OFFERING MEMORANDUM

STRICTLY CONFIDENTIAL
NOT FOR DISTRIBUTION IN THE UNITED STATES OF AMERICA OR TO U.S. PERSONS

SoftBank Group Corp.

\$400,000,000 6¾% Senior Notes due 2029
\$500,000,000 7% Senior Notes due 2031
€450,000,000 5⅜% Senior Notes due 2029
€450,000,000 5¾% Senior Notes due 2032

SoftBank Group Corp. (the "Company") is offering \$400,000,000 aggregate principal amount of its 6¾% Senior Notes due 2029 denominated in U.S. dollars (the "2029 Dollar Notes") and \$500,000,000 aggregate principal amount of its 7% Senior Notes due 2031 denominated in U.S. dollars (the "2031 Dollar Notes," and together with the 2029 Dollar Notes, the "Dollar Notes"), and €450,000,000 aggregate principal amount of its 5⅜% Senior Notes due 2029 denominated in euro (the "2029 Euro Notes") and €450,000,000 aggregate principal amount of its 5¾% Senior Notes due 2032 denominated in euro (the "2032 Euro Notes," and together with the 2029 Euro Notes, the "Euro Notes," and, together with the Dollar Notes, the "Notes"). The maturity date of the 2029 Dollar Notes is July 8, 2029 and the maturity date of the 2031 Dollar Notes is July 8, 2031. The maturity date of the 2029 Euro Notes is January 8, 2029, and the maturity date of the 2032 Euro Notes is July 8, 2032. We will pay interest on the Notes semi-annually in arrears on January 8 and July 8 in each year, commencing on January 8, 2025.

The Notes will be general unsecured obligations of the Company. They will rank equally in right of payment with all existing and future debt of the Company that is not contractually subordinated or preferred by operation of law to the Notes and will be senior in right of payment to any future debt of the Company that is contractually subordinated to the Notes. The Notes will effectively be subordinated to any existing and future secured debt of the Company and its subsidiaries, to the extent of the value of the property and assets securing such debt, and will be structurally subordinated to any existing or future indebtedness, preferred stock and other liabilities of its subsidiaries.

At any time prior to the date that is 90 days prior to their respective maturities, we may on any one or more occasions, at our option, redeem all or part of any series of Notes by paying a "make-whole" premium. At any time on or after the date that is 90 days prior to their respective maturities, we may on any one or more occasions redeem all or a part of any series of Notes at par. We may also redeem the Notes, in whole but not in part, at any time upon certain changes in tax laws. In the case of a change of control triggering event, we may be required to make an offer to purchase the Notes at a redemption price equal to 100% of the principal amount thereof. See "Description of the Notes."

The Company plans to use the proceeds of the offering for repayment of indebtedness, including the redemption of foreign currency-denominated senior notes and for general corporate purposes, including the maintenance of a cash position for redemption of outstanding notes due over the next two years and new investments.

Approval in-principle has been received for the listing of the Notes on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or information contained in this offering memorandum. Approval in-principle for the listing of the Notes on the SGX-ST is not to be taken as an indication of the merits of the offering, us, our subsidiaries or associated companies (if any) or the Notes. Currently, there is no public market for the Notes.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any other jurisdiction. The Notes are only being offered and sold in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act ("Regulation S") to non-U.S. persons who are not retail investors in the European Economic Area or the United Kingdom. The Notes will not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S). See "Notice to Investors" for additional information about eligible offerees and transfer restrictions.

Investing in the Notes involves a high degree of risk. See "Risk Factors" beginning on page 14.

Issue Price (expressed as percentage of aggregate principal amount) *plus* accrued interest from the issue date:

2029 Dollar Notes: 100%
2031 Dollar Notes: 100%
2029 Euro Notes: 100%
2032 Euro Notes: 100%

The Notes will be represented on issuance by one or more global notes, which we expect will be delivered in book-entry form through Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking S.A. ("Clearstream") on or about July 8, 2024 (the "Issue Date").

Joint Global Coordinators and Joint Bookrunners

Deutsche Bank **Barclays** **HSBC**

Joint Bookrunners

Goldman Sachs International **BNP PARIBAS** **J.P. Morgan**
Mizuho **Crédit Agricole CIB** **BofA Securities** **Citigroup** **ING**

Co-Managers

NOMURA **SMBC Nikko** **Morgan Stanley** **Natixis**
Société Générale Corporate & Investment Banking **Daiwa Capital Markets Europe** **Standard Chartered Bank**

The date of this offering memorandum is June 27, 2024

IMPORTANT INFORMATION ABOUT THIS OFFERING MEMORANDUM

You should rely only on the information contained in this offering memorandum. Neither we nor any of the initial purchasers of the Notes (the "Initial Purchasers") have authorized any other person to provide you with information different or inconsistent from what is included in this offering memorandum. If anyone provides you with different or inconsistent information, you should not rely on it.

The information in this offering memorandum is current only as of the date on the cover, and our business or financial condition and other information in this offering memorandum may change after that date. You should not consider any information in this offering memorandum to be legal, business, accounting or tax advice. You should consult your own attorney, business advisor, accountant and tax advisor for legal, business, accounting and tax advice regarding an investment in the Notes. In making an investment decision, you must rely on your own examination of our business and the terms of this offering and the Notes, including the merits and risks involved.

If you purchase the Notes, you will be deemed to have made certain acknowledgements, representations and warranties as detailed under "Notice to Investors." You may be required to bear the financial risk of an investment in the Notes for an indefinite period. Neither we nor the Initial Purchasers are making an offer to sell the Notes in any jurisdiction where the offer and sale of the Notes is prohibited. We do not make any representation to you that the Notes are a legal investment for you. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Each prospective purchaser of the Notes must comply with all applicable laws and rules and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor the Initial Purchasers shall have any responsibility therefor.

Each prospective investor who places an order for the Notes consents to the disclosure by the Initial Purchasers to us of the prospective investor's identity, the details of such order and the actual amount of Notes subscribed, if any.

This offering memorandum is confidential and we have prepared this offering memorandum solely for use in connection with the offer of the Notes to persons other than U.S. persons in accordance with Regulation S under the U.S. Securities Act and for application for the listing of the Notes on the SGX-ST. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. You agree that you will hold the information contained in this offering memorandum and the transactions contemplated hereby in confidence. You may not distribute this offering memorandum to any person, other than a person retained to advise you in connection with the purchase of the Notes. Each prospective investor, by accepting delivery of this offering memorandum, agrees to the foregoing, and further agrees not to make any photocopies of this offering memorandum or any documents referred to in this offering memorandum.

None of the Initial Purchasers, The Bank of New York Mellon, London Branch, as trustee (the "**Trustee**"), or The Bank of New York Mellon, London Branch, as paying agent, and The Bank of New York Mellon SA/NV, Dublin Branch, as transfer agent and registrar, (together, the "**Agents**") represents or warrants that the information herein is accurate or complete. By receiving this offering memorandum you acknowledge that (i) you have not relied on the Initial Purchasers, the Trustee, the Agents, any selling agent or any of their affiliates in connection with your investigation of the accuracy of the information in this offering memorandum or your investment decision and (ii) no person has been authorized to give any information or make any representation concerning us or the Notes offered hereby other than as contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us, any Initial Purchaser, the Trustee, the Agents or any U.S. selling agent or any of their affiliates.

We reserve the right to withdraw this offering of the Notes at any time. We and the Initial Purchasers may reject any offer to purchase the Notes in whole or in part, sell less than the entire principal amount of the Notes offered hereby or allocate to any purchaser less than all of the Notes for which it has subscribed.

IN CONNECTION WITH THIS OFFERING, DEUTSCHE BANK AG, LONDON BRANCH (THE "STABILIZING MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. ANY STABILIZATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES.

The Notes have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The offering of the Notes is not being made to any U.S. person (as defined in Regulation S) or within the United States, other than pursuant to offshore transactions with non-U.S. persons conducted in accordance with Regulation S. Accordingly, the Notes are only being offered and sold to non-U.S. persons outside the United States or certain dealers or other professional fiduciaries in the United States acting only on a discretionary basis for the benefit or account of non-U.S. persons located outside the United States in each case, in offshore transactions conducted in reliance on Regulation S under the Securities Act.

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "FIEA"), and are subject to the Act on Special Measures Concerning Taxation of Japan (Act No. 26 of 1957, as amended) (the "Special Taxation Measures Act"). The Notes may not be offered or sold in Japan, to any person resident in Japan, or to others for reoffering or resale directly or indirectly in Japan, or to a person resident in Japan, for Japanese securities law purposes (including any corporation or other entity organized under the laws of Japan) except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan.

In addition, the Notes are not, as part of the initial distribution by the Initial Purchasers at any time, to be directly or indirectly offered or sold to, or for the benefit of, any person other than a gross recipient, except as specifically permitted under the Special Taxation Measures Act. A "gross recipient" for this purpose is (i) a beneficial owner that is, for Japanese tax purposes, neither an individual resident of Japan or a Japanese corporation, nor an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the issuer of the Notes as described in Article 6, Paragraph 4 of the Special Taxation Measures Act, (ii) a Japanese financial institution or financial instruments business operator as designated in Article 3-2-2, Paragraph 29 of the Cabinet Order (Cabinet Order No. 43 of 1957, as amended) relating to the Special Taxation Measures Act that will hold Notes for its own proprietary account or (iii) an individual resident of Japan or a Japanese corporation whose receipt of interest on the Notes will be made through a payment-handling agent in Japan as defined in Article 2-2, Paragraph 2 of the Cabinet Order. **By subscribing for the Notes, an investor will be deemed to have represented that it is a gross recipient.**

Interest payments on the Notes will be subject to Japanese withholding tax unless the holder establishes that the Note is held by or for the account of a holder that is (1) for Japanese tax purposes, neither (a) an individual resident of Japan or a Japanese corporation, nor (b) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of ours, and in compliance with certain requirements for tax exemption under the Special Taxation Measures Act, or (2) a Japanese designated financial institution or financial instruments business operator as described in Article 6, Paragraph 11 of the Special Taxation Measures Act which complies with the requirement for tax exemption under that Paragraph.

The Company may be considered a "connected issuer" and/or "related issuer" of the Initial Purchasers in Canada, as such terms are defined in National Instrument 33-105 Underwriting Conflicts. These relationships and other related matters are set forth in greater detail within this offering memorandum, including the relationship between the Company and certain of its affiliates. Canadian investors should refer to the section entitled "Plan of Distribution – Other Relationships" contained within this offering memorandum for additional information.

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

Prospective investors should be aware that certain intermediaries in the context of certain offerings of the Notes (each such offering, a "CMI Offering"), including certain Initial Purchasers, may be "capital market intermediaries" ("CMIs") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "SFC Code"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("OCs") for this offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Initial Purchaser(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Company, a CMI or its group companies would be considered under the SFC Code as having an association ("Association") with the Company, the CMI or the relevant group company. Prospective investors associated with the Company/ Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any relevant Initial Purchaser, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Initial Purchaser or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Initial Purchaser, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Initial Purchaser when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Initial Purchaser and/or any other third parties as may be required by the SFC Code, including to the Company, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

NOTICE TO CERTAIN INVESTORS

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

This offering memorandum has been prepared on the basis that all offers of the Notes will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of the Notes. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 (as amended or superseded), and includes any relevant implementing measure in each member state ("EU Member State") of the European Economic Area (the "EEA").

Accordingly, any person making or intending to make any offer within the EEA of the Notes should only do so in circumstances in which no obligation arises for us or the Initial Purchasers to produce a prospectus for such offer. Neither we nor the Initial Purchasers have authorized, nor do authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in this offering memorandum.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a "qualified investor" as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

For the purposes of this section, the expression an "offer of notes to the public" in relation to any Notes in any EU Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that EU Member State by any measure implementing the Prospectus Regulation in that EU Member State.

