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Provision in electronic format starts on: June 3, 2025

To Our Shareholders:

The 45th Annual General Meeting of Shareholders
Other Matters Subject to Electronic Provision Measures
(Matters Omitted from the Document)

June 3, 2025
SoftBank Group Corp.

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All matters above are provided to shareholders of SoftBank Group Corp. on the website of SoftBank Group Corp. on the Internet (<https://group.softbank/>) in accordance with all laws and Article 14 of the Articles of Incorporation of SoftBank Group Corp.

Status of SoftBank Group Corp. ("SBG")

5 Overview of system to ensure the appropriateness of the operation and its implementation status

The overview of the system established in SBG to ensure the appropriateness of the operations and its implementation status is as follows.

Basic Policy of Internal Control System

1. System to ensure that the execution of duties by directors and employees is in compliance with laws, regulations, and the Articles of Incorporation of SBG

SBG has established the SoftBank Group Code of Conduct to be followed by all directors and employees to ensure that corporate activities are appropriate based not only on regulatory compliance but also on high ethical standards, and has established the following structure to continuously reinforce the compliance system:

- (1) A Chief Compliance Officer (CCO) is appointed. In addition to proposing and carrying out measures required to establish and enhance SBG's compliance system, the CCO periodically reports to the Board of Directors on compliance-related issues and the status of addressing those issues.
- (2) Whistle-blowing system is established for direct reporting and consultations by directors and employees to quickly identify, rectify, and prevent the reoccurrence of any inappropriate issues in corporate activities. SBG prohibits disadvantageous treatment of whistle-blowers for having made reports in the Internal Reporting Regulations.
- (3) The Internal Audit Office carries out audits on the effectiveness of the system for compliance in line with laws, regulations, and the Articles of Incorporation, and the results of those audits are reported to the CEO. The Internal Audit Office also works in cooperation with the Board Directors including External Board Directors and the Audit & Supervisory Board Members including External Audit & Supervisory Board Members by explaining the results of those audits to the Board of Directors and the Audit & Supervisory Board.

2. System for the storage and management of information regarding the execution of duties by directors

SBG has established the following system to appropriately store and maintain documents and other important information related to the execution of duties by directors, including minutes and proposals of the Board of Directors meetings and requests for approval:

- (1) SBG determines retention periods and methods and measures to prevent accidents based on the Information Security Basic Regulations, etc. and classifies and appropriately stores these documents according to their degree of confidentiality.
- (2) SBG appoints a Chief Information Security Officer (CISO), and the CISO promotes the establishment and reinforcement of information security system of SBG.

3. Regulations and systems related to risk management

SBG has established the following systems under the Chief Risk Officer (CRO) in order to eliminate or reduce impediments to the sustainable growth of the Group.

(1) Under the Group's Risk Management Policy, SBG determines the following matters, based on the Risk Management Regulations.

- Officers and employees of SBG strive to foresee risks associated with the execution of business and respond to the identified risks, as well as report to superiors or decision makers and the like.
- Each department appoints a risk manager, who conducts appropriate identification of and response to risks and incidents and reports any identified risks and the status of responses thereto to the Risk Management Office.
- The Risk Management Office identifies and evaluates the risks and incidents of each department and monitors the status of responses thereto. It also provides support and performs checks to ensure appropriate responses at each department. The Risk Management Office reports any material risks and incidents to the Board of Directors and the Group Risk and Compliance Committee.

(2) The Internal Audit Office carries out audits on the effectiveness of the risk management processes.

4. System to ensure the efficiency of directors in the execution of their duties

SBG has established the following structure to maintain an efficient management system:

(1) SBG establishes the Board of Directors Regulations to clarify matters to be resolved by and reported to the Board of Directors and lays out the Internal Approval Regulations and other regulations related to institutional decision-making to clarify decision-making authority.

(2) To strengthen functions for overseeing the execution of duties and enhance objectivity in management, the Board of Directors shall include external directors who are independent of the Group.

(3) To ensure that the directors, including external directors, can discuss matters fully at the Board of Directors meetings, SBG shall provide them with materials for the meeting in advance, and provide them with additional information and/or supplementary explanation upon request.

(4) The scope of operations, authority, and responsibilities necessary for operations are clearly defined in Organization Management Regulations.

5. System to ensure appropriateness of the Group's operations

SBG has established the SoftBank Group Charter to promote fundamental concepts and policies shared throughout the Group and Group Company Management Regulations of the SoftBank Group, which set forth the management policies and systems of Group companies. In addition, the SoftBank Group Code of Conduct and the SoftBank Group Sustainability Principles are established as policies with which Group companies as well as their directors and employees must comply. Based on the regulations, the following systems have been established, giving consideration to the scale and materiality of Group companies:

- (1) A Group Compliance Officer (GCO) is appointed to promote the establishment and reinforcement of groupwide compliance system, as the person ultimately responsible for compliance throughout the Group. A whistle-blowing system has also been established to receive reports and provide consultation to directors and employees of Group companies to quickly identify, rectify, and prevent the reoccurrence of any inappropriate issues in corporate activities. SBG prohibits disadvantageous treatment of persons who have reported or consulted through the whistle-blowing system for having done in the Group Company Management Regulations of the SoftBank Group.
- (2) CISO of SBG promotes the establishment and reinforcement of the group information security governance system of the entire Group.
- (3) The representatives of Group companies must submit a Representative Oath pertaining to the financial reports submitted to SBG, thereby ensuring the accuracy of the annual securities report and other documents submitted by the Group.
- (4) The Internal Audit Office comprehensively judges the results of past internal audits, the governance system, and the financial position of Group companies, and carries out internal audits of Group companies deemed as having a high risk.
- (5) SBG determines the following matters based on the Risk Management Policy and the Group Company Management Regulations.
 - Officers and employees of Group companies strive to foresee risks associated with the execution of business and respond to the identified risks, as well as report to superiors or decision makers and the like.
 - Each Group company appoints a risk manager.
 - The risk manager of the Group company conducts appropriate identification of and response to risks and incidents of said Group company and reports any identified risks and the status of responses thereto to the Risk Management Office of SBG. The risk manager also provides support and performs checks to ensure appropriate identification of and response to risks and incidents in business units. In addition, the risk manager reports necessary risk information based on the instructions of the Risk Management Officer of SBG in order to conduct risk management across the Group.
 - The Risk Management Office of SBG identifies and evaluates the risks and incidents of the Group companies, and monitors the status of responses thereto under the supervision of the CRO. It also reports any material risks and incidents to the Board of Directors and the Group Risk and Compliance Committee.

6. System for excluding organized crime and other criminal elements

SBG clearly states in the SoftBank Group Code of Conduct its policy of having absolutely no association with organized crime and other criminal elements that pose a threat to public order and safety. The General Administration Department is responsible for dealing with inappropriate requests from organized crime and other criminal elements and will firmly refuse those requests in a resolute manner in cooperation with the police and other external specialist institutions.

7. System related to support personnel who assist the Audit & Supervisory Board Members, matters related to the independence of the relevant employees from the directors, and matters related to ensuring the effectiveness of instructions given to the relevant employees

SBG has established the Audit & Supervisory Board Office as an organization to support the work of the Audit & Supervisory Board Members and assigns dedicated staff to this department. Directions and instructions to the support staff are issued by the Audit & Supervisory Board Members to ensure the effectiveness of the instructions, and any personnel changes, evaluations, or other such actions require the agreement of the Audit & Supervisory Board Members.

8. System for reporting to the Audit & Supervisory Board Members

Directors and employees of SBG shall report the following matters to the Audit & Supervisory Board Members:

- (1) Important matters related to the management, finances, or business execution of the Group
- (2) Matters related to the compliance system or use of the whistle-blowing system
- (3) The development status of internal control system
- (4) Matters that could cause significant damage to SBG
- (5) Matters related to violations of laws, regulations, or the Articles of Incorporation
- (6) Results of audits conducted by the Internal Audit Office
- (7) Other matters that the Audit & Supervisory Board Members deem necessary to be reported in order for them to execute their duties

9. Other systems to ensure that the audits by the Audit & Supervisory Board Members are conducted effectively

- (1) When the Audit & Supervisory Board Members deem it necessary, opportunities shall be provided for them to interview Board Directors and employees of the Group. In addition, the Audit & Supervisory Board Members periodically meet with the independent auditor and the Audit & Supervisory Board Members of major subsidiaries and other entities to exchange information and ensure cooperation.
- (2) SBG prohibits disadvantageous treatment of persons who have reported or consulted with the Audit & Supervisory Board Members for having done so in the Internal Reporting Regulations and the Group Company Management Regulations of the SoftBank Group.
- (3) SBG shall pay expenses related to the independent auditor, attorneys, and other professionals, and other expenses associated with the execution of duties by the Audit & Supervisory Board Members.

Overview of the implementation status of the system to ensure the appropriateness of the operations

1. Matters concerning compliance

SBG continues to conduct compliance training for Board Directors and employees of the Group, as well as having the GCO share information, give advice, and so forth, as necessary to the CCO of Group companies for enhancing the compliance system. In addition, SBG works to ensure the effectiveness of compliance of the entire group by establishing and operating a whistle-blowing system so that Board Directors and employees of the Group can report and consult directly. The effects of these measures are reviewed to make improvements as necessary.

2. Matters concerning risk management

Based on the Group's Risk Management Policy, SBG's Risk Management Regulations, and the Group Company Management Regulations of the SoftBank Group, each department of SBG and the officers, employees and risk managers of the Group companies conduct appropriate identification of and response to risks and incidents in order to eliminate or reduce impediments to the sustainable growth of the Group. The Risk Management Office of SBG also identifies, evaluates and monitors the risks and incidents of each department and the Group companies. Furthermore, the Risk Management Office reports any material risks and incidents to the Board of Directors and the Group Risk and Compliance Committee.

3. Matters concerning group management

In managing and overseeing Group companies as a holding company, SBG has established compliance with the SoftBank Group Charter, Group Company Management Regulations of the SoftBank Group, the SoftBank Group Code of Conduct and the SoftBank Group Sustainability Principles, which are applied to the Group. Reviewing as necessary such internal rules based on changes in the social environment and the status of the Company, SBG continuously works on enhancing and strengthening the Group's management system.

4. Matters concerning internal audits

Based on the Internal Audit Regulations, the Internal Audit Office carries out audits on the effectiveness of the system for compliance with laws, regulations, and the Articles of Incorporation as well as the risk management process at SBG. In addition, the department continuously carries out audits of Group companies deemed as having a high risk and reports the results of the audits to the CEO each time. The Internal Audit Office also works in cooperation with the Board Directors including External Board Directors and the Audit & Supervisory Board Members including External Audit & Supervisory Board Members by explaining the results of those audits to the Board of Directors and the Audit & Supervisory Board.

5. Matters concerning the execution of duties by Board Directors and employees

SBG ensures efficiency in the execution of duties by its Board Directors and employees based on internal regulations such as the Board of Directors Regulations and Internal Approval Regulations. SBG also ensures an environment where matters can be fully discussed at the Board of Directors meetings by Board Directors, including Independent External Board Directors.

6. Matters concerning the execution of duties by Audit & Supervisory Board Members

The Audit & Supervisory Board Members attend SBG's important meetings and arrange opportunities to interview Board Directors and employees of the Group as necessary. In addition, they continue to enhance cooperation by holding regular meetings with the independent auditor and the Audit & Supervisory Board Members and other personnel of major subsidiaries. Through these efforts, the Audit & Supervisory Board Members ensure the effectiveness of audits.

Consolidated Statement of Changes in Equity

(Fiscal year ended March 31, 2025)

(Millions of yen)

	Equity attributable to owners of the parent				
	Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock
As of April 1, 2024	238,772	3,326,093	193,199	1,632,966	(22,725)
Comprehensive income					
Net income	-	-	-	1,153,332	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1,153,332	-
Transactions with owners and other transactions					
Cash dividends	-	-	-	(64,086)	-
Distribution to owners of other equity instruments	-	-	-	(18,867)	-
Transfer of accumulated other comprehensive income to retained earnings	-	-	-	(580)	-
Purchase and disposal of treasury stock	-	-	-	(973)	(233,526)
Changes from loss of control	-	-	-	-	-
Changes in interests in subsidiaries	-	49,732	-	-	-
Issuance of other equity instruments in subsidiaries	-	-	-	-	-
Share-based payment transactions	-	(1,049)	-	-	-
Other	-	1,948	-	-	-
Total transactions with owners and other transactions	-	50,631	-	(84,506)	(233,526)
As of March 31, 2025	238,772	3,376,724	193,199	2,701,792	(256,251)

(Millions of yen)

	Equity attributable to owners of the parent		Non-controlling interests	Total equity
	Accumulated other comprehensive income	Total		
As of April 1, 2024	5,793,820	11,162,125	2,075,044	13,237,169
Comprehensive income				
Net income	-	1,153,332	449,776	1,603,108
Other comprehensive income	(487,095)	(487,095)	(33,665)	(520,760)
Total comprehensive income	(487,095)	666,237	416,111	1,082,348
Transactions with owners and other transactions				
Cash dividends	-	(64,086)	(368,868)	(432,954)
Distribution to owners of other equity instruments	-	(18,867)	-	(18,867)
Transfer of accumulated other comprehensive income to retained earnings	580	-	-	-
Purchase and disposal of treasury stock	-	(234,499)	-	(234,499)
Changes from loss of control	-	-	(25,614)	(25,614)
Changes in interests in subsidiaries	-	49,732	47,930	97,662
Issuance of other equity instruments in subsidiaries	-	-	200,000	200,000
Share-based payment transactions	-	(1,049)	46,737	45,688
Other	-	1,948	145	2,093
Total transactions with owners and other transactions	580	(266,821)	(99,670)	(366,491)
As of March 31, 2025	5,307,305	11,561,541	2,391,485	13,953,026

Non-consolidated Statement of Changes in Equity

(For the fiscal year from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance as of April 1, 2024	¥238,772	¥472,079	¥740	¥472,820	¥1,414	¥3,310,474	¥3,311,888
Changes in items during period							
Dividends of surplus	-	-	-	-	-	(64,086)	(64,086)
Net income	-	-	-	-	-	1,082,903	1,082,903
Purchase of treasury shares	-	-	-	-	-	-	-
Disposal of treasury shares	-	-	(740)	(740)	-	(233)	(233)
Net changes in items other than shareholders' equity	-	-	-	-	-	-	-
Total changes in items during period	-	-	(740)	(740)	-	1,018,584	1,018,584
Balance as of March 31, 2025	¥238,772	¥472,079	¥-	¥472,079	¥1,414	¥4,329,058	¥4,330,472

	Shareholders' equity		Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance as of April 1, 2024	¥(22,725)	¥4,000,755	¥1,049,076	¥276,655	¥1,325,731	¥4,640	¥5,331,126
Changes in items during period							
Dividends of surplus	-	(64,086)	-	-	-	-	(64,086)
Net income	-	1,082,903	-	-	-	-	1,082,903
Purchase of treasury shares	(237,058)	(237,058)	-	-	-	-	(237,058)
Disposal of treasury shares	3,532	2,559	-	-	-	-	2,559
Net changes in items other than shareholders' equity	-	-	(512,251)	(276,655)	(788,907)	(1,055)	(789,962)
Total changes in items during period	(233,526)	784,318	(512,251)	(276,655)	(788,907)	(1,055)	(5,644)
Balance as of March 31, 2025	¥(256,251)	¥4,785,073	¥536,824	¥-	¥536,824	¥3,585	¥5,325,482

Notes to Consolidated Financial Statements

(Basis of Presentation of Consolidated Financial Statements)

1. Basis of preparation of the consolidated financial statements

The consolidated financial statements of SoftBank Group Corp. and its subsidiaries are prepared on the basis of IFRS Accounting Standards ("IFRS") pursuant to the provisions of the second sentence of the first paragraph of Article 120 of the Ordinance on Company Accounting, which allows companies to prepare consolidated financial statements with the omission of certain disclosures required under IFRS.

Company names and abbreviations used in the notes, except as otherwise stated or interpreted differently in the context, are as follows:

Company names / Abbreviations	Definition
SoftBank Group Corp.	SoftBank Group Corp. (stand-alone basis)
The Company	SoftBank Group Corp. and its subsidiaries
Each of the following names or abbreviations indicates the respective company and its subsidiaries, if any.	
SB Northstar or the asset management subsidiary	SB Northstar LP
SVF1	SoftBank Vision Fund L.P. and its alternative investment vehicles
SVF2	SoftBank Vision Fund II-2 L.P.
SVF2 LLC	SVF II Investment Holdings LLC
LatAm Funds	SBLA Latin America Fund LLC
SLA LLC	SLA Holdco II LLC
SVF	SVF1, SVF2, and LatAm Funds
SBIA	SB Investment Advisers (UK) Limited
SBGA	SB Global Advisers Limited
Arm	Arm Holdings plc or Arm Limited*
SBE Global	SBE Global, LP
Fortress	Fortress Investment Group LLC
WeWork	WeWork Inc.
T-Mobile	T-Mobile US, Inc.
Alibaba	Alibaba Group Holding Limited
MgmtCo	MASA USA LLC

Note:

* A corporate reorganization was undertaken in August 2023, pursuant to which Arm Holdings Limited, a former subsidiary of Arm Limited, acquired all the issued ordinary shares of Arm Limited, thereby making it a wholly-owned subsidiary. Subsequently, Arm Holdings Limited changed its name to Arm Holdings plc and was listed on the Nasdaq Global Select Market through an initial public offering on September 14, 2023.

2. Scope of consolidation

Number of consolidated subsidiaries: 965

Names of main consolidated subsidiaries

SoftBank Group Overseas GK, SoftBank Vision Fund L.P., SoftBank Vision Fund II-2 L.P., SBLA Latin America Fund LLC, SoftBank Corp., Arm Holdings plc

Name of the main entity newly consolidated and the reason thereof

SBE Global, LP	Changed from equity method associate due to the additional acquisition of the interests
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Names of the main entities excluded from consolidation and the reason thereof

Fortress Investment Group LLC	Sale of the stock held
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3. Scope of entities applying equity method

Number of entities applying the equity method: 93

Names of the primary entities applying the equity method

Arm Technology (China) Co., Ltd.

Main reason for not applying the equity method to associates

Investments in associates made by SVF1 and SVF2 are investments held indirectly through venture capital organizations. Therefore, these investments are measured at fair value through profit or loss in accordance with Paragraph 18 of IAS 28 "Investments in Associates and Joint Ventures."

4. Summary of accounting policies

(1) Valuation standards and methods for financial instruments

a. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are measured at fair value at the time of initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets and issuance of financial liabilities other than financial assets measured at fair value through profit or loss (financial assets at FVTPL) and financial liabilities at fair value through profit or loss (financial liabilities at FVTPL) are added to the fair value of the financial assets or deducted from the fair value of financial liabilities at the time of initial recognition. Transaction costs that are directly attributable to the acquisition of the financial assets at FVTPL or financial liabilities at FVTPL are recognized in profit or loss.

b. Non-derivative financial assets

Non-derivative financial assets are classified as financial assets at amortized cost, debt financial assets at fair value through other comprehensive income (debt financial assets at FVTOCI), equity financial assets at fair value through other comprehensive income (equity financial assets at FVTOCI), and financial assets at FVTPL. The classification depends on the nature and purpose of the financial assets and is determined upon initial recognition.

All purchases and sales of financial assets made in the ordinary course of business are recognized and derecognized on a trade date basis. Purchases and sales made in the ordinary course of business refer to acquiring or disposing of financial assets under a contract that requires the delivery of assets within a timeframe established by regulation or convention in the marketplace.

(a) Financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

- the financial assets are held within a business model for which the objective is to hold financial assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost using the effective interest method, less any impairment. Interest income based on the effective interest rate is recognized in profit or loss.

