

This English translation of the financial report was prepared for reference purposes only and is qualified in its entirety by the original Japanese version. The financial information contained in this report is derived from our unaudited consolidated financial statements appearing in item 4 of this report.

SoftBank Group Corp.
Consolidated Financial Report
For the Fiscal Year Ended March 31, 2024 (IFRS)

Tokyo, May 13, 2024

1. Financial Highlights

(Millions of yen; amounts are rounded to the nearest million yen)

(1) Results of Operations

(Percentages are shown as year-on-year changes)

	Net sales		Income before income tax		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Fiscal year ended March 31, 2024	¥6,756,500	2.8	¥57,801	-	¥209,217	-	¥(227,646)	-	¥2,241,441	378.8
Fiscal year ended March 31, 2023	¥6,570,439	5.6	¥(469,127)	-	¥(789,801)	-	¥(970,144)	-	¥468,140	(32.3)

	Basic earnings per share (Yen)	Diluted earnings per share (Yen)	Ratio of net income to equity, attributable to owners of the parent (%)	Ratio of income before income tax to total assets (%)
Fiscal year ended March 31, 2024	¥(170.99)	¥(174.20)	(2.3)	0.1
Fiscal year ended March 31, 2023	¥(652.37)	¥(662.41)	(10.2)	(1.0)

Note:

* Loss on equity method investments

Fiscal year ended March 31, 2024: ¥(38,641) million

Fiscal year ended March 31, 2023: ¥(96,677) million

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets (%)	Equity per share attributable to owners of the parent (Yen)
As of March 31, 2024	¥46,724,243	¥13,237,169	¥11,162,125	23.9	7,479.43
As of March 31, 2023	¥43,936,368	¥10,649,215	¥9,029,849	20.6	5,888.94

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.

(3) Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
Fiscal year ended March 31, 2024	¥250,547	¥(841,461)	¥(606,222)	¥6,186,874
Fiscal year ended March 31, 2023	¥741,292	¥547,578	¥191,517	¥6,925,153

2. Dividends

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal year ended March 31, 2023	-	22.00	-	22.00	44.00
Fiscal year ended March 31, 2024	-	22.00	-	22.00	44.00
Fiscal year ending March 31, 2025 (Forecasted)	-	22.00	-	22.00	44.00

	Total amount of dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividend to equity attributable to owners of the parent (Consolidated)
	(Millions of yen)	%	%
Fiscal year ended March 31, 2023	66,285	-	0.8
Fiscal year ended March 31, 2024	64,496	-	0.7
Fiscal year ending March 31, 2025 (Forecasted)		-	

*** Notes**

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): No

Newly consolidated: None

Excluded from consolidation: None

Note:

* Foreign subsidiaries prepare stand-alone financial statements only under circumstances where it is necessary under their local laws and practices. Applicability of Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (i) to (iii), is determined by using the financial statements.

On the other hand, for foreign subsidiaries that do not prepare stand-alone financial statements, information on the capital and net assets for those companies is not available. Therefore, Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (i) is used to determine whether the companies are the specified subsidiaries.

The applicability of Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (i) is determined based on the percentage of total amount of purchase from SoftBank Group Corp. and dividend paid to SoftBank Group Corp. to total amount of operating revenue of SoftBank Group Corp.

For fund-type subsidiaries, the amount of net assets based on financial statements prepared in accordance with the corresponding laws and practices is used to determine the applicability of Cabinet Office Ordinance on Disclosure of Corporate Affairs, etc. Article 19, Paragraph (10), Item (ii).

(2) Changes in accounting policies and accounting estimates

[1] Changes in accounting policies required by IFRSs: Yes

[2] Changes in accounting policies other than those in [1]: No

[3] Changes in accounting estimates: No

Note:

* Please refer to page 47 “Changes in Accounting Policies” under “3. Notes to Summary Information” for details.

(3) Number of shares issued (common stock)

[1] Number of shares issued (including treasury stock):

As of March 31, 2024: 1,469,995,230 shares

As of March 31, 2023: 1,469,995,230 shares

[2] Number of shares of treasury stock:

As of March 31, 2024: 4,069,831 shares

As of March 31, 2023: 6,947,599 shares

[3] Number of average shares outstanding during the twelve-month period (April-March):

As of March 31, 2024: 1,464,957,496 shares

As of March 31, 2023: 1,542,473,887 shares

[For Reference]

Financial Highlights (Non-Consolidated)

(1) Non-Consolidated Results of Operations

(Percentages are shown as year-on-year changes)

	Operating revenue		Operating income		Ordinary income		Net income	
	Amount	%	Amount	%	Amount	%	Amount	%
Fiscal year ended March 31, 2024	¥20,818	(96.8)	¥(42,808)	-	¥(1,161,224)	-	¥69,020	(97.6)
Fiscal year ended March 31, 2023	¥657,112	(23.2)	¥592,131	(24.8)	¥(1,057,199)	-	¥2,828,995	-

	Net income per share-basic (Yen)	Net income per share-diluted (Yen)
Fiscal year ended March 31, 2024	¥47.11	¥47.06
Fiscal year ended March 31, 2023	¥1,834.06	¥1,831.33

(2) Non-Consolidated Financial Position

	Total assets	Net Assets	Equity ratio (%)	Shareholders' equity per share (Yen)
As of March 31, 2024	¥23,334,956	¥5,331,126	22.8	¥3,633.53
As of March 31, 2023	¥24,563,884	¥5,734,553	23.3	¥3,913.20

Note:

* Shareholders' equity (Non-consolidated)

As of March 31, 2024:	¥5,326,486 million
As of March 31, 2023:	¥5,725,194 million

(3) Differences in Non-Consolidated Operating Results from the Previous Fiscal Year

The decrease in net income for the fiscal year ended March 31, 2024, from the previous fiscal year ended March 31, 2023, was mainly attributable to a ¥4,368,404 million year-on-year decrease in gain on sale of investment securities.

Financial Highlights (Non-Consolidated) are prepared in accordance with Accounting Principles Generally Accepted in Japan.

* **This consolidated financial report is not subject to audit procedures by certified public accountants or an auditing firm.**

* **Note to forecasts on the consolidated results of operations and other items**

Descriptions regarding the future are estimated based on the information that the Company is able to obtain at the present point in time and assumptions which are deemed to be reasonable. However, actual results may be different due to various factors.

On May 13, 2024 (JST), the Company will hold an earnings results briefing for the media, institutional investors, and financial institutions. This earnings results briefing will be broadcasted live on the Company's website in both Japanese and English at <https://group.softbank/en/ir>. The Data Sheet will also be posted on the website on the same date at the same site.

(Appendix)

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Disclaimer

This material does not constitute an offer to sell, or a solicitation of an offer to buy, limited partnership interests or comparable limited liability equity interests in any funds (including SoftBank Vision Fund 1, SoftBank Vision Fund 2, and SoftBank Latin America Funds) managed by any of the subsidiaries of SoftBank Group Corp. (“SBG”), including SB Global Advisers Limited, SB Investment Advisers (UK) Limited, or their respective affiliates, or any securities in any jurisdiction, nor should it be relied upon as such in any way.

Notice Regarding PFIC Status

It is possible that SBG (and certain subsidiaries of SBG) may be a “passive foreign investment company” (“PFIC”) under the U.S. Internal Revenue Code of 1986, as amended, for its current fiscal year due to the composition of its assets and the nature of its income. We recommend that U.S. holders of SBG’s shares consult their tax advisors with respect to the U.S. federal income tax consequences to them if SBG and its subsidiaries are classified as PFICs. SBG is not responsible for any tax treatments or consequences thereof with respect to U.S. holders of SBG’s shares.

Definition of Company Names and Abbreviations Used in This Appendix

Company names and abbreviations used in this appendix, unless otherwise stated or interpreted differently in the context, are as follows:

Company names/Abbreviations	Definition
SoftBank Group Corp. or SBG	SoftBank Group Corp. (stand-alone basis)
The Company	SoftBank Group Corp. and its subsidiaries
<i>*Each of the following names or abbreviations indicates the respective company and its subsidiaries, if any.</i>	
SB Northstar or asset management subsidiaries	SB Northstar LP
SoftBank Vision Fund 1 or SVF1	SoftBank Vision Fund L.P. and its alternative investment vehicles
SoftBank Vision Fund 2 or SVF2	SoftBank Vision Fund II-2 L.P.
SoftBank Latin America Funds or LatAm Funds	SBLA Latin America Fund LLC
SoftBank Vision Funds or SVF	SVF1, SVF2, and LatAm Funds
SBIA	SB Investment Advisers (UK) Limited
SBGA	SB Global Advisers Limited
Arm	Arm Holdings plc or Arm Limited* ¹
Sprint	Sprint Corporation
T-Mobile	T-Mobile US, Inc. after merging with Sprint
Alibaba	Alibaba Group Holding Limited
MgmtCo	MASA USA LLC
The first quarter	Three-month period ended June 30, 2023
The second quarter	Three-month period ended September 30, 2023
The third quarter	Three-month period ended December 31, 2023
The fourth quarter	Three-month period ended March 31, 2024
The fiscal year	Fiscal year ended March 31, 2024
The previous fiscal year	Fiscal year ended March 31, 2023
The fiscal year-end / The fourth quarter-end	March 31, 2024
The previous fiscal year-end	March 31, 2023

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.

Exchange Rates Used for Translations

USD/JPY	Fiscal year ended March 31, 2023				Fiscal year ended March 31, 2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Average rate for the quarter	¥129.04	¥138.68	¥141.16	¥133.26	¥138.11	¥145.44	¥147.00	¥147.87
Rate at the end of the period				¥133.53				¥151.41

1. Results of Operations

(1) Overview of Results of Operations

1. Listing of Arm on the Nasdaq Global Select Market

- Arm was listed on the Nasdaq Global Select Market on September 14, 2023. In the IPO, a wholly owned subsidiary of the Company disposed of 102,500,000 American depositary shares (ADSs), representing 10% of Arm's outstanding ordinary shares,^{*1} and received proceeds of \$5.12 billion.
- No gain on the disposal is recorded in the consolidated statement of profit or loss as Arm continues to be a subsidiary of the Company after the disposal. However, in the consolidated statement of financial position, ¥674.4 billion (\$4.65 billion), which represents the gain on disposal, was recorded as capital surplus.

2. Acquisition of T-Mobile 48.8 million shares for no additional consideration upon satisfaction of contingent consideration condition

The Company acquired 48.8 million shares of T-Mobile stock equivalent to \$7.74 billion (¥1.1 trillion) for no additional consideration on December 28, 2023, following the satisfaction of the contingent consideration condition on December 22, 2023. This was part of the consideration the Company received for the merger between T-Mobile US and the Company's then-U.S. subsidiary Sprint, which closed on April 1, 2020.

3. Results highlights

◆ ¥559.4 billion investment loss (¥835.1 billion loss for the previous fiscal year)

- ¥459.0 billion investment loss at Investment Business of Holding Companies
 - Realized and unrealized valuation losses on Alibaba shares of ¥959.9 billion exceeded an investment gain of ¥371.1 billion on T-Mobile shares.

Note: The ¥959.9 billion realized and unrealized valuation losses on Alibaba shares were offset by a derivative gain of ¥1,517.4 billion, which arose from prepaid forward contracts using Alibaba shares and is recorded separately as "derivative gain (excluding gain or loss on investments)."

- ¥167.3 billion investment loss at SoftBank Vision Funds (excluding gains associated with SVF's investments in the Company's subsidiaries)

Note: The SoftBank Vision Funds segment recorded ¥724.3 billion gain on investments, which included gains associated with SVF's investments in Arm and other subsidiaries of the Company.

- Unrealized valuation losses from decreases in the fair values of investments, notably including WeWork stocks and notes, were partially offset by the fair value increases of select companies, such as ByteDance, Coupang, and DoorDash.
- Since inception, the gross performance was a gain of \$16.7 billion for SVF1 and a loss of \$19.3 billion for SVF2.^{*2}

Note: Since Arm, SoftBank Corp., and other subsidiaries are consolidated, changes in the fair value of their shares are not recorded in the Company's consolidated statement of profit or loss.

◆ ¥57.8 billion gain before income tax (improvement of ¥526.9 billion YoY)

reflecting the recordings of:

- Finance cost of ¥556.0 billion
- Foreign exchange loss of ¥703.1 billion due to the impact of the weaker yen. This resulted from a net excess of U.S. dollar-denominated liabilities over its U.S. dollar-denominated cash and cash equivalents and loans receivable, primarily within SBG
- Derivative gain (excluding gain or loss on investments) of ¥1,502.3 billion, arising from a gain relating to prepaid forward contracts using Alibaba shares following a fall in Alibaba's share price, which offset the previously mentioned realized and unrealized valuation losses on these shares

◆ ¥227.6 billion net loss attributable to owners of the parent (improvement of ¥742.5 billion YoY)

reflecting the recordings of:

- Negative income tax of ¥151.4 billion (profit)
- Net income attributable to non-controlling interests of ¥436.9 billion

4. Continued monetization of assets and new investments

◆ Monetization of assets

- Raised \$4.39 billion through prepaid forward contracts using Alibaba shares
- Received proceeds of \$5.12 billion through the disposal of 10% of Arm's outstanding shares in its IPO
- Received proceeds totaling \$6.33 billion from sales of investments by SVF,^{*3} after adjusting for the proceeds from the sale of Arm shares to another subsidiary of the Company, which were eliminated in consolidation

◆ **New investments**

- \$1.50 billion for acquisition of investments by SVF,^{*3} net of investments in subsidiaries of the Company that were eliminated in consolidation
- ¥348.8 billion primarily for strategic investments by SBG and its wholly owned subsidiaries^{*4}

5. Refinance of bonds

◆ **Completed refinance of USD-denominated NC6 undated hybrid notes**

In April 2023, the Company issued domestic hybrid bonds totaling ¥222.0 billion, followed by a hybrid loan^{*5} of ¥53.1 billion in May 2023. These funds were used to refinance USD-denominated NC6 undated hybrid notes (\$2.0 billion), with the first voluntary call date in July 2023. Additionally, in September 2023, the Company refinanced domestic hybrid bonds (¥15.4 billion), coinciding with their first voluntary call date in the same month.

◆ **Refinance of domestic straight bonds**

The Company redeemed domestic straight bonds of ¥399.9 billion that matured in March 2024 and issued domestic straight bonds of ¥550.0 billion to retail markets in the same month. In April 2024, the Company also issued domestic straight bonds of ¥100.0 billion to wholesale markets to partially fund the redemption of domestic straight bonds due to mature in June 2024.

Notes:

1. The calculation is based on the 1,025,234,000 company shares issued and outstanding on September 30, 2023.
2. Gross amounts before deductions, such as third-party interests and taxes
3. The amounts recorded in the consolidated statement of cash flows
4. The amount comprises the investment outlay by SBG and its primary wholly owned subsidiaries (excluding investments in U.S. Treasury Bonds), as accounted for under “Acquisition of investments” in the consolidated statements of cash flows, combined with the amount paid to third-party shareholders in connection with the subsidiary acquisitions of Berkshire Grey, Inc. in July 2023 and Balyo SA in October 2023, net of cash and cash equivalents held by these companies.
5. The hybrid loan is eligible for 50% equity treatment for the drawn down amount by Japan Credit Rating Agency, Ltd. and S&P Global Ratings Japan Inc.

INTRAGROUP TRANSACTION OF ARM SHARES AND IPO OF ARM

1. Intragroup transaction of Arm shares

(1) Transaction overview

Prior to Arm’s initial public offering (the “IPO”), in August 2023, a wholly owned subsidiary of the Company acquired substantially all of the ordinary shares of Arm held by SVF1 (equivalent to 24.99% of Arm’s outstanding shares)^{*7} (the “Transaction”) for \$16.1 billion (the “Transaction Consideration”). The Transaction Consideration was established by reference to the terms of a prior contractual arrangement between the parties. The Transaction Consideration is being paid in four installments, with the first installment of \$4.1 billion paid upon completion of the Transaction in August 2023, and the remaining three installments to be paid over the course of two years up to August 2025. SVF1 used the entire \$4.1 billion received from the first installment to repay its borrowings. The proceeds from the second and subsequent installments will be used primarily to make payments to limited partners, including the Company, in accordance with the allocation method specified in the Limited Partnership Agreement.

Timing and amount of installments of the Transaction Consideration

	1st	2nd	3rd	4th
Timing	August 2023	August 2024	February 2025	August 2025
Amount	\$4.1 billion	\$4.1 billion	\$4.1 billion	\$3.8 billion

In addition to the Transaction, an agreement was also reached to acquire interests in Arm Technology (China) Co., Ltd. (“Arm China”) and Treasure Data, Inc. (“Treasure Data”), both of which were previously spun out from Arm. The total consideration for the intragroup transaction, including the acquisition of interests in these two companies, was \$16.4 billion.

Note:

7. Following the completion of Arm’s pre-IPO corporate reorganization, SVF1 continued to hold one ordinary share of Arm Holdings plc, which wholly owns Arm Limited.

(2) Primary impact on consolidated financial statements

SVF1 recorded an investment gain of \$6.9 billion, derived from the discounted present value of the Transaction Consideration of \$15.1 billion as of August 2023, after deducting the investment cost of \$8.2 billion. Additionally, over the course of two years up to August 2025, SVF1 will recognize investment gains from the difference between \$16.1 billion and \$15.1 billion.

In the SoftBank Vision Funds segment, a realized gain of ¥1,074,039 million (\$7.4 billion), an unrealized loss of ¥189,817 million (\$1.8 billion) (reclassified to realized gain recorded in the past fiscal years), and a loss of ¥76,902 million as the effect of foreign exchange translation were recorded under gain on investments at SoftBank Vision Funds for the fiscal year. These investment gains were and will be eliminated in consolidation, as they resulted from an intragroup transaction of subsidiary shares.

Income for the SoftBank Vision Funds segment is represented by the net amount, calculated by deducting the gains attributable to third-party investors from the total investment gains. The gains attributable to third-party investors are also reflected in the consolidated statement of profit or loss, recorded as an increase in third-party interests in SVF.

Difference between segment information and the consolidated statement of profit or loss

	SoftBank Vision Funds segment	Reconciliations	(Millions of yen) Consolidated statement of profit or loss
Gain/loss on investments at SoftBank Vision Funds	724,341	(891,631)	(167,290)
Gain on investments in subsidiaries, etc.	891,631	(891,631)	-
Including gain on investments in Arm shares	807,320	(807,320)	-
Loss on investments other than in subsidiaries, etc.	(167,290)	-	(167,290)
Change in third-party interests in SVF	(390,137)	-	(390,137)

2. IPO of Arm

(1) Transaction overview

Arm was listed on the Nasdaq Global Select Market on September 14, 2023, under the ticker symbol “ARM.” In the IPO, a wholly owned subsidiary of the Company disposed of 102,500,000 ADSs, representing 10% of Arm’s outstanding ordinary shares, at a price to the public of \$51.00 per ADS.

(2) Primary impact on consolidated financial statements

The Company did not recognize a gain on disposal in its consolidated statement of profit or loss as Arm remains a subsidiary of the Company after the disposal. However, ¥674,370 million (\$4.65 billion), representing the gains on disposal, was recorded as capital surplus in the consolidated statement of financial position. In the consolidated statement of cash flows, proceeds of ¥745,082 million (\$5.12 billion) from the partial sales of shares of subsidiaries to non-controlling interests were recorded under cash flows from financing activities.

Since Arm continues to be a consolidated subsidiary of the Company, changes in the fair value of its shares are not recorded in the Company’s consolidated statement of profit or loss.

ACQUISITION OF 48.8 MILLION T-MOBILE SHARES FOR NO ADDITIONAL CONSIDERATION UPON SATISFACTION OF CONTINGENT CONSIDERATION CONDITION

(1) Transaction overview

The Company received the right (the “Contingent Consideration”) to acquire 48,751,557 shares of T-Mobile stock (the “Shares”) for no additional consideration, contingent upon the satisfaction of a certain condition, which was part of the consideration under the Letter Agreement, dated as of February 20, 2020, by and among T-Mobile US, Inc., SBG, and Deutsche Telekom AG (“Deutsche Telekom”) in connection with the merger between T-Mobile US, Inc. and the Company’s then-U.S. subsidiary Sprint, which closed on April 1, 2020 (the “Merger”). Following the satisfaction of the Contingent Consideration condition on December 22, 2023, the Company acquired the Shares (equivalent to \$7,744 million or ¥1,098,435 million) for no additional consideration on December 28, 2023.

(2) Primary impact on consolidated financial statements

Upon the closing of the Merger on April 1, 2020, the Company recorded the fair value of the Contingent Consideration of \$1,825 million (¥196,313 million) as part of the gains on the sale of Sprint in the consolidated statement of profit or loss and as derivative financial assets in the consolidated statement of financial position. Subsequently, changes in its fair value have been recorded under gains and losses on investments at Investment Business of Holding Companies as derivative gains and losses on investments in the consolidated statement of profit or loss.

On December 28, 2023, the acquisition date of the Shares, the Company derecognized the abovementioned derivative financial assets (fair value as of that date: \$7,744 million (¥1,098,435 million)) and recorded the acquired Shares as investment securities at the same amount in the consolidated statement of financial position. In the consolidated statement of profit or loss for the fiscal year, the Company recorded a derivative gain on investments of ¥227,012 million as part of investment gains at Investment Business of Holding Companies. In addition, also as part of investment gains at Investment Business of Holding Companies, the Company recorded an unrealized gain of ¥154,538 million on valuation of T-Mobile shares, including preexisting holdings. Of this gain, ¥31,440 million is attributed to the Shares received on December 28, 2023.

WEWORK’S FILING FOR PROTECTION UNDER CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE

On November 6, 2023, WeWork Inc. (“WeWork”), a portfolio company of SVF, filed for protection under Chapter 11 of the United States Bankruptcy Code. The following table elucidates the gains and losses associated with the investment and financial support provided to WeWork, as recognized in the consolidated statement of profit or loss for the fiscal year. The amounts are the same as those recorded for the nine-month period ended December 31, 2023.