Professional investors and ECPs (as defined below) only target market: Solely for the purposes of each manufacturer's approval process of the Notes, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties ("ECPs") and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to ECPs and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, and without prejudice to our obligations in accordance with MiFID II, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This offering memorandum is for distribution only to, and is directed solely at, persons who (i) are outside the United Kingdom, (ii) are investment professionals, as such term is defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (iii) are persons falling within Articles 49(2)(a) to (d) of the Financial Promotion Order or (iv) are persons to whom an invitation or inducement to engage in investment banking activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) in connection with the issue or sale of any Notes may otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this Offering Memorandum or any of its contents.

This offering memorandum has been prepared on the basis that any offer of the Notes in the UK will be made pursuant to an exemption under Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation") from a requirement to publish a prospectus for offers of Notes. This offering memorandum is not a prospectus for the purpose of the UK Prospectus Regulation.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

NOTICE TO INVESTORS IN THE KINGDOM OF BAHRAIN

This offering memorandum does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This offering memorandum and related offering documents have not been and will not be registered as a prospectus with the Central Bank of Bahrain ("CBB"). Accordingly, no securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this offering memorandum or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to 'accredited investors', as such term is defined by the CBB.

The CBB has not reviewed, approved or registered this offering memorandum or any related offering documents and it has not in any way considered the merits of the Notes to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this offering memorandum and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this offering memorandum. No offer of securities will be made to the public in the Kingdom of Bahrain and this offering memorandum must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

NOTICE TO INVESTORS IN HONG KONG

The contents of this offering memorandum have not been reviewed by any regulatory authority in Hong Kong. The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding up and Miscellaneous provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding up and Miscellaneous provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

NOTICE TO INVESTORS IN ITALY

No action has been or will be taken which could allow an offering to the public in the Republic of Italy within the meaning of Article 1(1)(t) of Legislative Decree No. 58 of February 24, 1998, as subsequently integrated and amended (the "Italian Financial Act") and, in particular, the offering of the Notes has not been submitted to the clearance of the *Commissione Nazionale per la Società e la Borsa* ("CONSOB") (the Italian securities exchange commission), pursuant to Italian securities legislation and will not be subject to review or clearance by CONSOB. Accordingly, the Notes may not be offered, sold or delivered, directly or indirectly, in the Republic of Italy, and neither this offering memorandum nor any other offering memorandum, prospectus, form of application, advertisement, other offering material or other documentation relating to the Notes may be issued, distributed or published in the Republic of Italy, either on the primary or on the secondary market, except: (a) to qualified investors (*investitori qualificati*) as defined by Article 2, paragraph (e) of the Prospectus Regulation; and (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of the Italian Legislative Decree No. 58 of February 24, 1998, as amended (the "Italian Financial Act"), and implementing CONSOB regulations, including CONSOB Regulation No. 20307 of February 15, 2018, as amended ("Regulation 20307"), Article 34-*ter*, first paragraph, letter (b) of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the "Issuer Regulation") and any other applicable laws and regulations.

The Notes may not be offered, sold or delivered and neither this Offering Memorandum nor any other material relating to the Notes, may be distributed or made available in the Republic of Italy unless such offer, sale or delivery of Notes or distribution or availability of copies of this Offering Memorandum or any other offering material or other documentation relating to the Notes in the Republic of Italy is made in compliance with the selling restrictions above and must be made as follows: (a) by *soggetti abilitati* (including investment firms, banks or financial intermediaries, as defined by Article 1, Paragraph 1(r) of the Italian Financial Act), permitted to conduct such activities in the Republic of Italy in accordance, as applicable, with Legislative Decree No. 385 of September 1, 1993 (the "Italian Banking Act") as subsequently integrated and amended, the Italian Financial Act, the Issuer Regulation, CONSOB Regulation No. 20307 of February 15, 2018, as amended and any other applicable laws and regulations; and (b) in compliance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations and any other applicable requirements or limitations which may be imposed from time to time by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or other competent Italian authority.

Any investor purchasing the Notes is solely responsible for ensuring that any offer or resale of the Notes by such investor occurs in compliance with applicable laws and regulations. For selling restrictions in respect of Italy, see also " —*Notice to Investors in the European Economic Area*" above.

NOTICE TO INVESTORS IN FRANCE

This offering memorandum has not been prepared and is not being distributed in the context of a public offering of financial securities in France (*offre au public de titres financiers*) within the meaning of Article L. 411 1 of the French Code *monétaire et financier* and Title I of Book II of the *Règlement général of the Autorité des marchés financiers* (the French financial markets authority) (the "AMF"). Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France, and neither this offering memorandum nor any offering or marketing materials relating to the Notes may be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France.

The Notes may only be offered or sold in France to qualified investors (*investisseurs qualifiés*) acting for their own account and/or to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*), all as defined in and in accordance with Articles L. 411 1, L. 411 2, D. 411 1, D. 744 1, D. 754 1 and D. 764 1 of the French Code *monétaire et financier* and applicable regulations thereunder.

Prospective investors are informed that:

(a) this offering memorandum has not been and will not be submitted for clearance to the AMF;

(b) in compliance with Articles L. 411 2, D. 411 1, D. 744 1, D. 754 1 and D. 764 1 of the French Code *monétaire et financier*, any qualified investors subscribing for the Notes should be acting for their own account; and

(c) the direct and indirect distribution or sale to the public of the Notes acquired by them may only be made in compliance with Articles L. 411 1, L. 411 2, L. 412 1 and L. 621 8 through L. 621 8 3 of the French Code *monétaire et financier*.

For selling restrictions in respect of France, see also "—*Notice to Investors in the European Economic Area*" above.

NOTICE TO INVESTORS IN BELGIUM

This offering memorandum relates to a private placement of the Notes and does not constitute an offer or solicitation to the public in Belgium to subscribe for or acquire the Notes. This offering of the Notes has not been and will not be notified to, and this offering memorandum has not been, and will not be, approved by the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers*) pursuant to the Belgian laws and regulations applicable to the public offering of investment instruments. Accordingly, this offering of the Notes, as well as any other materials relating to the offering may not be advertised, the Notes may not be offered or sold, and this offering memorandum or any other information circular, brochure or similar document may not be distributed, directly or indirectly, (i) to any person located and/or resident in Belgium other than a "qualified investor" within the meaning of Article 10 of the Belgian Act of June 16, 2006 on the public offering of investment instruments and the admission of investment instruments to trading on a regulated market (the "Prospectus Act") or (ii) to any person qualifying as a consumer (*consument/ consommateur*) within the meaning of Book VI of the Belgian Code of Economic Law (*Wetboek economisch recht/Code de droit economique*) of February 28, 2013, as amended from time to time. This offering memorandum has been issued to the intended recipient for personal use only and exclusively for the purpose of the offer. Therefore it may not be used for any other purpose, nor passed on to any other person in Belgium. Any resale of the Notes in Belgium may only be made in accordance with the Prospectus Act and other applicable laws. For selling restrictions in respect of Belgium, see also "—*Notice to Investors in the European Economic Area*" above.

NOTICE TO INVESTORS IN NORWAY

This offering memorandum has not been and will not be filed with or approved by the Norwegian Financial Supervisory Authority (Nw. *Finanstilsynet*), the Oslo Stock Exchange (Nw. *Oslo børs*) or any other regulatory authority in Norway. The Notes have not been offered or sold and may not be offered, sold or delivered, directly or indirectly, in Norway, unless in compliance with Chapter 7 of the Norwegian Securities Trading Act of June 29, 2007 No. 75 (Nw. *verdipapirhandelloven*) and secondary regulations issued pursuant thereto, as amended or replaced from time to time (the "Securities Trading Act"). Accordingly, this offering memorandum may not be made available nor may the Notes otherwise be marketed and offered for sale in Norway other than in circumstances that are deemed not to be a marketing of an offer to the public in Norway in accordance with the Securities Trading Act.

The Notes may not be issued in Norway unless the requirement in the Norwegian Registration of Financial Instruments Act of March 15, 2019 No. 6 (Nw. *verdipapirsentralloven*) the ("CSD Act") are complied with, including, but not limited to, the requirement to register such Notes with a central securities depository which is properly authorized or recognized by the Norwegian Financial Supervisory Authority as being entitled to register such notes pursuant to the CSD Act and Regulation (EU) No 909/2014 (CSDR).

NOTICE TO INVESTORS IN THE KINGDOM OF SAUDI ARABIA

This offering memorandum may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offers of Securities Regulations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "Capital Market Authority"). The Capital Market Authority does not make any representations as to the accuracy or completeness of this offering memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this offering memorandum. Prospective purchasers of the Notes should conduct their own due diligence on the accuracy of the information relating to the Notes. If a prospective purchaser does not understand the contents of this offering memorandum, he or she should consult an authorized financial advisor.

NOTICE TO INVESTORS IN JAPAN

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act and are subject to the Special Taxation Measures Act. The Notes (i) will not, directly or indirectly, be offered or sold, in Japan or to any person resident in Japan for Japanese securities law purposes (including any corporation or other entity organized under the laws of Japan), except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan; and (ii) will not, as part of its initial distribution, directly or indirectly be offered or sold to, or for the benefit of, any person other than a gross recipient or to others for re-offering or re-sale, directly or indirectly, to, or for the benefit of, any person other than a gross recipient. A "gross recipient" for this purpose is (i) a beneficial owner that is, for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Company as described in Article 6, paragraph 4 of the Special Taxation Measures Act, (ii) a Japanese financial institution or financial instruments business operator as, designated in Article 3-2-2 paragraph 29 of the Cabinet Order relating to the Special Taxation Measures Act (Cabinet Order No. 43 of 1957, as amended) that will hold Notes for its own proprietary account or (iii) an individual resident of Japan or a Japanese corporation whose receipt of interest on the Notes will be made through a payment-handling agent in Japan as defined in Article 2-2 paragraph 2 of the Cabinet Order.

NOTICE TO INVESTORS IN SINGAPORE

This offering memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

(i) to an institutional investor (as defined in Section 4A of the SFA (as defined below)) pursuant to Section 274 of the SFA; or

(ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to, and in accordance with, the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

NOTICE TO INVESTORS IN SWITZERLAND

This offering memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("FinSA") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to the FinSA, and neither this offering memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

The Notes are not intended to be offered, sold, marketed or otherwise made available to and shall not be offered, sold, marketed or otherwise made available to any private client in Switzerland other than in the context of a portfolio management agreement within the meaning of Article 58(2) FinSA and Article 83 of the Swiss Financial Services Ordinance. No key information document within the meaning of Article 58 FinSA has been prepared with respect to the Notes.

NOTICE TO INVESTORS IN QATAR

Any Notes issued in connection with this offering memorandum will not be offered, sold or delivered, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Offering Memorandum has not been and will not be reviewed or approved by, or registered with, the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority in accordance with their regulations or any other regulations in the State of Qatar. The Notes are not and will not be traded on the Qatar Stock Exchange. The Notes and interests therein will not be offered to investors domiciled or resident in the State of Qatar and do not constitute debt financing in the State of Qatar under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of Qatar.

NOTICE TO INVESTORS IN CANADA

The distribution of the Notes in Canada is being made on a private placement basis only and is exempt from the requirement that we prepare and file a prospectus with the relevant Canadian securities regulatory authorities. Any resale of the Notes in Canada must be made in accordance with applicable Canadian securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made pursuant to an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian securities laws or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal in accordance with Canadian securities laws that (i) are "accredited investors", as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the *Securities Act* (Ontario), and (ii) are "permitted clients", as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations and that are not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor".

