


Introducing the SoftBank Group Report

—Sharing our 志 *kokorozashi*

We are happy to introduce our first SoftBank Group Report. This new report combines non-financial context with financial information and is designed to further boost our engagement with stakeholders. It also tells the story of our 志 *kokorozashi* (mission). The term originated in Japanese samurai culture and represents the spirit of societal improvement over individual pursuits and symbolizes our desire to use our strengths to help and serve other people. To that end, throughout this report, we will shed more light on our investing activities, strategy, and business model.



This is not the first time we have revamped our reports to include more non-financial information, such as details about our corporate governance and sustainability initiatives.

Back in 2010, we unveiled the “SoftBank’s Next 30-Year Vision” to further clarify our unwavering commitment to our founding philosophy, expressed in the philosophy, Information Revolution—Happiness for everyone. More recently, we started describing ourselves as a Vision Capitalist for the Information Revolution to underscore our role as a strategic investment holding company.

The SoftBank Group Report is the latest in this series of efforts. The new format presents our corporate story, showing how our strategy and business model will deliver our core philosophy and vision, how we will build value, and how we will enable 300 years of sustained growth.

Information Revolution—Happiness for everyone.

Since its founding, SBG has always remained true to its goal of accelerating the Information Revolution to make the world a happier place.

Just what is happiness?

Some might say happiness is to love and be loved in return, or to make the most of each day. Others might derive happiness from self-expression. Still, others might find happiness in something as simple as a smile. Above all, SBG equates happiness with inspiration. Through our business, we strive to bring emotional meaning and happiness to lives. In everything we do, we aim to drive the Information Revolution and build a more connected, empowered, and joyful world. This unchanging *kokorozashi* (mission) is encapsulated in our philosophy, Information Revolution—Happiness for everyone.

Humankind stands on the cusp of the digital Big Bang. Computing performance is increasing dramatically, and we are getting ever closer to an age of super-intelligent machines that will surpass human ability. Our mission is to harness the raw, unlimited power of the Information Revolution and channel it in a direction that makes people happier. This aspiration will continue to drive our organization toward further growth for many years to come.

Our Unchanging 志 *Kokorozashi* (Mission), Ever-Changing Areas of Investment

Information Revolution—Happiness for Everyone



Kaientai banner



SoftBank Brand Symbol



A two-line design—the banner of the Information Revolution that SBG hoists as we sail toward a new dawn

Imagine a group of visionaries who share the same unshakable spirit (*kokorozashi*). They act with one mind to achieve their ideals, braving all dangers to usher in a new era in an age of upheaval. SBG draws inspiration from one such group—the Kaientai, an enterprising shipping company founded in 1865 by the visionary Sakamoto Ryoma. Supplied with the best intelligence and possessing abundant knowledge and wisdom, the Kaientai and its founder rejected age-worn feudalistic values in favor of free thinking and bold action. In this

way, they led a revolution that resulted in the modernization of Japan. Our corporate logo derives from the Kaientai's flag. It represents our admiration for, and belief in, the Kaientai's single-minded pursuit of their vision, which imagined a Japan 100 years in the future. SoftBank Group is a fleet of similarly visionary crusaders. Our vessels fly the banner of the 21st-century Kaientai, symbolizing our own single-minded pursuit of a vision: Information Revolution—Happiness for everyone.

Our Vision for a Better World

Help shape the next 300 years for our future generations and for the planet

To realize our core philosophy and vision, we invest in the Information Revolution.

The Information Revolution has entered a new stage with the use of AI, which has the potential to create a safer, more prosperous, and all-round better future by addressing social and environmental challenges, including climate change, the education gap, and economic inequality.

SBG is a Vision Capitalist for the Information Revolution, and in this role we are helping to realize the world we have envisioned since our founding.

Autonomous driving for safer roads

Imagine a world of self-driving cars that travel to the destination without human input, a world where self-driving technology prevents road accidents by sensing blind spots and monitoring hazardous situations, enabling anyone to go from A to B with peace of mind.

Imagine a world where we can predict and prevent any disease using AI-driven genetic data analysis, a world where AI accelerates the search for drug candidates, enabling early treatment.

Using AI to cure deadly diseases

Remote learning for educational equality

Imagine a world where all children can access a better education regardless of place of birth, a world where remote learning programs are available everywhere, offering quality education to all.

Imagine a world of seamless commerce where business transactions defy borders, a world of universal connectivity where all can access online content.

An enriched life for all

More creativity at work

Imagine a world where workplaces are more human-centric and full of authentic, life-affirming experiences, a world where AI automates mundane and monotonous tasks, freeing up time for more creative pursuits.