As of December 31, 2023, the carrying amounts of the stocks and warrants held by SVF1 and SVF2 and the notes held by SVF2 have been written down to zero yen. The amount of credit support by SVF2 for a letter of credit facility provided by financial institutions to WeWork has been fully accrued by September 30, 2023, including the unfulfilled portion, as an allowance for financial guarantee contract losses. The guarantee was fulfilled during the three-month period ended December 31, 2023. On November 6, 2023, WeWork entered into a Restructuring Support Agreement with its major debt investors for the restructuring of the company.

(Millions of yen)

Consolidated statement of profit or loss		
	Account	Amount recorded for the fiscal year
WeWork stocks and warrants held by SVF1 and SVF2	Loss on investments at SoftBank Vision Funds	(115,796)
	Loss on equity method investments/Other loss	(5,082)
WeWork convertible bonds with a face value of \$0.46 billion held by SVF2	Loss on investments at SoftBank Vision Funds	(25,924)
WeWork unsecured notes with a face value of \$1.65 billion, previously held by SBG/SVF2 (exchanged for the stocks and convertible bonds in Q1)	Other loss (as loss on derecognition of unsecured notes issued by WeWork)	(21,579)
WeWork senior secured notes with a face value of \$0.30 billion, previously held by SVF2 (redeemed in Q1)	Gain on investments at SoftBank Vision Funds	439
	Other gain	16
WeWork notes with a face value of \$0.30 billion held by SVF2 (acquired in Q2; a loan commitment for notes purchase at end of Q1)	Loss on investments at SoftBank Vision Funds	(41,810)
Credit support by SVF2 for a letter of credit facility up to \$1.43 billion provided to WeWork by financial institutions (the guarantee was fulfilled in Q3)	Other loss (as loss relating to credit support for WeWork)	(42,072)
	Total	(251,808)

a. Consolidated Results of Operations

(Millions of yen)

	Fiscal year ended March 31		Change	Change %	
	2023	2024			
Net sales	6,570,439	6,756,500	186,061	2.8%	A
Gross profit	3,328,042	3,542,392	214,350	6.4%	
Gain on investments					
Gain (loss) on investments at Investment Business of Holding Companies	4,560,500	(459,045)	(5,019,545)	-	B
Loss on investments at SoftBank Vision Funds	(5,322,265)	(167,290)	5,154,975	-	C
Gain (loss) on other investments	(73,294)	66,985	140,279	-	D
Total gain on investments	(835,059)	(559,350)	275,709	-	
Selling, general and administrative expenses	(2,695,328)	(2,982,383)	(287,055)	10.7%	
Finance cost	(555,902)	(556,004)	(102)	0.0%	E
Foreign exchange loss	(772,270)	(703,122)	69,148	-	F
Loss on equity method investments	(96,677)	(38,641)	58,036	-	G
Derivative gain (excluding gain (loss) on investments)	54,256	1,502,326	1,448,070	-	H
Change in third-party interests in SVF	1,127,949	(390,137)	(1,518,086)	-	I
Other gain (loss)	(24,138)	242,720	266,858	-	J
Income before income tax	(469,127)	57,801	526,928	-	
Income taxes	(320,674)	151,416	472,090	-	K
Net income	(789,801)	209,217	999,018	-	
Net income attributable to non-controlling interests	(180,343)	(436,863)	(256,520)	-	
Net income attributable to owners of the parent	(970,144)	(227,646)	742,498	-	
Total comprehensive income	468,140	2,241,441	1,773,301	378.8%	
Comprehensive income attributable to owners of the parent	293,116	1,809,984	1,516,868	517.5%	

The following is an overview of the primary and noteworthy components.

A Net Sales

Net sales increased in the SoftBank segment and the Arm segment. For details, see “(c) SoftBank Segment” and “(d) Arm Segment” under “b. Results by Segment.”

B Loss on Investments at Investment Business of Holding Companies

Investment loss of ¥459,045 million was recorded at Investment Business of Holding Companies. This primarily reflected realized and unrealized valuation losses on Alibaba shares, totaling ¥959,935 million. These losses significantly outweighed an investment gain of ¥371,108 million on T-Mobile shares. The gain included derivative gains and unrealized valuation gains, which followed an increase in the fair value of the Contingent Consideration

up to the receipt of 48.8 million T-Mobile shares. For details, see “(a) Investment Business of Holding Companies Segment” under “b. Results by Segment.”

C Loss on Investments at SoftBank Vision Funds

Investment loss of ¥167,290 million was recorded at SoftBank Vision Funds. This comprised losses of ¥37,903 million at SVF1 and ¥231,329 million at SVF2, as well as gains of ¥73,862 million at LatAm Funds and ¥28,080 million on other investments.

SVF1 recorded a realized gain on investments (net) of ¥19,892 million, due to full exits from seven portfolio companies and partial exits from several other portfolio companies.¹ Meanwhile, SVF1 recorded unrealized valuation losses (net) totaling ¥77,693 million for investments held at the fiscal year-end. This comprises an unrealized gain (net) totaling ¥42,648 million for public portfolio companies, attributed to higher share prices, and an unrealized loss (net) totaling ¥120,341 million for private portfolio companies, mainly due to markdowns of weaker-performing companies, which offset the fair value increases of select companies, including ByteDance Ltd.

SVF2 recorded a realized loss on investments (net) of ¥107,912 million, primarily resulting from full exits from seven portfolio companies and partial exits from several other portfolio companies.¹ Additionally, SVF2 recorded unrealized valuation losses (net) totaling ¥261,865 million for investments held at the fiscal year-end. This was largely due to writing down WeWork’s fair value to zero yen, following its filing for protection under Chapter 11 of the United States Bankruptcy Code in November 2023, and the reduced fair values of private portfolio companies, mainly reflecting markdowns due to their weaker performances.

LatAm Funds recorded unrealized valuation gains (net) totaling ¥67,227 million, mainly due to share price increases of public portfolio companies.

Gains and losses on investments at SoftBank Vision Funds in the consolidated statement of profit or loss do not include investment gains and losses related to SoftBank Vision Funds’ investments in Arm, PayPay Corporation, and other subsidiaries of the Company.

For details, see “(b) SoftBank Vision Funds Segment” under “b. Results by Segment.”

D Gain on Other Investments

Gain on other investments amounted to ¥66,985 million. This included a valuation gain on Symbotic Inc. (“Symbotic”) shares acquired by a wholly owned subsidiary of the Company in July 2023, primarily resulting from an increase in the company’s share price.

Primarily as a result of B through D, the total loss on investments was ¥559,350 million.

E Finance Cost

Interest expenses at SBG² increased by ¥6,781 million year on year, totaling ¥403,021 million. The increase was primarily due to higher interest expenses associated with financings using Arm shares, which were affected by increased base rates and the depreciation of Japanese yen in the foreign exchange rate used for translations. Conversely, the expenses decreased partly due to the full repayment of margin loans using Alibaba shares in the second quarter of the previous fiscal year, the repurchase of foreign currency-denominated straight bonds in the third quarter of the previous fiscal year, and the redemption of foreign currency-denominated straight bonds at maturity in the first quarter.

F Foreign Exchange Loss

Foreign exchange loss of ¥703,122 million (net) was recorded due to the weaker yen. This was mainly because SBG and domestic subsidiaries used for fund procurement had U.S. dollar-denominated liabilities, such as borrowings from subsidiaries and foreign currency-denominated senior notes, that exceeded their U.S. dollar-denominated cash and cash equivalents and loans receivable.

The depreciation of the yen in exchange rates used for translation resulted in an increased yen-translated value of net assets of foreign subsidiaries and associates, such as SoftBank Vision Funds, whose functional currency is primarily U.S. dollars, rather than Japanese yen. However, this positive impact is not reflected as a foreign exchange gain; instead, it is accounted for in the ¥2,009,461 million increase in exchange differences from the translation of foreign operations. This amount is recorded under accumulated other comprehensive income in equity on the consolidated statement of financial position.

G Loss on Equity Method Investments

In the previous fiscal year, a loss of ¥25,394 million³ on equity method investments related to Alibaba was recorded. Alibaba was, however, excluded as an associate beginning in the second quarter of the previous fiscal year.

H Derivative Gain (Excluding Gain or Loss on Investments)

Derivative gain of ¥1,517,350 million was recorded for the prepaid forward contracts and associated contracts using Alibaba shares.

Gains and losses arising from derivatives related to investment activities, such as the acquisition and sale of shares, are included under “Investment gain/loss”. For example, this applies to derivative gains and losses arising from changes in the fair value of the Contingent Consideration up to the receipt of 48.8 million T-Mobile shares. On the other hand, gains and losses arising from non-investment activities, in particular from derivatives associated with financing, are included in “Derivative gain/loss (excluding gain or loss on investments).” For example, this applies to derivative gains and losses on prepaid forward contracts using Alibaba shares and T-Mobile shares.

I Change in Third-party Interests in SVF

The change in third-party interests in SVF represents the gains and losses attributable to third-party investors, calculated based on the gains and losses on investments at SoftBank Vision Funds, net of management and performance fees payable to the fund managers, which are wholly owned subsidiaries of the Company, and operating and other expenses of SoftBank Vision Funds. In the consolidated statement of profit or loss, gains on investments at SoftBank Vision Funds typically contribute to an increase in third-party interests, which negatively impacts profit; conversely, losses on investments result in a decrease in third-party interests and have a positive impact on profit.

However, for the fiscal year, the change in third-party interests in SVF was negative by ¥390,137 million, despite an investment loss of ¥167,290 million at SVF being recorded. This was mainly due to an investment gain of ¥807,320 million recorded in August 2023 as a result of the sale of Arm shares held by SVF1 to a wholly owned subsidiary of the Company. As this transaction was an intragroup transfer of shares in a subsidiary of the Company, the relevant investment gain was eliminated in consolidation. On the other hand, the gain attributable to third-party investors from this investment gain is recognized in the consolidated statement of profit or loss as an increase in third-party interests.

For details, see “1. Intragroup transaction of Arm shares” under “INTRAGROUP TRANSACTION OF ARM

SHARES AND IPO OF ARM” in “(1) Overview of Results of Operations.”

J Other Gain

A gain of ¥108,832 million relating to loss of control over subsidiaries was recorded mainly because of the sale of 85% of the shares in SB Energy Corp., a wholly owned subsidiary of the Company. In addition, interest income increased by ¥62,171 million year on year to ¥130,854 million primarily driven by higher interest rates on USD-denominated deposits. For a further breakdown, see “13. Other gain (loss)” under “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”

Primarily as a result of A through J, income before income tax was ¥57,801 million, an improvement of ¥526,928 million year on year.

K Income Taxes

Income taxes were negative ¥151,416 million (profit), primarily due to recording deferred income taxes of ¥580,486 million (a credit of income taxes), while SoftBank Corp. and other operating companies recorded current tax expenses of ¥429,070 million.

The deferred income taxes were recorded as a credit, primarily due to the completion of the physical settlement of a portion of the prepaid forward contracts using Alibaba shares. The settlement had been phased in since October 2021 by Skybridge LLC, the Company’s wholly owned financing subsidiary. The settlement of all contracts held by Skybridge LCC was completed in January 2024, leading to the reversal of deferred tax liabilities that had previously been recognized at the previous fiscal year-end. This was based on the future tax estimates related to the Alibaba shares and associated derivatives.

Primarily as a result of A through K, net loss attributable to owners of the parent was ¥227,646 million, an improvement of ¥742,498 million year on year.

b. Results by Segment

The Company's reportable segments are the components of its business activities for which decisions on resource allocation and assessments of performance are made. At the fiscal year-end, there are four reportable segments: Investment Business of Holding Companies, SoftBank Vision Funds, SoftBank, and Arm.

The following is a summary of the reportable segments.

Segments	Main businesses	Core companies
Reportable segments		
Investment Business of Holding Companies	·Investment activities by SBG and its subsidiaries	SoftBank Group Corp. SoftBank Group Capital Limited SoftBank Group Japan Corporation SoftBank Group Overseas GK SB Northstar LP
SoftBank Vision Funds	·Investment activities by SVF1, SVF2, and LatAm Funds	SB Investment Advisers (UK) Limited SoftBank Vision Fund L.P. SB Global Advisers Limited SoftBank Vision Fund II-2 L.P. SBLA Latin America Fund LLC
SoftBank ^{*1}	<ul style="list-style-type: none"> ·Consumer business: Provision of mobile services, sale of mobile devices, and provision of broadband services to retail customers in Japan ·Enterprise business: Provision of mobile communications and solutions services to enterprise customers in Japan ·Distribution business: Provision of ICT (Information and Communication Technology) services products to enterprise customers and provision of communication device-related products and IoT (Internet of Things) equipment to retail customers ·Media & EC (e-commerce) business: Provision of media-related services, advertising and commerce-related services ·Financial business: Provision of payment and financial services 	SoftBank Corp. LY Corporation PayPay Corporation
Arm	<ul style="list-style-type: none"> ·Design of microprocessor intellectual property and related technology ·Sale of software tools and provision of related services 	Arm Holdings plc
Other	<ul style="list-style-type: none"> ·Alternative investment management business ·Fukuoka SoftBank HAWKS-related businesses 	Fortress Investment Group LLC Fukuoka SoftBank HAWKS Corp.

Note:

1. From the first quarter, within the management categories of the SoftBank segment, the category previously called "Yahoo & LINE" has been renamed "Media & EC."

(a) Investment Business of Holding Companies Segment

1. Investment gain of ¥371.1 billion on T-Mobile shares

- The Company acquired 48.8 million shares of T-Mobile stock equivalent to \$7.74 billion (¥1.1 trillion) for no additional consideration on December 28, 2023, following the satisfaction of the Contingent Consideration condition on December 22, 2023. This was part of the consideration the Company received for the merger between T-Mobile US and the Company's then-U.S. subsidiary Sprint, which closed on April 1, 2020.
- ¥227.0 billion derivative gain on investments was recorded due to an increase in the fair value of the Contingent Consideration. Additionally, an unrealized valuation gain of ¥154.5 billion was recorded on T-Mobile shares, including preexisting holdings. Of this gain, ¥31.4 billion was attributable to the shares acquired on December 28, 2023.

2. Investment loss of ¥459.0 billion was recorded, primarily because the gains associated with T-Mobile were overshadowed by realized and unrealized valuation losses on Alibaba shares, which totaled ¥959.9 billion.

3. Segment loss amounted to ¥97.5 billion, primarily driven by finance cost of ¥473.8 billion and foreign exchange loss of ¥703.4 billion, which exceeded a derivative gain (excluding gain or loss on investments) of ¥1,500.0 billion that was significantly greater than the investment losses mentioned above.

OVERVIEW

This segment is led by SBG, which conducts investment activities either directly or through its subsidiaries, acting as a strategic investment holding company. The segment comprises SBG, SoftBank Group Capital Limited, SoftBank Group Japan Corporation, SoftBank Group Overseas GK, the asset management subsidiary SB Northstar, and certain other subsidiaries engaged in investment and financing activities. Gains and losses on investments at Investment Business of Holding Companies encompass gains and losses on investments held by SBG either directly or through its subsidiaries, excluding gains and losses on investments pertaining to subsidiaries' shares, such as dividend income from subsidiaries or impairment losses related to subsidiaries' shares.

This segment holds investments in portfolio companies, such as Alibaba, T-Mobile, and Deutsche Telekom, most of which are classified as financial assets at FVTPL (Fair Value Through Profit or Loss). Investments classified as financial assets at FVTPL are measured at fair value every quarter, with any change in fair value recorded in the consolidated statement of profit or loss as gains and losses on investments.

Alibaba

The Company classified its holdings of Alibaba shares as financial assets at FVTPL. These shares are measured at fair value every quarter, with any change in fair value recorded in the consolidated statement of profit or loss as a gain or loss on investments. Additionally, derivative financial assets and liabilities are recognized for prepaid forward contracts using Alibaba shares. These derivatives are measured at fair value every quarter, with any change recorded in the consolidated statement of profit or loss as a derivative gain or loss (excluding gain or loss on investments).

Investment in listed stocks, corporate bonds, and other instruments by asset management subsidiaries

SB Northstar engages in the acquisition and sale of listed stocks, corporate bonds (primarily those of investment grades with short time to maturity), and other instruments, utilizing the surplus funds of SBG. Investment loss at asset management subsidiaries for the fiscal year amounted to ¥69.6 billion, bringing the cumulative investment loss since inception to ¥962.0 billion.*¹ The balance of investments at the fiscal year-end stood at ¥347.7 billion, including ¥264.9 billion in corporate bonds.

SBG indirectly holds a 67% stake in SB Northstar, while SBG's Representative Director, Corporate Officer,

Chairman & CEO Masayoshi Son, indirectly holds a 33% interest. The portion corresponding to Masayoshi Son's interest is deducted from the gains and losses on investments at SB Northstar as a non-controlling interest; therefore, 67% of the gains and losses on investments impact net income attributable to owners of the parent. In the event that, at the end of the fund life (12 years + 2-year extension), SB Northstar has any unfunded repayment obligations to SBG, Masayoshi Son will cover his pro rata share of any such unfunded obligations based on his relative ownership percentage in SB Northstar.

Note:

- The figures for cumulative investment loss exclude the impact of SB Northstar's investments in three Special Purpose Acquisition Companies (SPACs) controlled by SB Investment Advisers (US) Inc.

FINANCIAL RESULTS

(Millions of yen)

	Fiscal year ended March 31		Change	Change %	
	2023	2024			
Gain (loss) on investments at Investment Business					
of Holding Companies	4,560,568	(459,045)	(5,019,613)	-	A
Gain relating to settlement of prepaid forward contracts using Alibaba shares	4,838,251	-	(4,838,251)	-	
Gain relating to sales of T-Mobile shares	24,842	-	(24,842)	-	
Realized loss on investments at asset management subsidiaries	(73,950)	(90,360)	(16,410)	-	
Unrealized gain (loss) on valuation of investments at asset management subsidiaries	(67,054)	12,692	79,746	-	
Derivative loss on investments at asset management subsidiaries	(5,102)	(792)	4,310	-	
Realized loss on investments ^{*1}	(235,617)	(38,429)	197,188	-	
Unrealized loss on valuation of investments	(144,198)	(611,627)	(467,429)	-	
Change in valuation for the fiscal year	(132,423)	(647,414)	(514,991)	-	
Reclassified to realized gain (loss) recorded in the past fiscal years ^{*1}	(11,775)	35,787	47,562	-	
Derivative gain on investments	205,506	226,050	20,544	10.0%	
Effect of foreign exchange translation ^{*2}	-	6,532	6,532	-	
Other	17,890	36,889	18,999	106.2%	
Selling, general and administrative expenses	(73,796)	(89,285)	(15,489)	21.0%	
Finance cost	(398,541)	(473,811)	(75,270)	18.9%	B
Foreign exchange loss	(772,053)	(703,438)	68,615	-	C
Income (loss) on equity method investments	(22,836)	1,904	24,740	-	
Derivative gain (excluding gain (loss) on investments)					
<i>Mainly due to prepaid forward contracts using Alibaba shares</i>	65,732	1,500,015	1,434,283	-	D
Other gain (loss)	(9,228)	126,134	135,362	-	
Segment income (income before income tax)	3,349,846	(97,526)	(3,447,372)	-	

Notes:

- Unrealized gains and losses on valuation of investments recorded in previous fiscal years related to the investments realized in the fiscal year are reclassified as "Realized gain (loss) on investments."
- Unrealized gains and losses on valuation of investments are translated using the average exchange rate for the quarter in which the gains and losses were incurred, while realized gains and losses on investments are translated using the average exchange rate for the quarter in which the shares were disposed. "Effects of foreign exchange translation" are amounts that arose due to the use of different foreign currency exchange rates for these unrealized and realized gains and losses.

A Loss on investments at Investment Business of Holding Companies: ¥459,045 million

- Unrealized loss of ¥611,627 million was recorded on valuation of investments, primarily due to a ¥913,156 million loss on Alibaba shares arising from a decrease in its share price. The loss was partially offset by a gain of ¥154,538 million on T-Mobile shares, due to an increase in its share price.
- Derivative gain of ¥226,050 million on investments was recorded, which mainly included a gain of ¥227,012 million related to the T-Mobile Contingent Consideration.

B Finance cost: ¥473,811 million (increase of ¥75,270 million year on year)

SBG² saw a slight increase in interest costs to entities outside of the group, totaling ¥403,021 million, which is ¥6,781 million higher than the previous fiscal year. Meanwhile, an amortized cost of ¥67,390 million was recognized for the unpaid portion of the consideration for the acquisition of Arm shares from SVF1 in August 2023. This amortized cost is eliminated in consolidation.

C Foreign exchange loss: ¥703,438 million

Foreign exchange loss of ¥703,438 million (net) was recorded due to the weaker yen. This was primarily because U.S. dollar-denominated liabilities (such as borrowings from subsidiaries and foreign currency-denominated senior notes) of SBG and domestic subsidiaries used for fund procurement exceeded their U.S. dollar-denominated cash and cash equivalents and loans receivable.

D Derivative gain (excluding gain or loss on investments): ¥1,500,015 million

Derivative gain of ¥1,517,350 million was recorded for the prepaid forward contracts and associated contracts using Alibaba shares.

Reference: Impact of the asset management subsidiaries on the consolidated statement of financial position

(Millions of yen)

	March 31, 2024
Cash and cash equivalents	794,508
Investments from asset management subsidiaries	347,679
including corporate bonds	264,854
Derivative financial assets at asset management subsidiaries	11
Other financial assets	3,672
Other	4,660
Total assets	1,150,530
Other financial liabilities	3,672
Other	521
Total liabilities	4,193
Investments from Delaware subsidiaries ^{*1}	1,971,699
Equivalent amount of cash investments by SBG in Delaware subsidiaries	39,786
Equivalent amount of loans to Delaware subsidiaries held by SBG (the amount entrusted by SBG related to asset management)	1,912,020
Equivalent amount of cash investments by Masayoshi Son in Delaware subsidiaries	19,893
Retained earnings	(994,680)
Exchange differences	169,318
Equity	1,146,337

Note:

1. Investments from the Company's subsidiaries, Delaware Project 1 L.L.C., Delaware Project 2 L.L.C., and Delaware Project 3 L.L.C. (the "Delaware subsidiaries"), to SB Northstar, the asset management subsidiary.