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

The Company may be considered a "connected issuer" and/or "related issuer" of the Initial Purchasers, as such terms are defined in National Instrument 33-105 Underwriting Conflicts. These relationships and other related matters are set forth in greater detail within this offering memorandum, including the relationship between the Company and certain of its affiliates. Canadian investors should refer to the section entitled "Plan of Distribution—Other Relationships" contained within the offering memorandum for additional information.

Each Canadian investor hereby confirms its express wish that all documents evidencing or relating in any way to the sale of the Notes described herein and all other contracts and related documents be drafted in the English language. *Chaque investisseur canadien confirme sa volonté expresse que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes ainsi que tous les autres contrats et documents s'y rattachant soient rédigés en langue anglaise*.

NOTICE TO INVESTORS IN AUSTRALIA

This offering memorandum does not constitute an offer of or an invitation to purchase or subscribe for the Notes in the Commonwealth of Australia or any of its states or territories ("Australia"), and the Notes may not be offered, sold or delivered in or to any resident of Australia except in accordance with applicable law. Neither this offering memorandum nor any other prospectus or disclosure document (as defined in the Corporations Act 2001 of the Commonwealth of Australia (the "Australian Corporations Act")) in relation to the Notes has been or will be lodged with the Australian Securities and Investments Commission ("ASIC") or the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) (the "ASX") and the Notes may not be offered for sale, nor may applications for the issue, sale, purchase or subscription of any Notes be invited, in, to or from Australia (including an offer or invitation which is received by a person in Australia) and neither this offering memorandum nor any advertisement or other offering material relating to the Notes may be distributed or published in Australia unless in each case:

i. (A) the aggregate consideration payable by each offeree or invitee for the Notes is at least AU$500,000 (or its equivalent in other currencies) (disregarding moneys lent by the offeror or its associates); or (B) the offer otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act;

ii. the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G or 761 GA of the Australian Corporations Act;

iii. the offer, invitation or distribution complies with all applicable Australian laws, regulations and directives relating to the offer, invitation, sale and resale of the Notes; and

iv. such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

NOTICE TO INVESTORS IN OTHER JURISDICTIONS

The distribution of this offering memorandum may be restricted by law in certain jurisdictions. Persons into whose possession this offering memorandum (or any part hereof) comes are required by us and the Initial Purchasers to inform themselves about, and to observe, any such restrictions.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This offering memorandum includes forward-looking statements. In some cases these forward-looking statements can be identified by the use of terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "may," "plan," "potential," "predict," "projected," "should," or "will" or, in each case, the negative of such terms, or other variations or comparable terminology. Forward-looking statements appear in a number of places throughout this offering memorandum and include, but are not limited to, statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industries in which we operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and the development of the industries in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this offering memorandum. In addition, even if our results of operations, financial condition and liquidity, and the development of the industries in which we operate are consistent with the forward-looking statements contained in this offering memorandum, such results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause those differences include, but are not limited to:

- Our business model entails risks.
- Our financial results may be significantly affected by our ability to procure funds.

- The loss of key senior management personnel, including Mr. Masayoshi Son in particular, could negatively affect our business.
- We face various risks in connection with our investment activities.
- We may raise additional debt against our holdings in our listed and unlisted subsidiaries, strategic associates or other investment assets or otherwise be adversely affected by declines in their respective valuations.
- We face risks associated with operation and investment in multiple geographic markets.
- Our strategic focus on AI and related technologies involves unique risks.
- Our financial results may be significantly affected by risks relating to SVF.
- Our investment in SVF may not be profitable or generate cash flows.
- SVF may not be able to exit from investments.
- Distributions from SoftBank Corp. are important as our recurring cash flow.
- SoftBank Corp. operates in rapidly changing markets and faces intense competition, including from other large and established competitors and well-funded entrants, and such competition may intensify.
- SoftBank Corp. may not be able to adapt to rapidly changing technology and business models in time or at all.
- SoftBank Corp. handles customer information, including personal information, and may be subject to security breaches or leakage, which could result in reputational harm and claims from customers and authorities.
- SoftBank Corp. relies on subcontractors and other third parties for certain of its operations.
- SoftBank Corp. may be subject to service disruptions or decline in quality due to faults in related systems and other factors.
- SoftBank Corp. and LY Corporation are designated as “core infrastructure providers” under Japanese laws and regulations.
- Our holdings in Arm represent a significant portion of our assets.
- We face various risks relating to Arm’s operations.
- There is uncertainty as to our existing long-term corporate credit ratings and the instruments ratings of the Notes.
- We are subject to laws, government regulations and licensing regimes that restrict and may impose new restrictions on our business.
- Other factors discussed in this offering memorandum.

We urge you to read the sections of this offering memorandum entitled “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business” for a more complete discussion of the factors that could affect our future performance and the industries in which we operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in this offering memorandum may not occur.

We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements above and contained elsewhere in this offering memorandum.

ENFORCEMENT OF CIVIL LIABILITIES

We are a limited liability company *(kabushiki kaisha)* established under the laws of Japan. The majority of our directors and most of our management reside in Japan, and a substantial portion of our assets and the assets of such persons are located in Japan and other jurisdictions outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon us or such persons, or to enforce against us or such persons judgments obtained in U.S. courts in actions such as those predicated upon the civil liability provisions of U.S. federal or state securities laws. We have been advised by our Japanese counsel, Mori Hamada & Matsumoto, that there is doubt as to the enforceability in Japan, in original actions or in actions for enforcement of judgments of U.S. courts brought before Japanese courts, of liabilities predicated solely upon U.S. federal or state securities laws.

CERTAIN DEFINITIONS

For purposes of this offering memorandum, unless the context otherwise requires, the following terms shall have the meanings set forth below:

- References to "Company," "we," "our," "us," and "SoftBank" are to SoftBank Group Corp. and its subsidiaries, as the context requires;
- References to "SBIA" are to SB Investment Advisers (UK) Limited and its subsidiaries, as the context requires;
- References to "SBGA" are to SB Global Advisers Limited and its subsidiaries, as the context requires;
- References to "MgmtCo" are to MASA USA LLC;
- References to "SVF" are to SVF1, SVF2 and LatAm Funds;
- References to "SVF1" are to SoftBank Vision Fund L.P. and its alternative investment vehicles, as the context requires;
- References to "SVF2" are to SoftBank Vision Fund II-2 L.P.;
- References to "LatAm Funds" are to SBLA Latin America Fund LLC;
- References to "Arm" are to Arm Holdings plc (formerly, Arm Limited prior to the corporate reorganization in August 2023 as a result of which Arm Limited became a wholly owned subsidiary of Arm Holdings plc) and its subsidiaries, as the context requires;
- References to "T-Mobile" are to T-Mobile US, Inc. and its subsidiaries, as the context requires;
- References to "Deutsche Telekom" are to Deutsche Telekom AG and its subsidiaries, as the context requires;
- References to "Alibaba" are to Alibaba Group Holding Limited and its subsidiaries, as the context requires; and
- References to "SB Northstar" or "asset management subsidiary" are to SB Northstar LP and its subsidiaries, alternative investment vehicles or similar entities established in relation thereto, and any general partner, limited partner, advisor or manager of SB Northstar LP that is a subsidiary of the Company, as the context requires.

CURRENCY PRESENTATION

In this offering memorandum:

- "¥" or "yen" means the lawful currency of Japan;
- "$," "U.S. dollars" or "dollars" means the lawful currency of the United States; and
- "€" or "euros" means the single currency of the participating member states in the third stage of European economic and monetary union of the Treaty Establishing the European Community, as amended from time to time.

Solely for your convenience, this offering memorandum contains translations of certain yen amounts into U.S. dollar amounts.

Unless otherwise indicated, yen amounts have been translated into U.S. dollars at the rate of ¥151.41 = $1.00 and from euros at the rate of ¥163.24 = €1.00, the approximate rates of exchange based on the average of buying and selling rates of telegraphic transfers from MUFG Bank, Ltd. as of 10:00 a.m. (Tokyo time), prevailing as of March 29, 2024. However, these translations should not be construed as representations that the yen amounts have been, could have been or could be converted into U.S. dollars at those or any other rates.

PRESENTATION OF FINANCIAL INFORMATION

General

The consolidated financial statements and selected historical financial information for the fiscal years ended March 31, 2023 and 2024 included in this offering memorandum are presented in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board ("IFRS"). Our annual consolidated financial statements as of and for the fiscal year ended March 31, 2024 with the corresponding figures presented as comparative information as of and for the fiscal year ended March 31, 2023 included elsewhere in this offering memorandum are audited by our independent auditor, Deloitte Touche Tohmatsu LLC.

Except as otherwise indicated, all financial information with respect to us presented in this offering memorandum is presented on a consolidated basis.

Where information is presented in trillions, billions, millions or other stated amounts, amounts of less than the stated amount have been rounded. As a result, certain numerical figures shown in tables in this offering memorandum may not be exact arithmetic aggregations of the figures that precede them. All percentages have been rounded to the nearest one tenth of one percent or one hundredth of one percent, as the case may be.

With respect to the presentation of historical financial information, in our consolidated financial statements for the fiscal year ended March 31, 2024, we have presented prior period financial information for the fiscal year ended March 31, 2023 on the same basis of presentation adopted for fiscal year ended March 31, 2024, and have therefore reclassified certain accounting items as originally reported in the previously issued consolidated financial statements for the fiscal year ended March 31, 2024. For more information, see Note 2 to our audited consolidated financial statements for the fiscal year ended March 31, 2024, which are included elsewhere in this offering memorandum.

Segment Information

Our reportable segments are the components of our business activities for which discrete financial information is available and regularly reviewed by our board of directors in order to make decisions about the allocation of resources and assess performance.

For the fiscal years ended March 31, 2023 and 2024, we had four reportable segments: the Investment Business of Holding Companies segment, the SoftBank Vision Funds segment, the SoftBank segment and the Arm segment, as well as an "Other" categorization for sources of revenue and costs not otherwise allocated.

Non-IFRS Financial Measures

In this offering memorandum we present certain financial measures that are not required by or presented in accordance with IFRS, including "Equity Value of Holdings," "Gross Interest-bearing Debt," "Cash Position," "Standalone Cash Position," "Standalone Net Interest-bearing Debt," "Net Asset Value" and "Loan-to-Value" (each as defined below), because we believe they provide investors with useful additional information to measure our performance, liquidity or capital expenditures. The information presented by the non-IFRS financial measures included in this offering memorandum is unaudited and is not intended to and does not comply with the reporting requirements of the U.S. Securities and Exchange Commission or generally accepted accounting standards. These non-IFRS financial measures should not be unduly relied on or considered as alternatives to historical results of operations prepared in accordance with IFRS. No regulatory body in Japan or elsewhere has passed judgment on the acceptability of the adjustments and hypothetical assumptions that we use to prepare these non-IFRS financial measures. In addition, these non-IFRS measures do not have any standardized meaning and may not be comparable with similar measures used by other companies. Furthermore, these non-IFRS financial measures are not guarantees that we will achieve certain level of financial status.

