located near a protected natural area.

Below are the results of the survey.

* IBAT : Biodiversity assessment tool developed by the World Conservation Monitoring Center (WCMC), the International Union for Conservation of Nature (IUCN), and Conservation International

‣base stations

Our core service is the domestic telecommunications business, and we operate approximately 300,000 base stations nationwide. Telecommunication networks are essential lifelines for society and we believe that it is the responsibility of telecommunication carriers to construct the latest and highest quality networks and provide stable and highly reliable telecommunication services.

The risk of sediment disasters occurring as a result of forest depletion and degradation caused by the loss of biodiversity has been increasing year by year. The stable operation of our base stations located in mountainous areas relies on biodiversity. However, we also recognize the risk of land development associated with the construction of new base stations, which can impact ecologically significant areas.

National parks and similar areas restrict development activities to preserve outstanding natural landscapes. However, they also undertake the establishment of facilities to promote visitor use. In order to fulfill our responsibility of providing stable communication services as a social infrastructure, there are cases where it is unavoidable to install network facilities in nature conservation areas.

We conducted a survey of all of our outdoor base stations (excluding rooftops, etc.) to determine whether they are located in biodiversity significant areas, and found that 15% are located in nature conservation areas.

Among the relevant base stations, those newly installed since FY2021 have an average installation area of approximately 10m². Despite the high number of installations, the equipment itself is relatively small in scale.

When selecting new base station locations, we prioritize sites with existing access roads that can accommodate work vehicles. While minimal tree cutting around the site may be necessary, we fundamentally avoid any development that would cause significant harm to the ecosystem. As a result of conducting proximity surveys between the installation locations

and areas of significant biodiversity, we have confirmed that there is no urgent need for measures in terms of the significance and integrity of biodiversity for the relevant stations.

Jōshin'etsu-kōgen National Park- National Park

Okinawa Kaigan Quasi

▸Data Center

Given the background that the power demand for data centers is expected to increase rapidly due to the spread of Generation AI (Artificial Intelligence), we are promoting a Next-generation Social Infrastructure concept to distribute green data centers throughout Japan that take climate change countermeasures and biodiversity into consideration. Data centers are large in scale and require consideration of their impact on the surrounding natural environment.
The data center, scheduled to open in Tomakomai City, Hokkaido in FY2026, will be constructed as a “Brain DataCenter,” a key component of our Next-generation Social Infrastructure concept, and is expected to expand in the future to 700,000 m2 , the largest site in Japan, with over 300 MW of power receiving capacity. The center will operate as a green data center that utilizes 100% locally produced renewable energy from within Hokkaido.

The planned construction site, a wilderness area, was developed into an industrial park with national roads and railroads running through it. Although the area is not a nature conservation area it is located approximately 3 km northeast of Lake Utonai, a Ramsar Convention wetland, and is an important area for biodiversity in the region, as rare birds have been discovered by NGOs in the past in the surrounding area. We are also aware of the need to consider water usage in this area, as it is a part of the Abira River system, where many companies are moving in.

On the other hand, we believe that by taking the continuity of the surrounding ecosystem into consideration, we can make a significant contribution to improving regional biodiversity. We consider it important to proceed with full understanding and support from local governments, residents, and other community members.

A biodiversity survey conducted prior to construction confirmed that there are no nesting sites for protected rare birds and animals, nor feeding grounds for migratory waterfowl that overwinter at Lake Utonai, within the planned construction site.

▸Deforestation risk associated with mining of rare metals and other resources in the value chain

Mobile telephone handsets, batteries, and chargers, etc. contain rare metals (palladium, cobalt, tantalum, etc.), gold, silver, copper, and many other precious resources.In the Congo Basin and East Africa, which are the leading producing regions, mining development has been identified as a factor causing deforestation.

Since 2020, as a member of the Mobile Recycle Network (MRN), a network of cell phone carriers and manufacturers in Japan that promotes cell phone recycling activities, we promote the collection of used mobile telephone handsets, battery packs, chargers, and other items regardless of the mobile telephone carrier or manufacturer. When customers upgrade their devices, we guide them on recycling their old devices to convey the importance of recycling. Additionally, by reusing and recycling the collected devices, we contribute to preventing forest destruction caused by new mining activities. Additionally, our Supplier Code of Conduct specifies that we do not use conflict minerals (tantalum, tin, tungsten, and gold) that are funding armed groups involved in human rights abuses in the Democratic Republic of the Congo and surrounding countries. We also require our suppliers to adhere to this policy.