(Calculation of non-controlling interests)

	(Millions of yen)
Equivalent amount of cash investments by Masayoshi Son in Delaware subsidiaries	19,893 A
Cumulative loss attributable to non-controlling interests ^{*2}	(331,460)
Exchange differences on translating foreign operations	64,557
Non-controlling interests (interests of Masayoshi Son)	(247,010) D

Note:

2. One-third of B in the above table

(Interests in equity (C above))

	(Millions of yen)
Interests of SBG	1,393,347
Non-controlling interests (interests of Masayoshi Son)	(247,010) D
Equity	1,146,337 C

Main interest-bearing debt and lease liabilities in this segment

Borrower	Type	Balance as of March 31, 2024 in the consolidated statement of financial position
SBG	Borrowings	¥463.0 billion
	Corporate bonds	¥6,147.6 billion
	Lease liabilities	¥9.4 billion
	Commercial paper	¥176.5 billion
Wholly owned subsidiaries conducting fund procurement ^{*1}	Borrowings using Arm shares (margin loan)	¥1,274.9 billion
	Prepaid forward contracts using Alibaba shares (collar and forward contracts)	¥4,676.6 billion
	Borrowings using SoftBank Corp. shares (margin loan)	¥498.8 billion
	Prepaid forward contracts using T-Mobile shares (collar contracts)	¥432.2 billion
	Collar transactions using Deutsche Telekom shares	¥496.9 billion

Note:

1. Borrowings of wholly owned subsidiaries conducting fund procurement are nonrecourse to SBG.

(b) SoftBank Vision Funds Segment
1. Since inception, SVF1 had a gross gain of \$16.7 billion; SVF2 had a gross loss of \$19.3 billion.*¹
SVF1: \$106.3 billion in cumulative returns*² on \$89.6 billion investments, with \$16.7 billion gross gain

- Investment gain was \$5.3 billion (¥768.9 billion) for the fiscal year, including an investment gain of \$5.6 billion (¥807.3 billion) arising from the sale of Arm shares to a wholly owned subsidiary of the Company.
- The fair value of investments held at the fourth quarter-end decreased by 0.4% from the previous quarter-end.*³
 - Up 0.9% QoQ for public portfolio companies,*⁴ mainly due to an increase in the share prices of Coupang and DoorDash
 - Down 1.2% QoQ for private portfolio companies,*⁴ mainly due to markdowns of certain weaker-performing companies.

SVF2: \$33.1 billion in cumulative returns on \$52.4 billion investments, with \$19.3 billion gross loss

- Investment loss was \$1.0 billion (¥146.5 billion) for the fiscal year.
- The fair value of investments held at the fourth quarter-end decreased by 1.1% from the previous quarter-end.
 - Down 10.3% QoQ for public portfolio companies, mainly due to a decrease in the share prices of AutoStore and Symbotic
 - Up 0.4% QoQ for private portfolio companies, mainly reflecting share price increases among market comparable companies

Investment gains and losses on SVF's investments in shares in the Company's subsidiaries (mainly Arm) are recorded in this segment under "Gain (loss) on investments at SoftBank Vision Funds." However, these are eliminated in consolidation and hence, not included in "Gain (loss) on investments at SoftBank Vision Funds" in the Consolidated Statement of Profit or Loss.

(As of March 31, 2024; in billions of U.S. dollars)

	Since Inception			The Fiscal Year* ⁵	
	Investment cost* ⁶	Returns* ⁶	Gain/loss	Gain/loss Jan - Mar	Gain/loss YTD
SVF1					
Exited investments	38.0	64.1	26.1	0.4	7.3
Investments before exit	51.6	39.9	(11.7)	(0.1)	(0.6)
<i>Reversal of valuation gain/loss recorded in prior periods for exited investments in the fiscal year</i>				(0.2)	(1.4)
Derivatives/Interests/Dividends	(0.0)	2.3	2.3	(0.1)	(0.0)
Total	89.6	106.3	16.7	0.0	5.3
				¥1.5 billion	¥768.9 billion
SVF2					
Exited investments	3.0	3.4	0.4	(0.2)	(0.7)
Investments before exit	49.4	29.9	(19.5)	(0.3)	(1.2)
<i>Reversal of valuation gain/loss recorded in prior periods for exited investments in the fiscal year</i>				0.2	0.8
Derivatives/Interests/Dividends	(0.0)	(0.2)	(0.2)	0.0	0.1
Total	52.4	33.1	(19.3)	(0.3)	(1.0)
				¥(49.7) billion	¥(146.5) billion

2. Continue monetization and investment under a disciplined approach

- SVF2 made investments totaling \$2.14 billion in the fiscal year.¹
- SVF1 and SVF2 sold investments for a total of \$21.99 billion in the fiscal year, including full exits from 17 portfolio companies, including Arm, and partial exits from several portfolio companies.¹

Notes:

1. Cumulative gross gains and proceeds from realized investments are before deducting third-party interests, taxes, and expenses. The same applies to the presentation of cumulative investment performance hereinafter.
2. Exit price, etc., plus fair value of investments held. The same applies hereinafter.

3. Represents changes in U.S. dollar-based fair values, excluding those from investments or exits made during the fourth quarter. The classification of portfolio companies as public/private is based on their status as of the fourth quarter-end. For portfolio companies with a change in the classification of public/private during the fourth quarter, comparisons are made by adjusting their status at the third quarter-end to that of the fourth quarter-end. The same applies to the change in fair value of investments held at the quarter-end in this section.
4. Public portfolio companies are shares traded on stock exchanges or over-the-counter markets. Private portfolio companies are those that do not fall under the category of public portfolio companies. The same applies hereinafter.
5. The amount of gains and losses for exited investments in the fiscal year represents the exit price, net of the investment cost of such investments. Unrealized valuation gains and losses of such investments, recorded in prior years or in or before the third quarter of the fiscal year, are presented as a reversal of valuation gain/loss recorded in prior periods for exited investments in the fiscal year. Therefore, the total amount of gains and losses for each quarter disclosed in or before the third quarter of the fiscal year and the gains and losses for the fourth quarter (Jan - Mar) for “Investments before exits” may not align with the amount of gains and losses for the fiscal year (YTD).
6. For derivatives, the investment costs represent the costs of the derivatives. Investment returns represent the exit price for exited investments, the fair value for investments before exits, the settlement amount of settled contracts or the fair value of open contracts for derivatives, and the respective amounts received for interest or dividends.

OVERVIEW

Segment results mainly include the results of the investment and operational activities of SoftBank Vision Fund 1 (SVF1), SoftBank Vision Fund 2 (SVF2), and SoftBank Latin America Funds (LatAm Funds).

Outline of principal funds in the segment

As of March 31, 2024

The funds aim to maximize returns from a medium- to long-term perspective through investments in high-growth-potential companies leveraging AI. SVF1’s investment period has ended, and the remaining undrawn capital is reserved for fixed distributions and operating expenses.

	SVF1	SVF2	LatAm Funds
Primary limited partnership	SoftBank Vision Fund L.P.	SoftBank Vision Fund II-2 L.P.	SBLA Latin America Fund LLC
Total committed capital (billions of U.S. dollars)	98.6 ----- The Company: 33.1 ^{*1} Third-party investors: 65.5	59.8 ^{*2} ----- The Company: 57.2 Third-party investor (MgmtCo): 2.6 ^{*3}	7.8 ^{*2} ----- The Company: 7.4 Third-party investor (MgmtCo): 0.4 ^{*3}
Manager	SBIA (The Company’s wholly owned U.K. subsidiary)	SBGA (The Company’s wholly owned U.K. subsidiary)	
Investment period	Ended on September 12, 2019	To be determined by the manager	
Fund life	Until November 20, 2029 + up to two one-year extensions option by SBIA	Until October 4, 2032 + up to two one-year extensions option by SBGA	

Notes:

1. The Company’s committed capital to SVF1 includes approximately \$8.2 billion of an obligation that was satisfied by using Arm shares (all said shares have been contributed) and \$2.5 billion to be used for an incentive scheme related to SVF1.
2. Effective September 27, 2023, SBGA, the manager of SVF2 and LatAm Funds, may allocate the remaining committed capital from SVF2 to LatAm Funds up to the amount of \$4 billion and, in such circumstances, the total commitment to SVF2 will be reduced.
3. A co-investment program has been introduced for SVF2 and LatAm Funds for the Company’s management. MASA USA LLC (“MgmtCo”), an investment entity for the co-investment program, participates in two funds. The interest attributable to MgmtCo is treated as a third-party interest in the Company’s consolidated financial statements. For details, see “16. Related party transactions regarding a co-investment program with restricted rights to receive distributions” under “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”

Financing at SVF

SVF1, SVF2, and LatAm Funds may independently engage in borrowings that are nonrecourse to SBG, with the aim of leveraging and maintaining liquidity. Such borrowings include asset-backed finance, which utilizes held assets to enhance returns and distribute to limited partners.

Fair value measurement of investments

SVF1, SVF2, and LatAm Funds calculate the fair value of their investments at each quarter-end in accordance with IFRS 13 Fair Value Measurement and based on the SBIA Global Valuation Policy and the International Private Equity and Venture Capital Valuation Guidelines. For public portfolio companies, fair values of portfolio companies that are traded on stock exchanges are determined using quoted prices, while fair values of those traded on over-the-counter markets are determined using single or multiple factors, such as quoted prices and other observable inputs. For private portfolio companies, one or more valuation methods are used, including the market approach using figures of market comparable companies, the income approach using estimated future cash flows, and the recent transactions method using prices of recent funding rounds and similar transactions.

FINANCIAL RESULTS

(Millions of yen)

	Fiscal year ended March 31		Change	Change %
	2023	2024		
Gain (loss) on investments at SoftBank Vision Funds ^{*1}	(5,279,494)	724,341	6,003,835	- A
Gain (loss) on investments at SVF1, SVF2, and LatAm Funds	(5,298,458)	696,261	5,994,719	-
Realized gain on investments ^{*2}	78,616	984,409	905,793	-
Unrealized loss on valuation of investments	(5,267,270)	(144,835)	5,122,435	-
Change in valuation for the fiscal year	(4,978,591)	(189,604)	4,788,987	-
Reclassified to realized gain (loss) recorded in the past fiscal years ^{*2}	(288,679)	44,769	333,448	-
Interest and dividend income from investments	1,512	21,668	20,156	-
Derivative gain (loss) on investments	14,537	(7,337)	(21,874)	-
Effect of foreign exchange translation	(125,853)	(157,644)	(31,791)	-
Gain on other investments	18,964	28,080	9,116	48.1%
Selling, general and administrative expenses	(65,999)	(84,986)	(18,987)	28.8%
Finance cost	(81,181)	(74,322)	6,859	(8.4%)
Derivative gain (excluding gain (loss) on investments)	907	-	(907)	-
Change in third-party interests in SVF	1,127,949	(390,137)	(1,518,086)	- B
Other loss	(10,473)	(46,717)	(36,244)	-
Segment income (income before income tax)	(4,308,291)	128,179	4,436,470	-

Notes:

- Gains and losses on investments associated with the change in valuation of SoftBank Vision Funds' investments in shares in the Company's subsidiaries (mainly Arm and PayPay Corporation) are included in segment income of the SoftBank Vision Funds segment as gains and losses on investments at SoftBank Vision Funds but are eliminated in consolidation and not included in gains and losses on investments at SoftBank Vision Funds in the consolidated statement of profit or loss.
- Unrealized gains and losses on valuation of investments recorded in previous fiscal years related to the investments realized in the fiscal year are reclassified to "Realized gain (loss) on investments."

Investments and disposals by SVF1 and SVF2

	Investments made during the fiscal year					Disposals ⁴ made during the fiscal year				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
SVF1	-	-	-	-	-	0.56	16.36	2.04	2.41	21.37
SVF2	1.56	0.37	0.09	0.12	2.14	0.33	0.12	0.12	0.05	0.62
Total	1.56	0.37	0.09	0.12	2.14	0.89	16.48	2.16	2.46	21.99

Note: Investments include new and follow-ons.

Segment income
A Gain on investments at SoftBank Vision Funds: ¥724,341 million

	(Millions of yen)		
	Fiscal year ended March 31		
	2023	2024	Change
Gain (loss) on investments at SVF1	(2,311,213)	768,891	3,080,104
Loss on investments at SVF2	(2,445,427)	(146,472)	2,298,955
Gain (loss) on investments at LatAm Funds	(541,818)	73,862	615,680
Gain on other investments, etc.	18,964	28,060	9,096
Gain (loss) on investments at SoftBank Vision Funds (A)	(5,279,494)	724,341	6,003,835
Gain on SVF's investments in shares of the Company's subsidiaries, etc. (B)	42,771	891,631	848,860
Loss on investments at SoftBank Vision Funds in the Consolidated Statement of Profit or Loss (A) - (B)	(5,322,265)	(167,290)	5,154,975

“Gain on SVF’s investments in shares of the Company’s subsidiaries, etc.” for the fiscal year primarily comprises an investment gain of ¥807,320 million (\$5.6 billion) associated with the investment in Arm. As a result of the sale of Arm shares held by SVF1 to a wholly owned subsidiary of the Company in August 2023, a realized gain of ¥1,074,039 million (\$7.4 billion), an unrealized loss (reclassified to realized gain recorded in the past fiscal years) of ¥189,817 million (\$1.8 billion), and a loss of ¥76,902 million as the effect of foreign exchange translation were recorded in the SoftBank Vision Funds segment. For details of this sale, see “INTRAGROUP TRANSACTION OF ARM SHARES AND IPO OF ARM” under “(1) Overview of Results of Operations.”

B Change in third-party interests in SVF: ¥(390,137) million

This represents the gains and losses attributable to third-party investors, which are calculated based on the gains and losses on investments at each fund, net of (i) management and performance fees payable to SBIA from SVF1; (ii) management and performance-linked management fees payable to SBGA from SVF2; (iii) management fees, performance-linked management fees, and performance fees payable to SBGA from LatAm Funds; and (iv) operating and other expenses of SVF. For details, see “(2) Third-party interests in SVF” under “4. SoftBank Vision Funds business” in “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”

Investment performance

As of March 31, 2024

SVF1

(Billions of U.S. dollars)

Total ((1) + (2) + (3) + (4) below)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative gain ^{*1}	Investment gain recorded for the fiscal year	
					Jan - Mar	YTD
	102	89.6	106.3	16.7	0.0	5.3

(Reference)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative gain ^{*1}
Effects of share exchanges ^{*2}	(4)	(2.0)	(2.0)	-
Effects of dividends in kind ^{*3}	(4)	-	-	-
Net of the above effects	94	87.6	104.3	16.7

(1) Exited investments

	Number of investments	Investment cost	Exit price	Cumulative realized gain ^{*1}	Realized gain recorded for the fiscal year	
					Jan - Mar	YTD
Partial exit	-	7.6	16.9	9.3		0.6
Full exit ^{*4}	34	30.4	47.2	16.8		6.7
Total	34	38.0	64.1	26.1	0.4	7.3

(2) Investments before exit (investments held at the fiscal year-end)^{*5}

	Number of investments	Investment cost	Fair value	Cumulative unrealized valuation loss ^{*7}	Unrealized valuation gain (loss) recorded for the fiscal year	
					Jan - Mar	YTD
Public ^{*6}	21	26.4	16.0	(10.4)	0.1	0.3
Private	47	25.2	23.9	(1.3)	(0.2)	(0.9)
Total	68	51.6	39.9	(11.7)	(0.1)	(0.6)

(3) Derivatives

	Derivative cost	Fair value / settlement price	Cumulative derivative gain (loss)	Derivative loss recorded for the fiscal year	
				Jan - Mar	YTD
Unsettled	(0.0)	(0.0)	(0.0)		(0.0)
Settled	0.0	1.4	1.4		(0.0)
Total	(0.0)	1.4	1.4	(0.1)	(0.0)

(4) Interest and dividend income from investments

	Interest and dividend income	Cumulative income	Interest and dividend income recorded for the fiscal year	
			Jan - Mar	YTD
Total	0.9	0.9	-	-

Notes:

* The total and the sum of the breakdown in the table may not match as the amount of each item is rounded to the nearest unit.

1. Before deducting third-party interests, taxes, and expenses

2. For investments in which share exchanges occurred, the acquisition costs of new investments and disposal prices (sale prices) of investments initially held are deducted for the purpose of presenting the cumulative net investment performance. These include share exchanges between Uber Advanced Technologies Group and Aurora Innovation Inc., PT Tokopedia and PT GoTo Gojek Tokopedia Tbk, Grofers International Pte. Ltd. and Zomato Limited, Zymergen, Inc. and Ginkgo Bioworks Holdings, Inc., and Candy Digital, Inc. and Fanatics Holdings, Inc. (an existing portfolio company). In addition, SVF1 exchanged all shares in two portfolio companies for shares in their affiliated companies in prior years, which are also existing portfolio companies. The acquisition costs and disposal prices (sale prices) of these investments are also deducted in this section.

3. Investments acquired through dividends in kind from existing portfolio companies are deducted from the investment count. These include two investments acquired from Arm (Treasure Data and Acetone Limited (an intermediate holding company that owns approximately 48% of the equity interest in Arm China)) and two investments acquired from Reef Global Inc. (REEF Proximity

Aggregator LLC and Parking Aggregator LLC).

4. Includes disposals (sales) as a result of share exchanges and restructuring of portfolio companies
5. The classification of portfolio companies as public/private is based on their status as of the fiscal year-end.
6. Includes DiDi Global Inc. and WeWork, which are traded in the over-the-counter market. The carrying amount of WeWork stocks has been written down to zero U.S. dollars; this decision was based on the Restructuring Support Agreement the company entered into with its major debt investors on November 6, 2023.
7. For a certain investment that was initially determined to be transferred from the Company to SVF1, but later canceled, any unrealized valuation gains and losses incurred for the fiscal year leading up to the decision to cancel the transfer are excluded in this section.

SVF2

(Billions of U.S. dollars)

Total ((1) + (2) + (3) + (4) below)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative loss ^{*1}	Investment loss recorded for the fiscal year	
					Jan - Mar	YTD
	283	52.4	33.1	(19.3)	(0.3)	(1.0)

(Reference)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative loss ^{*1}
<i>Effects of financial support to WeWork^{*2}</i>	(4)	-	-	-
<i>Effects of share exchanges^{*3}</i>	(2)	(0.0)	(0.0)	-
<i>Net of the above effects</i>	277	52.4	33.1	(19.3)

(1) Exited investments

	Number of investments	Investment cost	Exit price	Cumulative realized gain (loss) ^{*1}	Realized loss recorded for the fiscal year	
					Jan - Mar	YTD
Partial exit	-	0.4	0.3	(0.1)		(0.0)
Full exit	11	2.6	3.1	0.5		(0.7)
Total	11	3.0	3.4	0.4	(0.2)	(0.7)

(2) Investments before exit (investments held at the fiscal year-end)^{*4}

	Number of investments	Investment cost ^{*6}	Fair value ^{*6}	Cumulative unrealized valuation loss	Unrealized valuation gain (loss) recorded for the fiscal year	
					Jan - Mar	YTD
Public ^{*5}	16	8.6	4.0	(4.6)	(0.4)	(1.0)
Private	256	40.8	25.9	(14.9)	0.1	(0.2)
Total	272	49.4	29.9	(19.5)	(0.3)	(1.2)

(3) Derivatives

	Derivative cost	Fair value/settlement price	Cumulative derivative gain (loss)	Derivative gain (loss) recorded for the fiscal year	
				Jan - Mar	YTD
Unsettled	(0.0)	0.0	0.0		(0.0)
Settled	-	(0.3)	(0.3)		0.0
Total	(0.0)	(0.3)	(0.3)	0.0	0.0

(4) Interest and dividend income from investments

	Interest and dividend income	Cumulative income	Interest and dividend income recorded for the fiscal year	
			Jan - Mar	YTD
Total	0.1	0.1	-	0.1

Notes:

- * The total and the sum of the breakdown in the table may not match, as the amount of each item is rounded to the nearest unit.
1. Before deducting third-party interests, taxes, and expenses
 2. WeWork senior secured notes (i) purchased by SVF2 in accordance with an agreement between the Company and WeWork in October 2019 (redeemed by WeWork in the first quarter), the convertible bonds (ii and iii) and notes with a face value of \$0.30 billion (iv) held by SVF2 in accordance with an agreement made in March 2023 among WeWork, its principal bondholders, SVF2, and others to support the restructuring of WeWork's debt, are deducted from the investment count.
 3. For investments in which share exchanges occurred, the acquisition costs of new investments and disposal prices (sale prices) of investments initially held are deducted for the purpose of presenting the cumulative net investment performance. During the second quarter, SVF2 exchanged a portion of its shares in XCOM Labs, Inc. for shares in Globalstar, Inc; during the fourth quarter, SVF2 exchanged its shares in ODA Group Holding AS for shares in Mathem Holdings AB.
 4. The classification of portfolio companies as public/private is based on their status as of the fiscal year-end.
 5. Includes Pear Therapeutics, Inc. and WeWork, which are traded in the over-the-counter market. The carrying amount of WeWork stocks has been written down to zero U.S. dollars; this decision was based on the Restructuring Support Agreement the company entered into with its major debt investors on November 6, 2023.
 6. The investment cost and fair value of investments before exit in SVF2 include those related to minor ownership percentage in another portfolio company that was received as part of the consideration for SVF2's investment in a certain portfolio company.