Equity Value of Holdings

"Equity Value of Holdings" means the sum of the following, without duplication:

- *Holdings in Arm.* The sum of the following, without duplication:
  - the aggregate market value of all listed shares of Arm, calculated by multiplying the number of Arm held by the Company by the share price of Arm as of the end of the quarter;

    minus
  - the remaining consideration for the acquisition of Arm shares from SVF1 in August 2023 and the acquisition of two companies previously spun out from Arm through intragroup transactions; and

    minus
  - the sum of the outstanding amount of margin loans borrowed by the Company backed by Arm shares as of the end of the quarter,

  plus
- *Holdings in SVF1.* The Company's portion of the equity value of SVF1, calculated as financial assets at fair value through profit and loss, *plus* accrued performance fees, each as of the end of the quarter,

plus

- *Holdings in SVF2.* The Company's portion of the equity value of SVF2, calculated as financial assets at fair value through profit and loss, as of the end of the quarter,

  plus

- *Holdings in LatAm Funds*. The Company's portion of the equity value of LatAm Funds, calculated as financial assets at fair value through profit and loss, *plus* accrued performance fees, each as of the end of the quarter,

  plus

- *Holdings in SoftBank Corp.* The sum of the following, without duplication:
  - the aggregate market value of all listed shares of SoftBank Corp. held by the Company, calculated by multiplying the number of SoftBank Corp. shares held by the Company by the share price of SoftBank Corp. as of the end of the quarter; and

    minus

  - the sum of the outstanding amount related to asset-backed financings using SoftBank Corp. shares as of the end of the quarter,

  plus

- *Holdings in T-Mobile.* The sum of the following, without duplication:
  - the aggregate market value of all listed shares of T-Mobile held by the Company, calculated by multiplying the number of T-Mobile shares held by the Company, including T-Mobile shares that are subject to call options held by Deutsche Telekom AG as of the end of the quarter, by the share price of T-Mobile as of the end of the quarter;

    minus

  - the amount of derivative financial liabilities relating to the unexercised call options held by Deutsche Telekom AG; and

    minus

  - the sum of the total amount to be settled at maturity of prepaid forward contracts using T-Mobile shares, such as collar contracts, calculated by using the share price of T-Mobile as of the end of the quarter,

  plus

- *Holdings in Deutsche Telekom AG.* The sum of the following, without duplication:
  - the aggregate market value of all listed shares of Deutsche Telekom AG held by the Company, calculated by multiplying the number of Deutsche Telekom AG shares held by the Company by the share price of Deutsche Telekom AG as of the end of the quarter; and

    minus

  - the sum of the total amount to be settled at maturity of collar transactions using Deutsche Telekom AG shares, calculated by using the share price of Deutsche Telekom AG as of the end of the quarter,

  plus

- *Holdings in Alibaba.* The sum of the following, without duplication:
  - the aggregate market value of all listed shares of Alibaba held by the Company, calculated by multiplying the number of Alibaba shares held by the Company by the share price of Alibaba as of the end of the quarter; and

    minus

  - the sum of the total amount to be settled at maturity of prepaid forward contracts using Alibaba shares, such as collar contracts, forward contracts and call spread, calculated by using the share price of Alibaba as of the end of the quarter, *plus*

Others. Equivalent to the sum of the market value of the listed stocks held, the fair value of the unlisted stocks held and the Company portion of the net asset value of SB Northstar, each as of the end of the relevant fiscal period, other than the items described above. When calculating the Company's portion of the net asset value, or assets *minus* liabilities, of SB Northstar, Cash Position and unsecured indebtedness of SB Northstar are excluded.

Standalone Net Interest-bearing Debt

"Standalone Net Interest-bearing Debt" means Gross Interest-bearing Debt *minus* Standalone Cash Position.

Gross Interest-bearing Debt

"Gross Interest-bearing Debt" means the sum of consolidated interest-bearing debt (excluding the amount of deposits for banking business of PayPay Bank Corporation) *plus* consolidated lease liabilities *minus* the sum of interest-bearing debt and lease liabilities of each of the Company's self-financing subsidiaries, such as SoftBank Corp. (including its subsidiaries such as LY Corporation and PayPay Corporation), SVF1, SVF2, LatAm Funds, Arm and SB Northstar, with adjustments as follows:

- to deduct 50% of the amount of hybrid bonds and loans which are recorded as interest-bearing debt to treat it as equity;
- to add 50% of the amount of perpetual hybrid bonds which are recorded as equity to treat it as a liability;
- to deduct the portion of the outstanding margin loans and other liabilities backed by SoftBank Corp. shares and Arm shares, each of which is non-recourse to the Company;
- to deduct the financial liabilities relating to prepaid forward contracts using Alibaba shares, such as collar contracts and forward contracts;
- to deduct the financial liabilities relating to prepaid forward contracts using T-Mobile shares, such as collar contracts; and
- to deduct the financial liabilities recorded as interest-bearing debt related to collar transactions using Deutsche Telekom AG shares.

Cash Position

"Cash Position" means cash and cash equivalents *plus* short-term investments recorded as current assets *plus* bond investments. Cash and cash equivalents consist of cash, demand deposits and investments with maturities of three-month or less that are readily convertible to cash and subject to insignificant risk of change in value. Short-term investments consist of marketable securities and time deposits (maturities of over three months) and other investments recorded as current assets.

Standalone Cash Position

"Standalone Cash Position" means the consolidated Cash Position (excluding the Cash Position of PayPay Bank Corporation) *minus* the sum of the Cash Position of each of self-financing subsidiaries, such as SoftBank Corp. (including each of its subsidiaries such as LY Corporation and PayPay Corporation), SVF1, SVF2, LatAm Funds, Arm and SB Northstar (excluding cash and cash equivalents, and bond investments of SB Northstar).

Net Asset Value (NAV)

"Net Asset Value" (or "NAV") means Equity Value of Holdings *minus* Standalone Net Interest-bearing Debt.

Loan-to-Value (LTV) ratio

"Loan-to-Value" (or "LTV") ratio means Standalone Net Interest-bearing Debt *divided by* Equity Value of Holdings.

TRADEMARKS

We own or have rights to use the trademarks, service marks and trade names that we use in conjunction with the operation of our business. One of the more important trademarks that we own that appears in this offering memorandum is "SoftBank," which is registered in Japan and registered and/or pending registration in other jurisdictions, as appropriate to the needs of the relevant business. Each trademark, trade name or service mark of any other company appearing in this offering memorandum is the property of its respective owner.

SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information and financial statements contained elsewhere in this offering memorandum. Certain capitalized terms used but not defined in this summary are used herein as defined elsewhere in this offering memorandum. Prospective investors should carefully consider the information set forth under the caption "Presentation of Financial Information," "Risk Factors" and all other information in this offering memorandum, prior to making an investment in the Notes.

The Company

Overview

We are guided by our corporate philosophy of "Information Revolution—Happiness for everyone." As a strategic investment holding company with a focus on artificial intelligence ("AI"), we aim to maximize our enterprise value by building a global investment portfolio of companies leading the Information Revolution and providing essential technologies and services to people around the world. We are committed to leading the Information Revolution, fueled by the advancements in AI technologies, which will transform societies and lifestyles and contribute to well-being over the long term.

As a strategic investment holding company, we oversee and manage an investment portfolio consisting of our subsidiaries and associates as well as our investees. We seek to capture the major investment opportunities presented by advances in the Information Revolution and the AI revolution, which we perceive as major growth opportunities. In particular, we believe the emergence of technologies for increasingly capable AI, and the potential future development of artificial general intelligence ("AGI")—technologies that may one day be capable of problem-solving like human beings with capacities that equal or exceed human intellectual abilities—will open up entirely new markets for innovative products and services, and provide crucial growth opportunities. To this end, it is imperative for us to identify changes in the market, technologies and societal needs quickly and to continuously transform our business while optimizing our investment portfolio and group structure to maximize the benefits from the technologies and business models that will be the driving forces in the future.

Our leadership team is led by a technology and business innovator, Masayoshi Son, our founder, Representative Director, Corporate Officer, Chairman and CEO.

We are listed on the Tokyo Stock Exchange with a market capitalization of ¥15.0 trillion ($98.9 billion), excluding treasury stock, as of June 20, 2024.

Strengths

One of largest investment holding companies in the world, with a portfolio of approximately $200 billion

We have grown from a new-born distributor of packaged software in 1981 to one of the largest and most successful strategic investment holding companies in the world, with an investment portfolio of ¥30.3 trillion ($200.4 billion) as of March 31, 2024. Our founder, Chairman and CEO Masayoshi Son's entrepreneurial vision for SoftBank Group has placed us at the forefront of the information revolution. We have a consistent track record of making pioneering investments, foreseeing and investing in upcoming innovation and technologies. Anticipating the future of the Internet, we started to accelerate our strategic investments in Internet-related businesses around the world since the mid-1990s. We were an early investor in internet firms, initially investing in Yahoo! Inc. in 1995 and in Alibaba in 2000. In 2001, we launched the broadband service Yahoo! BB and strengthened investments in enterprise business centered on the fixed-line telecom business through the acquisition of JAPAN TELECOM (currently SoftBank Corp.) in 2004. Anticipating the future of mobile internet, we acquired Vodafone Japan (currently SoftBank Corp.) in 2006 and shifted our investment focus to mobile communications, becoming one of the leading mobile communications providers in Japan and entering the U.S. telecommunications market through the acquisition of Sprint in 2013, and its subsequent merger with T-Mobile in 2020. In 2021, we entered into a strategic partnership and equity share swap agreement with Deutsche Telekom. See "Business—History."

We have evolved to become one of the largest investment holding companies in the world when benchmarked against other large investment holding companies across both listed and unlisted assets. We changed our name from SoftBank Corp. to SoftBank Group Corp. in July 2015 in order to clarify our position as a strategic investment holding company. We invest in companies that build the backbone infrastructure for the AI revolution as well as companies that leverage AI technology in a visionary way. To that end, we acquired Arm in 2016, and Arm has subsequently made investments that have doubled its revenue and increased the annual number of chips shipped with its technologies by approximately two times, setting the stage for an initial public offering ("IPO") in September 2023, the largest IPO globally in 2023. See "Business—Our Assets—Arm (NASDAQ: ARM)". We launched SVF1 in 2017 and both SVF2 and LatAm Funds in 2019 in order to make investments in high-growth potential companies that are leveraging AI. Since the acquisition of Arm in 2016, we have evolved our business from a telecom-centric company with some investments to an AI-centric investment holding company, scaling up our strategic investment activities and diversifying our investment portfolio.

The visionary founders we have backed are changing the way billions of people live and work and are addressing some of the world's most critical challenges, which we believe will disrupt and enhance various sectors of the economy and further increase the value of our investments.

Near-record NAV driven by our AI-centric portfolio

Our successful investment in Arm, from our acquisition in 2016 to its landmark IPO in 2023 and its subsequent share price rise, has driven our NAV to the near-record high of ¥27.8 trillion ($183.6 billion) as of March 31, 2024 and to ¥33.9 trillion ($214.5 billion) as of June 20, 2024 on an adjusted pro forma basis. For details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators." We believe Arm's high-performance, energy-efficient semiconductor designs will be key to unlocking the potential of AI and serve as a core infrastructure underlying the ongoing AI revolution.

SVF has invested across the full AI stack, from businesses deploying AI as a core service offering to customers to companies utilizing AI in their normal course business operations to help increase profitability and efficiency. Though the creative capabilities of generative AI have driven the most buzz, we believe we are still in the early stages of the era of AI and the vast potential of its applications is still emerging. As AI grows and its applications become more universal, we anticipate significant benefits for SVF from its broad exposure to businesses utilizing AI technology.

Going forward, we intend for the success of our AI-centric investment portfolio to serve as the engine of our continued growth and investments as their technologies, products and services fuel further innovations in technologies, products and services of our portfolio companies that utilize the AI technologies to transform the way people live and work. In addition, strategic monetization of our investment portfolio and utilization of our financing capabilities will allow us to drive forward our AI-centric portfolio and investing strategy to lead the AI revolution.

Highly liquid and well diversified investment portfolio by sector, geography and growth stage, providing stability through the cycle

Over the last decade, we have built a very liquid, diversified and balanced investment portfolio. Our investment portfolio is truly global and we have stakes in a number of sectors and companies at different stages of their lifecycle, spanning from seed investments in emerging companies to larger participations in mature, established market-leading organizations such as Arm, SoftBank Corp. and T-Mobile.