(b) Debt financial assets at FVTOCI

Financial assets are classified as debt financial assets at FVTOCI if both of the following conditions are met:

- the financial assets are held within a business model for which the objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, debt financial assets at FVTOCI are measured at fair value, and gains or losses arising from changes in fair value are recognized in other comprehensive income. Any cumulative amounts recognized in other comprehensive income are reclassified to profit or loss upon derecognition. Foreign exchange gains and losses arising on monetary financial assets classified as debt financial assets at FVTOCI and interest income calculated using the effective interest method relating to debt financial assets at FVTOCI are recognized in profit or loss.

(c) Equity financial assets at FVTOCI

At initial recognition, the Company has made an irrevocable election for equity financial assets that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income and classifies such investments as equity financial assets at FVTOCI. Subsequent to initial recognition, equity financial assets at FVTOCI are measured at fair value, and gains or losses arising from changes in fair value are recognized in other comprehensive income.

When financial assets are derecognized or there is a significant or prolonged decline in fair value below the cost, cumulative gains and losses recognized in other comprehensive income are directly transferred to retained earnings. Dividends received on equity financial assets at FVTOCI are recognized in profit or loss.

(d) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL, if they are classified as neither financial assets at amortized cost, debt financial assets at FVTOCI, nor equity financial assets at FVTOCI. Please refer to “(13) Material accounting policies for the SoftBank Vision Funds business” for the details of “Investments from SVF (FVTPL)” in the consolidated statement of financial position. Neither financial asset is designated as measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value, and gains or losses arising from changes in fair value, dividend income, and interest income are recognized in profit or loss.

(e) Impairment of financial assets

A loss allowance is recognized for expected credit losses on financial assets at amortized cost, debt financial assets at FVTOCI, and contract assets under IFRS 15 “Revenue from Contracts with Customers.” At each fiscal period end, the Company assesses whether the credit risk on financial assets has increased significantly since initial recognition. If the credit risk on financial assets has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to the 12-month expected credit losses. If the credit risk on financial assets has increased significantly since initial recognition, or for credit impaired financial assets, the Company measures the allowance account for the financial assets at an amount equal to the lifetime expected credit losses. However, the Company always measures the loss allowance at an amount equal to the lifetime expected credit losses for trade receivables and contract assets.

Expected credit losses are estimated in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

Provision of the loss allowance relating to the measurement is recognized in profit or loss. Reversal of the loss allowance is also recognized in profit or loss when events that would reduce the loss allowance occur in subsequent periods.

The carrying amount of financial assets is directly reduced against the loss allowance when the Company has no reasonable expectations of recovering financial assets in their entirety, or a portion thereof.

(f) Derecognition of financial assets

The Company derecognizes a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset.

c. Non-derivative financial liabilities

Non-derivative financial liabilities are classified into financial liabilities at FVTPL or financial liabilities measured at amortized cost, and the classification is determined at initial recognition.

Non-derivative financial liabilities are classified into financial liabilities at FVTPL when the entire hybrid contract, including more than one embedded derivative, is designated as financial liabilities at FVTPL. Subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, and gains or losses arising from changes in fair value and interest costs are recognized in profit or loss.

Financial liabilities measured at amortized cost are measured using the effective interest method subsequent to the initial recognition.

The Company derecognizes financial liabilities when the Company's obligations are met or debt is discharged, canceled, or expires.

d. Derivatives and hedge accounting

(a) Derivatives

The Company is engaged in derivative transactions, including foreign currency forward contracts, currency swaps, option contracts and collar transactions in order to manage its exposure to foreign exchange rates, interest rates and share price risks.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are substantially measured at their fair values at the end of the fiscal year. Changes in the fair value of derivatives are recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument. Derivative financial assets not designated as hedging instruments are classified into financial assets at FVTPL, and derivative financial liabilities not designated as hedging instruments are classified into financial liabilities at FVTPL.

(b) Hedge accounting

The Company designates certain derivative transactions as hedging instruments and accounts for them as cash flow hedges.

At the inception of the hedge, the Company formally designates and documents the hedge relationship qualifying for hedge accounting, along with its risk management objectives and its strategies for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the Company evaluates whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the relevant hedged item during the underlying period. Specifically, a hedge is determined to be effective when all of the following criteria are met:

- (i) there is an economic relationship between the hedged item and the hedging instrument;
- (ii) the effect of credit risk does not dominate the value changes that result from that economic relationship;
- and
- (iii) the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item the Company actually hedges and the quantity of the hedging instrument the Company actually uses to hedge the quantity of the hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective remains the same, the Company adjusts the hedge ratio so that the hedging relationship becomes effective again.

The effective portion of changes in the fair value of derivatives that are designated and qualifying as cash flow hedges is recognized in other comprehensive income and accumulated in equity. Accumulated other comprehensive income is transferred to profit or loss through a line item relating to the hedged item in the consolidated statement of profit or loss in the year when the cash flows from the hedged item affect profit or loss. Any ineffective portion of changes in fair value of derivatives is recognized immediately in profit or loss.

The Company discontinues hedge accounting prospectively only when the hedging relationship ceases to meet the qualifying criteria, such as instances when the hedging instrument expires or is sold, terminated, or exercised.

When hedge accounting is discontinued, any related income included in accumulated other comprehensive income remains in equity and is reclassified to profit or loss when the forecasted transaction is ultimately recognized in profit or loss. When a forecasted transaction is no longer expected to occur, any related income included in accumulated other comprehensive income is immediately reclassified to profit or loss.

(c) Embedded derivatives

Derivatives embedded in non-derivative financial assets host contracts ("embedded derivatives") are not separated from the host contracts and are accounted for as hybrid contracts in their entirety.

When the economic characteristics and risks of the derivatives embedded in non-derivative financial liabilities host contracts ("embedded derivatives") are not closely related to the economic characteristics and risks of the host contracts and the whole financial instruments, including the embedded derivatives, are not classified as financial liabilities at FVTPL, the embedded derivatives are separated from the host contracts and accounted for separately as derivatives. If it is required to separate embedded derivatives from their host contracts, but the Company is unable to measure the embedded derivatives separately either at acquisition or at the end of a subsequent fiscal period, the Company designates and accounts for the entire hybrid contract as financial liabilities at FVTPL.

(2) Valuation standards and methods for inventories

Inventories are stated at the lower of cost or net realizable value. Inventories mainly consist of mobile devices and accessories in the SoftBank business. Their costs comprise all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. The costs are mainly calculated by the moving-average method.

Net realizable value is calculated based on the estimated selling price in the ordinary course of business, less estimated costs of marketing, selling, and distribution.

(3) Valuation standards and methods, and depreciation or amortization methods for property, plant and equipment and intangible assets

a. Property, plant and equipment

The Company uses the cost model for measurement of property, plant and equipment in which the assets are measured on a historical cost basis, less accumulated depreciation and accumulated impairment losses. Historical cost includes costs directly attributable to the acquisition of the asset and the initial estimated costs related to disassembly, retirement, and site restoration.

Property, plant and equipment are depreciated mainly using the straight-line method over the estimated useful lives of each component. The depreciable amount is calculated as the cost of an asset, less its residual value. Land and construction in progress are not depreciated.

The estimated useful lives of major components of property, plant and equipment are as follows:

Buildings and structures	
Buildings	20 - 50 years
Structures	3 - 50 years
Building fixtures	3 - 22 years
Telecommunications equipment	
Wireless equipment, switching equipment, and other network equipment	5 - 15 years
Towers	10 - 42 years
Other	5 - 30 years
Furniture, fixtures, and equipment	
Leased mobile devices	2 - 3 years
Other	2 - 20 years
Machinery and equipment	
Solar power generation facilities	35 years

The depreciation methods, useful lives, and residual values of assets are reviewed at the end of each fiscal year, and any changes are applied prospectively as a change in accounting estimate.

b. Intangible assets

The Company uses the cost model for measurement of intangible assets in which the assets are measured at historical cost, less accumulated amortization and accumulated impairment losses.

Intangible assets acquired individually are measured at cost upon initial recognition. Intangible assets acquired in a business combination are recognized separately from goodwill upon initial recognition and are measured at fair value at the acquisition date. Any internally generated research and development expenditure is recognized as an expense in the period in which it is incurred, except for expenditures on development activities eligible for capitalization (internally generated intangible assets). The amount initially recognized for internally generated intangible assets is the sum of the expenditures incurred from the date when the intangible asset first meets all of the capitalization criteria to the date the development is completed.

There are intangible assets with finite useful lives and intangible assets with indefinite useful lives. The intangible assets with finite useful lives are amortized over the estimated useful lives by the straight-line method.

The estimated useful lives of major categories of intangible assets with finite useful lives are as follows:

Software	5 - 10 years
Customer relationships	8 - 25 years
Technologies	8 - 20 years
Spectrum-related costs	18 years
Other	2 - 25 years

Amortization methods, useful lives, and residual values of assets are reviewed at the end of each fiscal year, and any changes are applied prospectively as a change in accounting estimate.

Spectrum-related costs are the SoftBank Corp.'s share of costs for the spectrums assigned to SoftBank Corp. based on the Radio Act. These spectrum-related costs include the costs arising from the migration of pre-existing users to other spectrums by the termination campaign. Useful lives are estimated based on the actual utilization of the frequency spectrum in the past.

Intangible assets with indefinite useful lives are as follows:

- Trademarks (with indefinite useful lives)

The intangible assets with indefinite useful lives and the intangible assets that are not yet available for use are not amortized. The impairment of these assets is described in "(6) Impairment of property, plant and equipment; right-of-use assets; intangible assets; and goodwill."

The Company does not apply IFRS 16 "Leases" to leases of intangible assets.

(4) Lease

a. Overall

(a) Identifying a lease

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. The Company deems a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the following conditions are met, the Company deems that the contract conveys the right to control the use of an identified asset.

- i. The use of the identified asset is specified in a contract and the lessor does not have the right to substitute the asset.
- ii. Throughout the period of use, the lessee has the right to obtain substantially all of the economic benefits from the use of the identified asset.
- iii. The lessee has the right to direct the use of the identified asset. Where the relevant decisions about how and for what purpose the asset is used are predetermined, the lessee is deemed to have the right to direct the use of the identified asset if:
 - the lessee has the right to operate the asset; or
 - the lessee designed the asset in a way that predetermines how and for what purpose the asset will be used.

(b) Lease term

The lease term is determined as the non-cancellable period of a lease, together with both:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

b. Lessee

(a) Separating components of a contract

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract by allocating the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

(b) Lease transactions of intangible assets

The Company does not apply IFRS 16 “Leases” to leases of intangible assets.

(c) Right-of-use asset

At the commencement date, the Company recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost. The cost of the right-of-use asset comprises: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date; any initial direct costs; and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset; less any lease incentives received.

After the initial measurement, the right-of-use asset is depreciated on a straight-line basis: (a) over the estimated useful life if the transfer of ownership of the underlying asset is certain; or (b) over the shorter of the lease term or the estimated useful life of the right-of-use asset if the transfer of ownership is not certain. The estimated useful life of the right-of-use asset is determined by the same method applied to property, plant and equipment. Further, if the right-of-use asset is impaired, an impairment loss is deducted from the carrying amount of the right-of-use asset.

(d) Lease liability

At the commencement date, the Company measures the lease liability at the present value of the lease payments that will be paid over the lease term after that date. In calculating the present value, the interest rate implicit in the lease is used as a discount rate if that rate can be readily determined. If that rate cannot be readily determined, the Company’s incremental borrowing rate is used.

The lease payments included in the measurement of the lease liability mainly comprise: fixed payments; lease payments to be made during extension periods, if the lease term reflects the exercise of an option to extend the lease; and payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

After the initial measurement, the lease liability is measured at amortized cost using an effective interest method. The lease liability is remeasured if there is a change in future lease payments resulting from a change in an index or a rate, if there is a change in the amounts expected to be payable under a residual value guarantee, or if there is a change in the assessment of the possibility of an option to extend or terminate the lease being exercised.

If the lease liability is remeasured, the carrying amount of the right-of-use asset is also adjusted by the amount of the remeasurement of the lease liability. However, if the amount of liability reduced by the remeasurement of the lease liability exceeds the carrying amount of the right-of-use asset, any remaining amount of the remeasurement after reducing the right-of-use asset to zero is recognized in profit or loss.

c. Lessor

(a) Separating components of a contract

For a contract that is, or contains, a lease, the Company allocates the consideration in the contract applying IFRS 15 "Revenue from Contracts with Customers" to lease components and non-lease components of the contract.

(b) Classification of leases

At the commencement of a lease contract, the Company classifies whether the contract is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise, a lease is classified as an operating lease. The Company assesses that substantially all the risks and rewards incidental to ownership of an underlying asset are transferred in cases where the lease term is for a major part of the economic life of the underlying asset, or the amount of present value of the lease payments is substantially all the amount of fair value of the asset.

(c) Sublease classification

If the Company is a party to a sublease contract, the Company accounts for the head lease (lessee) and the sublease (lessor) separately. When classifying the sublease as a finance lease or an operating lease, the Company considers the risks and rewards incidental to, and the useful life of, the right-of-use asset that is recognized by the Company in the head lease, instead of that of the leased asset.

(d) Recognition and measurement

Lease receivables in finance leases are recorded as the uncollected amount of net lease receivables, as of the date the lease is determined and through its maturity. Lease receivables are apportioned between financing income and the repayments of the lease receivables. Lease receivables are measured at amortized cost using the effective interest method. Interest income based on the effective interest rate is recognized in profit or loss.

Total lease payments received from operating leases received during the lease term are recognized as income on a straight-line basis over the lease term.

(5) Accounting treatment of goodwill

Please refer to "(12) Accounting treatment for business combinations" for the measurement of goodwill at initial recognition. Goodwill is measured at cost, less accumulated impairment losses.

Goodwill is not amortized and is tested for impairment when there is an indication of impairment in cash-generating unit or groups of cash-generating units to which goodwill has been allocated, and annually, regardless of any indication of impairment. Impairment is described in "(6) Impairment of property, plant and equipment; right-of-use assets; intangible assets; and goodwill."

Any excess of the cost of acquisition of an associate or joint venture over the Company's interest in the net fair value of the identifiable assets and liabilities recognized at the date of acquisition is recognized as goodwill and included within the carrying amount of investment in the relevant company. Because goodwill is not separately recognized, it is not tested for impairment separately. Instead, the entire carrying amount of the investment in associates or joint ventures, including goodwill, is tested for impairment as a single asset whenever objective evidence indicates the investment may be impaired.

(6) Impairment of property, plant and equipment; right-of-use assets; intangible assets; and goodwill

a. Impairment of property, plant and equipment; right-of-use assets; and intangible assets

At the end of the fiscal year, the Company determines whether there is any indication that property, plant and equipment, right-of-use assets; and intangible assets may be impaired.

If any such indication exists, the recoverable amount of the asset is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Intangible assets with indefinite useful lives and intangible assets that are not yet available for use are tested for impairment annually, regardless of whether there is any indication of impairment.

The recoverable amount is the higher of fair value, less costs to sell, or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and an impairment loss is recognized in profit or loss.

At the end of the fiscal year, the Company evaluates whether there is any indication that an impairment loss related to assets other than goodwill recognized in prior years has decreased or been extinguished. If such indication of a reversal of an impairment loss exists, the recoverable amount of the asset or cash-generating unit is estimated. If the recoverable amount of an asset or cash-generating unit is estimated to be higher than its carrying amount, a reversal of an impairment loss is recognized to the extent that the increased carrying amount does not exceed the lower of the recoverable amount or the carrying amount that would have been determined (net of depreciation and amortization) had no impairment loss been recognized.

b. Impairment of goodwill

At the end of the fiscal year and at the end of each quarter, the Company determines whether there is any indication that goodwill may be impaired.

Goodwill is allocated to each of the cash-generating unit or groups of cash-generating units that are expected to benefit from the synergies arising from the business combination, and it is tested for impairment annually, regardless of any indication of impairment, and when there is an indication that the cash-generating unit or groups of cash-generating units may be impaired. If, at the time of the impairment test, the recoverable amount of the cash-generating unit or groups of cash-generating units is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit or groups of cash-generating units and then to the other assets pro rata based on the carrying amount of each asset in the cash-generating unit or groups of cash-generating units.

Any impairment loss for goodwill is recognized directly in profit or loss and is not reversed in subsequent periods.

(7) Criteria for recording significant provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured using the estimated future cash flows, discounted using a pretax rate reflecting the time value of money and the specific risks of the liability, after taking into account the risks and uncertainties surrounding the obligation at the end of the fiscal year.

The Company mainly recognizes asset retirement obligations and provisions for loss on contract.

For provisions for loss on contract, the amount is estimated and recorded as deemed necessary to prepare for future losses incurred in fulfilling contracts with customers.

(8) Revenue recognition

The Company's main accounting policy for revenue recognition is as follows:

SoftBank business

The SoftBank business provides mobile services, sales of mobile devices, broadband services and solutions services in Japan mainly through SoftBank Corp., media, advertising and commerce services through LY Corporation, or payment and financial services through PayPay Corporation.

a. Consumer business

(a) Mobile services and sales of mobile devices

The Company provides mobile services, which consist of voice call services, data transmission services, and related optional services to subscribers, and sells mobile devices to customers.

In providing mobile services, sales revenue is mainly generated from basic monthly charges, mobile services, and other fees. Revenues from the sales of mobile devices are generated from the sales of mobile devices and accessories to subscribers or dealers.

The business flow of the above transactions consists of "Indirect" sales, where the Company sells mobile devices to dealers and enters into mobile communications service contracts with subscribers through dealers, and "Direct" sales, where the Company sells mobile devices to subscribers and enters into mobile communications service contracts directly with subscribers.

In mobile services, the contractual period is defined as the period in which the party to the contract has present enforceable rights and obligations based on the terms of the contract with the subscriber. If the subscriber is granted an option to renew the contract and it is determined that the option provides the subscriber with a "material right", a separate performance obligation is identified. As a practical alternative to estimating the stand-alone selling price of the option that represents a performance obligation, the Company allocates the transaction price to the mobile communications services related to the option by reference to the mobile communications services expected to be provided and the corresponding expected consideration.

Basic charges and mobile service fees are billed to subscribers on a monthly basis and are generally due within one month. Mobile device payments for indirect sales are billed to dealers at the time of sale to the respective dealers and are generally due within one month. In addition, mobile device payments for direct sales can be paid in full at the time of sale or paid in monthly installment over the contract period, normally due within one month. As a result of both quantitative and qualitative analysis, the Company has determined that these transaction prices do not include significant financing components due to the timing of payment and have not been adjusted for such financing components. When the period between the revenue recognition and the payment is one year or less, the Company does not make an adjustment for significant financing components, as a practical expedient permitted by IFRS.

For mobile services and sales of mobile devices, the Company is obliged to allow returns and provide refunds for a certain period of time after the inception of the contract. Return and refund obligations are estimated and deducted from transaction prices for each type of goods and services based on historical performance.

The Company provides optional additional warranty services for mobile devices. Under the contracts in which these services are provided, the services are identified as separate performance obligations, and are recognized as revenue when they are provided to subscribers.

i. Indirect sales

Revenues from the sales of mobile devices are recognized when mobile devices are delivered to dealers, which is when dealers are deemed to have obtained control over the mobile devices. Dealers involved in indirect sales have the primary responsibility for fulfilling contracts, carry all inventory risk, and may independently establish their own inventory pricing. Accordingly, the Company considers that dealers involved in indirect sales act as principals.

Basic monthly charges and mobile service fees are recognized as revenue over time during the contractual period because the performance obligation of mobile services is to provide a certain amount of data communications monthly to subscribers during the contractual period. Discounts on mobile communications charges are deducted from the revenues recognized from monthly mobile services. Commission fees paid to dealers related to the sales of mobile devices are deducted from sales.

ii. Direct sales

For direct sales, the total amount of transaction prices is allocated to sales of mobile devices and mobile service revenue based on the ratio of their stand-alone selling prices, as the revenues from the sales of mobile devices and mobile services, including related fees, are considered to be one transaction. Discounts on mobile communications charges related to mobile service revenue are deducted from the total transaction prices. In addition, if the amount of revenue recognized at the time of sales of mobile devices exceeds the amount of consideration received from the subscribers, the difference is recognized as contract assets and subsequently transferred to trade receivables when the claim is determined as a result of the provision of mobile services. If the amount of revenue recognized at the time of sale of mobile devices is less than the amount of consideration received from the subscribers, the difference is recognized as contract liabilities, which is then reversed when the mobile services are provided, and is recognized as revenue.