LatAm Funds

At the fiscal year-end, LatAm Funds posted \$6.3 billion in cumulative returns on \$7.4 billion in investments, with a gross loss of \$1.1 billion since inception. Of this, investment gain for the fiscal year was \$0.5 billion (¥73.9 billion).

Capital deployment

As of March 31, 2024

SVF1

	(Billions of U.S. dollars)		
	Total	The Company	Third-party investors
Committed capital (A)	98.6	33.1	65.5
Drawn capital ⁵ (B)	87.2	29.9	57.3
Return of capital (non-recallable) (C)	37.3	9.2	28.1
Outstanding capital ^{*1} (D) = (B) – (C)	49.9	20.7	29.2
Remaining committed capital (E) = (A) – (B)	11.4	3.2	8.2

Notes:

- *The Company's committed capital to SVF1 includes approximately \$8.2 billion of an obligation that was satisfied by using Arm shares (all said shares have been contributed) and \$2.5 billion to be used for an incentive scheme related to SVF1.
1. At the fiscal year-end, \$13.3 billion of the \$29.2 billion of outstanding capital from third-party investors was attributable to preferred equity commitment.

SVF2

(Billions of U.S. dollars)

	Total
Committed capital (A)	59.8
Drawn capital (B)	57.3
Remaining committed capital (C) = (A) – (B)	2.5

Note: Remaining committed capital includes recallable return of capital.

(Reference: Breakdown of committed capital as of March 31, 2024)

Total committed capital	59.8
The Company's equity commitment to investments outside the scope of the co-investment program	12.5
The Company's preferred equity commitment to SVF2 LLC* ¹	32.3
The Company's equity commitment to SVF2 LLC	12.4
MgmtCo's equity commitment to SVF2 LLC	2.6

Notes:

*At the fiscal year-end, no capital has been paid by MgmtCo.

- SVF2 LLC (SVF II Investment Holdings LLC) is a subsidiary of the Company established under SVF2 and indirectly holds investments subject to the co-investment program.

At the fiscal year-end, total committed capital for LatAm Funds was \$7.8 billion, with drawn capital totaling \$7.4 billion.

For a complete list of portfolio companies and historical quarterly results of SVF1, SVF2, and LatAm Funds, see the Data Sheets under "Earnings Results Briefing" on the Company's website at <https://group.softbank/en/ir/presentations/>.

(c) SoftBank Segment

1. Segment income increased by 40.9% YoY, driven primarily by a reversal in the consumer business's income decline and sustained growth in the Media & EC business and the enterprise business.
2. Mobile services revenue increased for the first time in three years, primarily due to the waning impact of reduced communication charges and an increase in the number of smartphone subscribers.

(Millions of yen)

	Fiscal year ended March 31		Change	Change %
	2023	2024		
Net sales	5,956,537	6,083,846	127,309	2.1%
Segment income (income before income tax)	592,782	835,076	242,294	40.9%
Depreciation and amortization	(768,712)	(738,762)	29,950	(3.9%)
Gain (loss) on investments	(25,381)	6,664	32,045	-
Finance cost	(64,020)	(63,706)	314	(0.5%)
Loss on equity method investments	(46,783)	(22,595)	24,188	-
Other gain (loss)	(42,753)	33,132	75,885	-

OVERVIEW

Segment results include the business activities of SoftBank Corp. and its subsidiaries mainly in Japan, such as the provision of mobile services and sale of mobile devices, as well as the provision of broadband, advertising and commerce services. Under its *Beyond Carrier* strategy, SoftBank Corp. aims to achieve sustainable growth in its core telecommunications business, while expanding its domains beyond telecommunications through internet services, such as *Yahoo! JAPAN* and *LINE*, and the development of businesses that utilize advanced technologies including AI, IoT, and FinTech, the latter encompassing the cashless payment service *PayPay*.

FINANCIAL RESULTS

Segment income was ¥835,076 million, an increase of ¥242,294 million (40.9%) year on year. This was mainly due to the continued income growth in the Media & EC business and the enterprise business along with a reversal of the income decline in the consumer business. Other gains and losses also improved significantly. Although SoftBank Corp. recorded a gain of ¥294,843 million from the remeasurement relating to business combination in the third quarter of the previous fiscal year for its consolidation of PayPay Corporation, this gain is not reflected on SBG's consolidated financial statements, as PayPay Corporation has consistently been classified as a subsidiary of SBG.

In the consumer business, the increase in income was mainly due to increases in product sales, mobile service revenue, and broadband service revenue. Among these, mobile service revenue increased for the first time in three years, primarily due to an increase in the number of smartphone subscribers and the waning impact of the reduction in mobile service charges implemented in the spring of 2021. In the Media & EC business, the increase in income was due to an increase in commerce sales and growth in account advertising, which increased media sales. Additionally, reductions in sales promotion and advertising expenses also contributed to a rise in income, among other factors. In the enterprise business, the increase was due to higher sales of cloud services and other products, driven by the accelerated digitalization of enterprises.

The improvement in other gains and losses was primarily due to the complete reversal of a ¥19,176 million provision recorded in the previous fiscal year. This provision was related to a litigation over telecommunication line

installation and other items awarded by the Japan Post Group. The reversal occurred in the fiscal year following the appeal court's March 2024 decision, which overturned the initial trial court ruling that had ordered SoftBank Corp. to pay damages. The improvement also reflected the recording of dilution gain from changes in equity interest of ¥20,299 million in the fiscal year, mainly for equity method associate, Webtoon Entertainment Inc. Other factors driving the change include the recording of impairment loss on equity method investments of ¥31,304 million in the previous fiscal year and ¥22,345 million in the fiscal year in relation to DEMAECAN CO., LTD. For details on other gains and losses, see "13. Other gain (loss)" under "(6) Notes to the Consolidated Financial Statements" in "4. Consolidated Financial Statements and Primary Notes."

PayPay Corporation and PayPay Card Corporation saw a reduction in losses mainly due to increases in sales from the expansion of gross merchandise volume and interest income from the expansion of the revolving balance. A new fee structure introduced for a certain balance top-up method (*SoftBank, Y!mobile Pay on One Bill*) along with cost reductions arising from the narrowing the target audience for campaigns, also contributed to loss reduction.

INTRAGROUP REORGANIZATION PRIMARILY AMONG Z HOLDINGS AND ITS CORE WHOLLY OWNED SUBSIDIARIES, LINE AND YAHOO JAPAN

On October 1, 2023, Z Holdings Corporation completed the scheduled intragroup reorganization procedures, including the merger primarily among the company and its core wholly owned subsidiaries, LINE Corporation and Yahoo Japan Corporation, as well as changing its trade name to LY Corporation. The revised organizational structure, with a further emphasis on products, is expected to accelerate synergy expansion through business integration.

For more information on SoftBank Corp.'s financial results and business operations, please refer to its website at https://www.softbank.jp/en/corp/ir/ .
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(d) Arm Segment

Arm's business continues to benefit from technology companies increasing investments in AI. Arm recorded the highest net sales (U.S. dollar-based) in both the fourth quarter and the fiscal year.

◆ **Net sales increased by 13.6% YoY in U.S. dollar terms, driven by the highest-ever license and other revenue and very strong royalty revenue, which was only slightly below the previous fiscal year's record level. In yen terms, net sales increased by 21.6%.**

- Royalty revenue decreased slightly by 0.9% YoY (U.S. dollar-based) as weak chip sales in the first half of the fiscal year were offset by a recovery in the second half, boosted by higher royalties per chip from Arm's latest *Armv9* technology and culminating in record royalty revenue in the fourth quarter.

- License and other revenue increased by 38.5% YoY (U.S. dollar-based) with Arm signing high value, long-term deals with major technology companies developing chips for a wide range of applications, including future smartphones, automotive, consumer electronic devices, and AI applications.

◆ **Segment loss of ¥33.2 billion, with strong net sales being offset by an increase in expenses related to stock compensation schemes combined with an increase in headcount to enhance R&D capability**

(Millions of yen)

	Fiscal year ended March 31		Change	Change %
	2023	2024		
Net sales	381,746	464,025	82,279	21.6%
Segment income (income before income tax) ^{*1}	48,663	(33,215)	(81,878)	-

Note:

1. Segment income included amortization expenses of ¥65,581 million for the fiscal year and ¥61,467 million for the previous fiscal year. These expenses are related to intangible assets recognized in the purchase price allocation at the time of the acquisition of Arm.

OVERVIEW

Arm's operations primarily consist of licensing semiconductor intellectual property (IP), including the design of energy-efficient microprocessors and associated technologies.

Semiconductor industry trends can have a significant impact on Arm's financial results, both positively and negatively. Industry growth benefits Arm's royalty revenue, which can grow along with industry sales. Industry growth can also encourage Arm's customers to increase design activity, creating new opportunities for Arm to license its latest technologies, and thus driving license and other revenue.

Arm will continue to increase investments in R&D in order to build the future of computing. Arm is creating CPUs and related technologies, such as graphics processors, AI accelerators, and integrated subsystems, that will enable its customers to develop the next generation of computing devices.

FINANCIAL RESULTS

Net sales in U.S. dollars

Net sales in this section are presented in U.S. dollars as Arm's revenue is primarily based on U.S. dollars.

(Millions of U.S. dollars)

	Fiscal year ended March 31			
	2023	2024	Change	Change %
Royalty revenue	1,783	1,767	(16)	(0.9%)
License and other revenue	1,034	1,431	397	38.5%
Total	2,817	3,198	381	13.6%

Note: From the first quarter, the names of sales categories have been changed from "Technology royalty" and "Technology non-royalty" to "Royalty revenue" and "License and other revenue," respectively. The aggregation method remains unchanged.

Net sales reached a record high, increasing by \$381 million (13.6%) year on year.

Royalty revenue

Royalty revenue fell slightly short of the previous fiscal year's record high, decreasing by \$16 million (0.9%). In the first half of the fiscal year, weak sales in the semiconductor industry, particularly in smartphones and other consumer electronic devices, continued from the previous fiscal year and impacted royalty revenue. However, this was largely offset by strong growth in royalty revenue in the second half, driven by an industry recovery and increased penetration of *Armv9* technology, which commands a higher royalty fee. On a quarterly basis, Arm achieved another record in royalty revenue. According to the World Semiconductor Trade Statistics (WSTS), global semiconductor sales are expected to increase by 13.1% year over year in 2024.⁶ A recovery in industry sales could boost Arm's royalty revenue. Furthermore, Arm's focus on gaining its market share in automotive and cloud servers, along with the accelerated adoption of advanced technologies such as *Armv9* and compute subsystems (CSS) that integrate multiple Arm IPs, is anticipated to be a major driver of future royalty revenue growth.

License and other revenue

License and other revenue increased by \$397 million (38.5%) year on year, reaching a record high. This was due to increasing investment by Arm's customers into AI technologies and due to more companies moving from a licensing technology one at a time to a subscription license model where the customer accesses a wider range of technologies in return for a higher license fee. In the fiscal year, Arm signed high value, long-term deals with major technology companies developing chips for a wide range of applications, including future smartphones, automotive, consumer electronic devices, and AI applications. The current strong demand for licensing lays the foundation of a future royalty stream from chips that are to be developed and introduced to the market in the coming years.

Segment income

Segment loss was ¥33,215 million, deteriorating by ¥81,878 million year on year. This was mainly due to an increase in expenses related to stock compensation schemes as well as an increase in the number of employees, particularly technology-related personnel, as Arm rapidly increases its R&D capability. In the fiscal year, Arm's headcount increased by 1,133 people (19%) with more than 80% of the net new hires being in engineering roles.

OPERATIONS

Royalty units⁷

(Billion)

	Year ended March 31			
	2023	2024	Change	Change %
Royalty units as reported by Arm's licensees	30.6	28.6	(2.0)	(6.5%)

Arm's licensees reported shipments of 28.6 billion Arm-based chips for the 12 months from January 1 to December 31, 2023, a decrease of 6.5% year on year. This largely reflects the approximately 4.7% decline in the number of smartphones sold in 2023 compared to the prior year.⁸

The decline in the number of smartphones sold was largely offset by an increase in the penetration of *Armv9*-based CPUs into high-end smartphones as well as market share gains in automotive applications and cloud servers. The net result being relatively flat royalty revenue year over year.

TECHNOLOGY DEVELOPMENT

Arm and its licensees made the following technology-related announcements during the fiscal year. For details on each technology development, please refer to the press releases posted on the websites of the announcing companies.

- In May 2023, Arm announced its latest Total Compute Solutions for mobile applications processors, *TCS23*, a platform for premium mobile computing devices, which will power immersive games, real-time 3D experiences, and next-gen AI applications.
- In May 2023, NVIDIA Corporation announced a supercomputer built on the NVIDIA Grace CPU Superchip, adding to a wave of new energy-efficient supercomputers based on the Arm *Neoverse* platform.
- In May 2023, NVIDIA Corporation and SoftBank Corp. announced that they are collaborating on a pioneering platform for generative AI and 5G/6G applications that is based on the NVIDIA GH200 Grace Hopper Superchip and which SoftBank Corp. plans to roll out at new, distributed AI data centers across Japan.
- In August 2023, Arm announced a new technology family for licensing, the Arm *Neoverse* Compute Subsystems (CSS). These are pre-integrated and validated configurations of infrastructure products that will reduce development costs and improve time-to-market for companies developing chips for servers and networking equipment.
- In October 2023, Renesas Electronics Corporation announced the world's most powerful family of microcontrollers, the RA8 series, based on the Arm *Cortex-M85* processor. The *Cortex-M85* integrates Arm *Helium* technology that provides four times more performance acceleration for machine learning algorithms and is essential as AI becomes increasingly important in edge and end-point devices.
- In November 2023, MediaTek Inc. announced the Dimensity 9300, its latest mobile chip with a one-of-a-kind All Big Core design targeting flagship smartphones. The Dimensity 9300 is powered by four Arm *Cortex-X4* cores, four Arm *Cortex-A720* cores and Arm *Immortalis-G720*. It is designed for significantly improved performance for on-device generative AI processing, including running large language models on a smartphone.
- In November 2023, Microsoft Corporation announced the Azure Cobalt CPU, Microsoft's first custom silicon for servers. The Azure Cobalt CPU is based on 128 Arm *Neoverse* processors and delivers 40% higher performance per watt than the current generation of Azure server chips.
- In February 2024, Arm announced two new processors for the infrastructure needed for AI, Arm *Neoverse V3* and

Neoverse N3, as well as the *CSS*, *Arm Neoverse CSS V3* and *CSS N3*, that will help accelerate the development of chips for AI in the data center, supercomputers, and networking equipment.

- In March 2024, Arm announced a new family of technologies to advance the progress towards fully autonomous vehicles. This includes new *Arm v9*-based processors and subsystems purpose-built for automotive, as well as virtual development platforms that can reduce the development of automotive solutions by up to two years.

In addition, below technology development was announced after the end of the fiscal year.

- In April 2024, Google LLC announced Google Axion Processors, its first custom Arm-based CPUs designed for the data center, which provide up to 50% better performance and up to 60% better energy-efficiency than comparable current-generation x86-based processors.

For more information about Arm, its business, and its technology, please refer to its website at <https://www.arm.com>.

(2) Overview of Financial Position

1. Status of investment assets

- ◆ **Carrying amount of investments from SVF (FVTPL)^{*1} increased by ¥524.8 billion from the previous fiscal year-end to ¥11,014.5 billion.**^{*2} This increase occurred despite a decrease in the U.S. dollar balance, reflecting the depreciation of the yen against the U.S. dollar.
 - ¥68.5 billion decrease at SVF1: The balance decreased by \$5.86 billion on a U.S. dollar basis, due to decreases of \$5.27 billion from divestments and \$0.59 billion in the fair value of investments held at the fiscal year-end.
 - ¥450.6 billion increase at SVF2: The balance decreased by \$0.25 billion on a U.S. dollar basis, mainly due to decreases of \$1.83 billion in the fair value of investments held at the fiscal year-end and \$0.53 billion from divestments.¹ This occurred despite new¹ and follow-on investments totaling \$2.14 billion.
- ◆ **Carrying amount of investment securities increased by ¥1,355.5 billion from the previous fiscal year-end to ¥9,062.0 billion,**^{*2} which included the following carrying amounts:
 - Alibaba shares of ¥3,757.1 billion (a decrease of ¥1,085.2 billion)
 - T-Mobile shares of ¥2,275.8 billion (an increase of ¥1,506.6 billion): Following the satisfaction of the Contingent Consideration condition, the Company acquired 48.8 million T-Mobile shares for no additional consideration. These shares amounted to ¥1,204.8 billion at the fiscal year-end.
 - Bonds and other asset management products held by PayPay Bank of ¥512.0 billion (an increase of ¥223.2 billion)

2. Changes in liabilities associated with financing activities

- ◆ **Interest-bearing debt of SBG increased by ¥491.2 billion from the previous fiscal year-end.**
 - SBG issued domestic hybrid bonds of ¥222.0 billion in April 2023. Together with ¥53.1 billion raised through a hybrid loan in May 2023, SBG successfully refinanced the USD-denominated NC6 undated hybrid notes of \$2.0 billion (which were classified as equity), which it voluntarily redeemed on the first call date in July 2023.
 - SBG redeemed domestic straight bonds of ¥399.9 billion that became due in March 2024 and issued domestic straight bonds of ¥550.0 billion in the same month.
- ◆ **Interest-bearing debt of wholly owned subsidiaries conducting fund procurement increased by ¥1,114.1 billion from the previous fiscal year-end.**^{*2}
 - Raised \$4.39 billion through the new conclusion of prepaid forward contracts using Alibaba shares, while \$2.49 billion in financial liabilities relating to sale of shares by prepaid forward contracts was derecognized following the physical settlement of a portion of such contracts previously entered into.
- ◆ **Interest-bearing debt of SVF decreased by ¥774.8 billion from the previous fiscal year-end.**
 - SVF1 and SVF2 repaid borrowings totaling \$6.35 billion made through asset-backed finance.

3. Changes in equity

- ◆ **Total equity increased by ¥2,588.0 billion from the previous fiscal year-end.**
 - Disposal of Arm shares upon its IPO resulted in recording of ¥674.4 billion in capital surplus (amount equivalent to gain on sale). Non-controlling interest in Arm at the fiscal year-end was ¥236.8 billion.
 - Other equity instruments decreased by ¥220.9 billion following the voluntary redemption of USD-denominated NC6 undated hybrid notes.
 - Retained earnings decreased due to a ¥227.6 billion net loss attributable to owners of the parent.
 - Exchange differences from the translation of foreign operations increased by ¥2,009.5 billion due to the weaker yen.
 - Increase in non-controlling equity interest of SoftBank due to issuance of bond-type class shares in the amount of ¥120.0 billion
- ◆ **Ratio of equity attributable to owners of the parent (equity ratio) was 23.9% at the fiscal year-end, compared with 20.6% at the previous fiscal year-end.**

Notes:

1. Investments from SVF (FVTPL) do not include SVF's investments in the Company's subsidiaries (primarily PayPay Corporation) or investments that were transferred from the Company to the funds and continue to be accounted for using the equity method (and are included in "Investments accounted for using the equity method") prior to and after such transfer.
2. Includes increases in the carrying amount due to a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end

	(Millions of yen)			
	March 31, 2023	March 31, 2024	Change	Change %
Total assets	43,936,368	46,724,243	2,787,875	6.3%
Total liabilities	33,287,153	33,487,074	199,921	0.6%
Total equity	10,649,215	13,237,169	2,587,954	24.3%

(a) Assets

	(Millions of yen)		
	March 31, 2023	March 31, 2024	Change
Cash and cash equivalents	6,925,153	6,186,874	(738,279)
Trade and other receivables	2,594,736	2,868,767	274,031
Derivative financial assets	249,414	852,350	602,936 A
Other financial assets	371,313	777,996	406,683 B
Inventories	163,781	161,863	(1,918)
Other current assets	282,085	550,984	268,899
Assets classified as held for sale	-	42,559	42,559
Total current assets	10,586,482	11,441,393	854,911
Property, plant and equipment	1,781,142	1,895,289	114,147
Right-of-use assets	858,577	746,903	(111,674)
Goodwill	5,199,480	5,709,874	510,394 C
Intangible assets	2,409,641	2,448,840	39,199
Costs to obtain contracts	332,856	317,650	(15,206)
Investments accounted for using the equity method	730,440	839,208	108,768
Investments from SVF (FVTPL)	10,489,722	11,014,487	524,765 D
SVF1	6,110,527	6,042,046	(68,481)
SVF2	3,646,305	4,096,880	450,575
LatAm Funds	732,890	875,561	142,671
Investment securities	7,706,501	9,061,972	1,355,471 E
Derivative financial assets	1,170,845	385,528	(785,317) F
Other financial assets	2,303,620	2,424,282	120,662
Deferred tax assets	210,823	245,954	35,131
Other non-current assets	156,239	192,863	36,624
Total non-current assets	33,349,886	35,282,850	1,932,964
Total assets	43,936,368	46,724,243	2,787,875