Our investment portfolio has one of the highest proportions of listed investments among investment holding companies globally. As of March 31, 2024, 79% of our portfolio based on Equity Value of Holdings consisted of listed assets, led by Arm (47%), SoftBank Corp. (10%) and T-Mobile (6%). The liquidity of our portfolio assets provides us with significant flexibility, including the ability to quickly capitalize on monetization opportunities to swiftly bolster our cash position in case of need and seize attractive investment opportunities as they arise.

Our investment portfolio is also supported by its diversity in sectors and regions, highlighted by SVF, which represents 29% of our portfolio based on Equity Value of Holdings. As of March 31, 2024, SVF has invested in 477 investees (including exits) across a broad spectrum of sectors and geographies with a focus on building a portfolio that leverage the full stack of AI technology, from businesses deploying AI as a core service offering to customers to companies utilizing AI in their normal course business operations. SVF's investees span across the full spectrum of businesses, from consumer, logistics, transportation, enterprise to fintech, health tech and edtech and others, with operations around the world, including North and South America, Asia, Europe, the Middle East and Africa.

Our highly liquid and well-diversified portfolio is supported by the stability of our telecommunications assets, SoftBank Corp, T-Mobile and Deutsche Telekom, representing 17% of our portfolio based on Equity

Value of Holdings, that provide strong cash flows. As the industry-leading companies in the telecommunication sector, SoftBank Corp., T-Mobile and Deutsche Telekom contribute to the stability of our portfolio as defensive stocks, the performance of which is less affected by economic cycle The high credit quality of these telecommunications assets, SoftBank Corp. (AA-/A+ with JCR and R&I, respectively), T-Mobile (BBB/BBB+ with S&P and Fitch, respectively) and Deutsche Telekom (BBB+/BBB+ with S&P and Fitch, respectively), further strengthens the stability of our portfolio.

The sectors we have historically invested in include telecom, e-commerce, semiconductors, digital marketing, IT services and cloud infrastructure, transportation and logistics, proptech, fintech, healthtech and AI, and our main portfolio companies are based in Europe, the U.S., Japan, China and other parts of Asia. The diversification of our portfolio by sector and geography has allowed us to continue growing on a consistent basis across different economic cycles and despite idiosyncratic events. We actively manage our portfolio to maintain diversification and significant potential for growth in value across our asset base, while engaging in strategically timed monetization to preserve gains, deliver returns and continue to pursue new attractive investment opportunities. We also have a strong track record of targeting and realizing synergies among our investments and group companies, increasing the equity value of our portfolio companies by enabling the companies to development of their business models as they interact synergistically with the other investees within our ecosystem and employ resources from our group companies to develop new business growth opportunities and technological advancements.

As part of our management approach as our investment focus shifts towards AI, we have over time completed liquidation of portions of our holdings of T-Mobile and SoftBank Corp. and gradually exited from our investment in Alibaba through a series of monetization programs. The proceeds from asset monetization, together with the steady stream of dividends we have historically received from SoftBank Corp., have enabled us to broaden the range of our investments in high-growth-potential technology companies primarily leveraging AI.

Our investment portfolio showed overall progress throughout the fiscal year ended March 2024, with quarterly improvements throughout the year. Although the SVF segment has recorded a cumulative net loss on investments of $3.4 billion over the life of the respective funds so far, it recorded an investment gain of ¥724 billion ($4,784 million) in the fiscal year ended March 31, 2024. This includes the gain from the sale of Arm shares through an intragroup transaction, which is eliminated in consolidation.

Actively managed investment portfolio with a proven track record of selecting and creating value in attractive investment and monetization opportunities through a variety of methods

We have a proven track record of increasing the equity value of our portfolio by selecting and strategically managing attractive opportunities and by leveraging our network and experience to promote business collaborations among our portfolio companies. In 2013, we bought a controlling stake in Sprint and, in 2020, we merged it with T-Mobile U.S. to create a performing asset with enhanced scale and the ability to deliver a transformative 5G network in the U.S. market. We have subsequently successfully monetized a portion of our investment in T-Mobile. We gradually exited from our investment in Alibaba through a series of monetization programs. The divestiture of Alibaba reflects our shift to defensive mode in the fiscal year ended March 31, 2023 to address an uncertain business environment, including China’s tightening regulations on the internet sector, and to reduce our exposure to geopolitical risk, while narrowing our portfolio increasingly to AI-related investments.

In 2016, we acquired Arm, a major semiconductor design company. Under our leadership and investment, Arm’s revenue and the annual number of chips shipped with its technologies have each approximately doubled from 2016 to 2023. In September 2023, Arm successfully completed an IPO on the Nasdaq Global Select Market, the largest IPO globally that year. We believe Arm’s high-performance, energy-efficient semiconductor designs will be key to unlocking the potential of AI and serve as a core infrastructure underlying the ongoing AI revolution.

Going forward, we intend for the success of our AI-centric investment portfolio to serve as the engine of our continued growth and investments as the AI revolution fuels further innovations in products and services of our portfolio companies that utilize AI to transform the way people live and work.

The proceeds from asset monetization, together with the recurring stream of dividends we have historically received from SoftBank Corp., have enabled us to broaden the range of our investments in companies colloquially known as “unicorns,” private companies in an early stage of development that are valued at more than $1 billion at the time of investment. SVF1, SVF2 and LatAm Funds are now invested in numerous unicorns that have promising growth prospects as market leaders.

Our assessment of new investment opportunities is underpinned by a clear investment thesis, which we have honed through our decades-long experience in making successful investments. Once we have selected our investments, we leverage our network and experience to promote business collaborations among our portfolio companies, use our bargaining power and a shared vision to provide founders and companies the freedom to grow their business, and engage in extensive information sharing among the portfolio companies and the Company in order to facilitate the rapid internal growth of our portfolio companies. We also work to facilitate external growth through strategic M&A in our portfolio companies where appropriate, helping our portfolio companies to scale rapidly and gain resources needed to expand their business. This investment thesis is also exemplified by SVF.

SBIA and SBGA implement disciplined approaches to selectively exit the assets of the SVF funds in a timely and appropriate manner, aiming to maximize returns and ultimately make distributions to limited partners, including the Company. The SVF funds may exit portfolio company investments through acquisitions by strategic buyers, secondary share sales to other institutional asset managers, or via public market listings.

As of March 31, 2024, the SVF funds have facilitated 50 public listings and have a combined pipeline of late-stage companies such as ByteDance, Fanatics, PayPay and KAVAK that we anticipate will be ready to list in the near to medium term totaling $32 billion in fair value.

Flexible and prudent financial management

We have a prudent and conservative approach to financial management, as shown by the large liquidity position we maintain at all times and our commitment to keeping our LTV below 25% in normal times, with an upper threshold of 35% in exigent circumstances. We have adhered to this LTV financial policy for more than five years since our transformation from a telecom company to an AI-centric strategic investment holding company in late 2019, and have maintained our LTV well below 25%. As of March 31, 2024, we held a Cash Position and available borrowing capacity under our commitment lines of ¥4.7 trillion ($30.9 billion), more than sufficient to redeem bonds maturing in the upcoming two years, and had an LTV of 8.4%, which is well below our conservative upper threshold of below 25%. In addition, we manage our cash-on-hand by utilizing bank deposit with competitive interest yields and governmental bonds mainly in U.S. dollar, while we pursue attractive investment opportunities proactively.

We continue to have ample access to multiple sources of funding and stakes in listed companies such as SoftBank Corp., T-Mobile and Arm, including through measures such as selling equity assets, receiving dividends from portfolio companies, obtaining distributions from investment funds and raising funds through asset-backed financing and through the regular issuance of debt securities in the Japanese domestic market. We have a proven track record of managing financial policy in order to maintain our current credit ratings, and recently received a credit rating upgrade from S&P in May 2024 to BB+ from BB and from JCR in April 2024, to A from A-, our first upgrade from JCR in twelve years. We are aiming to further build upon this track record by consistently monitoring and implementing applicable investment holding company rating criteria.

Our financial strategy will continue to build on this success by effectively using of our ample Cash Position to prioritize growth investments with the aim of creating future NAV expansion, additionally supported by active use of non-recourse financing to support our strategic investments. At the same time, we will implement enhanced monitoring of our portfolio companies to facilitate monetization and reinvestment of our portfolio stakes.

World-class management team led by Japan's most successful entrepreneur, with a track record of growing businesses and risk control through disciplined portfolio management under our high standards of corporate governance

With our strong senior management team and a group of transformational Internet entrepreneurs, we believe our leadership team has the experience and vision to continue our success.

Our founder, Chairman and CEO Masayoshi Son is Japan's foremost information technology and business innovator. Under his leadership, we have grown from a new-born distributor of packaged software in 1981 to one of the largest strategic investment holding companies in the world. See "Business—History." Our board members also include Yoshimitsu Goto, Senior Vice President and CFO, with over three decades of experience in finance; Ken Miyauchi, the ex-Chairman and CEO of SoftBank Corp., who joined us shortly after its founding and led the expansion of domestic business together with Masayoshi Son; and Rene Haas, the CEO of Arm, with a 35-year semiconductor industry experience. In addition to these board members, Rajeev Misra, the co-CEO of SBIA, and Alex Clavel, the co-CEO of SBIA and the CEO of SBGA, who bring far-reaching vision and inspiration to their roles, have led our investment funds for the Information Revolution.

Our management team has consistently demonstrated our ability to leverage their respective networks to identify and execute investment opportunities, connect them with investors and facilitate the growth of successful businesses. For example, we acquired Vodafone's Japanese operations (currently SoftBank Corp.) in 2006. Through prudent investment, we transformed it from a below-average network into a leading mobile telecom operator, cementing its status with Japanese consumers by making it the launch provider of the first iPhone in Japan. In addition, we acquired a controlling interest in Sprint in 2013. Under our leadership, Sprint saw a sharp recovery in its business prior to completing its merger with T-Mobile in April 2020. Our leadership team and their experienced approach to growth, monetization, and risk management has also been instrumental to our disciplined exit from our position in Alibaba and strategic monetization of our position in T-Mobile since the merger. These funds, in turn, have served in part as the engine of powering our acquisition and expansion of Arm and our shift to an AI-centric investment portfolio. Going forward, we believe that our team of seasoned managers and visionary entrepreneurs will be key to our business plans for the Information Revolution fueled by the AI revolution.

We recognize that in order to achieve our corporate mission, it is vital to maintain effective corporate governance. To that end, we seek to continue to strengthen our corporate governance by taking measures such as formulating the SoftBank Group Charter, which establishes our fundamental concept of governance as "free, fair, innovative," devising our "Group Company Management Regulations," which sets out our management policy and management framework for portfolio companies, ensuring compliance with our Code of Conduct, which prescribes the policies to be followed by the Company, its board of directors, and employees and forming a Nominating & Compensation Committee.

We seek to maintain our established set of corporate governance standards that are required to be referred to when making determinations about potential investments. See "Business—Approach Concerning Investment Decisions." When making potential investments and when ultimately managing those investments, we seek to confirm or make reasonable efforts to ensure that each portfolio company in which we invest is operating under the standards of corporate governance that are substantially equivalent to our own standards set forth in the "Portfolio Company Governance and Investment Guidelines Policy."