Imagine a world where technological innovation makes renewable and clean energy ubiquitous, a world where we have the technology to reverse climate change and safeguard biodiversity.

Technological solutions to environmental issues

A Business Model with Three Inputs SBG Is a Vision Capitalist Driving the Information Revolution

Building an ecosystem of industry-leading businesses aiming to grow for the next 300 years

1 SoftBank Group = A Vision Capitalist driving the Information Revolution

SBG describes itself as a Vision Capitalist for the Information Revolution. What exactly does this mean?

It means providing capital to promising companies, with a focus on unicorns that contribute to the Information Revolution and a happy future for all.

Our companies have innovative ideas and can solve social issues and make people happier by offering truly world-changing goods and services.

By providing them with capital, we, as a Vision Capitalist for the Information Revolution, accelerate their business growth and unleash the potential of our core philosophy and vision: Information Revolution—Happiness for everyone.

2 Cluster of No. 1 strategy

Our *Cluster of No. 1 strategy* is designed to build a strategically synergized ecosystem of companies. The strategy envisages this group as a symbiotic ecosystem of companies with industry-leading technologies and business models.

Although we collaborate with our portfolio companies to help inform their decision-making, we also respect their autonomy and we need not hold a majority stake. We seek to align ourselves with the entrepreneurs who are founding the companies of tomorrow and defining new industries. However, we encourage our members to identify with our core philosophy and vision and to collaborate with us to unlock synergistic growth.

Under this strategy, we have developed an ecosystem of entrepreneurial leaders in AI. These include some 500 portfolio companies within the SoftBank Vision Funds and other funds. They also include our subsidiaries and Group companies in which we have invested in directly, such as Arm.

3 Three inputs and sustainable growth

When a company invests capital into business activities, new value can be generated that exceeds the initial capital commitment. The company will then reinvest that capital for an even higher return. Through this reproduction on an expanded scale, capital keeps accumulating, generating sustainable growth.

We have three key sources of capital: an ecosystem of portfolio companies, financial capital, and human capital.

This capital is both an input and output. In implementing our business model, we “input” capital, and this capital is then “output” back to us in an amount larger than the initial input.

Three Inputs

As a strategic investment holding company, we aim for sustainable growth by both perpetuating and accumulating our three capital inputs.

Ecosystem of portfolio companies

This input is the ecosystem of some 500 portfolio companies and subsidiaries that we have developed in line with our *Cluster of No. 1 strategy*.

Members of this ecosystem pursue growth independently, but in doing so they produce a stream of innovation and unleash synergies that enable the ecosystem to grow as one.

Financial capital

This input refers to the financial assets that fund our investments. We aim to grow our financial assets over the medium to long term realizing high returns on investments and then reinvesting the profits.

We measure the growth of our financial capital using Net Asset Value (NAV).^{*} Our NAV has grown over a medium- to long-term perspective in line with our investments and other activities. We aim to grow it even bigger.

^{*}NAV = Equity value of holdings – Net debt

 See page 18 for the details of NAV.

Human capital

This input is our talent. It includes our investment professionals who identify attractive investment opportunities. It also includes finance and accounting staff, legal and compliance experts, and many other employees who support our activities.

Our human capital grows as our diverse pool of employees pursue their own professional development while increasingly aligning themselves with our unique company culture, which emphasizes decisiveness and dedication.

Our 志 *Kokorozashi* (Mission) Is Consistent Our Investment Areas Continue to Evolve

Our history

'80s



1981
Founded as a distributor of packaged software for PCs



1982
Launched a publishing business

'90s

1994
Founded SoftBank Holdings Inc. in the U.S. for the purpose of strategic investment in Internet companies



1996
Launched *Yahoo! JAPAN*

'00s



2000
Invested in Alibaba



2001
Launched broadband service, *Yahoo! BB*



2004
Acquired JAPAN TELECOM and entered fixed-line telecommunications



2006
Acquired Vodafone K.K. and entered mobile telecommunications in Japan

PC Software

Internet

Broadband

Mobile

Our story begins in 1981, when Masayoshi Son founded SOFTBANK Japan. He envisaged the company as a “software bank” that would build infrastructure for the information-driven society. At the time, PC software was the keystone of the Information Revolution. The keystone later shifted to the Internet, then to broadband, followed by smartphones. We have always stood on the frontlines of such shifts. Adjusting swiftly to market or industry changes, we have always partnered with the paradigm-defining companies of the time and redeployed capital into new investment areas.