Stand-alone selling prices of mobile devices and mobile services are priced at their observable prices when the mobile devices and mobile services are sold independently to customers at the inception of the contract.

The amount allocated to sales of mobile devices is recognized as revenue at the time of delivery to the subscribers, representing the point in time when subscribers are considered to have obtained control of the mobile devices. Amounts allocated to mobile service revenues are recognized as revenue over time during the contractual period because the performance obligation of mobile services is to provide a certain amount of data communications monthly to subscribers during the contractual period.

Contract assets are included in “other current assets” in the consolidated statement of financial position.

(b) Broadband services

For broadband services, revenues are mainly generated from basic monthly charges and telecommunications service fees primarily related to Internet connection (“revenues from broadband services”), and other fees.

Revenues from broadband services are recognized when services are provided to subscribers, based upon fixed monthly charges plus the fees charged for usage of the network. Activation fees are recognized as contract liabilities when received, which are then reversed when the broadband services are provided, and are recognized as revenue.

(c) Electricity services

For electricity services, revenues are mainly generated from the purchase and sale, supply and intermediation of electricity services, including *Ouchi Denki*. Revenues from supply of electricity (retail service) are recognized when services are provided to subscribers, based upon fixed monthly charges plus the fees charged for usage of electricity.

b. Enterprise business

(a) Mobile services and mobile device rental services

Revenues from mobile services mainly consist of revenues from mobile services and other fees. Since mobile device rental services are provided on the condition that mobile service contracts are entered into consideration arising from these transactions are allocated to lease and others based on the fair value of mobile device lease and mobile communications services. The fair value is the price at which the mobile devices are sold individually and the price at which the mobile communications services are provided individually. Consideration allocated to other is recognized as revenues based on fixed monthly charges and the fees charged for usage of the network when services are provided to subscribers.

(b) Fixed-line communications services

Revenues from fixed-line communications services mainly consist of voice telecommunications service fees and data transmission service fees.

Revenues from fixed-line communications services are recognized when services are provided to subscribers based on fixed monthly charges and the fees charged for usage of the network.

(c) Business solution and others

Revenues from business solution and others mainly consist of services, such as data center, cloud, security, global, AI, Internet of Things ("IoT"), digital marketing, and equipment sales.

Revenues from business solution and others are recognized when products or services are provided to subscribers, representing the point when subscribers have obtained control of the product or service, based upon the consideration receivable from subscribers.

c. Distribution business

Revenues in the Distribution business are mainly generated from the sales of hardware, software, and services in relation to Information and Communication Technology ("ICT"), cloud and IoT solutions for enterprise customers. Revenues are also driven by the sales of PC software, IoT products, and mobile device accessories for individual customers.

Revenues in the Distribution business are recognized as revenue at the time of delivery to customers, representing the point in time when the customers are deemed to have obtained control over the goods and other items.

For transactions conducted by the Company on behalf of third parties, revenues are presented on a net basis by excluding payment to third parties from the total consideration received from customers.

d. Media&EC business

(a) Media business

The media business mainly comprises planning and sale of internet-based advertising-related services, information listing services, and other corporate services. Revenues in the media business mainly consist of revenues from search advertising, account advertising, display advertising, and others.

i. Search advertising

Revenues from search advertising are recognized based on the per-click rate set by a customer when a visitor of the website clicks the advertisement.

ii. Account advertising

Account advertising mainly comprises LINE Official Accounts and LINE Sponsored Stickers. Revenues from LINE Official Accounts are recognized over time during the contractual period. Revenues from LINE Sponsored Stickers are recognized over time during the contractual period.

iii. Display advertising

Display advertising comprises display advertising (reservation) and display advertising (programmatic).

Revenues from display advertising (reservation) are recognized over the period in which the related advertisement is displayed. Revenues from display advertising (programmatic) are recognized based on the per-click rate set by a customer when a visitor of the website clicks the advertisement on the page with the related content. Revenues from LINE VOOM and LINE NEWS advertising are recognized upon the fulfillment of certain actions under contracts with advertisers.

iv. Others

Others mainly comprise *LYP Premium*. Revenues from *LYP Premium* are recognized over the period during which the membership is valid.

(b) Commerce business

The commerce business mainly comprises sales of products and planning and provision of services, which are provided via the internet for small to medium-sized businesses and individual customers. Revenues in the commerce business consist of revenues from the sale of goods by the ASKUL Group and e-commerce-related services, such as *ZOZOTOWN* and *Yahoo!auction*.

i. Sale of goods by the ASKUL Group

ASKUL Group engages in the business of selling office-related products and other goods. ASKUL Group's major customers are small- and medium-sized companies as well as individual users. Revenues from the sale of goods are recognized when a customer obtains control of the goods, that is, at the time the customer has the ability to direct the use of the goods and to obtain substantially all of the remaining economic benefits from the goods.

ii. *ZOZOTOWN*

ZOZO Inc. operates *ZOZOTOWN* and sells goods on a consignment basis to individual users as an agent of each brand opening a store as a tenant in *ZOZOTOWN*. Consignment sales commission based on gross merchandise value multiplied by sales commission rate is recognized as revenue when the customer obtains control of the goods.

iii. *Yahoo!auction*

LY Corporation provides online auction services through *Yahoo!auction* to individual users and corporations. System usage fees charged to the sellers according to auction proceeds are recognized as revenue when the auction transactions are completed.

e. Financial business

Revenues in the Financial business mainly consist of merchant fees from providing QR code payment services and merchant fees from credit-related services. The merchant fees from providing QR code payment services are recognized as revenue at the completion of the settlement, assuming that the merchant has received the payment service at the point of sale of goods or other transactions.

Among the credit card-related services, the merchant fees from providing payment services are recognized as revenue at the time of card usage, which is when the performance obligation is satisfied. Additionally, fees generated from revolving payments, installment payments, and cash advance services provided to card members are recognized as revenue over the period of interest attributed in accordance with IFRS 9 "Financial Instruments."

Arm business

In the Arm business, revenue is mainly generated from licensing Arm's IP to customers and royalties arising from the subsequent sale of licensees' chips that contain Arm's technology.

a. License and other revenue

(a) Intellectual Property license

Arm generally licenses IP under non-exclusive license agreements that provide usage rights for specific applications for a finite or perpetual term. These licenses are made available electronically to address the customer-specific business requirements. These arrangements generally have distinct performance obligations that consist of transferring the licensed IPs, version extensions of architecture IP or releases of

specified IPs, and support services. Support services consist of a stand-ready obligation to provide technical support, patches, and bug fixes over the support term. Revenue allocated to the IP license is recognized at a point in time upon the delivery or beginning of the license term, whichever is later. Revenue allocated to distinct version extensions of architecture IP or releases of specified IP, excluding when-and-if-available minor updates over the support term, are recognized at a point in time upon the delivery or beginning of license term, whichever is later.

Certain license agreements provide customers with the right to access a library of current and future IPs on an unlimited basis over the contractual period depending on the terms of the applicable contract. These licensing arrangements represent stand-ready obligations in that the timing of the delivery of the underlying IPs is within the control of the customer and the extent of use in any given period does not diminish the remaining performance obligation. The contract consideration related to these arrangements is recognized ratably over the term of the contract in line with when the control of the performance obligations is transferred. Certain subscription license agreements include unspecified future IPs that are provided on a when-and-if-available basis, representing a stand-ready obligation. The contract consideration allocated to the stand-ready obligation is recognized on a ratable basis over the term of the contract, commencing upon the later of the effective date of the agreement and the transfer of the initial available IP license.

(b) Software sales, including development systems

Sales of software, including development systems, which are not specifically designed for a given license (such as off-the-shelf software), are recognized upon delivery when control has been transferred and customer can begin to use and benefit from the license.

(c) Professional services

Services (such as training, professional and design services) that Arm provides, which are not essential to the functionality of the IP, are separately stated and priced in the contract and accounted for separately. Training revenue is recognized as services are performed. Revenue from professional and design services are recognized over time using an input method based on engineering labor hours expended to date relative to the estimated total effort required. For such professional and design services, Arm has an enforceable right to payment for performance completed to date, which includes a reasonable profit margin and the performance of such services do not create an asset with an alternative use. In certain arrangements, Arm also provides customers with professional and design services, as a stand-ready obligation, that are recognized on a ratable basis over the term of the contract.

(d) Support and maintenance

Support and maintenance is a stand-ready obligation to the customer that is both provided and consumed simultaneously. Revenue is recognized on a straight-line basis over the period for which support and maintenance is contractually agreed pursuant to the license.

b. Royalty revenue

For most IP license agreements, royalties are collected on products that incorporate the Arm's IP. Royalties are recognized on an accrual basis in the quarter in which the customer ships their products, based on the Arm's technology that it contains. This estimation process for the royalty revenue accrual is based on a combination of methodologies, including the use of historical sales trends and macroeconomic factors for predictive analysis, the analysis of customer royalty reports and their sales trends and forecasts, as well as data and forecasts from third-party industry research providers. Data considered includes revenue, unit shipments, average selling price, product mix, market share and market penetration. Adjustments to revenue are required in subsequent periods to reflect changes in estimates as new information becomes available, primarily resulting from actual amounts subsequently reported by the licensees in the period following the accrual, including royalty audit resolutions.

(9) Costs to obtain contracts

The Company recognizes the costs that would not have been incurred if the telecommunications service contract had not been obtained and that are expected to be recovered as assets from the costs to obtain contracts. The Company capitalizes mainly the sales commissions that the Company pays to dealers for obtaining and maintaining mobile services contracts with subscribers.

The costs to obtain contracts are amortized on a straight-line basis over the period (normally two to four years) during which goods or services related to such costs are expected to be provided. At the end of each reporting period, the Company assesses the impairment relating to the capitalized costs to obtain such contracts.

Using a practical expedient, the Company accounts for the costs to obtain contracts as expenses when incurred if the amortization period of the costs to obtain contracts is one year or less.

(10) Accounting treatment for income taxes

Income tax expense is composed of current and deferred taxes, and recognized in profit or loss, except for taxes related to business combinations and items that are recognized in other comprehensive income or directly in equity.

Current tax is measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the fiscal year.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be utilized. The recoverability of deferred tax assets is reassessed at the end of the fiscal year.

Deferred tax assets are not recognized for the taxable temporary differences that arise from the initial recognition of assets and liabilities in a transaction that is not a business combination, affects neither accounting profit nor taxable profit and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognized for deductible temporary differences associated with investments in subsidiaries and associates when it is probable that the temporary difference will reverse in the foreseeable future and when there will be sufficient taxable profits against which the temporary differences can be utilized.

Deferred tax liabilities are basically recognized for taxable temporary differences, except for:

- temporary differences that arise from the initial recognition of assets and liabilities in a transaction that is not a business combination, affects neither accounting profit nor taxable profit and does not give rise to equal taxable and deductible temporary differences;
- taxable temporary differences arising from the initial recognition of goodwill; and
- taxable temporary differences associated with investments in subsidiaries and associates, where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted by the end of the fiscal year.

Deferred tax assets and liabilities are offset if the Company has a legally enforceable right to set-off current tax assets against current tax liabilities, and income taxes are levied by the same taxation authority on the same taxable entity.

In accordance with the temporary relief under the IAS 12 (Amendments) "Income Tax," the Company has applied exceptions for recognition and information disclosure regarding the deferred tax assets and liabilities related to income taxes arising from the implementation of the Pillar Two model rules.

(11) Criteria for foreign currency translation

a. Transactions denominated in foreign currencies

Financial statements of each group company are prepared in the currency based on the primary economic environment in which it operates ("functional currency"). Transactions in currencies other than the entity's functional currency (foreign currencies) are translated at the rates of exchange prevailing at the dates of the transactions.

Monetary items denominated in foreign currencies are translated into functional currency at the rates prevailing at

the end of the fiscal year. Non-monetary items carried at fair value that are denominated in foreign currencies are translated into the functional currency at the rates prevailing at the date when the fair value was measured.

Exchange differences arising from translation are recognized in profit or loss, however, exchange differences arising from equity financial assets at FVTOCI and cash flow hedges are recognized in other comprehensive income.

b. Foreign operations

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (including goodwill arising from acquisitions and the adjustments of fair value) are translated into Japanese yen using exchange rates prevailing at the end of the fiscal year.

Income and expenses are translated into Japanese yen using the average exchange rates for each quarter. When the translated amounts do not approximate the amounts translated by the exchange rates at the dates of the transactions, the exchange rates at the transaction dates are used for the translation.

Exchange differences arising from translating the financial statements of foreign operations are recognized in other comprehensive income, and cumulative differences are included in accumulated other comprehensive income.

These cumulative differences are reclassified from equity to profit or loss when the Company loses control or significant influence over the foreign operation.

(12) Accounting treatment for business combinations

Business combinations are accounted for using the acquisition method on the acquisition date.

The consideration transferred in a business combination is measured as the sum of the assets transferred by the Company, liabilities assumed by the Company from the former owners of the acquiree, and the fair value at the acquisition date of the equity interests issued by the Company. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefits are recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits," respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 "Share-based Payment" at the acquisition date; and
- assets or disposal groups that are classified as held for sale are measured in accordance with IFRS 5 "Non-current Assets Held-for-Sale and Discontinued Operations."

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the identifiable net assets acquired at the acquisition date is recorded as goodwill. If the consideration transferred and the amount of any non-controlling interest in the acquiree is less than the fair value of the identifiable net assets of the acquired subsidiary, the difference is recognized immediately in profit or loss.

On an acquisition-by-acquisition basis, the Company chooses a measurement basis of non-controlling interests at either fair value or by the proportionate share of the non-controlling interests in the recognized amounts of the acquiree's identifiable net assets. When a business combination is achieved in stages, the Company's previously held interest in the acquiree is remeasured at fair value at the acquisition date and gain or loss from the remeasurement, if any, is recognized in profit or loss.

Amounts arising from changes in the value of interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are accounted by the same method as the Company would dispose the interests.

If the initial accounting for a business combination is incomplete by the end of the fiscal year, the Company reports in its financial statements provisional amounts for the items for which the accounting is incomplete. The Company retrospectively adjusts the provisional amounts recognized at the acquisition date as an adjustment during the measurement period when new information about facts and circumstances existed as of the acquisition date and, if known, would have affected the recognized amounts for the business combination. The measurement period shall not exceed one year from the acquisition date.

Goodwill arising in business combinations that occurred before the date of transition to IFRS is carried over at the carrying amount under the previous accounting principles (Japanese Generally Accepted Accounting Principles) as of the date of transition to IFRS and recorded by that amount after an impairment test.

(13) Material accounting policies for the SoftBank Vision Funds business

For SVF1, SVF2, and LatAm Funds, the Company applies the following accounting policies.

a. Consolidation of SVF1, SVF2, and LatAm Funds by the Company

SVF1 and SVF2 are limited partnerships established by their respective general partners which are wholly-owned subsidiaries of the Company (SVF2 owns limited liability companies including SVF2 LLC) and are qualified as structured entities by their forms of organization. SVF1 and SVF2 are consolidated by the Company for the following reasons.

As of March 31, 2025, SVF1 and SVF2 are managed by SBIA and SBGA, respectively, which are wholly-owned subsidiaries of the Company in the UK. SVF1 and SVF2 make investment decisions through each investment committee, which was established in SBIA and SBGA, respectively. As such, the Company has power as defined under IFRS 10 “Consolidated Financial Statements” over SVF1 and SVF2. Furthermore, SBIA receives performance fees and SBGA receives performance-linked management fees. The Company receives distributions attributable to limited partners based on the investment performance as returns from SVF1 and SVF2. The Company has the ability to affect those returns through its power over SVF1 and SVF2, and therefore, the Company is deemed to have control as stipulated in IFRS 10 “Consolidated Financial Statements” over SVF1 and SVF2.

LatAm Funds is a limited liability company in which a wholly-owned subsidiary of the Company invests (LatAm Funds owns limited partnerships and the other forms of entities). LatAm Funds is consolidated by the Company as it holds more than one-half of the voting rights of LatAm Funds.

Inter-company transactions, such as management fees and performance fees to SBIA paid or to be paid, as applicable, from SVF1, and management fees, performance-linked management fees, and performance fees to SBGA paid or to be paid, as applicable, from SVF2 or LatAm Funds, are eliminated in consolidation.

b. Portfolio company investments made by SVF1, SVF2, and LatAm Funds

(a) Investments in subsidiaries

Of the portfolio company investments made by SVF1, SVF2, and LatAm Funds, the portfolio companies that the Company is deemed to control under IFRS 10 “Consolidated Financial Statements” are subsidiaries of the Company. Accordingly, their results of operations, assets, and liabilities are included in the Company’s consolidated financial statements.

Gain and loss on investments in the subsidiaries of the Company which are recognized in SVF1, SVF2, and LatAm Funds are eliminated in consolidation.

(b) Investments in associates and joint ventures

Of the portfolio company investments made by SVF1, SVF2, and LatAm Funds, the portfolio companies over which the Company has significant influence under IAS 28 “Investments in Associates and Joint Ventures” are associates of the Company, and the portfolio companies that are joint ventures of the Company when, as defined under IFRS 11 “Joint Arrangements,” SVF1, SVF2, and LatAm Funds have joint control with other investors under contractual arrangements and the investors have rights to the net assets of the arrangement.

The investments in associates and joint ventures of the Company made by SVF1, SVF2, and LatAm Funds are accounted for as financial assets at FVTPL in accordance with Paragraph 18 of IAS 28 “Investments in Associates and Joint Ventures” and presented as “Investments from SVF (FVTPL)” in the consolidated statement of financial position.

If the investments in associates and joint ventures that were transferred from SoftBank Group Corp. and its subsidiaries to SVF1, SVF2, or LatAm Funds were accounted for using the equity method prior to the transfer, these investments continue to be accounted for using the equity method after the transfer to SVF1, SVF2, or LatAm Funds and presented as “Investments accounted for using the equity method” in the consolidated statement of financial position.

Gain and loss on the investments which were recognized in SVF1, SVF2, or LatAm Funds are eliminated in consolidation and gain and loss on the investments accounted for using the equity method are presented as "Other gain (loss)" in the consolidated statement of profit or loss.

(c) Other investments

Investments other than those in associates or joint ventures of the Company made by SVF1, SVF2, and LatAm Funds are accounted for as financial assets at FVTPL. The presentation of these investments in the consolidated statement of financial position is the same as the above "(b) Investments in associates and joint ventures."

c. Contribution from limited partners in SVF1 and SVF2, and investors in LatAm Funds, SVF2 LLC, and SLA LLC (collectively, "SVF Investors")

(a) Contribution from SVF Investors other than the Company ("Third-Party Investors," and each a "Third-Party Investor")

The interests attributable to Third-Party Investors in SVF1, SVF2, and LatAm Funds are classified as financial liabilities, "Third-party interests in SVF" in the consolidated statement of financial position, due to the predetermined finite life and contractual payment provision to each of Third-Party Investors at the end of the finite life within the constitutional agreements relating to SVF1, SVF2, and LatAm Funds. The liabilities are classified as "financial liabilities measured at amortized cost" upon initial recognition. The carrying amounts attributable to Third-Party Investors represent the amounts that would be distributed in accordance with the constitutional agreements in a theoretical liquidation scenario at the end of each quarter.

Third-Party Investor in SVF2 and LatAm Funds is entitled to make full or partial payments of its investments and related adjustments at any point in time, at its discretion, from the date it became an investor in SVF2 LLC or SLA LLC to the end of company life of SVF2 LLC or SLA LLC, and as of March 31, 2025, the Company has recognized receivables from Third-Party Investor. The receivables are included in "Other financial assets (non-current)" in the consolidated statement of financial position.