Reasons for changes by primary component

Components	Main reasons for changes from the previous fiscal year-end
<u>Current assets</u>	
A Derivative financial assets	<ul style="list-style-type: none"> · Derivative financial assets related to the prepaid forward contracts using Alibaba shares increased by ¥644,078 million. The increase was due to a decline in the share price and the depreciation of the yen, as well as the reclassification of those contracts due for settlement within one year as current assets, despite the physical settlement of a portion of the contracts. · Contingent value rights, which were received in June 2020 in relation to the disposal of T-Mobile shares and recorded as derivative financial assets at the previous fiscal year-end in the balance of ¥67,308 million, were vested on June 1, 2023 and were derecognized after the Company received 3.6 million T-Mobile shares. The shares are recorded as investment securities in the same manner as the existing holdings of T-Mobile shares.
B Other financial assets	Investments from asset management subsidiaries increased by ¥259,735 million due to the acquisition of corporate bonds (primarily those of investment grades with short time to maturity).
<u>Non-current assets</u>	
C Goodwill	Arm's goodwill increased by ¥423,325 million due to a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end. The entire amount of goodwill remains attributable to SBG, even after the sale of a 10% stake in conjunction with the IPO of Arm.
D Investments from SVF (FVTPL)	<p>The carrying amount of investments at SVF increased mainly due to a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end.</p> <ul style="list-style-type: none"> · The carrying amount of investments at SVF1 decreased by ¥68.5 billion. On a U.S. dollar basis, the carrying amount decreased by \$5.86 billion. The result reflected decreases of \$5.27 billion due to divestments and \$0.59 billion due to a decrease in the fair value of investments held at the fiscal year-end. · The carrying amount of investments at SVF2 increased by ¥450.6 billion. On a U.S. dollar basis, the carrying amount decreased by \$0.25 billion. The result mainly reflected decreases of \$1.83 billion in the fair value of investments held at the fiscal year-end and \$0.53 billion due to divestments.¹ This occurred despite new¹ and follow-on investments totaling \$2.14 billion. · The carrying amount of investments at LatAm Funds increased by ¥142.7 billion. On a U.S. dollar basis, the carrying amount increased by \$0.29 billion. The result reflected increases of \$0.47 billion in the fair value of portfolio companies held at the fiscal year-end^{*1} and \$0.08 billion due to follow-on investments. These increases were partially offset by a decrease of \$0.26 billion due to divestments. <p>For details, see “(b) SoftBank Vision Funds Segment” under “b. Results by Segment” in “(1) Overview of Results of Operations.”</p>

Note:

1. Includes the impact from the stronger local currencies against the U.S. dollar

Components	Main reasons for changes from the previous fiscal year-end
E Investment securities	<ul style="list-style-type: none"> · The carrying amount of Alibaba shares decreased by ¥1,085,242 million (\$11.45 billion), with the balance at the fiscal year-end being ¥3,757,063 million (\$24.81 billion). This decrease is mainly attributable to a \$10.57 billion reduction in fair value due to the decline in the company's share price (Reference: a fall from \$102.18 per ADR as of March 31, 2023 to \$72.36 per ADR as of March 31, 2024). Additional factors included a decrease of ¥125,307 million (\$0.88 billion) following the physical settlement of a portion of the prepaid forward contracts using the company's shares in the third and fourth quarters. · The carrying amount of T-Mobile shares increased by ¥1,506,621 million (\$9.27 billion), with the balance at the fiscal year-end being ¥2,275,827 million (\$15.03 billion). This increase mainly reflected the receipt of 48.8 million shares of T-Mobile, valued at ¥1,204,804 million at the fiscal year-end, following the satisfaction of the condition for the Contingent Consideration. The increase in the company's share price also contributed to the increase in the carrying amount (Reference: a rise from \$144.84 per share as of March 31, 2023 to \$163.22 per share as of March 31, 2024). · The carrying amount of the three stocks combined—Symbotic,^{*1} NVIDIA Corporation, and Deutsche Telekom,^{*2}—increased by ¥359,042 million. The carrying amounts of stocks mentioned above also reflected an increase caused by a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end. · The carrying amount of bonds and other asset management products held by PayPay Bank Corporation increased by ¥223,211 million, with the balance at the fiscal year-end being ¥511,994 million.
F Derivative financial assets	<ul style="list-style-type: none"> · The Contingent Consideration related to the acquisition of T-Mobile shares was derecognized upon the receipt of the shares (balance at the previous fiscal year-end: ¥833,770 million). · Derivative financial assets related to prepaid forward contracts using Alibaba shares decreased by ¥131,974 million. This was due to reclassifying assets with a remaining term of one year or less as current assets, despite a decrease in the Alibaba's share price and the depreciation of the yen.

Notes:

1. The shares of Symbotic are also included in "Investments from SVF (FVTPL)" for those held by SVF2, and in "Other Financial Assets (Current)" for those held by SB Northstar.
2. Includes the impact from the weaker euro against the U.S. dollar, as the shares of Deutsche Telekom are held by a U.S. subsidiary of the Company

Reference: Cash and cash equivalents by entity

Consolidated cash and cash equivalents decreased by ¥738.3 billion from the previous fiscal year-end to ¥6,186.9 billion. Of this, cash and cash equivalents of SBG and wholly owned subsidiaries conducting fund procurement, etc. decreased by ¥1,061.0 billion to ¥3,024.0 billion. For details, see “(3) Overview of Cash Flows.”

	(Millions of yen)		
	March 31, 2023	March 31, 2024	Change
SBG and wholly owned subsidiaries			
conducting fund procurement, etc.*¹	4,085,004	3,023,961	(1,061,043)
SBG* ¹	3,523,393	2,198,869	(1,324,524)
Wholly owned subsidiaries conducting fund procurement	543,380	30,584	(512,796)
SB Northstar	18,231	794,508	776,277
SoftBank Vision Funds segment			
SVF1	72,159	65,748	(6,411)
SVF2	36,930	102,063	65,133
LatAm Funds	2,818	3,084	266
SBIA, SBGA, SBLA Advisers Corp.	97,546	58,992	(38,554)
SoftBank segment			
SoftBank Corp.	280,768	482,763	201,995
LY Corporation* ²	443,424	325,391	(118,033)
PayPay Corporation, PayPay Bank Corporation,* ³ PayPay Card Corporation	857,430	739,759	(117,671)
Others* ²	477,545	444,960	(32,585)
Arm segment*⁴			
Arm Holdings plc and its subsidiaries	207,484	291,127	83,643
Others*^{1,4}	364,045	649,026	284,981
Total	6,925,153	6,186,874	(738,279)

Notes:

- As of September 21, 2023, the Company merged with the Company's former wholly owned subsidiary Shiodome Project 9 GK in an absorption-type merger. Amounts at the previous fiscal year-end have been restated retrospectively to reflect the merger.
- As of October 1, 2023, Z Holdings Corporation completed an intragroup reorganization, which included a merger primarily involving the three companies: the company itself, LINE Corporation, and Yahoo Japan Corporation, and changed its trade name to LY Corporation. Amounts at the previous fiscal year-end have been restated retrospectively in accordance with the intragroup reorganization.
- Cash and cash equivalents of PayPay Bank Corporation at the fiscal year-end were ¥248,298 million.
- “Arm segment” previously included in “Others” has been independently presented and amounts at the previous fiscal year-end have been restated retrospectively.

(b) Liabilities

	(Millions of yen)		
	March 31, 2023	March 31, 2024	Change
Interest-bearing debt	5,129,047	8,271,143	3,142,096
Lease liabilities	184,105	149,801	(34,304)
Deposits for banking business	1,472,260	1,643,155	170,895
Trade and other payables	2,416,872	2,710,529	293,657
Derivative financial liabilities	82,612	195,090	112,478
Other financial liabilities	180,191	31,801	(148,390) A
Income taxes payable	367,367	163,226	(204,141) B
Provisions	72,350	44,704	(27,646)
Other current liabilities	675,920	801,285	125,365
Liabilities directly relating to assets classified as held for sale	-	9,561	9,561
Total current liabilities	10,580,724	14,020,295	3,439,571
Interest-bearing debt	14,349,147	12,296,381	(2,052,766)
Lease liabilities	652,892	644,706	(8,186)
Third-party interests in SVF	4,499,369	4,694,503	195,134 C
Derivative financial liabilities	899,351	41,238	(858,113) D
Other financial liabilities	58,545	57,017	(1,528)
Provisions	163,627	167,902	4,275
Deferred tax liabilities	1,828,557	1,253,039	(575,518) E
Other non-current liabilities	254,941	311,993	57,052
Total non-current liabilities	22,706,429	19,466,779	(3,239,650)
Total liabilities	33,287,153	33,487,074	199,921

Reasons for changes by primary component

Components	Main reasons for changes from the previous fiscal year-end
*See “Reference” on the following page for a breakdown of interest-bearing debt.	
<u>Current liabilities</u>	
A Other financial liabilities	By the end of the second quarter, an allowance (allowance for financial guarantee contract losses) was recorded for the entire credit support for a letter of credit facility provided by financial institutions totaling \$1.43 billion to WeWork (the beginning balance of the allowance was ¥152,365 million). In the third quarter, the allowance was allocated to the loan that was recognized as a result of the fulfillment of the guarantee obligations, resulting in a ¥152,365 million decrease in the allowance for financial guarantee contract losses from the beginning balance. At the fiscal year-end, the carrying amount of the loan was zero yen, as the allowance has been allocated.
B Income taxes payable	SBG paid income taxes during the first quarter. This payment was accrued in the previous fiscal year based on taxable income, including gains on the sale of Alibaba shares to subsidiaries conducting fund procurement, which was carried out in relation to the early physical settlement of prepaid forward contracts using Alibaba shares.

Components	Main reasons for changes from the previous fiscal year-end
<u>Non-current liabilities</u>	
C Third-party interests in SVF	The carrying amount increased due to a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end. For details, see “(2) Third-party interests in SVF” under “4. SoftBank Vision Funds business” in “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”
D Derivative financial liabilities	Derivative financial liabilities related to prepaid forward contracts using Alibaba shares decreased by ¥805,039 million, primarily as a result of a decline in Alibaba’s share price.
E Deferred tax liabilities	Following the completion of the physical settlement of a portion of the prepaid forward contracts using Alibaba shares in January 2024, which had been conducted in phases since October 2021 by Skybridge LLC, the Company’s wholly owned financing subsidiary, and constituted all such contracts held by Skybridge LLC, the deferred tax liabilities recognized at the previous fiscal year-end were reversed. These liabilities were based on the future tax estimates related to the Alibaba shares and associated derivatives.

Reference: Interest-bearing debt and lease liabilities (current and non-current)

	(Millions of yen)		
	March 31, 2023	March 31, 2024	Change
SBG and wholly owned subsidiaries			
conducting fund procurement, etc.	12,635,554	14,239,518	1,603,964
SBG	6,306,590	6,796,406	489,816
Borrowings	381,851	462,977	81,126 A
Corporate bonds	5,753,022	6,147,578	394,556 B
Lease liabilities	10,717	9,351	(1,366)
Commercial paper	161,000	176,500	15,500
Wholly owned subsidiaries conducting fund procurement^{*1}	6,328,964	7,443,112	1,114,148
Borrowings	2,065,361	2,270,601	205,240 C
Financial liabilities relating to sale of shares by prepaid forward contracts	4,263,603	5,172,511	908,908 D
SB Northstar	-	-	-
Borrowings	-	-	-
SoftBank Vision Funds segment			
SVF1	552,681	-	(552,681)
Borrowings	552,681	-	(552,681) E
SVF2	770,004	547,894	(222,110)
Borrowings	770,004	547,894	(222,110) E
SBIA, SBGA, SBLA Advisers Corp.	14,950	15,948	998
Lease liabilities	14,950	15,948	998
SoftBank segment			
SoftBank Corp.	4,149,812	4,373,826	224,014
Borrowings	3,080,878	2,994,039	(86,839)
Corporate bonds	578,684	827,781	249,097
Lease liabilities	490,249	466,005	(24,244)
Commercial paper	1	86,001	86,000
LY Corporation^{*2}	1,268,867	1,122,485	(146,382)
Borrowings	608,177	591,338	(16,839)
Corporate bonds	578,987	469,270	(109,717)
Lease liabilities	81,703	61,877	(19,826)
PayPay Corporation, PayPay Bank Corporation,^{*3} PayPay Card Corporation	396,075	503,714	107,639
Other^{*2}	319,937	321,069	1,132
Arm segment^{*4}			
Arm Holdings plc and its subsidiaries	28,709	34,630	5,921
Lease liabilities	28,709	34,630	5,921
Others			
Other interest-bearing debt	130,014	133,442	3,428
Lease liabilities ^{*4}	48,588	69,505	20,917
Total	20,315,191	21,362,031	1,046,840

Notes:

- The interest-bearing debt of wholly owned subsidiaries engaged in fund procurement is nonrecourse to SBG.
- As of October 1, 2023, Z Holdings Corporation completed the intragroup reorganization, which included a merger primarily involving the three companies: the company itself, LINE Corporation, and Yahoo Japan Corporation, and changed its trade name to LY Corporation. Amounts at the previous fiscal year-end have been restated retrospectively in accordance with the reorganization.
- Deposits for banking business of PayPay Bank Corporation are not included in interest-bearing debt.

4. “Arm segment” previously included in “Others” has been independently presented and amounts at the previous fiscal year-end have been restated retrospectively.

Reasons for changes from the previous fiscal year-end at core companies

Components	Details
SBG and wholly owned subsidiaries conducting fund procurement, etc.	
SBG	
A Borrowings	In the first quarter, ¥53.1 billion was borrowed through a hybrid loan.
B Corporate bonds	<ul style="list-style-type: none"> · In the first quarter, domestic hybrid bonds with a face value of ¥222.0 billion were issued. · In the first quarter, foreign currency-denominated senior notes with face values of \$0.16 billion and 0.63 billion euros and domestic straight bonds with a face value of ¥19.5 billion were redeemed upon maturity. · In the second quarter, domestic hybrid bonds with a face value of ¥15.4 billion were prematurely redeemed. · In the fourth quarter, domestic straight bonds with a face value of ¥399.9 billion were redeemed upon maturity. · In the fourth quarter, domestic straight bonds with a face value of ¥550.0 billion were issued. · Foreign currency-denominated senior notes with face values of \$0.10 billion and 0.07 billion euros, as well as domestic straight bonds with a face value of ¥2.1 billion and domestic subordinated bonds with a face value of ¥20.9 billion, were repurchased from the market. · The carrying amount of foreign currency-denominated straight bonds increased due to a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end.
Wholly owned subsidiaries conducting fund procurement	
C Borrowings	<p>Borrowings of \$8.50 billion (balance at the previous fiscal year-end: ¥1,126.6 billion) made through asset-backed finance using Arm shares were repaid prior to Arm’s IPO in September 2023. After the IPO, new borrowings of \$8.50 billion were secured through a margin loan using Arm shares (balance at the fiscal year-end: ¥1,274.9 billion). For details, see “(1) Components of interest-bearing debt” under “6. Interest-bearing debt” in “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”</p>
D Financial liabilities relating to sale of shares by prepaid forward contracts	<ul style="list-style-type: none"> · In the first quarter, \$4.39 billion was raised through prepaid forward contracts (forward contracts) using Alibaba shares. · Financial liabilities relating to sale of shares by prepaid forward contracts of ¥356,925 million (\$2.49 billion) were derecognized due to the physical settlement of a portion of the prepaid forward contracts using Alibaba shares in the third and fourth quarters. · The carrying amount increased due to a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end. For details, see “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “6. Interest-bearing debt” in “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”
SoftBank Vision Funds segment	
SVF1 and SVF2	
E Borrowings	<ul style="list-style-type: none"> · SVF1 fully repaid \$4.16 billion in borrowings made through asset-backed financing. · SVF2 repaid \$2.19 billion in borrowings made through asset-backed financing.

(c) Equity

(Millions of yen)

	March 31, 2023	March 31, 2024	Change
Common stock	238,772	238,772	-
Capital surplus	2,652,790	3,326,093	673,303 A
Other equity instruments	414,055	193,199	(220,856) B
Retained earnings	2,006,238	1,632,966	(373,272) C
Treasury stock	(38,791)	(22,725)	16,066
Accumulated other comprehensive income	3,756,785	5,793,820	2,037,035 D
Total equity attributable to owners of the parent	9,029,849	11,162,125	2,132,276
Non-controlling interests	1,619,366	2,075,044	455,678 E
Total equity	10,649,215	13,237,169	2,587,954

Reasons for changes by primary component

Components	Main reasons for changes from the previous fiscal year-end
A Capital surplus	In the second quarter, ¥674,370 million (\$4.65 billion) was recorded, representing the gain on the sale of Arm shares at the IPO. For details of the transaction, see “INTRAGROUP TRANSACTION OF ARM SHARES AND IPO OF ARM” under “(1) Overview of Results of Operations.”
B Other equity instruments	In the second quarter, the Company redeemed USD-denominated NC6 undated hybrid notes (\$2.00 billion) on the first voluntary call date. The notes had been classified as equity instruments under IFRSs.
C Retained earnings	Net loss of ¥227,646 million attributable to owners of the parent was recorded.
D Accumulated other comprehensive income	Exchange differences from the translation of foreign operations, which arose from translating foreign subsidiaries and associates into yen, increased by ¥2,009,461 million mainly due to the weaker yen against the U.S. dollar in the foreign currency exchange rate used for translations.
E Non-controlling interests	<ul style="list-style-type: none"> · At the fiscal year-end, the amount of non-controlling interests in Arm was ¥236,849 million. · SoftBank Corp. issued bond-type class shares in the amount of ¥120,000 million.

(3) Overview of Cash Flows

1. Cash flows from operating activities resulted in net cash inflow of ¥250.5 billion, despite outlays for income taxes amounting to ¥885.6 billion.

2. Cash flows from investing activities: ¥841.5 billion cash outflow (net)

- ◆ **Payments totaling ¥800.9 billion were made for investment acquisitions, primarily driven by the expansion of strategic investments by SBG and its wholly owned subsidiaries. Additionally, there was an increase in investments in bonds and other asset management products by PayPay Bank.**
- ◆ **Monetization and investments continued at SVF**
 - Payments for acquisition of investments by SVF: ¥212.0 billion
 - Proceeds from sales of investments by SVF: ¥922.0 billion
- ◆ **Outlays of ¥622.6 billion for the purchase of property, plant and equipment and intangible assets due to capital expenditure mainly at SoftBank**

3. Cash flows from financing activities: ¥606.2 billion cash outflow (net)

- ◆ **The Company received proceeds from the disposal of Arm shares and conducted financing through prepaid forward contracts using Alibaba shares, while repaying borrowings made by SVF through asset-backed finance. Distributions and repayments to third-party investors were made at SVF1**
 - Proceeds from interest-bearing debt: ¥5,914.1 billion
 - Main proceeds at SBG: ¥1,361.2 billion
(from issuance of domestic hybrid bonds with a face value of ¥222.0 billion and domestic straight bonds with a face value of ¥550.0 billion, short-term borrowings of ¥536.1 billion, and a hybrid loan of ¥53.1 billion)
 - Proceeds at wholly owned subsidiaries conducting fund procurement: ¥1,841.9 billion
(\$8.50 billion through a margin loan using listed Arm shares, \$4.39 billion through prepaid forward contracts using Alibaba shares)
 - Repayment of interest-bearing debt: ¥5,889.2 billion
 - Main outlays at SBG: ¥1,087.2 billion
(for redemption and repurchase of bonds totaling ¥580.6 billion, including domestic straight bonds with a face value of ¥399.9 billion that matured in March 2024, and repayment of short-term borrowings of ¥506.6 billion)
 - Main outlays at wholly owned subsidiaries conducting fund procurement: ¥1,236.2 billion
(for repayment of asset-backed finance using Arm shares of \$8.50 billion)
 - Outlays at SVF: ¥922.4 billion
(for repayment of borrowings totaling \$6.35 billion made through asset-backed finance at SVF1 and SVF2)
 - Distributions and repayments to third-party investors at SVF: ¥783.5 billion
 - Proceeds from the partial sales of shares of subsidiaries to non-controlling interests: ¥747.6 billion
 - Proceeds of \$5.12 billion from the disposal of Arm shares upon its IPO
 - Payment for redemption of other equity instruments: ¥277.8 billion
 - Redemption of USD-denominated NC6 undated hybrid notes of \$2.00 billion

4. Balance of cash and cash equivalents at the fiscal year-end and its changes

- ◆ **The balance of cash and cash equivalents stood at ¥6,186.9 billion at the fiscal year-end, a decrease of ¥738.3 billion from the previous fiscal year-end, as a result of cash flows from operating, investing, and financing activities, combined with the effect of exchange rate changes on cash and cash equivalents, etc. of ¥458.9 billion reflecting the weaker yen.**

SIGNIFICANT NON-CASH TRANSACTIONS

During the fiscal year, the Company settled a portion of the prepaid forward contracts using Alibaba shares in physical form and acquired 48.8 million T-Mobile shares with no additional consideration after satisfying the condition for the Contingent Consideration. None of these transactions were cash transactions; therefore, they had no impact on the consolidated cash flows. For details, see “(7) Significant non-cash transactions” under “15. Supplemental information to the consolidated statement of cash flows” in “(6) Notes to Consolidated Financial Statements” in “4. Consolidated Financial Statements and Primary Notes.”

	(Millions of yen)		
	Fiscal year ended March 31		Change
	2023	2024	
Cash flows from operating activities	741,292	250,547	(490,745)
Cash flows from investing activities	547,578	(841,461)	(1,389,039)
Cash flows from financing activities	191,517	(606,222)	(797,739)
Effect of exchange rate changes on cash and cash equivalents, etc.	275,765	458,857	183,092
Increase (decrease) in cash and cash equivalents	1,756,152	(738,279)	(2,494,431)
Cash and cash equivalents at the beginning of the year	5,169,001	6,925,153	1,756,152
Cash and cash equivalents at the end of the year	6,925,153	6,186,874	(738,279)

(a) Cash Flows from Operating Activities

Cash flows from operating activities resulted in a net inflow of ¥250,547 million. This was achieved despite outlays for income taxes amounting to ¥885,617 million and the acquisition of corporate bonds (primarily those of investment grades with short time to maturity) by SB Northstar for the purpose of investing surplus funds.

The amount of income taxes paid included the payment of ¥368,632 million in income taxes by SBG. This was primarily due to the payment in the first quarter of income taxes on taxable income for the previous fiscal year arising in conjunction with the physical settlement of the prepaid forward contracts using Alibaba shares and an interim payment of income taxes of ¥118,026 million in the third quarter.

(b) Cash Flows from Investing Activities

Primary components

Components	Primary details
Payments for acquisition of investments ¥(800,925) million	<ul style="list-style-type: none"> · SBG and its wholly owned subsidiaries acquired mainly strategic investments for ¥311,870 million. · PayPay Bank Corporation acquired bonds and other asset management products for ¥308,414 million.
Payments for acquisition of investments by SVF ¥(212,045) million	SVF invested \$1.50 billion in total.
Proceeds from sales of investments by SVF ¥922,020 million	SVF sold investments for a total of \$6.33 billion.