Strategies

Synergistic long-term investments to lead the AI Revolution

We believe that rapid advances in artificial intelligence technology will form the core of an Information Revolution that will create trailblazing advancements across substantially all existing industries, replacing, augmenting and enhancing human abilities and creating higher efficiencies and potential for growth. In recent years, incorporation of AI technology into a variety of business models has accelerated, and we believe that this trend is starting to reshape current models of value creation and will fundamentally redefine most industries. We believe that the near future may see the development of artificial general intelligence ("AGI")—technologies capable of problem-solving like human beings with capacities that equal or exceed human intellectual abilities. As the advance of AI opens up new markets for innovative products and services, we aim to make investments across our group in order to capture major opportunities arising from the disruption in existing industries, creation of new industries and overall market expansion driven by AI technology and its broad adoption. Our strong track record of having invested ahead of the curve in era-defining and pathbreaking technologies, including our early investments in internet companies, mobile providers and e-commerce platforms, is a key strength, giving us the expertise, experience and confidence to continue making strategic, long-term synergistic investments to unlock AI revolution.

In addition to our commitment to Arm, which provides backbone infrastructure for the AI revolution, we are making strategic investments in areas that we see as leading opportunities for near-term adoption of AI technology such as industrial automation and robotics, and autonomous driving technology. In the fiscal year ended March 31, 2024, we invested approximately $1.6 billion and $0.8 billion in companies that provide AI-based solutions in industrial automation and robotics, and autonomous driving technology, respectively. For example, in industrial automation and robotics in July 2023, we acquired Berkshire Grey, Inc. ("Berkshire Grey"), a company that combines robotics and AI to automate fulfillment, supply chain, and logistics operations, for approximately $338 million, including the consideration paid to SVF2 for intragroup acquisition. Another example is GreenBox Systems LLC ("GreenBox"), a joint venture set up by us and our strategic investee Symbotic, a provider of automated warehouse systems using AI-powered robotics and software technology. GreenBox is the exclusive provider of Symbotic systems in the warehouse-as-a-service market, aiming to automate supply chain networks globally by deploying Symbotic's advanced AI and automation technology for warehouses. In self-driving car technology, we led an investment round of over $1 billion in May 2024, with contributions from Nvidia Corporation and Microsoft Corporation, for Wayve Technologies Ltd., a U.K. headquartered developer of AI systems for autonomous vehicles that became the first company to develop and test an end-to-end deep learning-based autonomous driving system on public roads.

Alongside our core strategic AI investments, we are also continuing to invest through SVF in companies across the expanding frontier of AI, in areas including consumer, fintech, enterprise, health tech, logistics and transportation, looking to develop the further development and application of AI to more industries and create new business and growth opportunities. We prefer to make investments in high-growth potential companies who have already established their market position in their respective sector, an approach that we believe generally leads to a higher success rate as compared to ordinary venture capital funds.

Maintain our prudent and conservative financial policy

We seek to adhere to our time-tested and prudent approach to financial management by firmly keeping the following policies.

Manage LTV below 25% in normal times

We seek to adhere to our time-tested and prudent approach to financial management by continuing to maintain a strong balance sheet and an LTV below 25% during normal times, with an upper threshold of 35% in exigent circumstances. We believe that keeping LTV below 25% in normal times is a highly prudent financial standard. Our LTV was 8.4% as of March 31, 2024, which is well below our policy ceiling of 25% in normal times. Our LTV is currently at an exceptionally safe level in our view. From the fiscal year ending March 31, 2025 onward, as we continue to make new investments to further expand NAV, LTV is expected to return to levels appropriate for market conditions. We will continue adhering to our financial policy by carefully managing net interest-bearing debt from new investments and our equity holdings value, monetizing assets and collecting dividends and distributions from subsidiaries and other investees.

Maintain funds covering bond redemptions for at least the next two years

In addition to our LTV policy, we proactively manage our investment portfolio to maintain an abundant liquidity position that is sufficient to redeem maturing bonds for at least the next two years.

Secure recurring distributions and dividend income

Our cash management policy also encompasses distribution and dividend income from SVF as well as other subsidiaries, such as SoftBank Corp. We received ¥165 billion ($1,088 million) of cash dividends from SoftBank Corp. in the twelve months ended March 31, 2024.

It is our general policy that portfolio companies be self-financing and we seek to avoid rescuing portfolio companies that run into serious financial difficulties, in order to avoid diverting resources.

Although we seek to remain firmly committed to the above financial policies in the future, we do so with the aim of simultaneously remaining agile and flexible in order to swiftly address changes in circumstances that arise based on opportunities presented to us in the investment cycle against a backdrop of changing economic conditions.

Enjoy rapid and prominent growth of Arm acting as a leader of the AI Revolution

We assess our investments through the lens of sustainable growth. Our research and development and new business initiatives are often tied to revenue streams five to ten years in the future, while our historical investments drive revenue and enable profitability and cash flow generation today. Key levers of our growth strategy are summarized below.

We already have significant market share in some high-value markets, such as mobile applications processors, which enables us to invest in other growth opportunities. As of December 31, 2022, Arm's market share in growth industries, including cloud computing, networking equipment, automotive and consumer electronics, was 10%, 26%, 41% and 32%, respectively. We believe that the increasing need for high-performance and energy-efficient computing, as well as our continued investments, will enable us to grow Arm's market share in these markets.

As chip designs become more advanced and complex, we believe that our investments in additional functionality, higher performance, higher efficiency, and more specialized designs will allow us to deliver more value to our customers. To enable further improvements in performance and efficiency, we continue to develop a broader set of configurable systems Intellectual Property ("IP") offerings, including proven on-chip interconnect, security IP, memory controllers, and other design IP to be used with our processors, such as the integration of multiple IP technologies into a subsystem and additional information to assist in fabrication. More recently, we have invested in a holistic, solution-focused approach to design, expanding beyond individual design IP elements to providing a more complete system. At the same time, by designing an increasingly larger proportion of the overall chip design, we are further reducing incremental development investment and risk borne by our customers while also enabling us to capture more value per device.

We continuously evaluate emerging markets and technologies that may enable us to create more advanced products that bring more value to our customers and ecosystem. For example, we are leading the way in integrating AI and Machine Learning ("ML") capabilities across all devices through our highly scalable architecture. All modern smartphones are AI and ML capable by virtue of their Arm processors, and we are increasingly working with companies in other markets, such as consumer electronics and automotive, to deploy AI-based solutions. In the networking, cloud and data center markets, we continue to add AI-specific features to our CPUs to enable market-leading performance.

Each Arm processor provides a certain compute capability within a power budget and, as such, can be used in multiple different devices that have similar compute requirements. An Arm customer who may have designed a processor for one application may, in the future, find additional applications that can utilize this technology. Consequently, Arm products may be used in new products for new end markets for many years or, in some cases, decades. We expect this trend to continue with the growing proliferation of devices and use cases.

We are focused on making Arm products as easy to access and to integrate into a chip design as possible. We continuously assess ways to expand our flexible engagement model to provide all companies with easy access to Arm products, including low- and no-cost offerings for startups. In recent years and with a growing portfolio of new products, we have started to move customers onto product portfolio licenses, where each customer will gain access to a broad portfolio of Arm products. Our business model makes licensing our products much easier by allowing our customers to quickly gain access to Arm products. We believe our business model will encourage customer experimentation and result in a broader range of Arm features being used. Our business model is also designed to provide better alignment between pricing and the value delivered by us across low- and high-end devices.

Maintain high standards of corporate governance

We recognize that in order to achieve our corporate mission, it is vital to maintain effective corporate governance. To that end, we seek to continue to strengthen our corporate governance by taking measures such as formulating the SoftBank Group Charter, which establishes our fundamental concept of governance as "free, fair, innovative," devising our "Group Company Management Regulations," which sets out our management policy and management framework for portfolio companies, ensuring compliance with our Code of Conduct, which prescribes the policies to be followed by the Company, its board of directors, and employees and forming a Nominating & Compensation Committee.

Following the election of additional external board directors at our annual general meeting of shareholders held on June 23, 2021, our board of directors is comprised of a majority of external board directors, enabling us to further strengthen our corporate governance. Our board of directors currently consists of nine board directors, including five external board directors. The Chairman and CEO serves as the chairman of the board of directors. Agenda items for discussion at the meetings of the board of directors are set forth in the Regulations of the Board of Directors. The board of directors discusses statutory matters, as well as critical matters related to business management, such as investments, loans, and borrowings that exceed a certain amount.

From December 2023 to April 2024, we had an independent organization prepare a questionnaire and conduct interviews with our board of directors, including CEO, Executive Vice Presidents, and external board directors, and all of our audit and supervisory board members about the composition, operation, and support systems of the board of directors, and conducted an evaluation of the effectiveness of the board of directors based on its results. The results of the evaluation confirmed that, as was the case in the fiscal year ended March 31, 2023, the relationship based on trust, along with a healthy level of checks and balances, among the Representative Director, Corporate Officer, Chairman & CEO and the board of directors as well as active discussions among independent and diverse board directors have been maintained and firmly established as the culture of our board of directors. Additionally, the evaluation confirmed that effective monitoring was being conducted by our board of directors on recent investments.

We elect independent external board directors in accordance with the independence criteria set by the Tokyo Stock Exchange. Our goal is to ensure adequate independence of our five external board directors, who bring a wealth of knowledge and experience to our board of directors related to business management and other matters. Each of the external board directors actively participates in discussions at the Board meetings and we make management judgments and decisions based on these discussions.

We seek to maintain our established set of corporate governance standards that are required to be referred to when making determinations about potential investments. See “Business—Approach Concerning Investment Decisions.” When making potential investments and when ultimately managing those investments, we seek to confirm or make reasonable efforts to ensure that each portfolio company in which we invest is operating under the standards of corporate governance that are substantially equivalent to our own standards set forth in the “Portfolio Company Governance and Investment Guidelines Policy.”

As an organization at the forefront of the AI revolution, we recognize the importance of building frameworks for responsible use of AI—frameworks to control the risks but also leverage the opportunities of AI to create new value. As part of this effort to ensure responsible use of AI, we have established the AI Governance Working Group to discuss our approach to AI governance. We aim for the establishment of an appropriate AI governance structure through discussions at the Working Group and beyond and will continue our efforts to build a governance structure that balances proactive and secure approaches to manage the breakneck advancements in AI.

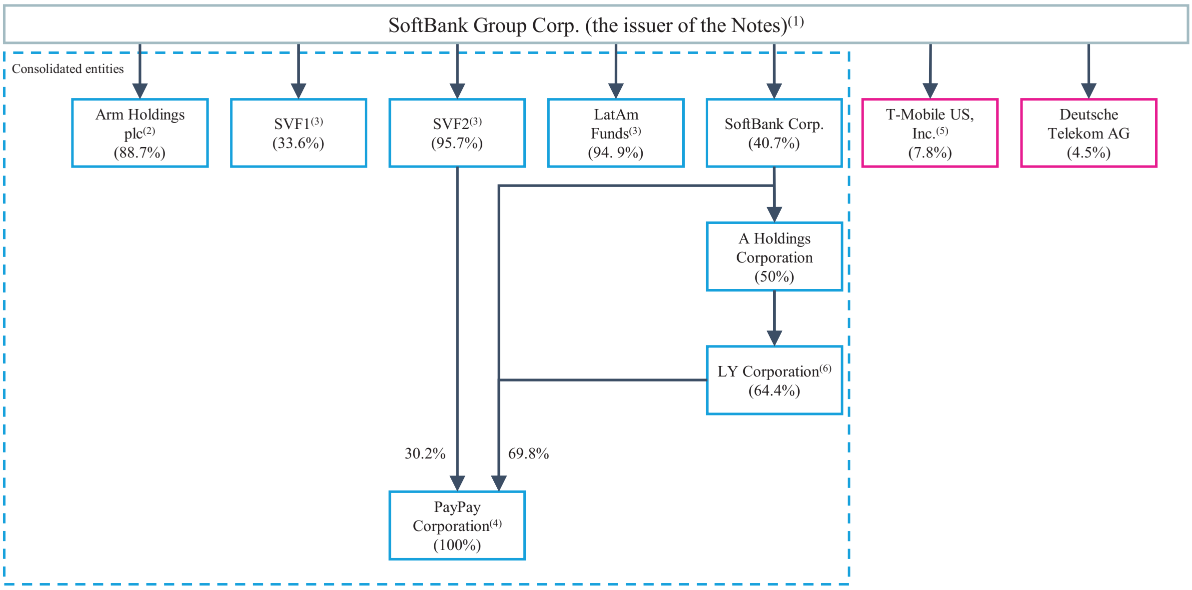
Recent Developments

Since March 31, 2024, we have continued to pursue our business and investment strategies. The following are some recent developments and investments:

- *Issuance and Sale of Yen-denominated Corporate Bonds to Wholesale Markets.* On April 25, 2024, we issued and sold a series of unsecured straight Yen-denominated bonds to wholesale markets. The aggregate principal amount of the Yen-denominated straight corporation bonds issued is ¥100 billion ($660 million).
- *Issuance and Sale of Yen-denominated Corporate Bonds to Retail Markets.* On June 14, 2024, we issued and sold a series of unsecured straight Yen-denominated bonds, the 63rd Unsecured Straight Corporate Bond, or the “Fukuoka SoftBank HAWKS Bond”, to individual investors in retail markets. The aggregate principal amount of the Fukuoka SoftBank HAWKS Bond issued is ¥550 billion ($3,633 million).
- *Physical Settlement of Certain Prepaid Forward Contracts using Alibaba shares*. Some of our wholly owned subsidiaries have entered into prepaid forward contracts with financial institutions to procure funds using Alibaba shares (such subsidiaries, the “Alibaba Shares Fund Procurement Entities”). We have decided to physically settle certain existing prepaid forward contracts using 304 million Alibaba shares. The physical settlement takes place at the relevant Alibaba Shares Fund Procurement Entity from May to July 2024.

Organizational Structure

The following is a simplified chart of the corporate and financing structure of the Company as of March 31, 2024. The chart does not include all of our subsidiaries or all of our financings and certain groups of subsidiaries are represented collectively, such as intermediary holding companies and the entities comprising SVF1, SVF2 and LatAm Funds. Unless otherwise indicated, the subsidiaries and associates included are directly or indirectly owned by the Company.



Notes:

(1) The shares of the Company are traded on the Tokyo Stock Exchange. As of March 31, 2024, the principal shareholder of the Company is the founder, Representative Director, Corporate Officer, Chairman & CEO of the Company, Masayoshi Son (29.11%).

(2) 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 Arm Holdings Limited a wholly owned subsidiary of the Company. 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.

(3) The percentages shown represents the investment ratios of the Company's committed capital to the total committed capital of the respective funds. The investment ratios of SVF2 and LatAm Funds shown include equity and preferred equity contributions under a co-investment program with MASA USA LLC, a company controlled by Masayoshi Son.

(4) SVF2 owns a 30.2% interest in PayPay Corporation while SoftBank Corp. and LY Corporation together hold the remaining 69.8% interest. If PayPay Corporation's stock acquisition rights issued to One97 Communications Limited are exercised, the interests held by SVF2, and SoftBank Corp. and LY Corporation will decrease to 28.5% and 66.0%, respectively.

(5) As part of the consideration for the April 2020 merger between T-Mobile US, Inc. and the Company's then-U.S. subsidiary, Sprint Corporation, the Company received the right to acquire 48,751,557 shares of T-Mobile stock for no additional consideration, contingent upon the satisfaction of a certain condition from T-Mobile. Following the satisfaction of the contingent condition on December 22, 2023, the Company acquired 48,751,557 T-Mobile shares for no additional consideration on December 28, 2023.

(6) On October 1, 2023, Z Holdings Corporation completed the scheduled intragroup reorganization procedures, including the merger primarily among itself and its core wholly owned subsidiaries, LINE Corporation and Yahoo Japan Corporation. Z Holdings Corporation was then renamed to LY Corporation, LINE Corporation to Z Intermediate Global Corporation and Yahoo Japan Corporation was dissolved.

The Offering

The summary below describes the principal terms of the Notes. The terms and conditions described below are subject to important limitations and exceptions. For a more detailed description of the terms and conditions of the Notes, including the definitions of certain terms used in this summary, see "Risk Factors."

Issuer	SoftBank Group Corp.
Notes Offered	$400,000,000 aggregate principal amount of its 6¾% Senior Notes due 2029 denominated in U.S. dollars (the "2029 Dollar Notes"); $500,000,000 aggregate principal amount of its 7% Senior Notes due 2031 denominated in U.S. dollars (the "2031 Dollar Notes," and together with the 2029 Dollar Notes, the "Dollar Notes"); €450,000,000 aggregate principal amount of its 5⅜% Senior Notes due 2029 denominated in euro (the "2029 Euro Notes"); and €450,000,000 aggregate principal amount of its 5¾% Senior Notes due 2032 denominated in euro (the "2032 Euro Notes," and together with the 2029 Euro Notes, the "Euro Notes," and, together with the Dollar Notes, the "Notes").
Issue Date	On or about July 8, 2024.
Offering Price	100% of the principal amount of the Notes *plus* accrued interest, if any, from the Issue Date.
Maturity Date	2029 Dollar Notes: July 8, 2029. 2031 Dollar Notes: July 8, 2031. 2029 Euro Notes: January 8, 2029. 2032 Euro Notes: July 8, 2032.
Interest Payment Dates	We will pay interest on the Notes on each January 8 and July 8, commencing January 8, 2025.
Form and Denominations	The Company will issue the Notes on the Issue Date in global registered form. Dollar Notes will be issued in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof and Euro Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

Ranking of the Notes	The Notes will:
	
	• be general unsecured obligations of the Company;
	
	• in insolvency proceedings of the Company, rank *pari passu* in right of payment with all existing and future Indebtedness of the Company (including the Existing Senior Notes and the Company's unsubordinated Yen-denominated unsecured bonds), except that the Notes will:
	
	  • rank senior in right of payment to all existing and future Indebtedness of the Company that is contractually subordinated in right of payment to the Notes and all existing and future Indebtedness of the Company that is subordinated in right of payment to the Notes by operation of law (including the Company's Yen-denominated hybrid loans and Yen-denominated hybrid bonds); and
	
	  • be subordinated in right of payment to all existing and future Indebtedness of the Company that is preferred by operation of law;

- be effectively subordinated to any existing and future Indebtedness of the Company that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness, through either enforcement of such Indebtedness outside insolvency proceedings or preferred treatment of such Indebtedness in insolvency proceedings; and
- be effectively subordinated to all existing and future Indebtedness, lease obligations or other obligations and any trade payables of any Subsidiary of the Company that does not guarantee the Notes (including the substantial financial liabilities outstanding under asset-backed Indebtedness or derivative obligations incurred by Subsidiaries of the Company).

See "Risk Factors—Risks Relating to the Notes—The Notes are unsecured obligations and will be effectively subordinated to the existing and future secured indebtedness of the Company and its subsidiaries. We and our subsidiaries may in the future incur substantial amounts of secured debt"; "Risk Factors—Risks Relating to the Notes—The Notes will be structurally subordinated to any existing or future indebtedness, preferred stock and other liabilities of our subsidiaries"; "Risk Factors—Risks Relating to the Notes—Enforcement of claims on the Notes will be subject to certain limitations arising under Japanese insolvency and corporate laws. Japanese laws may be different from, and not as favorable to you as, the laws in other jurisdictions"; and "Description of Other Indebtedness."

Optional Redemption .... With respect to each series of the Notes, at any time prior to the date that is 90 days prior to the final maturity date of such series we may on any one or more occasions, at our option, redeem all or part of such series by paying a "make-whole" premium, and at any time on or after the date that is 90 days prior to the final maturity date of such series we may on any one or more occasions, at our option, redeem all or part of such series at par. See "Description of the Notes—Optional Redemption."

Tax Redemption .... In the event of certain developments affecting taxation, we may redeem all, but not less than all, of the Notes at 100% of the principal amount thereof, *plus* accrued and unpaid interest to the date of redemption. See "Description of the Notes—Redemption for Changes in Taxes."

Repurchase of Notes upon a Change of Control Triggering Event .... Upon the occurrence of a Change of Control Triggering Event, the Company will make an offer to repurchase all outstanding Notes at a purchase price equal to 100% of their principal amount *plus* accrued and unpaid interest, if any, to the repurchase date. See "Description of the Notes—Repurchase at the Option of Holders upon a Change of Control Triggering Event."

Covenants .... We will issue the Notes under an indenture (the "Indenture") that will limit, among other things, the Company's ability to:

- create or incur certain liens; and
- consolidate or merge with other entities.

In addition, the Indenture will limit, among other things, the ability of the Company to guarantee or provide collateral in support of indebtedness of Subsidiaries with recourse to the Company.

Each of the covenants is subject to a number of important exceptions and qualifications. Certain of the covenants will be suspended if the relevant Notes obtain and maintain an investment-grade rating. See "Description of the Notes—Certain Covenants."

No Prior Market	The Notes will be new securities for which there is currently no market. Although the Initial Purchasers have informed us that they intend to make a market in the Notes, they are not obligated to do so and they may discontinue market making at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.
Listing	Approval in-principle has been received for the listing of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or information contained in this offering memorandum. Approval in-principle for the listing of the Notes on the SGX-ST is not to be taken as an indication of the merits of the offering, us, our subsidiaries or associated companies (if any) or the Notes. The Notes will be traded on the SGX-ST in a minimum board lot size of (in the case of the Dollar Notes) $200,000 or (in the case of the Euro Notes) €200,000. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we will appoint and maintain a paying agent in Singapore where the Definitive Registered Notes may be presented or surrendered for payment or redemption in the event that a Global Note is exchanged for Definitive Registered Notes. In addition, in the event that a Global Note is exchanged for Definitive Registered Notes, an announcement of such exchange shall be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Registered Notes, including details of the paying agent in Singapore.
Governing Law	The Indenture and the Notes will be governed by the laws of the State of New York.
Transfer Restrictions	The Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any other jurisdiction. The Notes are being offered and sold only to non-U.S. persons in offshore transactions outside the United States in reliance on Regulation S and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the European Economic Area. See "Notice to Investors" for additional information about eligible offerees and transfer restrictions. We have not agreed to, or otherwise undertaken to, register the Notes (including by way of an exchange offer).
Use of Proceeds	We expect to receive a total of approximately $1,852 million (equivalent) in net proceeds from this offering, comprising approximately $891 million from the Dollar Notes and €891 million from the Euro Notes, after deducting underwriting discounts and commissions. The Company plans to use the proceeds of the offering for repayment of indebtedness, including the redemption of foreign currency-denominated senior notes and for general corporate purposes, including the maintenance of a cash position for redemption of outstanding notes due over the next two years and new investments.
Additional Amounts	All payments made by the Company will be made without withholding or deduction for, or on account of, any present or future taxes in any taxing jurisdiction unless required by applicable law. If withholding or deduction for such taxes is required to be made in a relevant taxing jurisdiction with respect to a payment on the Notes, subject to certain exceptions, the Company will pay the additional amounts necessary so that the net

	amount received after the withholding or deduction is not less than the amount that would have been received in the absence of the withholding or deduction. See "Description of the Notes—Additional Amounts."
Trustee and Paying Agent	The Bank of New York Mellon, London Branch
Transfer Agent and Registrar	The Bank of New York Mellon SA/NV, Dublin Branch
Security Codes	2029 Dollar Notes ISIN: XS2854422578 Common Code: 285442257 2031 Dollar Notes ISIN: XS2854422818 Common Code: 285442281 2029 Euro Notes ISIN: XS2854423386 Common Code: 285442338 2032 Euro Notes ISIN: XS2854423469 Common Code: 285442346
Risk Factors	Investing in the Notes involves substantial risks. You should refer to the section entitled "Risk Factors" for an explanation of certain risks involved in investing in the Notes.