"Third-party interests in SVF" fluctuates due to the results of SVF1, SVF2, and LatAm Funds in addition to contributions from Third-Party Investors, and distributions and repayments of investments to Third-Party Investors. The fluctuations due to the results of SVF1, SVF2, and LatAm Funds are presented as "Change in third-party interests in SVF" in the consolidated statement of profit or loss.

Uncalled committed capital from Third-Party Investors is not subject to IFRS 9 "Financial Instruments," and, therefore, such amount is not recorded in the consolidated statement of financial position.

(b) Contribution from the Company

Contributions to SVF1, SVF2, and LatAm Funds from the Company are eliminated in consolidation.

(Notes Relating to Changes in Accounting Policies)

The Company has adopted the following standards and interpretations for the fiscal year ended March 31, 2025.

Standard/interpretation		Outline of the new/amended standards
IAS 1 (Amendments)	Presentation of Financial Statements (Amendments in October 2022)	<ul style="list-style-type: none">• Clarifying the classification of liabilities into current liabilities or non-current liabilities• Amendment to require the disclosure of information on non-current liabilities with covenants
IAS 7 (Amendments)	Statement of Cash Flows (Amendments in May 2023)	Disclosure requirements to enhance the transparency of supplier finance arrangements
IFRS 7 (Amendments)	Financial Instruments: Disclosures (Amendments in May 2023)	

There are no significant impacts on the consolidated financial statements for the fiscal year ended March 31, 2025 due to the adoption of the standards above.

There are no significant impacts on the consolidated financial statements due to the adoption of other new accounting standards or interpretations.

(Notes Relating to Changes in Presentation)

Consolidated Statement of Profit or Loss

“Income (loss) on equity method investments,” which was presented separately in the previous fiscal year has been included in “Other gain (loss)” for the fiscal year ended March 31, 2025, as its quantitative materiality decreased.

(Notes Relating to Accounting Estimates)

1. Fair values of financial instruments

The Company makes accounting estimates in measurement of fair values of investments from SVF (FVTPL), and investment securities. The details are described in "(1) Valuation standards and methods for financial instruments" in "4. Summary of accounting policies" under "(Basis of Presentation of Consolidated Financial Statements)."

In addition, the details are described in "(13) Material accounting policies for the SoftBank Vision Funds business" in "4. Summary of accounting policies" under "(Basis of Presentation of Consolidated Financial Statements)" and "1. SoftBank Vision Funds business" under "(Notes Relating to Consolidated Statement of Profit or Loss)" for investments from SVF.

2. Fair values of derivatives (including embedded derivatives)

The Company makes accounting estimates in measurement of fair values of derivative financial assets and derivative financial liabilities. The details are described in "(1) Valuation standards and methods for financial instruments" in "4. Summary of accounting policies" under "(Basis of Presentation of Consolidated Financial Statements)", "2. Gain on investments" under "(Notes Relating to Consolidated Statement of Profit or Loss)", and "4. Derivative gain (excluding gain (loss) on investments)" under "(Notes Relating to Consolidated Statement of Profit or Loss)."

3. Recognition and measurement of impairment losses on goodwill

The Company makes accounting estimates in the impairment test for goodwill. The details are described in "(5) Accounting treatment of goodwill" in "4. Summary of accounting policies" under "(Basis of Presentation of Consolidated Financial Statements)" and "(6) Impairment of property, plant and equipment; right-of-use assets; intangible assets; and goodwill, b. Impairment of goodwill" in "4. Summary of accounting policies" under "(Basis of Presentation of Consolidated Financial Statements)."

4. Recognition and measurement of provisions

The Company makes accounting estimates in recognition and measurement of provisions. The details are described in "(7) Criteria for recording significant provisions" in "4. Summary of accounting policies" under "(Basis of Presentation of Consolidated Financial Statements)."

5. Measurement of third-party interests in SVF

The Company makes accounting estimates in measurement of third-party interests in SVF. The details are described in "(13) Material accounting policies for the SoftBank Vision Funds business" in "4. Summary of accounting policies" under "(Basis of Presentation of Consolidated Financial Statements)" and "1. SoftBank Vision Funds business" under "(Notes Relating to Consolidated Statement of Profit or Loss)."

6. Recoverability of deferred tax assets

The Company makes accounting estimates in assessment of recoverability of deferred tax assets. The details are described in "(10) Accounting treatment for income taxes" in "4. Summary of accounting policies" under "(Basis of Presentation of Consolidated Financial Statements)."

7. Recognition of contingent liabilities and expenses

The Company makes accounting estimates in recognition of contingent liabilities and expenses. The details are described in "5. Contingency" under "(Notes Relating to Consolidated Statement of Financial Position)."

(Notes Relating to Consolidated Statement of Financial Position)

1. Borrowings by assets pledged as collateral

(1) Assets pledged as collateral and associated liabilities

Assets pledged as collateral and secured liabilities by the Company are as follows:

	(Millions of yen)
<u>Assets pledged as collateral:</u>	
Cash and cash equivalents	1,311
Trade and other receivables	33,114
Other financial assets (current)	59,577
Property, plant and equipment	4,413
Investment securities ^{*1,2}	2,292,821
Assets classified as held for sale ^{*1,2}	550,440
Total	<u>2,941,676</u>
<u>Secured liabilities:</u>	
Interest-bearing debt	
Short-term borrowings	29,796
Current portion of long-term borrowings ^{*2}	368,936
Current portion of financial liabilities relating to sale of shares by prepaid forward contracts ^{*1}	997,843
Long-term borrowings ^{*2}	228,669
Trade and other payables	1,787
Other current liabilities	383
Total	<u>1,627,414</u>

Notes:

1. Certain wholly-owned subsidiaries of the Company procured funds using Alibaba shares by entering into prepaid forward contracts with financial institutions. Based on the contracts, the entities for fund procurement by using Alibaba shares set Alibaba shares as collateral for ¥997,843 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts. The Alibaba shares pledged as collateral are recorded for ¥1,015,737 million as investment securities and ¥533,818 million as assets classified as held for sale in the consolidated statement of financial position as of March 31, 2025.
2. ¥1,038,860 million of Deutsche Telekom AG ("Deutsche Telekom") shares held by the wholly-owned subsidiary of the Company is pledged as collateral for ¥343,868 million of current portion of long-term borrowing and ¥65,499 million of long-term borrowing as of March 31, 2025.

Other than the above, the following assets are pledged as collateral:

a. SVF2

As of March 31, 2025, mainly the equity interests of subsidiaries of SVF2 are pledged as collateral for ¥501,245 million of current portion of long-term borrowings. The facility agreement for the long-term borrowings includes a margin call provision and a mandatory prepayment clause, which may be triggered under certain circumstances such as a significant decrease in the fair value of investments SVF2 holds. The creditors would be able to enforce security and dispose of the equity interests of subsidiaries of SVF2 if the margin call clause or the mandatory prepayment clause were triggered and SVF2 did not pay the relevant amounts to creditors when due. The long-term borrowings are limited-recourse debts.

b. Arm

Kronos I (UK) Limited, a wholly-owned subsidiary of the Company, borrows \$8.5 billion as a margin loan using 769,029,000 shares of Arm held by a wholly-owned subsidiary of Kronos I (UK) Limited and all of Kronos I (UK) Limited's assets except for certain assets specified in the agreement as collaterals. The margin loan is recorded for ¥1,258,482 million as long-term borrowings in the consolidated statement of financial position as of March 31, 2025.

In December 2024, Kronos I (UK) Limited made an amendment to the loan commitment agreement, increasing the borrowing commitment by \$5.0 billion. As of March 31, 2025, the entity does not make the additional borrowing of \$5.0 billion.

The margin loan agreement includes an additional cash collateral provision and a mandatory prepayment clause, which may be triggered under certain circumstances, such as a significant decrease in the fair value of pledged Arm shares.

The margin loan is nonrecourse debt, and therefore, SoftBank Group Corp. will not be responsible for the borrowings.

c. T-Mobile

The Company has pledged 18,000,000 shares of T-Mobile acquired through the merger transaction with Sprint Corporation and T-Mobile US, Inc. (the carrying amount as of March 31, 2025: ¥717,813 million) as collateral to secure certain of the Company's indemnity obligations undertaken in connection with the merger transaction.

d. SoftBank Corp.

As of March 31, 2025, a wholly-owned subsidiary of the Company procures funds using the shares of SoftBank Corp. as collateral.

9,592,326,020 shares out of 19,148,580,700 shares of SoftBank Corp. held by the Company are pledged as collateral for ¥795,974 million of long-term borrowings. The borrowings include a cash collateral clause and an early settlement clause and an early settlement may be elected by the creditors under certain circumstances such as a significant decrease in the fair value of pledged SoftBank Corp. shares. The creditors would be able to dispose of the asset pledged as collateral in the event where the early settlement is demanded and the wholly-owned subsidiary of the Company does not repay the borrowings, accordingly. The borrowings are non-recourse debts, and therefore, SoftBank Group Corp. will not be responsible for the borrowings.

(2) Others

a. Assets for sale and leaseback transactions that are not accounted for as sales

Assets for sale and leaseback transactions that continue to be recognized as property, plant and equipment but of which the Company does not have legal title because the transactions are not accounted for as sales, are as follows:

	(Millions of yen)
Property, plant, and equipment	743,783

The liabilities related to the assets of which the Company does not have legal title are as follows:

Interest-bearing debt	
Current portion of long-term borrowings	214,481
Long-term borrowings	380,051
Total	<u>594,532</u>

b. Assets under lease contracts for intangible assets

Assets that are restricted from being transferred, subleased or pledged as collateral by the Company because they are acquired under lease contracts for the intangible assets, to which IFRS 16 "Leases" is not applied, are as follows:

	(Millions of yen)
Intangible assets	261,046

The liabilities related to the assets that are restricted from being transferred, subleased or pledged as collateral are as follows:

Interest-bearing debt	
Current portion of long-term borrowings	94,774
Long-term borrowings	138,518
Total	<u>233,292</u>

c. Deposits at the Bank of Japan

A subsidiary operating banking business is obliged to deposit certain amounts, which are determined by a fixed ratio against the deposits it receives ("the legal reserve requirement"), in the Bank of Japan in accordance with the Act on Reserve Requirement System in Japan. As of March 31, 2025, cash and cash equivalents include deposits at the Bank of Japan of ¥212,258 million, which are more than the legal reserve requirement.

2. Allowance for doubtful accounts directly deducted from assets

	(Millions of yen)
Trade and other receivables	29,775
Other financial assets (current)	7,620
Other current assets	159
Other financial assets (non-current)	142,882
Total	<u>180,436</u>

3. Accumulated depreciation and accumulated impairment losses of property, plant, and equipment

(Millions of yen)
3,299,834

4. Accumulated depreciation and accumulated impairment losses of right-of-use assets

(Millions of yen)
490,274

5. Contingency

(1) Lending commitments

Lending commitments that the Company provides are as follows:

	(Millions of yen)
Lending commitments	11,252,282
Funded	<u>1,280,976</u>
Unfunded	<u><u>9,971,306</u></u>

The lending commitments that the Company is engaged in are mainly shopping and cashing credit limits provided to the credit card members in the SoftBank business.

The unfunded balance of the shopping limit and cashing limit does not indicate that the total amount of the balance will be used in the future because customers may use the credit card up to the limit at any time and do not always use the full amount of the limit and the Company may change the limit arbitrarily. Also, maturities for the unfunded lending commitments are within one year because they are payable on demand.

(2) Credit guarantee

Guarantees that the Company provides are as follows:

	(Millions of yen)
Total amount of financial guarantee contract	7,247
Guarantee balance	6,208

(3) Litigation

SoftBank Group Corp. and certain of its subsidiaries are a party to a number of currently pending legal and administrative proceedings. As it is difficult to reasonably estimate the final results of such matters, reserves have not been recorded. Based on the information currently available, we do not expect that the results of these proceedings will have a material adverse effect on our financial position or results of operations.

a. Credit Suisse Litigation

On April 11, 2023, Credit Suisse Virtuoso SICAV-SIF (hereinafter referred to as "Credit Suisse Fund") and Glas Trust Corporation Limited (together with Credit Suisse Fund, hereinafter referred to as "Plaintiffs") filed a claim in the English High Court of Justice against SoftBank Group Corp., SoftBank Vision Fund I and II (together with SoftBank Group Corp., hereinafter referred to as "SoftBank Party"), and Greensill Limited in relation to certain transactions involving supply chain finance firm Greensill Capital (UK) Limited and Greensill Limited, and the US construction company Kattera Inc. (hereinafter referred to as "Kattera"). Plaintiffs allege that SoftBank Party orchestrated restructuring transactions between Greensill Limited and Kattera with respect to notes purchased by Credit Suisse Fund from Greensill Capital (UK) Limited in 2020 that were backed by accounts receivable purchased by Greensill Limited from Kattera, for the purpose of depriving Credit Suisse Fund of these accounts receivables, and as a result, Credit Suisse Fund suffered a loss of \$440 million. SoftBank Party believes the allegations raised by Plaintiffs are wholly without merit and is vigorously contesting the plaintiff's claim.

b. Litigation in which SoftBank Corp. is involved as a Party

- (a) On April 30, 2015, SoftBank Corp. filed a lawsuit with the Tokyo District Court against Japan Post Information Technology Co., Ltd. (hereinafter referred to as "JPiT"), claiming for payment of remuneration for additional services provided in connection with the installation of telecommunication lines as well as other items, that were ordered by JPiT in relation to a project to migrate the communication network connecting approximately 27,000 sites (postal offices, etc.) existing countrywide to a new network, the 5th PNET.

Pursuant to a contract dated February 7, 2013, SoftBank Corp. was requested by JPiT to carry out, among other services, installation services for telecommunication lines for Japan Post Group's business sites existing countrywide. SoftBank Corp. performed such services, and upon JPiT's request, SoftBank Corp. also performed services that exceeded the scope of services stipulated in the contract.

Although SoftBank Corp. negotiated with JPiT over an extended period regarding the remuneration, for these additional services, SoftBank Corp. and JPiT were unable to arrive at a settlement. Accordingly, SoftBank Corp. duly filed the lawsuit, claiming payment of remuneration for such additional services.

- (b) On April 30, 2015, JPiT filed a lawsuit against SoftBank Corp. and Nomura Research Institute, Ltd. ("NRI") as co-defendants.

In this lawsuit, JPiT alleges that SoftBank Corp. and NRI delayed performance of the ordered services related to the project for migration to the 5th PNET mentioned in (a) above and alleges that such delay caused damages to JPiT. JPiT made joint and several claims against both SoftBank Corp. and NRI for the alleged damages.

An order to consolidate the lawsuits described in items (a) and (b) above was made on July 29, 2015.

On September 9, 2022, the Tokyo District Court rendered a judgment ordering SoftBank Corp. to pay JPiT remuneration for the damages and delay damages.

On September 22, 2022, SoftBank Corp. appealed the judgment to the Tokyo High Court. On March 21, 2024, the Tokyo High Court rendered a judgment ordering JPiT to pay SoftBank Corp. remuneration for the additional services and delay damages, and dismissing all claims against SoftBank Corp. filed by JPiT.

SoftBank Corp. and JPiT have filed an appeal of the judgment and a petition to accept the appeal with the Supreme Court.

6. Financial and other covenants

(1) Financial and other covenants on interest-bearing debts of SoftBank Group Corp.

SoftBank Group Corp.'s interest-bearing debt includes financial and other covenants, and the major financial and other covenants are as follows:

- a. The consolidated statement of financial position of the Company at the end of the fiscal year must not show a net capital deficiency.
- b. The amount of the SoftBank Group Corp.'s net assets in the non-consolidated balance sheet at the end of the fiscal year must be maintained ¥369.8 billion or more.
- c. The balance of the SoftBank Group Corp.'s cash and deposits at the end of the fiscal year and at the end of the second quarter ("Covenants Test Date") must be equal to or greater than the funds required to redeem the bonds issued by SoftBank Group Corp. during the next 12 months following the Covenants Test Date.

(2) Financial and other covenants on interest-bearing debts of SoftBank Corp.

SoftBank Corp.'s interest-bearing debt includes financial and other covenants, and the major financial and other covenants are as follows:

- a. The amount of SoftBank Corp.'s equity in the consolidated statement of financial position at the end of the fiscal year and at the end of the second quarter must not fall below 75% of SoftBank Corp.'s equity at the end of the previous fiscal year and the second quarter.
- b. The amount of SoftBank Corp.'s net assets in the non-consolidated balance sheet at the end of the fiscal year and at the end of the second quarter must not fall below 75% of SoftBank Corp.'s net assets at the same dates during the previous fiscal year and the second quarter.
- c. In SoftBank Corp.'s consolidated statement of income, operating income (loss) or net income (loss) must not result in losses for two consecutive fiscal years.
- d. In SoftBank Corp.'s non-consolidated statement of income, operating income (loss) or net income (loss) must not result in losses for two consecutive fiscal years.
- e. Net leverage ratios^{*1} of SoftBank Corp. must not exceed certain numbers at the end of the fiscal year and at the end of the second quarter.

Notes:

1. Net leverage ratio: $\text{Net debt}^{*2} / \text{Adjusted EBITDA}^{*3}$

2. Net debt: The total amount of interest-bearing debt shown in the consolidated statement of financial position of SoftBank Corp. after deducting cash and cash equivalents adjusted for certain items. Interest-bearing debt is adjusted for certain items, such as an exclusion of interest-bearing debt resulting from financing transactions using an asset securitization scheme.

3. Adjusted EBITDA: EBITDA adjusted for certain items as specified in the loan agreement with the financial institutions.

(3) Financial and other covenants on interest-bearing debts of LY Corporation

LY Corporation's interest-bearing debt includes financial and other covenants, and the major financial and other covenants are as follows:

- a. The amount of LY Corporation's net assets in the non-consolidated balance sheet prepared in accordance with IFRS at the end of each fiscal year must not fall below 75% of LY Corporation's net assets at the same date during the previous fiscal year.
- b. The amount of LY Corporation's equity in the consolidated statement of financial position at the end of each fiscal year and at the end of the second quarter of each fiscal year must not fall below 75% of LY Corporation's equity at the same dates during the previous fiscal year.
- c. The non-consolidated balance sheet prepared in accordance with IFRS of LY Corporation at the end of each fiscal year must not show a net capital deficiency.
- d. The consolidated statement of financial position of LY Corporation at the end of each fiscal year and at the end of the second quarter of each fiscal year must not show a net capital deficiency.
- e. In LY Corporation's non-consolidated statement of profit or loss prepared in accordance with IFRS, operating income (loss) or net income (loss) at the end of each fiscal year must not result in losses for two consecutive fiscal years.
- f. In LY Corporation's consolidated statement of profit or loss, operating income (loss) or net income (loss) at the end of each fiscal year must not result in losses for two consecutive fiscal years.
- g. Net leverage ratios^{*1} of LY Corporation must not exceed certain respective amounts or numbers at the end of each fiscal year and at the end of the second quarter of each fiscal year.

Notes:

1. Net leverage ratio: $\text{Net debt}^{*2} / \text{Adjusted EBITDA}^{*3}$
2. Net debt: The total amount of interest-bearing debt shown in the consolidated statement of financial position of LY Corporation after deducting cash and cash equivalents. Interest-bearing debt is adjusted for certain items, such as an exclusion of interest-bearing debt resulting from financing transactions using an asset securitization scheme. Interest-bearing debt and cash and cash equivalents are adjusted not to include those of PayPay Bank Corporation.
3. Adjusted EBITDA: EBITDA adjusted for certain items as specified in the loan agreement with the financial institutions.