Components	Primary details
Payments for acquisition of control over subsidiaries ¥(104,484) million	<ul style="list-style-type: none"> · SoftBank Corp. acquired Cubic Telecom Ltd. as a subsidiary. · SBG's wholly owned subsidiary acquired Berkshire Grey, Inc. and Balyo SA as subsidiaries. The figure to the left excludes cash and cash equivalents held by the acquired companies at the time of acquisition of control.
Proceeds from loss of control over subsidiaries ¥96,755 million	Primarily from the sale of 85% of the shares of SB Energy Corp., which was previously a wholly owned subsidiary of the Company.
Purchase of property, plant and equipment, and intangible assets ¥(622,612) million	SoftBank Corp. purchased property, plant and equipment, such as telecommunications equipment, and intangible assets, such as software.
Payments for loan receivables ¥(313,686) million	SVF2 fulfilled the guarantee obligations for the credit support for a letter of credit facility of \$1.43 billion to WeWork provided by financial institutions.

(c) Cash Flows from Financing Activities

Primary components

Components	Primary details
Proceeds in short-term interest-bearing debt, net ¥182,874 million ^{*1} (Proceeds and payments for interest-bearing debt (current liabilities) with quick turnover and short maturities)	<ul style="list-style-type: none"> · Short-term borrowings increased by ¥151,145 million (net) at SoftBank Corp. · Short-term borrowings increased by ¥10,983 million (net) at LY Corporation and its subsidiaries.
Proceeds from interest-bearing debt (total of A through C below) ¥5,914,090 million	
A Proceeds from borrowings ¥4,276,463 million ^{*2}	<ul style="list-style-type: none"> · SBG made short-term borrowings of ¥536,136 million and procured ¥53,100 million through a hybrid loan. · A wholly owned subsidiary conducting fund procurement raised a total of ¥1,236,240 million (\$8.50 billion) through a margin loan using listed Arm shares. · SoftBank Corp. procured ¥964,409 million, primarily through the securitization of installment sales receivable and sale-leaseback transactions. The company also issued commercial paper for ¥233,000 million. · A subsidiary of LY Corporation made short-term borrowings of ¥732,900 million associated with an increase in demand for personal unsecured loan services.
B Proceeds from issuance of corporate bonds ¥1,032,000 million	<ul style="list-style-type: none"> · SBG issued domestic hybrid bonds totaling ¥222,000 million and domestic straight bonds totaling ¥550,000 million. · SoftBank Corp. issued domestic straight bonds totaling ¥260,000 million. All of the above amounts are face values.

Components	Primary details
<p>C Proceeds from procurement by prepaid forward contracts using shares ¥605,627 million</p> <p>Repayment of interest-bearing debt ¥(5,889,186) million</p>	<p>Wholly owned subsidiaries conducting fund procurement raised a total of \$4.39 billion through prepaid forward contracts (forward contracts) using Alibaba shares.</p>
<p>A Repayment of borrowings ¥(5,183,435) million ^{*2}</p>	<ul style="list-style-type: none"> · SBG repaid short-term borrowings of ¥506,600 million. · A wholly owned subsidiary conducting fund procurement repaid borrowings of ¥1,236,240 million (\$8.50 billion) made through asset-backed finance using Arm shares. · SVF1 and SVF2 repaid ¥604,823 million (\$4.16 billion) and ¥317,547 million (\$2.19 billion), respectively, in borrowings made through asset-backed finance. · SoftBank Corp. repaid ¥1,215,104 million in borrowings made primarily through the securitization of installment sales receivable and sale-leaseback transactions. It also redeemed ¥147,000 million in commercial paper. · A subsidiary of LY Corporation repaid short-term borrowings of ¥713,700 million made in association with an increase in demand for personal unsecured loan services.
<p>B Redemption of corporate bonds ¥(700,618) million</p>	<ul style="list-style-type: none"> · SBG repurchased foreign currency-denominated senior notes of \$0.10 billion and 0.07 billion euros, domestic straight bonds of ¥2,100 million, and domestic subordinated bonds of ¥20,900 million and redeemed foreign currency-denominated senior notes of \$0.16 billion and 0.63 billion euros and domestic straight bonds of ¥419,412 million upon maturity, and carried out an early redemption of domestic hybrid bonds amounting to ¥15,400 million. · SoftBank Corp. redeemed domestic straight bonds of ¥10,000 million upon maturity. · LY Corporation redeemed domestic straight bonds of ¥110,000 million upon maturity. <p>All of the above amounts are face values.</p>
<p>Distribution/repayment from SVF to third-party investors ¥(783,522) million</p>	<p>SVF1 made distributions and repayments to third-party investors.</p>
<p>Proceeds from the partial sales of shares of subsidiaries to non-controlling interests ¥747,565 million</p>	<p>The Company received the proceeds of \$5.12 billion from the disposal of Arm shares at its IPO.</p>
<p>Redemption of other equity instruments ¥(277,760) million</p>	<p>The Company redeemed USD-denominated NC6 undated hybrid notes with a face value of \$2.00 billion. These notes were classified as equity instruments under IFRSs. The effects arising from forward exchange contracts are recorded in “Other” under cash flows from financing activities.</p>

Components	Primary details
Proceeds from the issuance of other equity instruments in subsidiaries ¥120,000 million	SoftBank Corp. issued bond-type class shares in the amount of ¥120,000 million.
Cash dividends paid ¥(64,356) million	SBG paid dividends.
Cash dividends paid to non-controlling interests ¥(288,119) million	SoftBank Corp., LY Corporation, and other subsidiaries paid dividends to non-controlling interests.

Notes:

1. "Proceeds in short-term interest-bearing debt, net" represents cash flows from financing activities that meet the requirement of "Reporting cash flows on a net basis" under IFRSs.
2. "Proceeds from borrowings" and "Repayment of borrowings" include proceeds of ¥1,813,733 million and outlays of ¥1,721,319 million related to borrowings with a contracted term of one year or less.

(4) Forecasts

The Company does not provide forecasts of consolidated results of operations as they are difficult to project due to numerous uncertainties affecting earnings.

Notes to “1. Results of Operations”

- 1 Includes share exchanges, acquisitions, and disposals as a result of restructuring of portfolio companies
- 2 Interest expenses of SBG include interest expenses of its wholly owned subsidiaries conducting fund procurement.
- 3 Until Alibaba was excluded from the associates of the Company in the second quarter of the previous fiscal year, the Company had applied the equity method to Alibaba’s consolidated financial statements for the reporting periods staggered by the previous three months because it was impracticable to align the reporting periods with Alibaba due to various factors, such as contracts with Alibaba. Necessary adjustments were made to reflect significant transactions and events announced by Alibaba during the staggered three-month period.
- 4 After deducting transaction fees, etc.
- 5 Drawn capital of SVF1 excludes the amount repaid to limited partners due to investment plan changes and other reasons after the capital was drawn.
- 6 The World Semiconductor Trade Statistics, November 2023. Includes memory and analogue chips that do not contain processor technologies.
- 7 This analysis is based on the actual shipments of royalty units (chips incorporating Arm technology) by Arm licensees for twelve months ended December 31, 2023, as reported by licensees in the royalty reports. Arm’s licensees report their actual shipments of royalty units one quarter in arrears, and therefore, the royalty unit analysis in this report is based on chips shipped for twelve months ended December 31, 2023. In contrast, royalty revenues are accrued in the same quarter the chips are shipped based on estimates. Royalty unit data for 2022 has been restated based on updated information received from its licensees in the first quarter.
- 8 S&P Global, March 2024

2. Basic Approach to the Selection of Accounting Standards

The Company adopts International Financial Reporting Standards (IFRSs).

3. Notes to Summary Information

Changes in Accounting Policies

(Changes in accounting policies required by IFRSs)

The Company has adopted the following standard and interpretation for the fiscal year ended March 31, 2024.

Standard/interpretation	Outline of the new/amended standards
IAS 12 (Amendments)	Income Taxes (Amendments in May 2021)
	Clarification of the deferred tax accounting related to assets and liabilities arising from a single transaction.

There are no significant impacts on the consolidated financial statements for the fiscal year ended March 31, 2024, due to the adoption of the IAS 12 Income Taxes (Amendments).

4. Consolidated Financial Statements and Primary Notes

(Definitions of company names and abbreviations used in the consolidated financial statements and primary notes)

Company names and abbreviations used in the consolidated financial statements and primary notes, unless 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 Holco 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*
Fortress	Fortress Investment Group LLC
WeWork	WeWork Inc.
Sprint	Sprint Corporation
T-Mobile	T-Mobile US, Inc. after merging with Sprint
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.

(1) Consolidated Statement of Financial Position

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and cash equivalents	6,925,153	6,186,874
Trade and other receivables	2,594,736	2,868,767
Derivative financial assets	249,414	852,350
Other financial assets	371,313	777,996
Inventories	163,781	161,863
Other current assets	282,085	550,984
Subtotal	10,586,482	11,398,834
Assets classified as held for sale	-	42,559
Total current assets	10,586,482	11,441,393
Non-current assets		
Property, plant and equipment	1,781,142	1,895,289
Right-of-use assets	858,577	746,903
Goodwill	5,199,480	5,709,874
Intangible assets	2,409,641	2,448,840
Costs to obtain contracts	332,856	317,650
Investments accounted for using the equity method	730,440	839,208
Investments from SVF (FVTPL)	10,489,722	11,014,487
Investment securities	7,706,501	9,061,972
Derivative financial assets	1,170,845	385,528
Other financial assets	2,303,620	2,424,282
Deferred tax assets	210,823	245,954
Other non-current assets	156,239	192,863
Total non-current assets	33,349,886	35,282,850
Total assets	43,936,368	46,724,243

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
Liabilities and equity		
Current liabilities		
Interest-bearing debt	5,129,047	8,271,143
Lease liabilities	184,105	149,801
Deposits for banking business	1,472,260	1,643,155
Trade and other payables	2,416,872	2,710,529
Derivative financial liabilities	82,612	195,090
Other financial liabilities	180,191	31,801
Income taxes payable	367,367	163,226
Provisions	72,350	44,704
Other current liabilities	675,920	801,285
Subtotal	<u>10,580,724</u>	<u>14,010,734</u>
Liabilities directly relating to assets classified as held for sale	-	9,561
Total current liabilities	<u>10,580,724</u>	<u>14,020,295</u>
Non-current liabilities		
Interest-bearing debt	14,349,147	12,296,381
Lease liabilities	652,892	644,706
Third-party interests in SVF	4,499,369	4,694,503
Derivative financial liabilities	899,351	41,238
Other financial liabilities	58,545	57,017
Provisions	163,627	167,902
Deferred tax liabilities	1,828,557	1,253,039
Other non-current liabilities	254,941	311,993
Total non-current liabilities	<u>22,706,429</u>	<u>19,466,779</u>
Total liabilities	<u>33,287,153</u>	<u>33,487,074</u>
Equity		
Equity attributable to owners of the parent		
Common stock	238,772	238,772
Capital surplus	2,652,790	3,326,093
Other equity instruments	414,055	193,199
Retained earnings	2,006,238	1,632,966
Treasury stock	(38,791)	(22,725)
Accumulated other comprehensive income	3,756,785	5,793,820
Total equity attributable to owners of the parent	<u>9,029,849</u>	<u>11,162,125</u>
Non-controlling interests	<u>1,619,366</u>	<u>2,075,044</u>
Total equity	<u>10,649,215</u>	<u>13,237,169</u>
Total liabilities and equity	<u><u>43,936,368</u></u>	<u><u>46,724,243</u></u>

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income
Consolidated Statement of Profit or Loss

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	6,570,439	6,756,500
Cost of sales	(3,242,397)	(3,214,108)
Gross profit	3,328,042	3,542,392
Gain on investments		
Gain (loss) on investments at Investment Business of Holding Companies	4,560,500	(459,045)
Loss on investments at SoftBank Vision Funds	(5,322,265)	(167,290)
Gain (loss) on other investments	(73,294)	66,985
Total gain on investments	(835,059)	(559,350)
Selling, general and administrative expenses	(2,695,328)	(2,982,383)
Finance cost	(555,902)	(556,004)
Foreign exchange loss	(772,270)	(703,122)
Loss on equity method investments	(96,677)	(38,641)
Derivative gain (excluding gain (loss) on investments)	54,256	1,502,326
Change in third-party interests in SVF	1,127,949	(390,137)
Other gain (loss)	(24,138)	242,720
Income before income tax	(469,127)	57,801
Income taxes	(320,674)	151,416
Net income	(789,801)	209,217
Net income attributable to		
Owners of the parent	(970,144)	(227,646)
Non-controlling interests	180,343	436,863
Net income	(789,801)	209,217
Earnings per share		
Basic earnings per share (Yen)	(652.37)	(170.99)
Diluted earnings per share (Yen)	(662.41)	(174.20)

Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income	(789,801)	209,217
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	3,240	(308)
Equity financial assets at FVTOCI	6,194	10,777
Share of other comprehensive income of associates	356	326
Total items that will not be reclassified to profit or loss	9,790	10,795
Items that may be reclassified subsequently to profit or loss		
Debt financial assets at FVTOCI	(598)	(286)
Cash flow hedges	(72,791)	24,007
Exchange differences on translating foreign operations	1,221,249	2,000,916
Share of other comprehensive income of associates	100,291	(3,208)
Total items that may be reclassified subsequently to profit or loss	1,248,151	2,021,429
Total other comprehensive income, net of tax	1,257,941	2,032,224
Total comprehensive income	468,140	2,241,441
Total comprehensive income attributable to		
Owners of the parent	293,116	1,809,984
Non-controlling interests	175,024	431,457
Total comprehensive income	468,140	2,241,441

(3) Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2023

(Millions of yen)

	Equity attributable to owners of the parent						Total
	Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Accumulated other comprehensive income	
As of April 1, 2022	238,772	2,634,574	496,876	4,515,704	(406,410)	2,496,158	9,975,674
Comprehensive income							
Net income	-	-	-	(970,144)	-	-	(970,144)
Other comprehensive income	-	-	-	-	-	1,263,260	1,263,260
Total comprehensive income	-	-	-	(970,144)	-	1,263,260	293,116
Transactions with owners and other transactions							
Cash dividends	-	-	-	(70,327)	-	-	(70,327)
Distribution to owners of other equity instruments	-	-	-	(36,680)	-	-	(36,680)
Redemption and cancellation of other equity instruments	-	-	(82,821)	(21,776)	-	-	(104,597)
Transfer of accumulated other comprehensive income to retained earnings	-	-	-	2,633	-	(2,633)	-
Purchase and disposal of treasury stock	-	-	-	(798)	(1,044,755)	-	(1,045,553)
Retirement of treasury stock	-	-	-	(1,412,374)	1,412,374	-	-
Changes from loss of control	-	-	-	-	-	-	-
Changes in interests in subsidiaries	-	4,899	-	-	-	-	4,899
Changes in associates' interests in their subsidiaries	-	(5,845)	-	-	-	-	(5,845)
Changes in interests in associates' capital surplus	-	21,223	-	-	-	-	21,223
Share-based payment transactions	-	(463)	-	-	-	-	(463)
Other	-	(1,598)	-	-	-	-	(1,598)
Total transactions with owners and other transactions	-	18,216	(82,821)	(1,539,322)	367,619	(2,633)	(1,238,941)
As of March 31, 2023	238,772	2,652,790	414,055	2,006,238	(38,791)	3,756,785	9,029,849

(Millions of yen)

	Non- controlling interests	Total equity
As of April 1, 2022	1,732,088	11,707,762
Comprehensive income		
Net income	180,343	(789,801)
Other comprehensive income	(5,319)	1,257,941
Total comprehensive income	175,024	468,140
Transactions with owners and other transactions		
Cash dividends	(288,175)	(358,502)
Distribution to owners of other equity instruments	-	(36,680)
Redemption and cancellation of other equity instruments	-	(104,597)
Transfer of accumulated other comprehensive income to retained earnings	-	-
Purchase and disposal of treasury stock	-	(1,045,553)
Retirement of treasury stock	-	-
Changes from loss of control	(5,248)	(5,248)
Changes in interests in subsidiaries	27,728	32,627
Changes in associates' interests in their subsidiaries	-	(5,845)
Changes in interests in associates' capital surplus	-	21,223
Share-based payment transactions	37,116	36,653
Other	(59,167)	(60,765)
Total transactions with owners and other transactions	(287,746)	(1,526,687)
As of March 31, 2023	1,619,366	10,649,215

For the fiscal year ended March 31, 2024

(Millions of yen)

	Equity attributable to owners of the parent						
	Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total
As of April 1, 2023	238,772	2,652,790	414,055	2,006,238	(38,791)	3,756,785	9,029,849
Comprehensive income							
Net income	-	-	-	(227,646)	-	-	(227,646)
Other comprehensive income	-	-	-	-	-	2,037,630	2,037,630
Total comprehensive income	-	-	-	(227,646)	-	2,037,630	1,809,984
Transactions with owners and other transactions							
Cash dividends	-	-	-	(64,433)	-	-	(64,433)
Distribution to owners of other equity instruments	-	-	-	(25,624)	-	-	(25,624)
Redemption and cancellation of other equity instruments	-	(740)	(220,856)	(56,164)	-	-	(277,760)
Transfer of accumulated other comprehensive income to retained earnings	-	-	-	595	-	(595)	-
Purchase and disposal of treasury stock	-	740	-	-	16,066	-	16,806
Changes from loss of control	-	-	-	-	-	-	-
Changes in interests in subsidiaries	-	678,056	-	-	-	-	678,056
Issuance of other equity instruments in subsidiaries	-	-	-	-	-	-	-
Changes in interests in associates' capital surplus	-	(91)	-	-	-	-	(91)
Share-based payment transactions	-	(3,833)	-	-	-	-	(3,833)
Other	-	(829)	-	-	-	-	(829)
Total transactions with owners and other transactions	-	673,303	(220,856)	(145,626)	16,066	(595)	322,292
As of March 31, 2024	238,772	3,326,093	193,199	1,632,966	(22,725)	5,793,820	11,162,125

(Millions of yen)

	Non- controlling interests	Total equity
As of April 1, 2023	1,619,366	10,649,215
Comprehensive income		
Net income	436,863	209,217
Other comprehensive income	(5,406)	2,032,224
Total comprehensive income	431,457	2,241,441
Transactions with owners and other transactions		
Cash dividends	(288,296)	(352,729)
Distribution to owners of other equity instruments	-	(25,624)
Redemption and cancellation of other equity instruments	-	(277,760)
Transfer of accumulated other comprehensive income to retained earnings	-	-
Purchase and disposal of treasury stock	-	16,806
Changes from loss of control	(5,359)	(5,359)
Changes in interests in subsidiaries	81,038	759,094
Issuance of other equity instruments in subsidiaries	120,000	120,000
Changes in interests in associates' capital surplus	-	(91)
Share-based payment transactions	113,967	110,134
Other	2,871	2,042
Total transactions with owners and other transactions	24,221	346,513
As of March 31, 2024	2,075,044	13,237,169

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Net income	(789,801)	209,217
Depreciation and amortization	893,488	858,620
(Gain) loss on investments at Investment Business of Holding Companies	(4,638,430)	449,817
Loss on investments at SoftBank Vision Funds	5,322,265	167,290
Finance cost	555,902	556,004
Foreign exchange loss	772,270	703,122
Loss on equity method investments	96,677	38,641
Derivative gain (excluding (gain) loss on investments)	(54,256)	(1,502,326)
Change in third-party interests in SVF	(1,127,949)	390,137
Loss (gain) on other investments and other loss (gain)	97,432	(309,705)
Income taxes	320,674	(151,416)
Decrease (increase) in investments from asset management subsidiaries	152,514	(230,986)
Increase/decrease in derivative financial assets and derivative financial liabilities in asset management subsidiaries	49,067	(248)
Decrease (increase) in restricted cash in asset management subsidiaries	138,915	(3,082)
Decrease (increase) in borrowed securities in asset management subsidiaries	(131,796)	2,816
Increase in trade and other receivables	(517,155)	(476,511)
(Increase) decrease in inventories	(18,929)	5,436
Increase in trade and other payables	439,566	325,731
Other	13,152	209,107
Subtotal	1,573,606	1,241,664
Interest and dividends received	111,740	256,083
Interest paid	(418,163)	(430,422)
Income taxes paid	(638,160)	(885,617)
Income taxes refunded	112,269	68,839
Net cash provided by operating activities	741,292	250,547

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from investing activities		
Payments for acquisition of investments	(313,413)	(800,925)
Proceeds from sales/redemption of investments	619,775	219,668
Payments for acquisition of investments by SVF	(456,351)	(212,045)
Proceeds from sales of investments by SVF	833,180	922,020
Payments for acquisition of investments by asset management subsidiaries	-	(76,877)
Payments for acquisition of control over subsidiaries	(14,854)	(104,484)
Proceeds from loss of control over subsidiaries	6,998	96,755
Purchase of property, plant and equipment, and intangible assets	(633,765)	(622,612)
Payments for loan receivables	(14,932)	(313,686)
Collection of loan receivables	94,020	107,481
Proceeds from withdrawal of trust accounts in SPACs	323,666	-
Payments into time deposits	(162,691)	(148,657)
Proceeds from withdrawal of time deposits	152,610	77,954
Other	113,335	13,947
Net cash provided by (used in) investing activities	547,578	(841,461)
Cash flows from financing activities		
(Repayment of) proceeds in short-term interest-bearing debt, net	(73,371)	182,874
Proceeds from interest-bearing debt	9,176,112	5,914,090
Repayment of interest-bearing debt	(6,294,991)	(5,889,186)
Repayment of lease liabilities	(266,423)	(211,231)
Contributions into SVF from third-party investors	17,857	-
Distribution/repayment from SVF to third-party investors	(544,242)	(783,522)
Redemption of non-controlling interests subject to possible redemption	(319,401)	-
Proceeds from the partial sales of shares of subsidiaries to non-controlling interests	724	747,565
Purchase of shares of subsidiaries from non-controlling interests	(5,181)	(112,009)
Redemption of other equity instruments	(104,597)	(277,760)
Distribution to owners of other equity instruments	(36,680)	(25,624)
Proceeds from the issuance of other equity instruments in subsidiaries	-	120,000
Purchase of treasury stock	(1,055,436)	(8)
Cash dividends paid	(70,241)	(64,356)
Cash dividends paid to non-controlling interests	(288,452)	(288,119)
Other	55,839	81,064
Net cash provided by (used in) financing activities	191,517	(606,222)
Effect of exchange rate changes on cash and cash equivalents	275,765	491,868
Decrease in cash and cash equivalents relating to transfer of assets classified as held for sale	-	(33,011)
Increase (decrease) in cash and cash equivalents	1,756,152	(738,279)
Cash and cash equivalents at the beginning of the year	5,169,001	6,925,153
Cash and cash equivalents at the end of the year	6,925,153	6,186,874

(5) Significant Doubt about Going Concern Assumption

There are no applicable items.