（Reference） 1.Governance>c. Human rights policy and oversight by the Board of Directors and senior management

3. Risk and Impact Management

a (1,2). Process for identifying and assessing climate change risks

For each of our Consumer, Enterprise, Distribution, Media & EC, and Financial businesses, we have identified environmental business risks related to biodiversity and climate change across our operations, adjacent areas, and upstream and downstream of our supply chain. Identified risks are reviewed through scenario analysis led by the Finance Division and CSR Division in collaboration with relevant departments, followed by financial impact assessments and evaluations by the executive officer in charge of ESG promotion.

b. Risk management process

To prevent the emergence of company-wide risks, we have established an internal management framework that enables multidimensional risk analysis. Each department incorporates risk considerations when planning initiatives at the operational level. In parallel, the Risk Management Office regularly identifies enterprise-wide risks and monitors countermeasures, reporting its findings to the Risk Management Committee, which includes the President and CEO, Vice Presidents, CFO, Audit & Supervisory Board Members, and heads of relevant departments.

c. Integration into the company-wide risk management

Environmental risks identified and assessed, such as those related to biodiversity and climate change, are linked to the risks of each business segment and integrated into our enterprise risk management (ERM) framework. We classify them as material risks and apply a regular risk management cycle to reduce and prevent them.

4.Metrics & targets

a. Metrics used to assess and manage risks and opportunities

We recognize the increase in countermeasures and restoration costs due to increased damage to communication facilities such as base stations as a result of more frequent and severe natural disasters caused by global warming as a business risk, due to the decline in the disaster prevention function of forests caused by loss of biodiversity.

Based on the labor costs of 770 million yen incurred during the recovery from the heavy rainfall with emergency warning in FY2019, which was the most damaging to the Company in the past decade, we used the IPCC's average temperature data (4°C scenario SSP5-8.5) to estimate future costs based on the frequency of major rain events occurring once every 10 years. In FY2023, we implemented approximately 2.1 billion yen in enhancement measures to adapt to physical risks.

b. Indicators used to assess and manage dependencies and impacts

For assessing our business activities' dependency on and impact on biodiversity, we use ENCORE to understand the relevant ecosystems and their levels, and IBAT to identify Key Biodiversity Areas (KBAs)*, World Heritage Sites, Ramsar Sites, and other internationally designated nature conservation areas.

Additionally, to consider Japan's unique ecosystems, we use national parks, nature conservation areas, and wildlife protection areas, as designated by Japanese law, as important biodiversity regions.

For understanding the impact, we use the area of telecommunication infrastructure such as base stations and data centers. We manage the area of forest conservation activities, such as reforestation, as a KPI to promote efforts related to biodiversity conservation.

*KBA: Key biodiversity areas selected based on the IUCN Red List, surveys by the international NGO BirdLife

International, and information from various nature conservation areas, using globally standardized criteria.

c. Targets and performance used to manage dependencies/impacts, risks and opportunities

To ensure the broad and stable provision of telecommunications services as critical social infrastructure, we may, in some cases, need to install communication facilities such as base stations within areas of high biodiversity value. As part of our biodiversity conservation efforts, we have set a target to implement forest conservation activities by FY2030 covering at least twice the area occupied by our communications facilities installed in nationally and internationally designated protected areas and other biodiversity hotspots, using 2020—the reference year defined under the Kunming-Montreal Global Biodiversity Framework agreed upon at COP15—as the baseline. Through this effort, we aim to achieve a net positive impact by 2030.

Total installation area of telecommunications equipment located in nature reserves designated by national or international treaties: 2,779 m² (cumulative total from FY2021 to FY2024)
Area of forest conservation activities including tree planting: approximately 3,700 m² (total for FY2023–FY2024).

*This figure represents part of our target to be achieved by FY2030 for new installations made between FY2021 and FY2029.

In addition to the above, the following nature-related goals have been established:

▸Climate Change Targets

・Carbon neutrality (Scope 1, 2) (FY2030)*
・Net-zero emissions (Scope 1, 2, 3) (FY2050) *
・Ratio of renewable energy to electricity used by the company: 50% by FY2030
・Ratio of renewable energy for base stations: 90% or more (FY2024)

* Scope 1: Direct greenhouse gas emissions by the company itself
Scope 2: Indirect emissions from the use of electricity, heat, and steam supplied by other companies
Scope 3: Other indirect emissions not included in Scope 1 or Scope 2, such as emissions from the company's supply chain activities

▸Goals for the Promotion of a Circular economy, circular society

・Mobile phones collected for reuse or recycling: 14 million (FY 2020-2025)
・Recycling rate of decommissioned base stations: 99% or higher (annually)
・Industrial waste recycling rate: Increase by 1% annually

(Reference)Climate Change>Support for the TCFD recommendations
https://www.softbank.jp/en/corp/sustainability/esg/environment/climate-change/#sec-01

Disclaimer

Cautionary Statement Regarding Forward-Looking Statements Plans, forecasts, strategies, and other statements in this report contain forward-looking statements that are based on our judgment in light of the information available to us at the time of preparation. Please be aware that such matters could differ materially from those discussed in the forward-looking statements. Risks and uncertainties that may affect our operating results include, but are not limited to, the natural environment in which we operate, economic conditions, market competition, exchange rates, taxes, or other systems.

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