(Notes Relating to Consolidated Statement of Profit or Loss)

1. SoftBank Vision Funds business

(1) Income and loss arising from the SoftBank Vision Funds business

a. Overview

Income and loss arising from the SoftBank Vision Funds business (income before income tax) represents the net profits of the SoftBank Vision Funds business, after deducting the net profits attributable to Third-Party Investors. The net profits attributable to Third-Party Investors are the amount allocated to Third-Party Investors based on proportion of their respective equity contributions, calculated by deducting management fees, performance-linked management fees, and performance fees payable to the fund managers, as well as operating expense and other expenses of SVF from the gains or losses on investments at SVF1, SVF2, and LatAm Funds.

The amount of the net profits attributable to Third-Party Investors that is deducted from the income before income tax is presented as "Change in third-party interests in SVF."

b. Income and loss arising from the SoftBank Vision Funds business

The components of income and loss arising from the SoftBank Vision Funds business are as follows:

	(Millions of yen)
	Fiscal year ended March 31, 2025
Gain on investments at SoftBank Vision Funds	
Gain on investments at SVF1, SVF2, and LatAm Funds	
Realized loss on investments ^{*1,2,3}	(1,366,533)
Unrealized gain on valuation of investments	
Change in valuation for the fiscal year ^{*4}	314,724
Reclassified to realized loss recorded in the past fiscal years ^{*3,5}	1,237,963
Interest and dividend income from investments	8,451
Derivative gain on investments	8,151
Effect of foreign exchange translation ^{*3,6}	266,660
Subtotal	469,416
Loss on other investments	(34,513)
Total gain on investments at SoftBank Vision Funds	434,903
Selling, general and administrative expenses	(62,169)
Finance cost (interest expenses)	(40,244)
Change in third-party interests in SVF	(491,898)
Other gain ^{*7}	44,390
Income and loss arising from the SoftBank Vision Funds business (income before income tax)	(115,018)

Notes:

1. The amount of realized gain and loss on investments is the exit price net of the investment cost. In addition to the realized gain and loss on sales by cash consideration, the realized gain and loss by disposals as a result of share exchange and restructuring of portfolio companies are included.
2. In August 2023, SVF1 sold Arm shares for \$16.1 billion (the "Transaction Consideration") to a wholly-owned subsidiary of the Company (the "Transaction"). In relation to the Transaction, the proceeds of the sale will be paid in four installments, with the first installment having been paid upon completion of the Transaction, and the remaining three installments to be paid over a two-year period through August 2025. At the date of sale, "Realized gain on investments" was recorded as the discounted present value of the Transaction Consideration (\$15.1 billion) net of the investment cost (\$8.2 billion). The difference between the Transaction Consideration and the discounted present value of the Transaction Consideration is recognized as income over the two years after the date of sale and recorded in "Realized gain on investments." As a result of the Transaction, ¥75,333 million of the realized gain is included in "Gain (loss) on investments at SoftBank Vision Funds" in the above-mentioned income and loss arising from the SoftBank Vision Funds business. However, these are eliminated in consolidation due to inter-company transactions relating to shares of a subsidiary.
3. On May 30, 2024, the Bankruptcy court entered an order approving the reorganization plan of WeWork. On June 11, 2024, WeWork emerged from Chapter 11 of the United States Bankruptcy Code ("Chapter 11"). Under the reorganization plan of WeWork, the preexisting Chapter 11 equity in SVF 1 and SVF2 was cancelled pursuant to Restructuring Support Agreement. In addition, a portion of the pre-petition claims was cancelled and the remaining portion was converted into new WeWork equity. Accordingly, SVF1 and SVF2 derecognized WeWork shares, warrants and notes and SVF2 recognized the shares newly issued by WeWork. As a result, ¥1,050,033 million of the realized loss, ¥848,458 million of the unrealized gain on valuation (reclassified to realized gain and loss recorded in the past fiscal years), and ¥201,994 million of gain arising from the foreign exchange translation effects were recorded. The effect on gain and loss on investments at SoftBank Vision Funds was a gain of ¥419 million. The Company transferred WeWork shares to SVF2 in August 2021. Investment gain and loss on the shares recorded until the transfer is described in "Notes 2" in "(1) Gain and loss on investments at Investment Business of Holding Companies" under "Note 11. Gain on investments."
4. ¥29,424 million of the unrealized loss (net) on valuation arising from shares of the Company's subsidiaries held by SVF1 and SVF2 (mainly PayPay Corporation) is included in "Gain (loss) on investments at SoftBank Vision Funds" (in Change in valuation for the fiscal year under Unrealized gain (loss) on valuation of investments) in the above-mentioned income and loss arising from the SoftBank Vision Funds business. However, the unrealized loss on valuation is eliminated in consolidation.
The unrealized gain and loss on valuation, that are eliminated in consolidation, are not included in "Gain (loss) on investments at SoftBank Vision Funds" in the consolidated statement of profit or loss.
5. It represents the unrealized gain and loss on valuation of investments recorded as "Gain (loss) on investments at SoftBank Vision Funds" in the past fiscal years, which are reclassified to "Realized gain on investments" due to the realization.
6. Unrealized gain and loss on valuation of investments are translated using the average exchange rate for the quarter in which the gain and loss were recognized, while realized gain and loss on investments are translated using the average exchange rate for the quarter in which the shares were disposed. "Effect of foreign exchange translation" arises from the different foreign currency exchange rates used for unrealized gain and loss on valuation and realized gain and loss.
7. Following WeWork's emergence from Chapter 11 on June 11, 2024, given the approved plan of reorganization, out of a portion of the Junior TLC facility, which has been recognized as loan receivables was repaid in cash given over collateral, and the drawn amounts up to date of emergence were converted into new WeWork equity as described above. The carrying amounts (recoverable amounts) of such loan receivables in the consolidated statement of financial position as of March 31, 2024, were zero. However, the collectability of the remaining loan receivables was reassessed and as a result, ¥23,360 million of gain was recorded.

(2) Third-party interests in SVF

a. Terms and conditions of contribution from/ distribution to SVF Investors

Contributions by SVF Investors are classified as “Equity” and “Preferred Equity” depending on the terms and conditions of distribution. Preferred Equity is prioritized over Equity with regard to distribution and return of contribution.

Performance-based distributions attributed to SVF Investors, consisting of the Company and Third-Party Investors, are calculated using the net proceeds from the investment performance, as applicable, of SVF1, SVF2, and LatAm Funds. The net proceeds from SVF1 and LatAm Funds are also allocated to the performance fees attributed to SBIA and SBGA, respectively, using the method specified in the limited partnership agreement. The amount of performance-based distribution attributed to SVF Investors is allocated to each of the SVF Investors based on the proportion of their respective Equity contribution. The amount of performance-based distributions is paid to each of the SVF Investors after each of SVF1, SVF2, and LatAm Funds, as applicable, receive cash through dividend, or disposition or monetization of investments.

In SVF1, fixed distributions are defined as distributions of Preferred Equity holders which are calculated equal to a 7% rate per annum based on their contributions. The fixed distributions are made every last business day of the months of June and December.

The details of the terms and conditions of the Equity contributed by Third-Party Investor in SVF2 and LatAm Funds are described in “1. Related party transactions regarding a co-investment program with restricted rights to receive distributions” under “Other Notes.” There are no Third-Party Investors who contributed to Preferred Equity in SVF2 and LatAm Funds.

In the following table, Third-Party Investors contributing Equity are defined as “Investors entitled to performance-based distribution” and Third-Party Investors contributing Preferred Equity are defined as “Investors entitled to fixed distribution.”

b. Changes in interests attributable to Third-Party Investors

(a) Third-party interests in SVF1

Changes in interests attributable to Third-Party Investors in SVF1 (included in “Third-party interests in SVF” in the consolidated statement of financial position) are as follows:

	(Millions of yen)	
	Third-party interests in SVF1 (Total of current liabilities and non-current liabilities)	
	(Breakdown)	
As of April 1, 2024	4,680,417	
Changes in third-party interests	500,984	
Attributable to investors entitled to fixed distribution		98,201
Attributable to investors entitled to performance-based distribution		402,783
Distribution/repayment to Third-Party Investors	(1,485,774)	
Exchange differences on translating third-party interests	(47,980)	
As of March 31, 2025	3,647,647	

(b) Third-party interests in SVF2 and receivables

There is no balance of interests attributable to Third-Party Investor in SVF2 (included in “Third-party interests in SVF” in the consolidated statement of financial position) as of March 31, 2025. There are no changes in interests attributable to Third-Party Investor in SVF2 for the fiscal year ended March 31, 2025. Third-Party Investor in SVF2 is the investor entitled to performance-based distribution.

The Company has receivables from Third-Party Investor in SVF2. The changes in the receivables from Third-Party Investor in SVF2 (included in “Other financial assets (non-current)” in the consolidated statement of financial position) are as follows: The details of the receivables from Third-Party Investor in SVF2 are described in “(1) Transactions between SVF2 and related parties” in “1. Related party transactions regarding a co-investment program with restricted rights to receive distributions” under “Other Notes.”

	(Millions of yen)
	Receivables from Third-Party Investor in SVF2
As of April 1, 2024	448,931
Increase in receivables from accrued premiums charged to Third-Party Investor	12,603
Exchange differences on receivables	(5,870)
As of March 31, 2025	455,664

(c) Third-party interests in LatAm Funds and receivables

Changes in interests attributable to Third-Party Investor in LatAm Funds (included in “Third-party interests in SVF” in the consolidated statement of financial position) are as follows: Third-party Investor in LatAm Funds is the investor entitled to performance-based distribution.

	(Millions of yen)
	Third-party interests in LatAm Funds (Total of current liabilities and non- current liabilities)
As of April 1, 2024	14,086
Changes in third-party interests	(9,086)
Exchange differences on translating third-party interests	150
As of March 31, 2025	5,150

The Company has receivables from Third-party Investor in LatAm Funds. The changes in the receivables from Third-Party Investor in LatAm Funds (included in “Other financial assets (non-current)” in the consolidated statement of financial position) are as follows: The details of the receivables from Third-Party Investor in LatAm Funds are described in “(2) Transactions between LatAm Funds and related parties” in “1. Related party transactions regarding a co-investment program with restricted rights to receive distributions” under “Other Notes.”

	(Millions of yen)
	Receivables from Third-Party Investor in LatAm Funds
As of April 1, 2024	105,278
Increase in receivables from accrued premiums charged to Third-Party Investor	2,964
Exchange differences on receivables	(1,378)
As of March 31, 2025	106,864

c. Uncalled committed capital from Third-Party Investors

Uncalled committed capital from SVF1’s Third-Party Investors as of March 31, 2025 was \$8.2 billion.

(3) Management fees and performance fees

Terms and conditions of management fees, performance-linked management fees, and performance fees, included in income and loss arising from the SoftBank Vision Funds business, are as follows.

a. Management fees and performance fees in SVF1

Management fees to SBIA from SVF1 are, in accordance with the limited partnership agreement, calculated by multiplying 1% per annum by Equity contributions used to fund investments and paid to SBIA by SVF1 quarterly. A clawback provision is attached to the management fees received, which is triggered under certain conditions based on future investment performance.

Same as the performance-based distributions, the amount of the performance fees to SBIA from SVF1 is calculated using the allocation method as specified in the limited partnership agreement. SBIA is entitled to receive the performance fees when SVF1 receives cash through disposition, dividend, and monetization of an investment. The performance fees received are subject to clawback provisions which are triggered under certain conditions based on future investment performance.

From the inception of SVF1, the cumulative amount of performance fees paid to SBIA was \$454 million. For the three-month period ended June 30, 2023, the performance fee (net of tax) was distributed to the limited partners in accordance with the clawback provisions.

b. Management fees and performance-linked management fees in SVF2

Management fees to SBGA from SVF2 are, in accordance with the constitutional agreements, calculated by multiplying 0.7% per annum by the acquisition cost of investments and paid to SBGA by SVF2 quarterly.

The amount of the performance-linked management fees to SBGA from SVF2 is determined, based on the investment performance for certain periods specified in the constitutional agreement, according to the agreed principle. SBGA is entitled to receive the performance-linked management fees after certain periods for the investment performance measurement specified in the constitutional agreement provided that there are available cash proceeds through disposition, dividend and monetization of an investment in SVF2.

From the inception of SVF2 to March 31, 2025, no performance-linked management fees were paid to SBGA.

c. Management fees, performance-linked management fees and performance fees in LatAm Funds

Management fees to SBGA from LatAm Funds are, in accordance with the constitutional agreements, calculated based on the acquisition cost of investments and paid to SBGA by LatAm Funds quarterly.

The amount of the performance-linked management fees to SBGA from LatAm Funds is determined, based on the investment performance for certain periods specified in the constitutional agreement, according to the agreed principle.

SBGA is entitled to receive the performance-linked management fees after certain periods for the investment performance measurement specified in the constitutional agreement provided that there are available cash proceeds through disposition, dividend and monetization of investments in LatAm Funds.

Same as the performance-based distributions, the amount of the performance fees to SBGA from LatAm Funds is calculated using the allocation method as specified in the constitutional agreements. SBGA is entitled to receive the performance fees when LatAm Funds receives cash through disposition, dividend and monetization of an investment.

From the inception of LatAm Funds to March 31, 2025, neither performance-linked management fees nor performance fees were paid to SBGA.

2. Gain on investments

(1) Gain on investments at Investment Business of Holding Companies

The components of gain and loss on investments at Investment Business of Holding Companies are as follows:

	(Millions of yen)
	Fiscal year ended March 31, 2025
Realized loss on investments at asset management subsidiaries	(39,323)
Unrealized loss on valuation of investments at asset management subsidiaries	(10,888)
Realized loss on investments ^{*1,2,3}	(109,862)
Unrealized gain on valuation of investments ^{*1,2,3}	3,580,069
Derivative loss on investments ^{*3,4}	(297,653)
Effect of foreign exchange translation ^{*2,3,5}	199,888
Other	91,590
Total	3,413,821

Notes:

1. ¥280,516 million of realized loss on investments and ¥900,335 million of unrealized gain on valuation of investments (reclassified to realized gain and loss recorded in the past fiscal years) were recognized due to the physical settlement of prepaid forward contracts using Alibaba shares. In addition, ¥695,057 million of unrealized gain on valuation of investments was recognized due to the stock price changes for Alibaba shares held as of March 31, 2025.
2. ¥649,975 million of realized loss on WeWork shares, ¥447,483 million of unrealized gain on valuation of investments (reclassified to realized gain and loss recorded in the past fiscal years), and ¥202,492 million of gain arising from the foreign exchange translation effects were recognized due to the completion of the procedures under Chapter 11 for WeWork.
The gain and loss were recognized as a result of unrealized loss on valuation of investments recorded in the period prior to the transfer of WeWork shares by the Company to SVF2 in August 2021, which were reclassified to realized loss on investments for the fiscal year ended March 31, 2025, and therefore, the effect on the total amount of "Gain and loss on investments at Investment Business of Holding Companies" is zero. The details are described in "b. Income and loss arising from the SoftBank Vision Funds business" in "(1) Income and loss arising from the SoftBank Vision Funds business" under "1. SoftBank Vision Funds business."
3. On June 7, 2024, Deutsche Telekom partially exercised options to purchase T-Mobile shares granted by the Company and the Company sold 6,728,701 shares of T-Mobile. As a result, ¥78,277 million of realized gain on investments, ¥50,043 million of unrealized loss on valuation of investments (reclassified to realized gain and loss recorded in the past fiscal years), ¥17,753 million of derivative loss on investments, and ¥11,066 million of loss arising from the foreign exchange translation effects were recognized. In addition, ¥1,346,194 million of unrealized gain on valuation of investments was recognized due to the stock price changes for T-Mobile shares held as of March 31, 2025.
4. ¥285,533 million of loss primarily related to option transactions for listed shares was recognized.
5. Unrealized gain and loss on valuation of investments are translated using the average exchange rate for the quarter in which the gain and loss were recognized, while realized gain and loss on investments are translated using the average exchange rate for the quarter in which the shares were disposed. "Effect of foreign exchange translation" arises from the different foreign currency exchange rates used for unrealized gain and loss on valuation and realized gain and loss.

(2) Gain and loss on investments at SoftBank Vision Funds

The details are described in “(1) Income and loss arising from the SoftBank Vision Funds business” under “1. SoftBank Vision Funds business.”

3. Finance cost

The component of finance cost is as follows:

	(Millions of yen)
	Fiscal year ended
	March 31, 2025
Interest expenses	<u>(581,559)</u>

4. Derivative loss (excluding gain (loss) on investments)

Derivative loss of ¥1,698,697 million was recorded for the prepaid forward contracts using Alibaba shares and the call spread contracts relating to prepaid forward contracts using Alibaba shares.

5. Other gain (loss)

The components of other gain and loss are as follows:

	(Millions of yen)
	Fiscal year ended
	March 31, 2025
Interest income	<u>119,530</u>
Loss on equity method investments	(13,357)
Gain relating to loss of control over subsidiaries* ¹	136,225
Gain through tax credit structure in the U.S.* ²	71,927
Gain arising from the remeasurement relating to business combination* ³	55,553
Gain (loss) from financial instruments at FVTPL* ⁴	23,044
Impairment loss on equity method investments	(26,023)
Other	<u>(12,648)</u>
Total	<u>354,251</u>

Notes:

- As a result of the sale of all interests in Fortress held by a subsidiary of the Company to a subsidiary of Mubadala Investment Company PJSC, ¥93,139 million of gain arising from the loss of control over Fortress is included.
- In the U.S., various tax incentives are available to renewable energy power generation companies to promote renewable energy, including tax credits based on capital investment amounts (Investment Tax Credit, "ITC") and accelerated depreciation relating to power generation facilities for tax purposes, provided certain requirements are met. Furthermore, the companies can transfer the ITC to third parties, and the tax depreciation can be allocated to investors in power plant construction projects.
SBE Global, which constructs and operates solar power plants in the U.S., enters into partnership agreements with external investors ("Tax Equity Investors"), who contribute funds for an interest in the projects. Under the agreements, SBE Global is obligated to allocate the tax incentives the project receives to the Tax Equity Investors, and most of the Tax Equity contributions are deferred as liabilities until the tax incentives are allocated.
¥71,927 million was recorded as "Gain through tax credit structure in the U.S." for the tax incentives allocated to Tax Equity Investors by SBE Global.
- On July 2, 2024, interests in SBE Global, which was previously an equity method associate of the Company, were additionally acquired and SBE Global became a wholly-owned subsidiary of the Company. Subsequently, the existing investment interests were measured at fair value and ¥55,553 million of gain arising from the remeasurement relating to business combination was recorded.
- Following WeWork's emergence from Chapter 11 on June 11, 2024, given the approved plan of reorganization, out of a portion of the Junior TLC facility, which has been recognized as loan receivables was repaid in cash given

over collateral, and the drawn amounts up to date of emergence were converted into new WeWork equity as described above. The carrying amounts (recoverable amounts) of such loan receivables in the consolidated statement of financial position as of March 31, 2024, were zero. However, the collectability of the remaining loan receivables was reassessed and as a result, ¥23,360 million of gain was recorded.

(Notes Relating to Consolidated Statement of Changes in Equity)

- Class and number of outstanding shares as of March 31, 2025
Common stocks 1,469,995,230 shares

2. Matters regarding dividends

(1) Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Resource of dividend
Shareholders' meeting held on June 21, 2024	Common stocks	32,250	22	March 31, 2024	June 24, 2024	Retained earnings
Board of Directors' meeting held on October 21, 2024	Common stocks	31,835	22	September 30, 2024	December 3, 2024	Retained earnings

- Dividends for which record date is in the fiscal year ended March 31, 2025, and effective date for payment is in the following fiscal year

Resolution plan	Class of shares	Total dividends (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Resource of dividend
Shareholders' meeting held on June 27, 2025	Common stocks	31,627	22	March 31, 2025	June 30, 2025	Retained earnings

- Number of shares for stock acquisition rights as of March 31, 2025
(Excluding stock acquisition rights for which the commencement date of exercise period has not yet arrived)
Common stocks 364,200 shares

4. Other equity instruments

On July 19, 2017, SoftBank Group Corp. issued \$2.75 billion of USD-denominated Undated Subordinated Non-Call 6 years Resetable Notes and \$1.75 billion of USD-denominated Undated Subordinated Non-Call 10 years Resetable Notes (collectively, the "Hybrid Notes"). In addition, by July 19, 2023, the first optional redemption date, SoftBank Group Corp. fully redeemed the USD-denominated Undated Subordinated Non-Call 6 years Resetable Notes.