(6) Notes to Consolidated Financial Statements**1. Changes in presentation**

(Consolidated statement of cash flows)

a. Cash flows from investing activities

“Payments for acquisition of control over subsidiaries,” “Payments into time deposits,” and “Proceeds from withdrawal of time deposits,” which were included in “Other” in the past fiscal year, are separately presented for the fiscal year ended March 31, 2024, since the amounts increased and became significant. In order to reflect the changes in presentation, ¥(14,854) million, ¥(162,691) million, and ¥152,610 million, which were included in “Other” for the fiscal year ended March 31, 2023, are reclassified as “Payments for acquisition of control over subsidiaries,” “Payments into time deposits,” and “Proceeds from withdrawal of time deposits,” respectively.

b. Cash flows from financing activities

“Proceeds from the partial sales of shares of subsidiaries to non-controlling interests” and “Purchase of shares of subsidiaries from non-controlling interests,” which were included in “Other” in the past fiscal year, are separately presented for the fiscal year ended March 31, 2024, since the amounts increased and became significant. In order to reflect the changes in presentation, ¥724 million and ¥(5,181) million, which were included in “Other” for the fiscal year ended March 31, 2023, are reclassified as “Proceeds from the partial sales of shares of subsidiaries to non-controlling interests” and “Purchase of shares of subsidiaries from non-controlling interests,” respectively.

2. Material accounting policies

(Changes in accounting policies required by IFRSs)

The Company has adopted the following standard and interpretation for the fiscal year ended March 31, 2024.

Standard/interpretation		Outline of the new/amended standards
IAS 12 (Amendments)	Income Taxes (Amendments in May 2021)	Clarification of the deferred tax accounting related to assets and liabilities arising from a single transaction.

There are no significant impacts on the consolidated financial statements for the fiscal year ended March 31, 2024, due to the adoption of the IAS 12 Income Taxes (Amendments).

(Material accounting policies for the SoftBank Vision Funds segment)

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

(1) 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, 2024, 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.

(2) 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. The payments for these investments are presented as “Payments for acquisition of investments by SVF” and the proceeds from sales of these investments are presented as “Proceeds from sales of investments by SVF” under cash flows from investing activities in the consolidated statement of cash flows.

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 “Income (loss) on equity method investments” 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 and the consolidated statement of cash flows is the same as the above “b. Investments in associates and joint ventures.”

(3) 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, 2024, 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.

Contributions from Third-Party Investors are included in “Contributions into SVF from third-party investors” under cash flows from financing activities in the consolidated statement of cash flows. The distributions and repayments of investments to Third-Party Investors are included in “Distribution/repayment from SVF to third-party investors” under cash flows from financing activities in the consolidated statement of cash flows. No cash contributions into SVF2 and LatAm Funds from Third-Party Investors and no cash distributions/repayments from SVF2 and LatAm Funds to Third-Party Investors were made as of March 31, 2024.

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.

3. Segment information

(1) Description of reportable segments

The Company's reportable segments are components of business activities for which discrete financial information is available, and such information is regularly reviewed by the Company's Board of Directors in order to make decisions about the allocation of resources and assess its performance.

The Company has four reportable segments, the Investment Business of Holding Companies segment, the SoftBank Vision Funds segment, the SoftBank segment, and the Arm segment.

The Investment Business of Holding Companies segment conducts, mainly through SoftBank Group Corp. as a strategic investment holding company, investment activities in a wide range of sectors in Japan and overseas directly or through subsidiaries of the Company. The Investment Business of Holding Companies segment consists of SoftBank Group Corp., SoftBank Group Capital Limited, SoftBank Group Japan Corporation, SoftBank Group Overseas GK, SB Northstar that is an asset management subsidiary, and certain subsidiaries of the Company that conduct investment or funding. Gain and loss on investments at Investment Business of Holding Companies consist of gain and loss arising from investments held directly by SoftBank Group Corp. or through subsidiaries of the Company. However, gain and loss on investments relating to investments in subsidiaries, including dividend income from subsidiaries and impairment loss on investments in subsidiaries, are excluded.

The SoftBank Vision Funds segment conducts, mainly through SVF1, SVF2, and LatAm Funds, investment activities in a wide range of technology sectors. Primarily, gain and loss on investments at SVF1, SVF2, LatAm Funds, and others consist of gain and loss arising from investments held by SVF1, SVF2, and LatAm Funds including the investment in the Company's subsidiary.

The SoftBank segment provides, mainly through SoftBank Corp., mobile services, sale of mobile devices, broadband services, and solution services in Japan, through LY Corporation*, media, advertising and commerce related services, and through PayPay Corporation, payment and financial services.

The Arm segment provides, through Arm, designs of microprocessor intellectual property and related technology, sale of software tools, and related services.

Information on business segments, which is not included in the reportable segments, is classified as "Other." "Other" includes mainly Fortress and the Fukuoka SoftBank HAWKS-related operations.

"Reconciliations" includes an elimination of intersegment transactions, as well as an elimination of gain and loss on the investment in shares in Arm and PayPay Corporation, subsidiaries of the Company, and WeWork, an equity method associate, and others, which are included in segment income of the SoftBank Vision Funds segment.

Note:

* Effective on October 1, 2023, the reorganization procedures involving Z Holdings Corporation (the surviving company) and its core subsidiaries, primarily LINE Corporation, and Yahoo Japan Corporation have been completed. On the same date, Z Holdings Corporation was renamed to LY Corporation, LINE Corporation to Z Intermediate Global Corporation, and Yahoo Japan Corporation was dissolved.

(2) Net sales and income of reportable segments

Income of reportable segments is defined as “Income before income tax.” As in the consolidated statement of profit or loss, “Gain (loss) on investments” included in segment income includes realized gain and loss from investments in financial assets at FVTPL for which investment performance is measured at fair value, unrealized gain and loss on valuation of investments, dividend income from investments, derivative gain and loss relating to investments in financial assets at FVTPL, and realized gain and loss from investments accounted for using the equity method. The Investment Business of Holding Companies segment calculates its segment income by eliminating gain and loss on investments relating to investments in subsidiaries, including dividend income from subsidiaries and impairment loss on investments in subsidiaries.

In August 2023, Arm shares held by SVF1 were sold to a wholly-owned subsidiary of the Company classified as the Investment Business of Holding Companies segment. The transaction price was established by reference to the terms of a prior contractual arrangement between the parties. The details are described in “Notes 2” in “b. Segment income arising from the SoftBank Vision Funds business” in “(1) Income and loss arising from the SoftBank Vision Funds business” under “Note 4. SoftBank Vision Funds business.”

In addition, intersegment transaction prices other than the above are determined under the same general business conditions as applied for external customers.

For the fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segments			
	Investment Business of Holding Companies	SoftBank Vision Funds	SoftBank	Arm
Net sales				
Customers	-	-	5,953,374	381,746
Intersegment	-	-	3,163	-
Total	-	-	5,956,537	381,746
Segment income	3,349,846	(4,308,291)	592,782	48,663
Depreciation and amortization	(4,391)	(1,230)	(768,712)	(87,854)
Gain (loss) on investments	4,560,568	(5,279,494)	(25,381)	370
Finance cost	(398,541)	(81,181)	(64,020)	(1,034)
Foreign exchange gain (loss)	(772,053)	1,367	600	(1,981)
Income (loss) on equity method investments	(22,836)	-	(46,783)	285
Derivative gain (loss) (excluding gain (loss) on investments)	65,732	907	692	1,287
	Total	Other	Reconciliations	Consolidated
Net sales				
Customers	6,335,120	235,319	-	6,570,439
Intersegment	3,163	9,527	(12,690)	-
Total	6,338,283	244,846	(12,690)	6,570,439
Segment income	(317,000)	(75,258)	(76,869)	(469,127)
Depreciation and amortization	(862,187)	(31,301)	-	(893,488)
Gain (loss) on investments	(743,937)	(48,283)	(42,839)	(835,059)
Finance cost	(544,776)	(15,666)	4,540	(555,902)
Foreign exchange gain (loss)	(772,067)	(203)	-	(772,270)
Income (loss) on equity method investments	(69,334)	(12,060)	(15,283)	(96,677)
Derivative gain (loss) (excluding gain (loss) on investments)	68,618	(14,362)	-	54,256

For the fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments			
	Investment Business of Holding Companies	SoftBank Vision Funds*	SoftBank	Arm
Net sales				
Customers	-	-	6,081,283	464,025
Intersegment	-	-	2,563	-
Total	-	-	6,083,846	464,025
Segment income	(97,526)	128,179	835,076	(33,215)
Depreciation and amortization	(3,078)	(2,302)	(738,762)	(92,799)
Gain (loss) on investments	(459,045)	724,341	6,664	974
Finance cost	(473,811)	(74,322)	(63,706)	(1,506)
Foreign exchange gain (loss)	(703,438)	(525)	(1,393)	3,099
Income (loss) on equity method investments	1,904	-	(22,595)	101
Derivative gain (excluding gain (loss) on investments)	1,500,015	-	2,184	127
	Total	Other	Reconciliations	Consolidated
Net sales				
Customers	6,545,308	211,192	-	6,756,500
Intersegment	2,563	13,819	(16,382)	-
Total	6,547,871	225,011	(16,382)	6,756,500
Segment income	832,514	51,408	(826,121)	57,801
Depreciation and amortization	(836,941)	(21,679)	-	(858,620)
Gain (loss) on investments	272,934	55,777	(888,061)	(559,350)
Finance cost	(613,345)	(16,420)	73,761	(556,004)
Foreign exchange gain (loss)	(702,257)	(865)	-	(703,122)
Income (loss) on equity method investments	(20,590)	(17,363)	(688)	(38,641)
Derivative gain (excluding gain (loss) on investments)	1,502,326	-	-	1,502,326

Note:

* The details of the difference between “Gain (loss) on investments” in the SoftBank Vision Funds segment and “Gain (loss) on investments at SoftBank Vision Funds” in the consolidated statement of profit or loss are described in “(1) Income and loss arising from the SoftBank Vision Funds business” under “Note 4. SoftBank Vision Funds business.”

4. SoftBank Vision Funds business

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

a. Overview

Segment income 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 after deducting management fees, performance-linked management fees, and performance fees, as applicable, that SBIA receives from SVF1, and that SBGA receives from SVF2 and LatAm Funds.

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

b. Segment income arising from the SoftBank Vision Funds business

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

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Gain (loss) on investments at SoftBank Vision Funds		
Gain (loss) on investments at SVF1, SVF2, and LatAm Funds		
Realized gain on investments ^{*1,2}	78,616	984,409
Unrealized loss on valuation of investments		
Change in valuation for the fiscal year ^{*3}	(4,978,591)	(189,604)
Reclassified to realized gain (loss) recorded in the past fiscal years ^{*2,4}	(288,679)	44,769
Interest and dividend income from investments	1,512	21,668
Derivative gain (loss) on investments	14,537	(7,337)
Effect of foreign exchange translation ^{*2,5}	(125,853)	(157,644)
Subtotal	(5,298,458)	696,261
Gain on other investments	18,964	28,080
Total gain (loss) on investments at SoftBank Vision Funds	(5,279,494)	724,341
Selling, general and administrative expenses	(65,999)	(84,986)
Finance cost (interest expenses)	(81,181)	(74,322)
Derivative gain (excluding gain (loss) on investments)	907	-
Change in third-party interests in SVF	1,127,949	(390,137)
Other loss ^{*6}	(10,473)	(46,717)
Segment income arising from the SoftBank Vision Funds business (income before income tax)	(4,308,291)	128,179

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, with 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, for the fiscal year ended March 31, 2024, ¥1,074,039 million of the realized gain, ¥189,817 million of the unrealized loss on valuation (reclassified to realized gain recorded in the past fiscal years), and ¥(76,902) million of the effect of foreign exchange translation are included in “Gain (loss) on investments at SoftBank Vision Funds” in the above-mentioned segment income. However, these are eliminated in consolidation due to inter-company transactions relating to shares of a subsidiary.
3. For the fiscal year ended March 31, 2024, ¥90,002 million of the unrealized gain (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 loss on valuation of investments) in the above-mentioned segment income. However, the unrealized gain on valuation is eliminated in consolidation.

For the three-month period ended September 30, 2021, a wholly-owned subsidiary of the Company other than SVF1 was transferred through sales from the Company to SVF2. As a result of the transaction, WeWork shares held by SVF2 include common shares and the common shares are continuously accounted for using the equity method on a consolidation basis after the transfer. For the fiscal year ended March 31, 2024, ¥5,082 million of the unrealized loss on valuation arising from WeWork common shares held by SVF2 is included in “Gain (loss) on investments at SoftBank Vision Funds” (in Change in valuation for the fiscal year under Unrealized loss on valuation of investments) in the above-mentioned segment income. However, the unrealized loss on valuation is eliminated in consolidation as WeWork is an equity method associate of the Company.

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.

4. 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 for the fiscal year ended March 31, 2024.
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” is arising from the different foreign currency exchange rates used for unrealized gain and loss on valuation and realized gain and loss.
6. For the fiscal year ended March 31, 2024, for the financial guarantee contract, losses related to a credit facility for WeWork provided by financial institutions were recorded for ¥42,072 million. The details are described in “Notes 4” under “Note 13. Other gain (loss).”

(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 “Note 16. Related party transactions regarding a co-investment program with restricted rights to receive distributions.” 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)	
		(For reference purposes only) Links with the consolidated financial statements	
	Third-party interests in SVF1 (Total of current liabilities and non-current liabilities)	Consolidated statement of profit or loss (Negative figures represent expenses)	Consolidated statement of cash flows (Negative figures represent payments)
	(Breakdown)		
As of April 1, 2023	4,470,717		
Changes in third-party interests	407,394	(407,394)	-
Attributable to investors entitled to fixed distribution	161,899		
Attributable to investors entitled to performance-based distribution	245,495		
Distribution/repayment to Third-Party Investors	(783,522)	-	(783,522)
Exchange differences on translating third-party interests*	585,828	-	-
As of March 31, 2024	<u>4,680,417</u>		

Note:

* Exchange differences were included in “Exchange differences on translating foreign operations” in the consolidated statement of comprehensive income.

(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, 2023 and March 31, 2024. There are no changes in interests attributable to Third-Party Investor in SVF2 for the fiscal year ended March 31, 2024. 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” under “Note 16. Related party transactions regarding a co-investment program with restricted rights to receive distributions.”

	(Millions of yen)
	<u>Receivables from Third-Party Investor in SVF2</u>
As of April 1, 2023	384,870
Increase in receivables from accrued premiums charged to Third-Party Investor	11,964
Exchange differences on receivables	<u>52,097</u>
As of March 31, 2024	<u><u>448,931</u></u>

(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)	
	(For reference purposes only) Links with the consolidated financial statements	
Third-party interests in LatAm Funds (Total of current liabilities and non-current liabilities)	Consolidated statement of profit or loss (Negative figures represent expenses)	Consolidated statement of cash flows (Negative figures represent payments)
As of April 1, 2023	28,652	
Changes in third-party interests	(17,257)	17,257
Exchange differences on translating third-party interests and others *	2,691	-
As of March 31, 2024	14,086	-

Note:

* Exchange differences were included in “Exchange differences on translating foreign operations” in the consolidated statement of comprehensive income.

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” under “Note 16. Related party transactions regarding a co-investment program with restricted rights to receive distributions.”

	(Millions of yen)
	Receivables from Third-Party Investor in LatAm Funds
As of April 1, 2023	90,606
Increase in receivables from accrued premiums charged to Third- Party Investor	2,799
Exchange differences on receivables and others	11,873
As of March 31, 2024	105,278

c. Uncalled committed capital from Third-Party Investors

Uncalled committed capital from SVF1’s Third-Party Investors as of March 31, 2024 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 segment income 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, 2024, 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.

LatAm Funds introduced the performance-linked management fees in July 2022. 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, 2024, neither performance fees nor performance-linked management fees were paid to SBGA.

5. Disposal group classified as held for sale

The disposal group classified as held for sale as of March 31, 2024 consists primarily of the assets and liabilities of ValueCommerce Co., Ltd. (hereinafter “ValueCommerce”), a subsidiary of the Company, and ValueCommerce’s subsidiary.

At its Board of Directors meeting held on March 11, 2024, ValueCommerce passed a resolution to repurchase its own shares and implement a tender offer (hereinafter the “Tender Offer”) as the specific method for this repurchase. In addition, Z Intermediate Holdings Corporation, a subsidiary of the Company and owner of ValueCommerce’s shares, concluded a tender offer agreement on the same date with ValueCommerce to tender a partial number of its ValueCommerce common shares in the Tender Offer. After the conclusion of the Tender Offer, ValueCommerce will cease to be a subsidiary of the Company, and accordingly the assets and liabilities of ValueCommerce and its subsidiary have been classified as a disposal group classified as held for sale as of March 31, 2024.

The disposal group classified as held for sale is measured at its carrying amount because its fair value less costs to sell (estimated sales price) exceeds its carrying amount. The carrying amounts of assets and liabilities in ValueCommerce and its subsidiary as of March 31, 2024 were ¥25,619 million and ¥4,965 million, respectively.

On May 2, 2024, the Tender Offer was settled, and ValueCommerce ceased to be a subsidiary of the Company and newly became its equity method associate.

6. Interest-bearing debt

(1) Components of interest-bearing debt

The components of interest-bearing debt are as follows:

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
Current		
Short-term borrowings	900,502	1,100,158
Commercial paper	283,001	363,501
Current portion of long-term borrowings ^{*1,2}	2,955,480	1,787,792
Current portion of corporate bonds	653,237	824,791
Current portion of financial liabilities relating to sale of shares by prepaid forward contracts ^{*3}	336,730	4,194,733
Current portion of installment payables	97	168
Total	5,129,047	8,271,143
Non-current		
Long-term borrowings ^{*1,2}	4,164,682	4,698,657
Corporate bonds	6,257,455	6,619,839
Financial liabilities relating to sale of shares by prepaid forward contracts ^{*3}	3,926,873	977,778
Installment payables	137	107
Total	14,349,147	12,296,381

Notes:

1. On September 12, 2023, Kronos I (UK) Limited, a wholly-owned subsidiary of the Company, repaid all of the term facility loan of \$8.5 billion that was secured by 75.01% of Arm shares before listing held by a wholly-owned subsidiary of the Company other than Kronos I (UK) Limited, all of Kronos I (UK) Limited's assets, except for certain assets specified in the agreement, and the equity interests of wholly-owned subsidiaries of the Company that were established for this facility purpose as collateral. This resulted in the current portion of long-term borrowings decreased by ¥1,126,619 million.

On September 21, 2023, Kronos I (UK) Limited borrowed \$8.5 billion as a margin loan using 769,029,000 shares of Arm after listing held by a wholly-owned subsidiary of the Company other than 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 ¥1,274,904 million as long-term borrowings in the consolidated statement of financial position as of March 31, 2024. 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.

2. The current portion of long-term borrowings and long-term borrowings as of March 31, 2023, include ¥5,526 million and ¥547,156 million of borrowings in SVF1, respectively. There are no borrowings in SVF1 as of March 31, 2024. The long-term borrowings as of March 31, 2024, include ¥547,894 million (as of March 31, 2023: ¥770,004 million of current portion of long-term borrowings) of borrowings in SVF2.

3. These are primarily financial liabilities relating to sale of shares by prepaid forward contracts using Alibaba shares. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts."

(2) Transactions for sale of Alibaba shares by prepaid forward contracts

Wholly-owned subsidiaries of the Company entered into prepaid forward contracts with financial institutions to procure funds using Alibaba shares, which are held by the subsidiaries.

In the prepaid forward contracts, the number of Alibaba shares settled by the prepaid forward contracts is fixed regardless of changes in market share price in the future in a forward contract or determined by reference to market price of the shares at the valuation dates prior to the settlement date. The latter type of contract includes floor contract that a floor is set for the price of shares settled and collar contract that a cap and a floor are set for the price of shares settled. A part of wholly-owned subsidiaries of the Company entering into prepaid forward contracts with financial institutions to procure funds using Alibaba shares (“Entities for fund procurement using Alibaba shares”), in addition to the prepaid forward contracts, enters into the call spread (combination of long position of call option and short position of call option with different strike prices) contracts in preparation for Alibaba shares price rise.

The aforementioned prepaid forward contracts are classified as hybrid financial instruments with embedded derivatives. The Company accounts for the contracts by bifurcating the main contracts and embedded derivatives, and the main contracts are recognized as financial liabilities relating to sale of shares by prepaid forward contracts then measured at amortized cost, while the embedded derivatives are measured at fair value. Also, the call spread contracts are measured at fair value as well. In addition, for the derivative financial assets and the derivative financial liabilities recognized from the prepaid forward contracts and the call spread contracts, a tax effect is recognized. The ending balance of the derivative financial assets and the derivative financial liabilities recognized from the prepaid forward contracts and the call spread contracts are described in “Note 7. Financial instruments.”