The Information Revolution has now entered another new phase, with AI completely redefining every industry. We invest in AI businesses with world-changing ideas. The aim of such investments is to accelerate groundbreaking technological innovations that can build a more connected, empowered, and joyful world. Believing that the next few decades of AI innovation will surpass all the technological progress of the last three centuries, we work with entrepreneurs around the world who share our aspiration to forge this exciting future.

'10s



2010
Announced the “SoftBank’s Next 30-Year Vision”



2013
Acquired U.S.-based carrier Sprint



2016
Acquired U.K. chip designer Arm



2017
Launched SVF1




2019
Launched SVF2

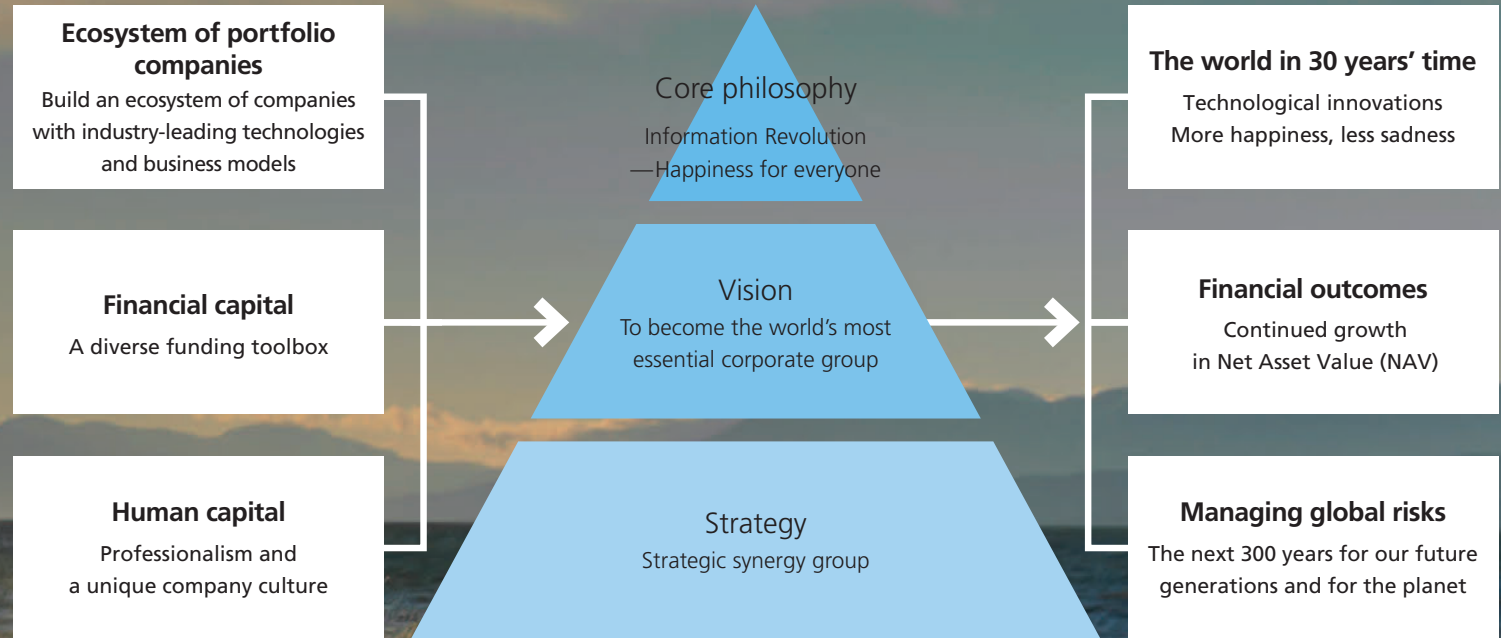


2020
Sprint and T-Mobile merged

Data and AI

A photograph of a sailboat on the ocean at sunset. The sun is low on the horizon, creating a golden glow over the water and sky. The sailboat is a small, dark silhouette in the middle ground. The water is dark blue with white foam from the waves in the foreground. The sky is filled with soft, golden light and some clouds.

SoftBank's Next 30-Year Vision: A Story of Value Creation



Announcement of the "SoftBank's Next 30-Year Vision" (2010)

Sustainable development is an imperative for businesses. Companies are expected not to just make short-term profits but also to create social value for stakeholders.

In 2010, we unveiled the "SoftBank's Next 30-Year Vision," which looks 100 years into the future. Five years later, the UN adopted the 17 Sustainable Development Goals. Thus, even before the sustainable development agenda took off, we already had our own sustainability-focused philosophy and vision in place. We were also already integrating this philosophy and vision into our strategy and business model.