The Hybrid Notes are classified as equity instruments in accordance with IFRS because SoftBank Group Corp. has the option to defer interest payments, the notes have no maturity date, and SoftBank Group Corp. has an unconditional right to avoid delivering cash or another financial asset except for distribution of residual assets on liquidation.

In addition, SoftBank Group Corp. completed the interest payments on the interest payment dates of July 19, 2024, and January 20, 2025, and "Retained earnings" were decreased by ¥9,475 million, and ¥9,392 million, respectively, as "Distribution to owners of other equity instruments" in the consolidated statement of changes in equity.

Also, as of March 31, 2025, accrued interest, which was not recognized as a distribution to owners of other equity instruments because the payment had not yet been determined, was ¥3,598 million.

(Notes Relating to Financial Instruments)

1. Matters regarding conditions of financial instruments

(1) Financial risk management

As the Company operates in a wide range of markets, the Company faces a variety of financial risks (foreign exchange risk, price risk, interest rate risk, credit risk, and liquidity risk) in its operations. The Company manages its risks based on established policies to prevent and reduce these financial risks.

Derivative transactions, which were entered into by the Company, are conducted and controlled based on the Company's finance regulations and are limited to the extent of actual demands.

(2) Market risk

a. Foreign exchange risk

The Company is engaged in international businesses through investments, financial contributions and the establishment of joint ventures. The Company undertakes transactions denominated in foreign currencies with foreign parties and through lending to and borrowings from foreign subsidiaries. Consequently, there is foreign exchange risk that arises from changes in currency rates mainly in the U.S. dollar, Chinese yuan and Euro currencies.

To manage this risk, the Company continuously monitors exchange rates and manages exchange rate exposures. The Company also uses foreign currency forward contracts and foreign currency swap contracts to hedge the risk.

b. Price risk

As part of the business strategy, the Company holds securities traded in active markets, including listed stock, and is exposed to market price fluctuation risk. The Company manages this risk by continuously monitoring the financial condition of security issuers and stock market fluctuations.

c. Interest rate risk

The Company raises funds through issuing interest-bearing debt. Certain interest-bearing debt is issued with floating interest rates and is exposed to interest rate risk. Interest-bearing debt with floating interest rates has the risk of increased interest expenses due to rising interest rates. In order to prevent interest rate fluctuation risk, the Company maintains an appropriate mixture of fixed and floating interest rate debt. In addition, in order to reduce interest rate fluctuation risk, for certain interest-bearing debt with floating interest rates, the Company also utilizes derivative transactions, such as interest rate swaps converting floating interests into fixed interests. For floating interest rate debt, the Company continuously monitors interest rate fluctuations.

(3) Credit risk

In the course of the Company's business, trade and other receivables, and other financial assets (including deposits, equity securities, bonds, and derivatives) are exposed to the credit risk of its counterparties. In order to prevent and reduce the risk, the Company does not expose itself to significant concentrations of credit risk for such receivables and financial assets. To manage its credit risk, the Company performs controls around the due date and balance for each customer in accordance with its internal customer credit management rules and regularly monitors major customers' credit status. Derivative transactions, which are executed and maintained by the Company, are conducted and controlled based on the Company's finance regulations, and those transactions engaged in are limited to those with financial institutions with high credit ratings in order to reduce the risk.

(4) Liquidity risk

In order to prevent and reduce liquidity risk, the Company maintains access to diversified fundraising sources including both indirect financing, such as bank loans and leases, and direct financing, such as the issuance of bonds and commercial paper and securitization, taking market conditions and its current/non-current debt ratios into consideration. As for fund management, the Company invests its funds in deposits, MMF and corporate bonds of investment grades. The Company also continuously monitors its forecasted and actual cash flows and liquid funds.

2. Matters regarding fair value of financial instruments

(1) Categorization by level within the fair value hierarchy

Financial instruments that are measured at fair value on a recurring basis after initial recognition are classified into three levels of the fair value hierarchy based on the observability and significance of inputs used for the measurement.

The fair value hierarchy is defined as follows in descending order of level:

Level 1: Fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value is measured using inputs other than Level 1 that are observable, either directly or indirectly.

Level 3: Fair value is measured using unobservable inputs.

If the fair value measurement uses different levels of inputs, the fair value is categorized based on the lowest level of input that is significant to the entire fair value measurement.

Transfers between levels of the fair value hierarchy are recognized at the point of which the event or change in circumstances that caused the transfer is observed.

Additionally, there was no significant transfer between Level 1 and Level 2 during the fiscal year ended March 31, 2025.

The table below presents financial instruments measured at fair value on a recurring basis by level within the fair value hierarchy.

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments from SVF (FVTPL)	3,414,027	96	7,996,799	11,410,922
Equity securities (excluding investments from SVF (FVTPL))	7,016,951	—	577,284	7,594,235
Bonds and loans (excluding investments from SVF (FVTPL))	814,793	127,084	127,395	1,069,272
Derivative financial assets				
Foreign currency exchange contracts	—	228,792	—	228,792
Option contracts	9	—	37,386	37,395
Interest rate contracts	—	10,632	—	10,632
Forward contracts	—	—	2,468	2,468
Other	228	—	—	228
Other	132,511	800	611,974	745,285
Total	11,378,519	367,404	9,353,306	21,099,229
Financial liabilities				
Derivative financial liabilities				
Foreign currency exchange contracts	—	20,275	—	20,275
Option contracts	—	1,056	41,201	42,257
Interest rate contracts	—	3,040	—	3,040
Swap contracts	—	—	18,675	18,675
Forward contracts	—	551,943	—	551,943
Collar contracts using shares	—	308,374	—	308,374
Other	102	—	—	102
Debt instruments issued by a subsidiary*	—	—	73,980	73,980
Other	1,141	—	8,550	9,691
Total	1,243	884,688	142,406	1,028,337

Note:

* These are debt instruments issued by SBE Global. As the redemption amount varies depending on the optional redemption date, they are classified as financial liabilities at FVTPL and measured at fair value on a quarterly basis.

The major valuation techniques for financial instruments measured at fair value on a recurring basis are as follows:

a. Investments from SVF (FVTPL), equity securities, and bonds and loans

Investments from SVF (FVTPL), equity securities, and bonds and loans are measured using quoted prices in active markets for identical assets or liabilities if such prices are available and are classified as Level 1.

If such prices are unavailable, and if prices of recent arm's-length transactions or equity financing are available, they are measured using recent transaction prices adjusting for performance of the market and company performance.

In the absence of a recent transaction, market approach, income approach, or net asset approach is applied for the enterprise valuation.

The market approach is used to the extent comparable guidelines for public companies are available. The market approach is a valuation method using figures from the financial statements of the subject companies and valuation multiple of comparable companies, such as Enterprise Value (EV)/Revenue and EV/EBITDA. The income approach is used when reliable cash flow projections are available. Under this approach, the present value is calculated by discounting estimated future cash flows at the discount rate and the future cash flows are estimated by taking into consideration several assumptions, including the revenue growth rate. The net asset approach is a valuation method using net assets on balance sheet of subject companies for calculation of stock value. The enterprise value which is calculated by the above method is allocated to shareholder's value of each class of shares depending on the capital structures of the investments. For the allocation, an option pricing model, which values each individual security in the capital structure based on its unique rights and preferences, and a method which allocates value assuming the conversion of preferred shares into common shares due to a possible initial public offering and such, are mainly used.

The financial instruments are classified as Level 2 if all significant inputs, such as quoted prices and discount rates used for the measurement are observable, and they are classified as Level 3 when they are measured using significant unobservable inputs.

b. Derivative financial assets and derivative financial liabilities

The fair value of derivative financial instruments is measured using quoted prices in active markets if they are available and classified as Level 1.

If quoted prices in active markets are not available, the fair value of derivative financial instruments is measured using valuation techniques including a discounted cash flows model and Black-Scholes model, or using quoted prices in inactive markets. Derivative financial instruments are classified as Level 2 if all significant inputs, such as foreign currency exchange rates and discount rates used for the measurement, are observable; and they are classified as Level 3 when they are measured using significant unobservable inputs.

(2) Fair value measurements of financial instruments that are categorized as Level 3

a. Valuation techniques and inputs

For Level 3 fair value measurements, the Company mainly uses the market comparable company multiple method, price of the recent transactions method and the discounted cash flow method.

The main financial instruments that are categorized as Level 3 are “Investments from SVF (FVTPL),” and the following table shows the fair value of “Investments from SVF (FVTPL)” measured by each valuation technique. When a combination of multiple valuation techniques is applied, aggregated amounts of fair value are presented for each combination of valuation techniques.

Valuation techniques	(Millions of yen)
	Fair value
	As of March 31, 2025
Market comparable companies	4,137,468
Recent Transactions	1,937,833
Discounted cash flow / Market comparable companies	1,101,331
Discounted cash flow	578,450
Other	241,717
Total	7,996,799

The valuation techniques and the inputs are as follows.

Valuation techniques	Unobservable inputs	Ranges of unobservable inputs
		As of March 31, 2025
Market comparable companies	Revenue multiple	x0.3 - x16.9
	EBITDA multiple	x5.8 - x23.8
	Gross profit multiple	x0.9 - x14.0
	Price to earnings ratio	x14.2 - x19.2
	Price to sales ratio	x0.2 - x5.2
Discounted cash flow	Cost of capital	3.8% - 86.6%
	EBITDA multiple*	x8.0 - x25.0
	Revenue multiple*	x1.3 - x8.0
	Gross profit multiple*	x1.3 - x12.0
	Price to earnings ratio*	x8.1

Note:

* Various multiples of market comparable companies are used for the measurement of the terminal value.

b. Sensitivity Analysis

Of the above unobservable inputs, the revenue multiple, the EBITDA multiple, the gross profit multiple, the price to earnings ratio and price to sales ratio have a positive correlation with the fair value of financial assets subject to the valuation.

In contrast, the cost of capital has a negative correlation with the fair value of financial assets subject to the valuation.

c. Valuation processes

(a) Valuation processes at SVF1, SVF2, and LatAm Funds

The valuations are prepared by the valuation team of SBIA under IFRS 13 “Fair Value Measurement,” in accordance with the SBIA Global Valuation Policy and International Private Equity and Venture Capital Valuation Guidelines on a quarterly basis, using the most appropriate valuation techniques and inputs that reflect the nature, characteristics and risks of the financial instruments that are subject to fair value measurement. The valuation team of SBIA may engage external specialists with a high level of knowledge and experience as needed, in determining the fair value of certain complex financial instruments. The valuations are then reviewed by the Valuation and Financial Risk Committee (“VFRC”), established as a committee of SBIA and SBGA. The VFRC reviews the reasonableness of significant inputs and assumptions as well as the valuation results. In addition, the VFRC considers the appropriateness of the choice of valuation methodology. The valuations of the portfolio companies performed by the aforementioned procedures are then reviewed and approved by SBIA’s Board of Directors as manager of SVF1 and SBGA’s Board of Directors as manager of SVF 2 and LatAm Funds with overall responsibility for valuations on a quarterly basis.

(b) Valuation processes at entities other than SVF1, SVF2, and LatAm Funds

Fair value is measured by the Company's personnel in the finance, treasury and accounting departments based on internal guidelines on a quarterly basis, using the most appropriate valuation techniques and inputs that reflect the nature, characteristics and risks of the financial instruments subject to fair value measurement. For the fair value measurements of the financial instruments that require both high level of knowledge and experiences where amounts are material, the Company may engage external specialists. Thereafter, management responsible for the valuation processes approves the results of fair value measurements by the Company's personnel and the valuation by the external specialists performed at the end of each quarter after reviewing the analysis of fair value changes and other content.

d. Reconciliation of financial instruments categorized as Level 3

Reconciliation of financial instruments categorized as Level 3 is as follows:

	(Millions of yen)				
Financial assets	Investments from SVF (FVTPL)	Equity securities (excluding investments from SVF (FVTPL))	Bonds and loans (excluding investments from SVF (FVTPL))	Derivative financial assets	Other
As of April 1, 2024	7,840,631	518,535	90,017	59,876	613,803
Gains or (losses)					
Net income	97,933	15,894	21,844	(16,792)	(31,378)
Other comprehensive income	(102,430)	(34,430)	(1,543)	(2,492)	(285)
Purchases	585,230	208,246	4,895	—	90,034
Sales	(113,844)	(21,097)	(14,556)	—	(51,329)
Lending	—	—	30,183	—	—
Collection	—	—	(12,344)	—	—
Investments transferred from the Company to SVF2	280,806	(280,806)	—	—	—
Investments transferred from SVF2 to the Company	(242,881)	219,938	22,943	—	—
Transfers to Level 1 due to listing	(350,856)	(40,425)	—	—	—
Other	2,210	(8,571)	(14,044)	(738)	(8,871)
As of March 31, 2025	<u>7,996,799</u>	<u>577,284</u>	<u>127,395</u>	<u>39,854</u>	<u>611,974</u>
Gains or (losses) recognized in net income on financial instruments held at March 31, 2025	<u>82,585</u>	<u>14,591</u>	<u>28,371</u>	<u>(16,987)</u>	<u>(28,938)</u>
Financial liabilities	Derivative financial liabilities	Debt instruments issued by a subsidiary	Other		
As of April 1, 2024	7,885	—	44,513		
(Gains) or losses					
Net income	44,394	7,451	315		
Other comprehensive income	(603)	4,678	—		
Business combinations	8,965	66,810	—		
Redemption	—	(78,939)	—		
Issuance	—	73,980	—		
Other	(765)	—	(36,278)		
As of March 31, 2025	<u>59,876</u>	<u>73,980</u>	<u>8,550</u>		
(Gains) or losses recognized in net income on financial instruments held at March 31, 2025	<u>46,780</u>	<u>—</u>	<u>315</u>		

Gains or losses recognized in net income are included in "Gain on investments at Investment Business of Holding Companies," "Loss on investments at SoftBank Vision Funds," "Loss on other investments," "Derivative gain (excluding gain (loss) on investments)," and "Other loss" in the consolidated statement of profit or loss.

(3) Carrying amounts and fair values of financial instruments

The table below presents carrying amounts and fair values of financial instruments.

(Millions of yen)					
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Interest-bearing debt (non-current)					
Long-term borrowings	5,357,017	—	2,792,249	2,514,431	5,306,680
Corporate bonds	7,019,644	—	6,934,801	—	6,934,801

Financial instruments whose carrying amounts are reasonably similar to fair values are not included in the table above. Financial instruments that are measured at fair value on a recurring basis are also excluded because their carrying amounts approximate their fair values.

a. Fair value measurement of financial instruments

The major valuation techniques for fair value measurements of the above financial liabilities are as follows:

(a) Long-term borrowings

Fair values of the non-current portion of long-term borrowings are measured using quoted prices in active markets if such prices are available, and the measurement is categorized as Level 1. Where such prices in active markets are not available, fair values of the non-current portion of long-term borrowings are measured based on the discounted cash flow method using observable inputs such as market interest rates, and the measurement is categorized as Level 2. The measurement of the non-current portion of long-term borrowings that the fair values are measured based on the discounted cash flow method using unobservable inputs such as an interest rate including the credit spread that would be used for a borrowing with the same terms and maturity is categorized as Level 3.

(b) Corporate bonds

Fair values of the non-current portion of corporate bonds are mainly categorized as Level 1 or Level 2. When the fair value is measured using quoted prices in active markets for identical bonds, it is categorized as Level 1. When the fair value is measured using quoted prices that are observable in markets that are not active for identical bonds, it is categorized as Level 2.

b. Redemption schedule for interest-bearing debt, lease liabilities, and deposits for banking business

Redemption schedule for interest-bearing debt, lease liabilities, and deposits for banking business is as follows:

(Millions of yen)

	Carrying amount	Aggregation of redemption schedule	Within 1 year	1 year to 2 years
Interest-bearing debt				
Short-term borrowings	1,581,598	1,583,935	1,583,935	-
Commercial paper	249,500	249,500	249,500	-
Long-term borrowings	7,041,134	7,104,538	1,714,161	2,987,768
Corporate bonds	8,136,126	8,186,900	1,116,646	928,818
Financial liabilities relating to sale of shares by prepaid forward contracts	997,843	997,843	997,843	-
Installment payables	129	129	108	17
Lease liabilities	907,020	907,020	165,355	136,617
Deposits for banking business*	1,810,852	1,810,852	1,795,965	3,528
Total	20,724,202	20,840,717	7,623,513	4,056,748

	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years
Interest-bearing debt				
Short-term borrowings	-	-	-	-
Commercial paper	-	-	-	-
Long-term borrowings	1,136,467	509,271	269,813	487,058
Corporate bonds	591,922	1,618,186	804,615	3,126,713
Financial liabilities relating to sale of shares by prepaid forward contracts	-	-	-	-
Installment payables	4	-	-	-
Lease liabilities	112,761	94,738	81,898	315,651
Deposits for banking business*	4,051	694	1,745	4,869
Total	1,845,205	2,222,889	1,158,071	3,934,291

Note:

* Deposits for banking business payable on demand are included in "Within 1 year."

(Notes Relating to Revenue Recognition)

1. Breakdown of net sales

The components of net sales are as follows.

	(Millions of yen)
	Fiscal year ended March 31, 2025
SoftBank business	
Consumer business	
Service revenues	
Mobile communications	1,554,934
Broadband	408,247
Electricity	255,694
Revenues from sales of goods and others	713,862
Enterprise business	886,260
Distribution business	705,408
Media & EC business	
Media	704,328
Commerce	844,234
Strategy	97,785
Other	4,048
Financial business	255,662
Other	110,895
Subtotal	6,541,357
Arm business	
License and other revenue	259,236
Royalty revenue	330,932
Subtotal	590,168
Other	112,227
Total	7,243,752

The component of net sales includes ¥202,964 million of revenue arising from other sources than those arising from IFRS 15 “Revenue from Contracts with Customers,” such as financial services in Financial business and lease contracts in Enterprise business at the SoftBank business.

2. Basic information to understand revenue

The details are described in “(8). Revenue recognition” in “4. Summary of accounting policies” under “(Basis of Presentation of Consolidated Financial Statements).”

3. Information to understand amounts of revenue for the fiscal year ended March 31, 2025 and the following fiscal years

(1) Contract balance

The components of contract balances are as follows.

	(Millions of yen)	
	As of April 1, 2024	As of March 31, 2025
Receivables arising from contracts with customers	1,137,705	1,166,276
Contract assets	114,884	148,647
Contract liabilities	364,354	354,917

Contract assets generally increase when the Company transfers goods or services to a customer (excluding claims for which the right to remuneration is unconditional) before the customer pays the consideration or before the payment becomes due and decrease when the Company bills the customer.

Contract liabilities generally increase when the Company receives consideration from a customer prior to the transfer of goods or services to the customer and decrease when the Company meets its performance obligations.

For the fiscal year ended March 31, 2025, impairment loss on receivables related to revenue from contracts with customers was ¥17,041 million.

Of the net sales recognized for the fiscal year ended March 31, 2025, ¥122,037 million was included in the beginning balance of contract liabilities as of that date. Also, for the fiscal year ended March 31, 2025, net sales recognized from previously satisfied performance obligations in prior reporting periods was ¥332,335 million which primarily represents royalties earned during the period in the Arm business.

(2) Transaction price allocated to unsatisfied performance obligations

The aggregate amount of transaction prices allocated to unsatisfied (or partially unsatisfied) performance obligations as of March 31, 2025 is ¥475,126 million.

Of this, the unsatisfied performance obligations of ¥332,758 million as of March 31, 2025 arise primarily from license contracts related to Arm's technology in the Arm business and of ¥142,368 million as of March 31, 2025 arise primarily from mobile services and mobile device rental services in the SoftBank business.