Entities for fund procurement using Alibaba shares have the option to settle all of the prepaid forward contracts by delivering cash, Alibaba shares, or a combination of cash and Alibaba shares. If Entities for fund procurement using Alibaba shares elect cash settlement, Entities for fund procurement using Alibaba shares will pay the cash equivalent to the fair value of the number of shares subject to the settlement, as determined by reference to the market price of the shares.

Alibaba shares held by Entities for fund procurement using Alibaba shares are pledged as collateral in accordance with all of the prepaid forward contracts, and except for a certain contract, the Company granted the right of use to the financial institutions with respect to such shares. However, the collateral can be released by cash settlement at the discretion of Entities for fund procurement using Alibaba shares.

Entities for fund procurement using Alibaba shares procured ¥605,627 million (\$4.4 billion) in total by entering into forward contracts for the three-month period ended June 30, 2023.

In contrast, for the three-month period ended December 31, 2023 and the three-month period ended March 31, 2024, certain prepaid forward contracts were matured and settled by Alibaba shares. As a result, ¥356,925 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts, ¥231,618 million of “Derivative financial assets (current),” and ¥125,307 million of Alibaba shares included in “Investment securities” were derecognized from the consolidated statement of financial position as of the settlement date.

As of March 31, 2024, the Company pledged ¥3,751,872 million of Alibaba shares, which is recognized as

“Investment securities” in the consolidated statement of financial position, as collateral for ¥3,698,847 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥977,778 million of financial liabilities relating to sale of shares by prepaid forward contracts.

(3) Components of proceeds in and repayment of short-term interest-bearing debt, net

The components of “(Repayment of) proceeds in short-term interest-bearing debt, net” in the consolidated statement of cash flows are as follows:

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net increase in short-term borrowings	58,429	161,874
Net (decrease) increase in commercial paper	(131,800)	21,000
Total	<u>(73,371)</u>	<u>182,874</u>

(4) Components of proceeds from interest-bearing debt

The components of “Proceeds from interest-bearing debt” in the consolidated statement of cash flows are as follows:

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Proceeds from borrowings	3,778,352	4,276,463
Proceeds from issuance of corporate bonds	565,000	1,032,000
Proceeds from procurement by prepaid forward contracts using shares [*]	4,832,760	605,627
Total	<u>9,176,112</u>	<u>5,914,090</u>

Note:

^{*} The amount was primarily procured under the prepaid forward contracts using Alibaba shares. The details of prepaid forward contracts using Alibaba shares are described in “(2) Transactions for sale of Alibaba shares by prepaid forward contracts.”

(5) Components of repayment of interest-bearing debt

The components of “Repayment of interest-bearing debt” in the consolidated statement of cash flows are as follows:

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Repayment of borrowings	(5,534,321)	(5,183,435)
Redemption of corporate bonds	(755,911)	(700,618)
Repayment of settlement of prepaid forward contracts using shares	(4,759)	(5,133)
Total	<u>(6,294,991)</u>	<u>(5,889,186)</u>

7. Financial instruments

The details of derivative contracts are mainly as follows:

	(Millions of yen)			
	As of March 31, 2023		As of March 31, 2024	
	Carrying amount (fair value)		Carrying amount (fair value)	
	Assets	Liabilities	Assets	Liabilities
Prepaid forward contracts using Alibaba shares (Option contracts) ^{*1}	397,127	-	394,972	-
Call spread contracts relating to prepaid forward contracts using Alibaba shares ^{*1}	590	-	1	-
Prepaid forward contracts using Alibaba shares (Forward contracts) ^{*1}	-	(805,039)	514,848	(54,688)
Short call option for T-Mobile shares to Deutsche Telekom	-	(55,056)	-	(70,699)
Contingent value rights relating to sale of T-Mobile shares ^{*2}	67,308	-	-	-
Contingent consideration relating to acquisition of T-Mobile shares ^{*3}	833,770	-	-	-

Notes:

- The details of prepaid forward contracts using Alibaba shares and call spread contracts relating to prepaid forward contracts using Alibaba shares are described in “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “Note 6. Interest-bearing debt.”
- Contingent value rights were received in relation to the disposal of T-Mobile shares in a private placement through a trust. In addition, the rights were vested on June 1, 2023 and the Company received 3,566,400 shares of T-Mobile.
- Acquired due to the merger transaction with Sprint and T-Mobile US, Inc. on April 1, 2020, and the Company received the right to acquire 48,751,557 shares of T-Mobile for no additional consideration if certain conditions were met. The conditions were met on December 22, 2023, and the Company acquired 48,751,557 shares of T-Mobile for no additional consideration on December 28, 2023. As of March 31, 2024, the fair value of T-Mobile shares acquired through the transaction was ¥1,204,804 million, and ¥2,275,827 million in total of those and other existing T-Mobile shares was included in “Investment securities” in the consolidated statement of financial position.

The Company has pledged 18,000,000 shares of T-Mobile acquired through the transaction (the carrying amount as of March 31, 2024: ¥444,837 million) as collateral to secure certain of the Company’s indemnity obligations undertaken in connection with the merger transaction above until April 1, 2025.

8. Foreign currency exchange rates

Exchange rates of the major currencies used for translating financial statements of foreign operations are as follows:

(1) Rate at the end of the year

	(Yen)	
	As of March 31, 2023	As of March 31, 2024
USD	133.53	151.41

(2) Average rate for the quarter

For the fiscal year ended March 31, 2023

	(Yen)			
	Three-month period ended June 30, 2022	Three-month period ended September 30, 2022	Three-month period ended December 31, 2022	Three-month period ended March 31, 2023
USD	129.04	138.68	141.16	133.26
CNY*	19.60	20.19	-	-

For the fiscal year ended March 31, 2024

	(Yen)			
	Three-month period ended June 30, 2023	Three-month period ended September 30, 2023	Three-month period ended December 31, 2023	Three-month period ended March 31, 2024
USD	138.11	145.44	147.00	147.87

Note:

* For the three-month period ended September 30, 2022, Alibaba ceased to be an equity method associate of the Company. As a result, exchange rates of Chinese yuan are not presented for the three-month period ended December 31, 2022, as it is no longer considered as a major currency used for translating financial statements of foreign operations.

9. Equity

(1) Capital surplus

For the fiscal year ended March 31, 2024

With the initial public offering of Arm shares on September 14, 2023, the Company sold a portion of Arm shares (10.0% of the total number of outstanding shares) held by a wholly-owned subsidiary. Therefore, the Company's shareholding ratio in Arm was reduced to 90.0%.

As a result of the transaction, the amount of ¥674,370 million equivalent to the gain on sale of Arm shares on a consolidation basis is recorded as "Changes in interests in subsidiaries" under "Capital surplus."

(2) 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").

The Hybrid Notes are classified as equity instruments in accordance with IFRSs 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, on October 12, 2022, SoftBank Group Corp. purchased a portion of the above USD-denominated Undated Subordinated Non-Call 6 years Resetable Notes (the face value of \$0.75 billion) and retired them on the same date. Subsequently, on July 19, 2023, the first optional redemption date, the remaining amount (the face value of \$2.0 billion) was fully redeemed. The amounts of ¥740 million and ¥56,164 million reduced from "Capital surplus" and "Retained earnings," respectively, as "Redemption and cancellation of other equity instruments" in the consolidated statement of changes in equity for the fiscal year ended March 31, 2024, represents the difference between the issue amount and the purchase amount, including foreign exchange effects.

(3) Treasury stock

Changes in treasury stock are as follows:

	Fiscal year ended March 31, 2023	(Thousands of shares) Fiscal year ended March 31, 2024
Balance at the beginning of the year	76,164	6,948
Increase during the year	185,702	1
Decrease during the year	(254,918)	(2,879)
Balance at the end of the year	<u>6,948</u>	<u>4,070</u>

(4) Accumulated other comprehensive income

The components of accumulated other comprehensive income are as follows:

	As of March 31, 2023	(Millions of yen) As of March 31, 2024
Equity financial assets at FVTOCI	43,201	46,425
Debt financial assets at FVTOCI	142	924
Cash flow hedges	(71,598)	(48,030)
Exchange differences on translating foreign operations *	3,785,040	5,794,501
Total	3,756,785	5,793,820

Note:

* The increase was primarily due to a weaker yen against the U.S. dollar compared with the exchange rate as of March 31, 2023.

(5) Non-controlling interests

SoftBank Corp. issued ¥120,000 million of the Series 1 Bond-Type Class Shares (“Bond-Type Class Shares”) on November 1, 2023. Although dividends whose record date falls in fiscal year ending on or before March 31, 2029, are fixed dividends (floating dividends thereafter) and any unpaid dividends shall be carried over to subsequent fiscal years, the Bond-Type Class Shares are classified as equity instruments because SoftBank Corp. has the option to defer dividend payments, has no obligation to repurchase the Bond-Type Class Shares, and has unconditional right to avoid delivering cash or another financial asset, except for the distribution of residual assets on liquidation.

The holders of the Bond-Type Class Shares only have the right to claim the distribution of residual assets up to the amount paid and the amount of accumulated unpaid dividends. The Company’s interests in Softbank Corp. does not change at the time of issuance, and therefore, for the fiscal year ended March 31, 2024, ¥120,000 million of the amount paid is recorded as “Issuance of other equity instruments in subsidiaries” under “Non-controlling interests” in the consolidated statement of changes in equity.

10. Gain on investments

(1) Gain and loss 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, 2023	Fiscal year ended March 31, 2024
Gain relating to settlement of prepaid forward contracts using Alibaba shares ^{*1}	4,838,251	-
Gain relating to sales of T-Mobile shares	24,842	-
Realized loss on investments at asset management subsidiaries	(73,950)	(90,360)
Unrealized gain (loss) on valuation of investments at asset management subsidiaries	(67,122)	12,692
Derivative loss on investments at asset management subsidiaries	(5,102)	(792)
Realized gain (loss) on investments ^{*2}	(237,980)	38,037
Unrealized loss on valuation of investments ^{*2}	(142,380)	(666,967)
Derivative gain on investments ^{*3}	205,506	226,050
Other	18,435	22,295
Total	4,560,500	(459,045)

Notes:

- During the course of the physical settlement under the board resolution in August 2022, the Company lost significant influence over Alibaba because the voting power against Alibaba held by the Company decreased to below 20%, and for the three-month period ended September 30, 2022, Alibaba ceased to be an equity method associate of the Company. At the same time, Alibaba shares held by the Company as of the date, the Company lost significant influence over Alibaba (“remaining Alibaba shares”) were remeasured based on the stock price of that day and were included in “Investment securities” in the consolidated statement of financial position.

“Gain relating to settlement of prepaid forward contracts using Alibaba shares” includes the gain on settlement of prepaid forward contracts using Alibaba shares upon completion of the settlement before Alibaba ceases to be an equity method associate of the Company and the effect of the remeasurement of remaining Alibaba shares based on the share price as of the date when Alibaba ceases to be an equity method associate of the Company.

- Effects of stock price changes for the remaining Alibaba shares after being remeasured are included in “Realized gain (loss) on investments” or “Unrealized gain (loss) on valuation of investments” rather than “Gain relating to settlement of prepaid forward contracts using Alibaba shares.”

For the fiscal year ended March 31, 2024, ¥46,779 million of realized loss on investments and ¥913,156 million of unrealized loss on valuation of investments were recognized. In addition, the realized loss on investments is arising from the physical settlement of prepaid forward contracts using shares. Due to the physical settlement, ¥8,641 million of unrealized loss on valuation of investments recognized in the past fiscal year is transferred to a realized loss on investments.

- For the fiscal year ended March 31, 2024, the conditions for the contingent consideration related to the acquisition of T-Mobile shares through the merger transaction between Sprint and T-Mobile US, Inc. were met and the Company acquired 48,751,557 shares of T-Mobile for no additional consideration. ¥227,012 million of derivative gain on investments was recorded due to changes in the fair value of the derivative asset up to the acquisition date for those T-Mobile shares. The details of the transaction are described in “Notes 3” under “Note 7. Financial instruments.”

In addition, effects of stock price changes for those T-Mobile shares acquired through the transaction are included in “Unrealized gain (loss) on valuation of investments.”

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

The details of gain and loss on investments at SoftBank Vision Funds are described in “(1) Income and loss arising from the SoftBank Vision Funds business” under “Note 4. SoftBank Vision Funds business.”

11. Finance cost

The components of finance cost are as follows:

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Interest expenses	(555,902)	(556,004)

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

For the fiscal year ended March 31, 2024, derivative gain of ¥1,517,350 million was recorded for the prepaid forward contracts using Alibaba shares and the call spread contracts relating to prepaid forward contracts using Alibaba shares. The details of the contracts are described in “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “Note 6. Interest-bearing debt.”

13. Other gain (loss)

The components of other gain and loss are as follows:

	(Millions of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Interest income	114,368	207,848
Gain relating to loss of control over subsidiaries ^{*1}	22,872	119,473
Dilution gain from changes in equity interest	84,799	20,300
Provision for loss relating to litigation ^{*2}	(19,176)	19,176
Gain on redemption of corporate bonds	44,063	4,249
Impairment loss on equity method investments ^{*3}	(67,162)	(54,196)
Loss relating to credit support for WeWork ^{*4}	(142,226)	(42,072)
Loss on derecognition of unsecured notes issued by WeWork ^{*5}	-	(21,579)
Provision for allowance for doubtful accounts	(110,409)	(5,098)
Gain (loss) on liabilities for short put options over non-controlling interests	40,310	(5,257)
Provision for allowance for loan commitment losses	(20,444)	-
Other	28,867	(124)
Total	<u>(24,138)</u>	<u>242,720</u>

Notes:

- For the fiscal year ended March 31, 2024, primarily, as a result of the sale of 85 % of shares in SB Energy Corp., a wholly-owned subsidiary of the Company, the gain arising from the loss of control over the entity was recorded. Subsequently, SB Energy Corp. (currently, Terras Energy Corporation) became an equity method associate of the Company after the transaction. In addition, on April 30, 2024, the Company sold all 15% of its shares in Terras Energy Corporation. As a result, Terras Energy Corporation is no longer considered as an equity method associate of the Company.
- With respect to the litigation in which SoftBank Corp. and Japan Post Information Technology Co., Ltd. (“JPiT”) were involved as parties, in relation to a project to migrate the communications network connecting 27,000 sites (postal offices, etc.) countrywide to a new network, the 5th PNET, on September 9, 2022, the Tokyo District Court rendered a judgment ordering SoftBank Corp. to pay remuneration for the damages and delay damages to JPiT. As a result of the judgment, the provision for the loss relating to litigation was recorded for ¥19,176 million in SoftBank Corp. for the fiscal year ended March 31, 2023.

On September 22, 2022, SoftBank Corp. appealed the judgment to the Tokyo High Court, and on March 21, 2024, the Tokyo High Court rendered a judgment ordering JPiT to pay remuneration for the additional services and delay damages to SoftBank Corp. and dismissing all claims against SoftBank Corp. by JPiT. In accordance with the judgment, the entire provision of ¥19,176 million for the loss relating to litigation which was recorded for the fiscal year ended March 31, 2023, is reversed in SoftBank Corp. for the fiscal year ended March 31, 2024.

- For the fiscal year ended March 31, 2024, ¥22,345 million of impairment loss was recorded as the carrying amount of equity method investments in DEMAE-CAN CO., LTD. was reduced to the recoverable amount.
- With respect to the credit support (financial guarantee contract) for a letter of credit facility \$1.43 billion (notional amount of a Junior LC \$0.47 billion and notional amount of a Senior LC \$0.96 billion) to WeWork provided by financial institutions, on October 31, 2023, SVF2 paid and fully satisfied the Junior LC and thereby acquired a subrogation claim against WeWork, and also deposited the full amount into the restricted cash account as collateral to fully satisfy the Senior LC.

On November 6, 2023, WeWork filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code. On December 19, 2023, WeWork entered into certain Senior Secured Debtor-In-Possession Credit Agreement with SVF2 and certain financial institutions. Based on the agreement, to continue to support certain letter of credit obligations of WeWork

during the Chapter 11 process, SVF2 converted \$0.67 billion from the restricted cash that was already deposited as collateral for the Senior LC into the form of a term loan to WeWork to continue to support such letter of credit obligations.

As of March 31, 2024, the loan receivable including the subrogation claim that was acquired as a result of the fulfilment of the guarantee obligations amounted to \$1.43 billion (the balance presented was related to LC notional amount only, excluding claimed fees and expenses).

For the six-month period ended September 30, 2023, for the financial guarantee contract, losses were recorded for ¥42,072 million considering the financial position of WeWork. As a result, the allowance was recorded for the entire financial guarantee contract totaling \$1.43 billion, together with amounts reserved as of March 31, 2023. For the three-month period ended December 31, 2023, the allowance for the financial guarantee contract was allocated to the loan receivable. As of March 31, 2024, the carrying amount of the loan receivable was zero.

¥142,226 million presented as “Provision for allowance for financial guarantee contract losses” for the fiscal year ended March 31, 2023 is reclassified as “Loss relating to credit support for WeWork.”

5. For the fiscal year ended March 31, 2024, unsecured notes issued by WeWork were exchanged into shares and convertible bonds newly issued by WeWork. The unsecured notes were derecognized and ¥21,579 million of loss was recorded.

14. Earnings per share

Basic earnings per share and diluted earnings per share are as follows:

(1) Basic earnings per share

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income attributable to ordinary shareholders of the parent (Millions of yen)		
Net income attributable to owners of the parent	(970,144)	(227,646)
Net income not-attributable to ordinary shareholders of the parent ^{*1}	(36,113)	(22,849)
Net income used in the calculation of basic earnings per share	<u>(1,006,257)</u>	<u>(250,495)</u>
Weighted-average number of ordinary shares (Thousands of shares)	1,542,474	1,464,957
Basic earnings per share (Yen)	<u>(652.37)</u>	<u>(170.99)</u>

(2) Diluted earnings per share

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Diluted net income attributable to ordinary shareholders of the parent (Millions of yen)		
Net income used in the calculation of basic earnings per share	(1,006,257)	(250,495)
Effect of dilutive securities issued by subsidiaries and associates	(15,500)	(4,706)
Total	<u>(1,021,757)</u>	<u>(255,201)</u>
Weighted-average number of ordinary shares used in the calculation of diluted earnings per share (Thousands of shares)		
Weighted-average number of ordinary shares	1,542,474	1,464,957
Adjustments:		
Stock acquisition rights ^{*2}	-	-
Total	<u>1,542,474</u>	<u>1,464,957</u>
Diluted earnings per share (Yen)	<u>(662.41)</u>	<u>(174.20)</u>

Notes:

- Net income not-attributable to ordinary shareholders of the parent represents net income attributable to owners of other equity instruments issued by SoftBank Group Corp.
- For the fiscal year ended March 31, 2023, and for the fiscal year ended March 31, 2024, stock acquisition rights are not included in the calculation for "Diluted earnings per share," as it has an antidilutive effect for the calculation.

15. Supplemental information to the consolidated statement of cash flows

(1) Income taxes paid and income taxes refunded

For the fiscal year ended March 31, 2024

Payment of withholding income tax related to dividends within the group companies of ¥143,790 million is included in “Income taxes paid.” In addition, refunded withholding income tax related to dividends within the group companies of ¥56,629 million is included in “Income taxes refunded.”

(2) Payments for acquisition of control over subsidiaries

For the fiscal year ended March 31, 2024

“Payments for acquisition of control over subsidiaries” is mainly due to the acquisition of Cubic Telecom Ltd. by SoftBank Corp.

(3) Proceeds from the partial sales of shares of subsidiaries to non-controlling interests

For the fiscal year ended March 31, 2024

“Proceeds from the partial sales of shares of subsidiaries to non-controlling interests” is mainly due to the sales of Arm shares.

(4) Purchase of shares of subsidiaries from non-controlling interests

For the fiscal year ended March 31, 2024

“Purchase of shares of subsidiaries from non-controlling interests” is mainly due to the purchase of treasury stock by SoftBank Corp.

(5) Redemption of other equity instruments

For the fiscal year ended March 31, 2024

“Redemption of other equity instruments” is due to the full redemption of USD-denominated Undated Subordinated Non-Call 6 years Resettable Notes.

(6) Proceeds from the issuance of other equity instruments in subsidiaries

For the fiscal year ended March 31, 2024

“Proceeds from the issuance of other equity instruments in subsidiaries” is due to the issuance of the Series 1 Bond-Type Class Shares by SoftBank Corp. The details are described in “(5) Non-controlling interests” under “Note 9. Equity.”

(7) Significant non-cash transactions

For the fiscal year ended March 31, 2024

As certain prepaid forward contracts matured, ¥356,925 million of financial liabilities relating to sale of shares by prepaid forward contracts and ¥231,618 million of derivative financial assets were settled by Alibaba shares. The details of the transaction are described in “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “Note 6. Interest-bearing debt.”

The Company acquired \$7,744 million (¥1,098,435 million) of T-Mobile shares for no additional consideration on December 28, 2023 as the conditions were met for the contingent consideration related to the acquisition of T-Mobile shares through the merger transaction with Sprint and T-Mobile US, Inc. The details of the transaction are described in “Notes 3” under “Note 7. Financial instruments.”

16. 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	(Millions of yen)
			March 31, 2024	As of
			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}	-	448,931 ^{*3,4} (\$2,965 million)
		The premium received on SVF2 LLC's receivables	11,964 ^{*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}		448,931 (\$2,965 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, 2024, 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.

(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, 2024	As of March 31, 2024
			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}	-	105,278 ^{*3,4} (\$696 million)
		The premium received on SLA LLC's receivables	2,799 ^{*3} (\$19 million)	
		MgmtCo's Equity interests in SLA LLC ^{*5,6}	-	14,086 (\$93 million)
		Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC) ^{*7}		91,192 (\$603 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, 2024, 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.