Under the Arm business, the Company has elected to exclude potential future royalty receipts from the disclosure. In certain arrangements, Arm's right to consideration may not correspond directly with the performance of obligations. Revenue recognition for specified IP occurs upon delivery or beginning of license term, whichever is later. For certain subscription offerings, revenue allocated to unspecified future IP is recognized overtime, on a straight-line basis over the delivery period, commencing upon the later of the effective date of the arrangement and the transfer of the initial available IP license. In the Arm business, the Company expects to recognize approximately 25% of remaining performance obligations as revenue over the next 12 months, approximately 19% over the subsequent 13-to 24-month period, and the remainder thereafter.

The unsatisfied performance obligations in the SoftBank business are expected to be recognized as revenue primarily around three years.

The Company applies practical expedients. Transaction prices of contracts with an original duration of one year or less and transaction prices of contracts in which considerations are received from customers directly corresponding to the volume of service delivered are not included in the transaction prices allocated to the residual performance obligations mentioned above.

(Notes Relating to per Share Data)

Equity per share attributable to owners of the parent*	¥7,905.39
Basic earnings per share	¥780.82

Note:

* "Equity per share attributable to owners of the parent" is based on "Equity attributable to owners of the parent" excluding the amount not attributable to ordinary shareholders.

(Other Notes)

1. Related party transactions regarding a co-investment program with restricted rights to receive distributions
MgmtCo, which is the investor in SVF2 LLC (a subsidiary of the Company under SVF2) and the investor in SLA LLC (a subsidiary of the Company under the LatAm Funds), is a company controlled by Masayoshi Son, Representative Director, Corporate Officer, Chairman & CEO of SoftBank Group Corp., and a related party of the Company. The co-investment program with restricted rights to receive distributions to SVF2 and LatAm Funds has been introduced from the three-month period ended September 30, 2021 for the purpose of enabling Masayoshi Son to make a co-investment in SVF2 and LatAm Funds with the Company, sharing risk of losses as well as benefit of profits in the success of SVF2 and LatAm Funds, and leading to enhanced focus on the management of investments held by them, which in turn is intended to contribute to increases in the Company's earnings. In making a co-investment in SVF2 and LatAm Funds under the terms of the program, MgmtCo both receives the benefit of profits and assumes the risk of losses from SVF2 and LatAm Funds, and MgmtCo's right to receive distributions from its investment is subject to certain restrictions.

Contributions to SVF2 LLC and SLA LLC are classified as "Equity" and "Preferred Equity" depending on the terms and conditions of distribution. SVF2 LLC and SLA LLC each have issued Equity entitled to performance-based distributions that are allocated to the Company and MgmtCo based on the proportion of their respective contributions. The Company's Equity interest in each of SVF2 LLC and SLA LLC is 82.75%, and MgmtCo's Equity interest in each of SVF2 LLC and SLA LLC is 17.25%. The Company's investment in SVF2 LLC is made through SoftBank Vision Fund II-2 L.P. and its subsidiaries, and its investment in SLA LLC is made through SBLA Latin America Fund LLC and its subsidiaries.

Related party transactions of the Company are as follows:

(1) Transactions between SVF2 and related parties

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2025	(Millions of yen) As of March 31, 2025
			Amount of transaction	Balance at period end
Masayoshi Son (MASA USA LLC (MgmtCo))	Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Receipt of capital contribution in SVF2 LLC and related adjustments ^{*1,2}	-	455,664 ^{*3,4} (\$3,048 million)
		The premium received on SVF2 LLC's receivables	12,603 ^{*3} (\$83 million)	
		MgmtCo's Equity interests in SVF2 LLC ^{*5,6}	-	-
		Net balance at period end (Receivables in SVF2 LLC less MgmtCo's Equity interests in SVF2 LLC) ^{*7}		455,664 (\$3,048 million)

Notes:

1. Restrictions on rights of MgmtCo to receive distributions

MgmtCo's right to receive distributions from its investment is subject to certain restrictions. Distributions from SVF2 LLC to MgmtCo are fully restricted and are not paid until the sum of proceeds received by SVF2 LLC from realized investments plus the aggregate fair value of all of SVF2 LLC's unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SVF2 LLC's investments. After the ratio exceeds 130%, restrictions on distributions to MgmtCo are released proportionately in increments of 10%, and when the ratio reaches 200%, all restrictions are released and MgmtCo is entitled to receive the full amount of the distribution. In the event that, upon the liquidation of SVF2 LLC, the amount of the distributions received by MgmtCo exceeds the amount that would have been distributed to MgmtCo if the ratio in effect at the time of liquidation was applied throughout the life of SVF2 LLC, then any such excess amounts will be subject to clawback from MgmtCo.

2. Nature of the Equity contribution by MgmtCo

The Equity interests contributed by the Company and MgmtCo are subordinated to the Preferred Equity contributed separately by the Company to SVF2 LLC. If there is a shortfall in the amount of return of Preferred Equity contributions and the amount of fixed distributions to be received by the Preferred Equity holders at the time of the final profit distribution by SVF2 LLC, then MgmtCo is obligated to pay the shortfall proportional to Equity interests' ratio up to the total amount of return of Equity contributions and the distributions received by MgmtCo.

3. Balance at period end of receivables from MgmtCo for receipt of capital contribution and related adjustments
Balance at period end is the balance of SVF2 LLC's receivables which consists of the balance related to receipt of capital contribution, related adjustments and premiums received from MgmtCo, less any decrease in receivables due to offsetting settlement with distributions to MgmtCo.

The amount of the transaction for "Receipt of capital contribution in SVF2 LLC and related adjustments" at the inception of the program is MgmtCo's Equity Acquisition Amount in SVF2 LLC, which consists of the amount calculated based on MgmtCo's Equity interests of 17.25% in the SVF2's initial acquisition costs of the relevant portfolio companies held by SVF2 LLC and related adjustments calculated based on 17.25% interest in the increase in the portfolio companies' fair value from the initial acquisition costs at SVF2 to June 30, 2021, and the adjustment equivalent to interests for the period from the Company's contribution to SVF2 until June 30, 2021.

MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time at its discretion from the date it became an investor in SVF2 LLC to the end of the company life of SVF2 LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. "The premium received on SVF2 LLC's receivables" refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount.

Any distributable amount from SVF2 LLC to MgmtCo is offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until the SVF2 LLC's receivables are paid in full.

4. Collateral and other credit protection for receivables

In order to secure the receivables of SVF2 LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SVF2 LLC held by MgmtCo are pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SVF2 LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceed the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of March 31, 2025, 8,897,100 shares of SoftBank Group Corp. are deposited in SVF2 LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only when the entire amount of receivables is settled. SVF2 LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SVF2 LLC after the enforcement of the collateral and personal guarantees by SVF2 LLC.

5. MgmtCo's Equity interest in SVF2 LLC

The amount represents SVF2 LLC's net assets attributable to MgmtCo (before deduction of receivables), which is included in "Third-party interests in SVF" in the consolidated statement of financial position.

6. Management fee and performance-linked management fees to be charged to MgmtCo

The terms of the management fee and performance-linked management fee to be charged to MgmtCo are the same as those to be charged to the Company as an Equity investor in SVF2 LLC.

7. Net balance at period end

Net balance at period end is the balance of receivables held by SVF2 LLC less MgmtCo's Equity interest in SVF2 LLC.

In April 2025, SVF2 invested \$8.5 billion in OpenAI Global, LLC ("OpenAI Global"), which is subject to the co-investment program. To fund this investment, SVF2 borrowed \$8.5 billion from the Company, and 17.25% of both the principal and interest on this borrowing is guaranteed by Masayoshi Son, Representative Director, Corporate Officer, Chairman & CEO of SoftBank Group Corp.

The borrowing is scheduled to mature in April 2029 and may be early repaid by SVF2 at its discretion. The borrowing is secured by the convertible interest rights in OpenAI Global acquired by SVF2 in April 2025. It is subordinated to other

borrowings of SVF2 from financial institutions and others, but senior to the Preferred Equity contributed by the Company to SVF2 LLC. The interest rate on the borrowing has been determined with reference to a fair market rate assessed by an independent external organization, assuming similar financing would have been conducted by SVF2 with entities outside of the group.

The borrowing by SVF2 from the Company will be eliminated in consolidation as an intercompany transaction. The details of the investment in OpenAI Global made in April 2025 are described in "3. Investment in OpenAI."

(2) Transactions between LatAm Funds and related parties

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended	(Millions of yen)
			March 31, 2025	As of March 31, 2025
			Amount of transaction	Balance at period end
Masayoshi Son (MASA USA LLC (MgmtCo))	Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Receipt of capital contribution in SLA LLC and related adjustments ^{*1,2}	-	106,864 ^{*3,4} (\$715 million)
		The premium received on SLA LLC's receivables	2,964 ^{*3} (\$19 million)	
		MgmtCo's Equity interests in SLA LLC ^{*5,6}	-	5,150 (\$34 million)
		Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC) ^{*7}		101,714 (\$681 million)

Notes:

1. Restrictions on rights of MgmtCo to receive distributions

MgmtCo's right to receive distributions from its investment is subject to certain restrictions. Distributions from SLA LLC to MgmtCo are fully restricted and are not paid until the sum of proceeds received by SLA LLC from realized investments plus the aggregate fair value of all of SLA LLC's unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SLA LLC's investments. After the ratio exceeds 130%, restrictions on distributions to MgmtCo are released proportionately in increments of 10%, and when the ratio reaches 200%, all restrictions are released and MgmtCo is entitled to receive the full amount of the distribution. In the event that, upon the liquidation of SLA LLC, the amount of the distributions received by MgmtCo exceeds the amount that would have been distributed to MgmtCo if the ratio in effect at the time of liquidation was applied throughout the life of SLA LLC, then any such excess amounts will be subject to clawback from MgmtCo.

2. Nature of the Equity contribution by MgmtCo

The Equity interests contributed by the Company and MgmtCo are subordinated to the Preferred Equity contributed separately by the Company to SLA LLC. If there is a shortfall in the amount of return of Preferred Equity contributions and the amount of fixed distributions to be received by the Preferred Equity holders at the time of the final profit distribution by SLA LLC, then MgmtCo is obligated to pay the shortfall proportional to Equity interests' ratio up to the total amount of return of Equity contributions and the distributions received by MgmtCo.

3. Balance at period end of receivables from MgmtCo for receipt of capital contribution and related adjustments

Balance at period end is the balance of SLA LLC's receivables which consists of the balance related to receipt of capital contribution, related adjustments, and premiums received.

The amount of the transaction for "Receipt of capital contribution in SLA LLC and related adjustments" at the inception of the program is MgmtCo's Equity Acquisition Amount in SLA LLC, which consists of the amount calculated based on MgmtCo's Equity interests of 17.25% in the LatAm Funds' initial acquisition costs of the portfolio companies held by LatAm Funds and related adjustments calculated based on 17.25% interest in the increase in the portfolio companies' fair value from the initial acquisition costs at LatAm Funds to June 30, 2021, and the adjustment equivalent to interests for the period from the Company's contribution to LatAm Funds until June 30, 2021.

MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time at its discretion from the date it became an investor in SLA LLC to the end of the company life of SLA LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. "The premium received on SLA LLC's receivables" refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount.

Any distributable amounts from SLA LLC to MgmtCo are offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until the SLA LLC's receivables are paid in full.

4. Collateral and other credit protection for receivables

In order to secure the receivables of SLA LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SLA LLC held by MgmtCo are pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SLA LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceed the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of March 31, 2025, 2,168,500 shares of SoftBank Group Corp. are deposited in SLA LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only when the entire amount of receivables is settled. SLA LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SLA LLC after the enforcement of the collateral and personal guarantees by SLA LLC.

5. MgmtCo's Equity interest in SLA LLC

The amount represents SLA LLC's net assets attributable to MgmtCo (before deduction of receivables), which is included in "Third-party interests in SVF" in the consolidated statement of financial position.

6. Management fee, performance-linked management fees, and performance fees to be charged to MgmtCo

The terms of the management fee, performance-linked management fees and performance fee to be charged to MgmtCo are the same as those to be charged to the Company as an Equity investor in SLA LLC.

7. Net balance at period end

Net balance at period end is the balance of receivables held by SLA LLC less MgmtCo's Equity interest in SLA LLC.

2. Acquisition of Ampere Computing Holdings LLC

SoftBank Group Corp., on March 19, 2025, entered into an agreement with Ampere Computing Holdings LLC (“Ampere”), a U.S.-based semiconductor design company focused on high-performance, energy efficient, sustainable AI compute based on the Arm compute platform, and certain of its equity holders (the “Sellers”), to acquire all of the equity interests of Ampere for \$6.5 billion through Silver Bands 6 (US) Corp. (“SB6”), a wholly-owned subsidiary of the Company (the “Transaction”).

The Transaction has been approved by the Board of Directors of SoftBank Group Corp. but remains subject to customary regulatory approvals including United States antitrust clearance and approval by the Committee on Foreign Investment in the United States (CFIUS), as well as the satisfaction or waiver of other closing conditions, such as the compliance in all material respects with covenants, failure of a material adverse effect on Ampere to occur and certain employment related matters.

The Company expects the closing of the Transaction to occur in the latter half of 2025. As a result of the Transaction, Ampere will become a wholly-owned subsidiary of the Company.

(1) Rationale for the Transaction

Ampere is a semiconductor company that designs high-performance, energy-efficient processors specialized for next-generation cloud computing and AI workloads. With approximately 1,000 highly skilled semiconductor engineers and its notable technological capabilities, Ampere is expected to play a key role in future growth markets.

The Transaction is aligned with the Company’s broader strategic vision and commitment to driving innovation in AI and compute. Ampere is expected to collaborate with the broader ecosystem of the Company, including group companies, investees, and business partners. Through this strategic alignment following the Transaction, Ampere’s expertise in developing and taping out* Arm-based chips can be integrated, complementing design strengths of Arm. Ultimately, the Company expects this to contribute to the long-term growth of its NAV (Net Asset Value: calculated as equity value of holdings – adjusted net interest-bearing debt).

Note:

* In the semiconductor manufacturing process, this refers to the completion of a highly complex circuit design and the sending of its data to the manufacturing department or foundry. It marks a milestone that signifies the end of the design phase.

(2) Outline of the Acquisition

The Sellers in the Transaction are Carlyle Partners VI Denver Holdings, L.P., Oracle Project Denver Holdings LLC, and Arm. The Transaction will be implemented by way of (i) the acquisition by SB6 of all of the equity interests of certain entities that own units in Ampere (“Equity holding Entities”) from certain Sellers, and (ii) an immediately following “reverse triangular merger,” in which a wholly-owned subsidiary of SB6 that was established for the purpose of the Transaction, will be merged with and into Ampere. The surviving company after the merger will be Ampere and its equity holders at the time of the effective date of the merger (other than the Equity holding Entities) will receive cash consideration, while Ampere, the surviving company, will become a wholly-owned subsidiary of the Company. The total cash consideration to be paid by the Company for the transactions in (i) and (ii) above will amount to \$6.5 billion.

(3) Equity interests to be acquired, acquisition price and ownership status before and after the Transaction

Equity interests held before the Transaction*	8.08% (Indirect holding: 8.08%)
Equity interests to be acquired	100%
Acquisition price	Total investment: \$6.5 billion Acquisition-related cost: TBD
Equity interests will hold after the Transaction	100% (Indirect holding: 100%)

Note:

* Based on the number of Ampere's voting equity interests.

(4) Financing

To secure the funds necessary for this transaction, SoftBank Group Corp. entered into a loan agreement with financial institutions on April 10, 2025, for a total commitment amount of up to \$6.5 billion (the "Bridge Loan").

At the point in time, only the loan commitments have been secured, and no actual borrowing has been made. Since the acquisition of Ampere requires approvals from U.S. authorities and others, the borrowings are scheduled to be executed once such approvals are obtained and the acquisition is expected to close.

An overview of the Bridge Loan is as follows.

Borrower	SoftBank Group Corp.
Mandated lead arrangers and bookrunners	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation JP Morgan Chase Bank, Tokyo Branch
Date of agreement	April 10, 2025
Total commitment amount	\$6.5 billion
Availability period	Until April 10, 2026
Drawdown date	At the time of Ampere acquisition
Use of proceeds	Acquisition of Ampere shares, repayment of Ampere's existing borrowings, and payment of related expenses
Repayment date	April 10, 2026
Collateral	None
Guarantor	None

(5) Overview of Ampere

Name	Ampere Computing Holdings LLC
Address	Santa Clara, California, USA
Name and title of representative	Renée J. James Founder/Chairman & CEO
Nature of business	Semiconductor design, focused on high-performance, energy efficient, sustainable AI compute based on the Arm compute platform
Founded	September 27, 2017

3. Investment in OpenAI

SoftBank Group Corp. entered into a definitive agreement with OpenAI Global, LLC (“OpenAI Global”) and its affiliates (collectively, “OpenAI”), a U.S.-based artificial intelligence research and development company, to make follow-on investments of up to \$40.0 billion (¥5,980.8 billion) (the “Transaction”) on March 31, 2025, as detailed below. The Company is planning to syndicate out \$10.0 billion of the up to \$40.0 billion investment to co-investors.

(1) Rationale for the Transaction

With the center of the “Information Revolution” having evolved from personal computers, the Internet, and broadband to smartphones, it has now entered a new phase led by artificial intelligence (AI). In this context, the Company has declared its mission to realize Artificial Super Intelligence (ASI) for the advancement of humanity. Recognizing OpenAI as the partner closest to achieving Artificial General Intelligence (AGI), a key milestone on the path to ASI, and its mission of ensuring AGI benefits all of humanity, the Company has positioned OpenAI as its most important partner and invested \$2.2 billion in total through SVF2 since September 2024.

The advancement of OpenAI’s AI models is key to achieving AGI and ASI, and massive computing power is essential. To that end, the Company has announced the “Stargate Project” together with OpenAI on January 21, 2025, to build dedicated AI infrastructure for OpenAI in the United States. In alignment with this initiative, and to both further support OpenAI’s growth and capture the benefits of that growth in the Company’s NAV (Net Asset Value: calculated as equity value of holdings – adjusted net interest-bearing debt), the Company has decided to make follow-on investments in OpenAI.

(2) Details of the Transaction

	First closing	Second closing
Pre-money valuation	\$260.0 billion	
Investment amount	\$10.0 billion	(1) Up to \$30.0 billion if OpenAI Global, the for-profit subsidiary of OpenAI, Inc., completes a recapitalization of its economic waterfall (the “Funding Conditions”) by the end of 2025, or in certain circumstances, early 2026. (2) \$10.0 billion if the Funding Conditions have not been met by the end of 2025, or in certain circumstances, early 2026.
Syndication	Up to \$10.0 billion of the investment amount may be syndicated out to co-investors. However, in the case of (2) above, syndication of \$10.0 billion for the second closing will not reduce the Company’s \$10.0 billion commitment for the second closing.	
Investment timing	April 2025	December 2025 (Targeted)
Investing entity	SoftBank Group Corp. or its subsidiary	
Investment target	OpenAI Global	OpenAI Global or a new entity following the satisfaction of the Funding Conditions
Type of securities to be acquired	Convertible interest rights, which are convertible into: • Convertible preferred shares of a new entity with 1x liquidation preference once the Funding Conditions are met • Convertible preferred shares will automatically convert into common stock in connection with an IPO / go-public transaction	

(3) Overview of OpenAI Global

Name	OpenAI Global, LLC
Address	San Francisco, California, USA
Name and title of representative	Sam Altman, CEO
Nature of business	To build safe and beneficial artificial general intelligence (AGI) that

	benefits all of humanity
Founded	December 2015 (OpenAI, Inc., the controlling entity of OpenAI Global)

(4) Timeline

Execution of the agreement for investment of up to \$40.0 billion by SoftBank Group Corp. and OpenAI Global	March 31, 2025
Completion of \$10.0 billion investment in OpenAI Global	April 15, 2025
Completion of up to \$30.0 billion investment in OpenAI Global	December 2025 (Targeted)

(6) Completion of the first closing

On April 15, 2025, the investment of \$10.0 billion in OpenAI Global was completed. Of this, \$1.5 billion was syndicated out to co-investors on the same date, and SVF2 invested the remaining \$8.5 billion. SVF2 retains the right to further syndicate an additional up to \$1.0 billion of the convertible interest rights it acquired at the first closing to co-investors up to 90 days after the first closing. If such additional syndication is executed, SVF2's investment amount of \$8.5 billion will be reduced by the corresponding amount.

(7) Financing and loan to SVF2 from the Company

To fund the investment in the first closing, in April 2025, the Company borrowed \$8.5 billion from Mizuho Bank, Ltd. and other financial institutions, and lent the same amount to SVF2. Of the loan to SVF2 from the Company, 17.25% of the principal and its interest is guaranteed by Masayoshi Son, Representative Director, Corporate Officer, Chairman & CEO of SoftBank Group Corp. The details are described in "(1) Transactions between SVF2 and related parties" in "1. Related party transactions regarding a co-investment program with restricted rights to receive distributions."

(8) Impact on the consolidated financial results

The convertible interest rights acquired in the Transaction are planned to be classified as financial assets measured at fair value through profit or loss (FVTPL). They will be measured at fair value on a quarterly basis, with any changes in fair value recognized in the consolidated statement of profit or loss as "Gain (loss) on investments."

(Significant accounting policies)

1. Basis and methods of valuation for assets

(1) Marketable securities and investment securities

Investments in subsidiaries and affiliated companies	Stated at cost determined by the moving-average method
Available-for-sale securities	
Except for stocks and others without market quotations:	Stated at fair value (unrealized gain/loss is reported as a separate component of equity, net of tax; cost of sales is determined by the moving-average method)
Stocks and others without market quotations:	Stated at cost determined by the moving-average method

(2) Derivative instruments: Stated at fair value

2. Depreciation and amortization

(1) Property and equipment: Calculated using the straight-line method

(2) Intangible assets: Calculated using the straight-line method
Software for internal use is amortized using the straight-line method based on the estimated useful life (five years).

3. Accounting principles for allowances and provisions

(1) Allowance for doubtful accounts

In anticipation of uncollectible receivables, general allowance for doubtful accounts (excluding receivables from subsidiaries and affiliated companies) is calculated based on past credit loss experience. Individual allowances for doubtful accounts deemed to be uncollectible and receivables from subsidiaries and affiliated companies are calculated based on the collectability of the account.

(2) Provision for bonuses

Provision for bonuses is calculated based on SoftBank Group Corp.'s computation rule for expected payment.

4. Other basis of presentation of financial statements

(1) Deferred assets

Bond issuance cost: Amortized each month over the redemption period

(2) Accounting for hedge transactions

a. Currency swaps

(a) <Hedge accounting>

Deferral hedge accounting

(b) <Derivative instruments for hedging and hedged items>

Derivative instruments for hedging: Currency swap contracts

Hedged items: Foreign currency-denominated corporate bonds

(c) <Hedging policy>

In accordance with SoftBank Group Corp.'s policy, SoftBank Group Corp. uses currency swaps to hedge foreign exchange risk associated with hedged items denominated in foreign currencies.

(d) <Effectiveness of hedge transactions>

Currency swaps qualify for hedge accounting. Effectiveness of the hedge transaction is omitted.

b. Prepaid forward contracts using shares

- (a) <Hedge accounting>
Deferred hedge accounting
- (b) <Derivative instruments for hedging and hedged items>
Derivative instruments for hedging: Prepaid forward contracts using shares
Hedged items: Available-for-sale securities
- (c) <Hedging policy>
In accordance with SoftBank Group Corp.'s policy, SoftBank Group Corp. uses prepaid forward contracts using shares to hedge the risk of exposures to market fluctuations.
- (d) <Effectiveness of hedge transactions>
The effectiveness of hedge transactions is assessed by confirming that there is a high correlation between the variability of market fluctuation of hedged items and the variability of market fluctuation of hedge instruments.

(Notes on changes in accounting policies)

1. Application of the "Accounting Standard for Current Income Taxes"
SoftBank Group Corp. applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022) from the beginning of the fiscal year ended March 31, 2025.
There was no effect on the non-consolidated financial statements.
2. Application of the "Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules"
SoftBank Group Corp. applied the "Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules" (ASBJ Practical Solution No. 46, March 22, 2024) from the beginning of the fiscal year ended March 31, 2025.
There was no effect on the non-consolidated financial statements.

(Notes on accounting estimates)

Among the accounting estimates recorded in the financial statements of this fiscal year, items that may significantly affect the financial statements of the following fiscal year are as follows.

1. Valuation of stocks and other securities without market quotations

For securities whose market value is extremely difficult to measure, when the substantial value significantly declines due to deterioration of the issuer's financial condition without sufficient evidence that the value may recover, investment securities are reduced to net realizable value by a charge to loss. In this fiscal year, ¥14,785 million of losses on valuation of investment in subsidiaries and affiliated companies and ¥24,557 million of losses on valuation of investments in consolidated and affiliated Godo Kaisha (Japanese LLC) and partnerships were recorded.

2. Valuation of receivables

Based on the financial condition and performance of the debtors, receivables are classified into normal receivables, receivables at high risk and claims provable in bankruptcy, claims provable in rehabilitation and other. Depending on the classification, the amount of allowance for doubtful accounts is determined considering the historical default rate and such. As of the end of the current fiscal year, provision of allowance for doubtful accounts of ¥25,168 million was recorded as non-operating expenses, mainly as a result of individual calculations of estimated doubtful accounts for receivables from subsidiaries and affiliated companies, taking into account their individual financial conditions and operating results.

The allowance for doubtful accounts amounted to ¥820,589 million at the end of the fiscal year, and its main contents are as follows.

SoftBank Group Corp. has loaned ¥2,206,987 million to three intermediate holding companies, Delaware Project 1 L.L.C., Delaware Project 2 L.L.C., and Delaware Project 3 L.L.C. (hereafter "Delaware subsidiaries".) Delaware subsidiaries invest in asset management subsidiary, SB Northstar LP, (hereafter "SB Northstar") that uses surplus funds of SoftBank Group Corp. to acquire and sell listed stocks, corporate bonds and other instruments. For this loan as investment trust fund, provision of allowance for doubtful accounts was recorded in the previous fiscal year, and the estimated amount of bad debt amount was calculated by reducing the estimated amount of disposal value of assets held by SB Northstar, of which listed investment securities that are measured at observable market value and bonds that are measured at recoverable amounts based on their financial profile and the estimated amount of burden by Masayoshi Son, Son Assets Management, LLC and Son Wealth Management Inc against the amount of loans receivable. In addition, Masayoshi Son and Son Assets Management, LLC are a major shareholder of SoftBank Group Corp. and are deemed to have sufficient holdings to guarantee and indemnify. The details are described in "The terms of transactions and policies (Notes)1" in "2. Directors and major individual shareholders" under "Notes relating to Related-Party Transactions with SoftBank Group Corp."

If it is necessary to revise the amount of allowance for doubtful accounts due to deterioration in financial condition and performance of the debtors, additional amount may be recognized in the following fiscal year. The details are described in "(1) Allowance for doubtful accounts" in "3. Accounting principles for allowances and provisions" under "(Significant accounting policies.)"

(Notes relating to Balance Sheet)

	Millions of yen
1. Accumulated depreciation of property and equipment	¥3,005
2. Guarantee obligation	
Guarantee (Nature of guarantee obligation)	Amount of guarantee
	Millions of yen
<hr/>	
[Guarantee obligation]	
SoftBank Group Capital Limited (Funds for purchase of shares)	¥612,598
SoftBank Group Capital Limited (Lease contract of office space)	575
<hr/>	
Total	¥613,173

3. Contingency

The details are described in "(3) Litigation, a. Credit Suisse Litigation" in "5. Contingency" in "(Notes Relating to Consolidated Statement of Financial Position)" under "Notes to Consolidated Financial Statements."

4. Monetary receivables from and payables to subsidiaries and affiliated companies

	Millions of yen
Short-term monetary receivables	¥189,430
Long-term monetary receivables	2,734,226
Short-term monetary payables	6,110,650
Long-term monetary payables	2,070,920

(Notes relating to Statement of Profit or Loss)

Transactions with subsidiaries and affiliated companies

	Millions of yen
Operating revenue	¥408,569
Operating expenses	28,381
Non-operating transactions	1,608,833
Sales of investment securities	1,208,018

(Notes relating to Statement of Changes in Equity)

Class and number of treasury stocks as of March 31, 2025

Number of common stocks	32,398,924 shares
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(Notes relating to tax effect accounting)

Significant components of deferred tax assets and liabilities

Deferred tax assets	Millions of yen
Investments in subsidiaries and affiliated companies	¥742,782
Allowance for doubtful accounts	338,691
Tax loss carryforwards	308,627
Foreign exchange loss	17,897
Deferred assets	6,331
Others	81,949
Gross deferred tax assets	1,496,277
Less: valuation allowance on deductible temporary differences	(1,141,399)
Less: valuation allowance on loss carryforwards	(248,004)
Total valuation allowance	(1,389,403)
Total deferred tax assets	106,874
Deferred tax liabilities	Millions of yen
Deferred taxable gain on the sale of investment securities to a wholly-owned subsidiary under Japanese group taxation regime	(311,063)
Valuation difference on available-for-sale securities	(152,067)
Others	(4,394)
Total deferred tax liabilities	(467,524)
Net deferred tax liabilities	¥(360,650)

(Notes relating to Related-Party Transactions with SoftBank Group Corp.)

1. Subsidiaries and associates

Category	Name	Voting rights (%) (Note 1)	Nature of transaction	Note	Amount of transaction	Account	Balance at March 31, 2025 (Notes 2)
					Millions of yen		Millions of yen
Subsidiary	SoftBank Group Overseas GK	Direct 100%	Capital contribution		1,436,352		
			Lending of short-term funds (Net of receipt)		31,111	Short-term loans receivable	31,111
			Interest receipt	3	1,557	Other current assets	—
Subsidiary	SoftBank Group Japan Corporation	Direct 100%	Borrowing of short-term funds (Net of repayment)		90,200	Short-term loans payable	1,586,392
			Borrowing of long-term funds		300,000	Long-term loans payable	800,000
			Interest payment	4	26,309	Accrued expenses	3,534
Subsidiary	Shiodome Project 17 GK	Direct 100%	Lending of short-term funds (Net of receipt)		97,500	Short-term loans receivable	127,500
			Interest receipt	3	1,027	Other current assets	741
Subsidiary	Fukuoka SoftBank HAWKS Corp.	Direct 100%	Payment of advertising expenses	5	10,898	Accounts payable - other	1
Subsidiary	SoftBank Group Capital Limited	Direct 100%	Repayment of short-term funds (Net of borrowing)		1,187,334	Short-term loans payable	3,363,390
			Borrowing of long-term funds		—	Long-term loans payable	1,270,920
			Interest payment	4	338,645	Accrued expenses	1,957
			Payment of refinance-related expenses	6	5,048	Accrued expenses	125
			Guarantee of liabilities	7	613,173		
Subsidiary	Gawain II 2022 Holdings Limited	Indirect 100%	Repayment of long-term funds		614,668	Current portion of long-term loans payable	—
			Receipt of proceeds from sales of investment securities	8	472,119	Other current assets	—
			Receipt of proceeds from settlement of derivatives transactions		163,510	Other current assets	—
Subsidiary	Delaware Project 6 L.L.C.	Direct 100%	Capital contribution		709,996		
			Dividend receipt		324,429		

Category	Name	Voting rights (%) (Note 1)	Nature of transaction	Note	Amount of transaction	Account	Balance at March 31, 2025 (Notes 2)
					Millions of yen		Millions of yen
Subsidiary	Panther I 2021 Holdings Limited	Indirect 100%	Repayment of long-term funds	8	232,306	Current portion of long-term loans payable	—
			Receipt of proceeds from sales of investment securities		164,495	Other current assets	—
			Receipt of proceeds from settlement of derivatives transactions		131,751	Other current assets	—
Subsidiary	Panther II 2021 Holdings Limited	Indirect 100%	Repayment of long-term funds	8	232,306	Current portion of long-term loans payable	—
			Receipt of proceeds from sales of investment securities		164,490	Other current assets	—
			Receipt of proceeds from settlement of derivatives transactions		131,445	Other current assets	—
Subsidiary	Silver Bands 4 (US) Corp.	Indirect 100%	Borrowing of short-term funds	4	525,603	Short-term loans payable	523,320
			Interest payment		564	Accrued expenses	553
Subsidiary	Tigress 2020 Holdings Limited	Indirect 100%	Repayment of long-term funds	8	109,912	Current portion of long-term loans payable	—
			Receipt of proceeds from sales of investment securities		64,118	Other current assets	—
			Receipt of proceeds from settlement of derivatives transactions		82,655	Other current assets	—
Subsidiary	SIP Lender (UK) Limited	Direct 100%	Receipts of long-term funds	3	12,519	Long-term loans receivable (Note 9)	325,383
			Interest receipt		1,798	Other current assets	—
Subsidiary	Delaware Project 1 L.L.C.	Indirect 66.7%	Lending of long-term funds (Net of receipt)	3	644	Long-term loans receivable (Note 10)	735,662
			Interest receipt		644	Other current assets	—
Subsidiary	Delaware Project 2 L.L.C.	Indirect 66.7%	Lending of long-term funds (Net of receipt)	3	644	Long-term loans receivable (Note 10)	735,662
			Interest receipt		644	Other current assets	—

Category	Name	Voting rights (%) (Note 1)	Nature of transaction	Note	Amount of transaction	Account	Balance at March 31, 2025 (Notes 2)
					Millions of yen		Millions of yen
Subsidiary	Delaware Project 3 L.L.C.	Indirect 66.7%	Lending of long-term funds (Net of receipt)	3	644	Long-term loans receivable (Note 10)	735,662
			Interest receipt		644	Other current assets	—
Associate	Foxconn Ventures Pte. Ltd.	Direct 45.5%	Dividend receipt		81,520		

The terms of transactions and the policies

(Notes) 1. For Godo Kaisha, this column represents the ratio of investment amount to total capital and capital surplus.

2. The foreign currency-denominated balance is translated at the exchange rate (USD 1=JPY 149.52) as of March 31, 2025.

3. The interest rates for loans to related parties are determined in reference to market interest rates.

4. The interest rates for borrowings from related parties are determined in reference to market interest rates.

5. Payments of advertising expenses are for advertising effect provided from overall activities of managing the baseball team.

6. The payment of refinancing-related expenses is determined by negotiation, with reference to market conditions.

7. The details are described in "2. Guarantee obligation" in "(Notes relating to Balance Sheet)".

8. The sales price of the securities was determined based on the market price immediately prior to the sale. The transaction resulted in gain on sale of investment securities of ¥1,044,788 million recorded as extraordinary income.

9. ¥43,806 million was recorded as allowance for doubtful accounts for long-term loans receivable.

10. A total of ¥665,619 million in allowance for doubtful accounts is recorded for long-term loans to Delaware subsidiaries totaling ¥2,206,987 million.

2. Directors and major individual shareholders

Category	Name	Voting rights (%)	Nature of transaction	Note	Amount of transaction	Account	Balance at March 31, 2025
					Millions of yen		Millions of yen
Director and shareholder (Individual)	Masayoshi Son (Son Assets Management, LLC and one other company)	Owned directly 29.7%	Liabilities guarantee agreement	1,2	—		
Related entities of which relative of director and shareholder (Individual) holds more than one-half of the voting rights	Mr. Taizo Son's controlling company and funds managed and operated by the company	-	Limited partnership agreement	3	—		
			Collection of accounts receivable from brand royalty revenue	4	19	Accounts receivable - trade	—

The terms of transactions and policies

(Notes) 1. For obligations to SoftBank Group Corp. (including monetary liabilities, stocks and securities

borrowings, as well as other guarantee obligations and compensation) of Delaware subsidiaries, SB Northstar and their subsidiaries (hereafter, "guaranteed subsidiaries") up until November 10, 2020, Masayoshi Son, Son Assets Management, LLC and Son Wealth Management Inc provide joint and several guarantee to the extent based on the equity interest in SB Northstar. The guaranteed subsidiaries still owe the liabilities to SoftBank Group Corp. even when SB Northstar expires, and Masayoshi Son, Son Assets Management, LLC and Son Wealth Management Inc compensate for the unpaid portion of the liabilities up to the extent based on the equity interest in SB Northstar.

In addition, new liabilities to SoftBank Group Corp. of the guaranteed subsidiaries from November 11, 2020 are guaranteed or compensated only to the consented scope with Masayoshi Son.

2. In case Masayoshi Son is not able to fulfill a long-term or permanent asset management decision making role in SB Northstar, SoftBank Group Corp. has the call option to buy back the investment of Masayoshi Son, Son Assets Management, LLC and Son Wealth Management Inc in Delaware subsidiaries at fair value. If SoftBank Group Corp. exercises the call option, SoftBank Group Corp. will negotiate with Masayoshi Son, Son Assets Management, LLC and Son Wealth Management Inc about the termination of the guarantee agreement.

3. SoftBank Group Corp. had previously entered into limited partnership agreements with several funds managed by SBVA Corp. ("SBVA") as a general partner. In June 2023, SBVA was sold to a company controlled by Mr. Taizo Son, and as a result of the sale, SBVA became a controlled company of Mr. Taizo Son and the transactions related to the limited partnership agreements with the funds were identified as related party transactions.

At the end of the fiscal year, SoftBank Group Corp.'s total commitment amount to these funds is ¥40,007 million, and the total unfunded amount of the commitments is ¥9,947 million. Under the limited partnership agreement, the funds pay the general partner a management fee of 0.5% to 2.3% of the commitment amount or commitment fulfillment amount, and a success fee of 20% to 30% of the investment results, subject to achieving certain IRR.

Of the several funds managed by SBVA as a general partner, only those funds that have limited partnership agreements with SoftBank Group Corp. are listed here.

4. Brand royalty revenue is measured by a rate applied for SBVA's operating revenue. The rate is determined by a reasonable standard.

(Notes relating to per share data)

Shareholders' equity per share	¥3,701.94
Net income per share	¥745.30

(Other notes)

Investment commitment to funds

Main undrawn commitment as of March 31, 2025

SoftBank Vision Fund L.P. and its alternative investment vehicles \$2.7 billion

(Notes relating to Significant Subsequent Event)

Substantial Borrowing of Funds

SoftBank Group Corp. entered into loan agreements with Mizuho Bank, Ltd. and other financial institutions as of April 10, 2025 under the following terms.

(1) Borrower	SoftBank Group Corp.	
(2) Lenders	Mizuho Bank, Ltd. and other financial institutions	
(3) Date of Agreement	April 10, 2025	
(4) Type of Agreement	Loan agreement	Commitment line agreement
(5) Use of proceeds	Investment in OpenAI Global, LLC	Acquisition of Ampere Computing Holdings LLC
(6) Loan Amount	USD 8.5 billion	Up to USD 6.5 billion
(7) Interest Rate	Base rate + spread	Base rate + spread (Note)
(8) Disbursement Date	April 14, 2025	To be determined by SoftBank Group Corp. depending on acquisition progress related to the use of proceeds from the agreement
(9) Maturity Date	April 14, 2026	April 10, 2026
(10) Collateral/Guarantee	Unsecured and unguaranteed	
(11) Key Covenants	If all or part of the investments described in the use of proceeds are sold, a repayment obligation in the equivalent amount will arise.	

(Note) A commitment fee will be charged on the undrawn amount during the loan availability period prior to the disbursement date.

For further details regarding the investments in OpenAI Global, LLC and the acquisition of Ampere Computing Holdings LLC, please refer to “2. Acquisition of Ampere Computing Holdings LLC and 3. Investment in OpenAI Global, LLC” in “(Other Notes)” under “Notes to Consolidated Financial Statements.”