Risk Factors

An investment in the Notes involves significant risk and uncertainty. You should consider carefully the risk factors described below as well as other information contained in this offering memorandum, including our financial statements and the related notes included elsewhere in this offering memorandum, before making any investment decision. The risks and uncertainties discussed below, as well as additional risks and uncertainties not currently known to us or that we currently deem immaterial, could materially affect our business, financial condition and results of operations, affect our ability to make payments on the Notes or cause the market price of the Notes to decline. This could result in you losing all or part of your investment.

Risks Relating to Our Status as a Strategic Investment Holding Company

Our business model entails risks.

We have built an investment portfolio consisting of companies engaged in diverse businesses, primarily information and technology companies that leverage AI, through direct investments (including investments made through subsidiaries), investments in group companies such as Arm and SoftBank Corp. and investments made through investment funds such as SVF. Our aim is to increase the asset value of our portfolio companies by promoting business collaborations among them and leveraging our network and experience. We seek to exit from such equity investments, as we deem appropriate, and allocate the proceeds to new investments based on our growth strategies. We may also allocate the proceeds to shareholder returns and debt repayments, as we deem appropriate.

Due to this business model, if the stock markets deteriorate or our portfolio companies' business development and results of operations fall substantially below our expectations at the time when we made an investment decision, the equity value of our holdings could decrease, leading to a decline in our financial condition and results of operations, thereby adversely affecting our ability to make new investments and the success of our financial policies. Due to the breadth and scope of our investment portfolio, we are vulnerable to adverse changes in global economic conditions, which involves factors beyond our control.

In particular, our future success depends, in part, on our ability to anticipate and adapt in a timely manner to the fast-paced changes in technology and business models, particularly in the field of AI, that characterize the information and technology industries in which we invest, and in which our investments are focused. We expect that new services, technologies and business models will emerge on a continuous basis and that existing services, technologies and business models will also further develop. Our failure to adapt to such changes could have a material adverse effect on our business, financial condition and results of operations. Furthermore, the business fields in which these types of new technologies and business models are offered may be subject to specific and strict regulations and licensing regimes, which could have an adverse effect by creating financial burdens or restrictions on portfolio companies' business development and their results of operations. In addition, due to the focus of our investments in the information and technology industries that leverage AI, the value of our investment portfolio is particularly susceptible to shifts in capital market sentiment with respect to information and technology companies, in particular those that leverage AI. Also, because we also invest in unlisted companies that are seeking to go public in such industries, both directly and through investment funds such as SVF, the value of our portfolio and our ability to exit from investments or realize gains may also be heavily impacted by the health of the IPO market and appetite for public offerings generally.

Our financial results may be significantly affected by our ability to procure funds.

In connection with our business model, we aim to meet our funding requirements for new investments on an ongoing basis, through measures such as selling equity assets, receiving dividends from portfolio companies, obtaining distributions from investment funds and raising funds through asset-backed financing. If we are unable to dispose of equity assets or procure funds as needed for new investments, we could be forced to forego investment opportunities and our ability to increase the value of our portfolio may be compromised. For certain of our asset-backed financing, we may be required to post additional share or cash collateral or incur prepayment obligations in the event that the value of our eligible holdings declines due to a deterioration in the stock market or other factors. In addition, we may have difficulty raising new funds.

To meet our funding needs for our investment activities, we also raise funds through loans from financial institutions and the issuance of bonds. Disruptions in the economy that result in a deterioration of economic conditions in Japan, the United States, Europe or globally could adversely affect our business model or diminish our ability to procure funds. If interest rates continue to rise due to further tightening of monetary policies or changes in financial markets, or our creditworthiness declines, due to a decrease in the value of our owned assets or a deterioration in our results of operations, which could lead to a downgrade in our credit ratings, our financing costs could increase, thereby adversely affecting our results of operations. Furthermore, our inability to raise funds at our desired timing, scale or conditions could adversely affect our investment activities, including investments through investment funds, and financial position.

We may, both directly and indirectly through subsidiaries, raise new funds, refinance, sell some of our assets or take other measures to secure resources to repay our debt. If faced with prolonged unfavorable funding conditions, we may be forced to dispose of equity assets on unfavorable terms or to execute unplanned equity asset disposals in order to secure resources for repayment, which could adversely affect the equity value of our holdings, portfolio value, consolidated and non-consolidated results of operations and investment performance.

The loss of key senior management personnel, including Mr. Masayoshi Son in particular, could negatively affect our business.

Our performance is substantially dependent on our senior management and other key personnel. These individuals have acquired specialized knowledge and skills with respect to our various businesses. This institutional knowledge, in addition to the managerial and financial experience of these individuals as well as their decision-making abilities, makes them especially critical to our success. If one or more members of our key personnel are unable or unwilling to continue to remain in their current positions, our business and operations could be disrupted and our growth potential could be impaired.

In particular, we depend in large part on the knowledge, expertise and services of Mr. Masayoshi Son, our founder, Representative Director, Corporate Officer, Chairman & CEO, particularly for identifying new business and investment opportunities and creating new business models. Mr. Son's reputation and personal contacts in the industries in which we operate have provided us access to many opportunities which would not otherwise be available to us. There can be no assurance that the departure of Mr. Son would not have a material adverse effect on our business, financial condition or results of operations.

We face various risks in connection with our investment activities.

We engage in investment activities such as corporate acquisitions, establishment of subsidiaries and joint ventures and investments in operating companies (including listed and unlisted companies), holding companies (including companies that effectively control other companies through various contracts) and investment funds. Our investment portfolio is made up of companies that we believe have a competitive edge over peers in each sector, centered on semiconductor, telecommunications and technology, and includes operating companies such as Arm, SoftBank Corp., T-Mobile and Deutsche Telekom. We also make investments through SVF1, SVF2 and LatAm Funds in diverse geographies and sectors.

Factors such as equity market volatility, asset or market correlations, interest rates, availability of credit, inflation rates, economic uncertainty, trade barriers and tariffs, disease, commodity prices, currency exchange rates and controls, and national and international political circumstances (including governmental instability or dysfunction, wars, terrorist acts or security operations) can have a material impact on the value of our investments. Our investment activities are subject to various risks, including those summarized below. In parallel, our recording of valuation losses on assets such as our equity holdings could adversely affect our consolidated results of operations and financial position.

See "Risks Related to SVF Segment", "Risks Related to SoftBank Corp. Segment" and "Risks Related to Arm Segment" for a description of risks that are especially related to SVF, SoftBank Corp. and Arm, respectively, which have a particularly large impact on consolidated operating results.

Political situations, monetary and fiscal policies, international conditions and regulatory trends. We invest in entities that operate not only in Japan, but also in countries and regions overseas, such as Europe, the United States, China, other parts of Asia and Central and South America. Therefore, if economic situations or financial markets in such countries and regions deteriorate due to changes in political situations, monetary and fiscal policies, international conditions such as trade disputes or conflicts, natural disasters caused by, among other things, climate change, or public health crises such as the spread of infectious diseases, our investment activities and the business activities of our portfolio companies may not develop as we expect. Furthermore, geopolitical instability in various parts of the world, including the ongoing Russia-Ukraine and Middle East conflicts, continued trade tensions between the United States and China and political instability involving the Middle East, Southeast Asia, Europe, the United States or other regions, economic slowdowns experienced by significant economies including China, government policy in response to inflation concerns including interest rate increases, particularly by Japan or other developed economies, could cause or contribute to a broader global economic downturn. In particular, any unexpected shift in the monetary policies of the central banks of major economies, specifically further tightening of monetary policies, may negatively affect our investment activities over the short term. For example, our execution and realization of investments could be delayed, the terms and conditions of investment realizations could deteriorate, or the businesses and results of operations of each portfolio company could be adversely affected by a decrease in demand for or a shortfall in the supply of their services and products. Furthermore, with respect to investments in unlisted companies with low liquidity, if market conditions deteriorate sharply or other similar issues arise, we may not be able to sell our interests in such companies at our desired timing, scale or conditions. As a result, our financial condition, results of operations and investment performance may be adversely affected.

Moreover, our investment activities may require approvals and permissions from the regulatory authorities of relevant countries, or our involvement with portfolio companies may be restricted. If the necessary approvals and permissions cannot be obtained or other restrictions cannot be avoided, we may be unable to successfully implement our investment or divestment plans as we expect.

Fluctuations in foreign currency exchange rates. We invest in overseas companies in foreign currencies and procure funds in foreign currencies. Accordingly, we hold assets and liabilities in foreign currencies and our business is sensitive to fluctuations in foreign currency exchange rates, especially the yen-U.S. dollar exchange rate. In addition, the presentation of our results of operations may be positively or adversely affected by the translation of foreign currencies into yen for the purpose of our consolidated financial statements. For example, during the fiscal year ended March 31, 2024, the yen continued to weaken against major foreign currencies, especially U.S. dollar, and we recorded foreign exchange loss of ¥703 billion ($4.6 billon) mainly due to foreign exchange effects of weaker yen on our U.S. dollar-denominated liabilities. On the other hand, the yen-translated value of net assets of our foreign subsidiaries and associates increased by ¥2,009 billion ($13.3 billon), recorded as exchange differences on translating foreign operation, for the fiscal year ended March 31, 2024. However, it is possible that if the yen rapidly increases in value, it may have an adverse effect on the net assets of our foreign subsidiaries and associates, which in turn may have a material adverse effect on our NAV, financial conditions and investment performance. We may not be successful in managing our exposure to currency exchange risks and this may have a material adverse effect on our business, financial condition and results of operations.

Investment decisions. We make direct investments (including investments through subsidiaries) without going through investment funds (for example, SVF). In our investment decision-making process, we seek to appropriately estimate the investment target's equity value and to assess risks related to the target's businesses, finances, corporate governance, compliance and internal controls, by conducting due diligence on matters including the target's business, technology, business model, market size, business plan, competitive environment, financial condition and legal compliance. However, we may overestimate the corporate value, technology, business model or market size of an investment target, or underestimate the risk. We may also make investment decisions based on misjudgments as to the integrity of founders and managers who have a crucial influence on investment targets. Consequently, after making an investment, the asset value of the investment (i.e., the equity value of our holdings) could decrease, thereby leading to a decrease in portfolio value. In parallel, the recording of valuation losses on assets such as our equity holdings could adversely affect our consolidated results of operations and financial position. Further, the entities in which we have invested may not be able to compete effectively and fail. This may result in reputational damage to us in addition to any asset value decreases. For example, we made investments directly and indirectly via SVF1 and SVF2 in WeWork Inc., which ultimately filed for protection under Chapter 11 of the United States Bankruptcy Code in November 2023.

Decrease in the asset value of portfolio companies. Our portfolio companies may be unable to develop businesses as we envisioned at the time when we made an investment decision, due to factors including the obsolescence of our portfolio companies' technologies and business models and intensified competitive environments, in addition to the macro external factors. This may lead to a significant deterioration in business performance or a drastic revision of our portfolio companies' business plans. There is also a possibility that our portfolio companies may increase their capital, which could result in a significant dilution of the per-share value of our portfolio companies' shares. In such cases, the asset value of portfolio companies may decrease, and we may record valuation losses on financial assets such as shares, or impairment losses on goodwill, property, plant and equipment and intangible assets incurred in connection with the investment, and may not receive the expected returns, such as profit sharing, from portfolio companies or be able to recover our investment. In addition, we may enter into, directly or indirectly, associated transactions that mitigate the risk for us and/or our co-investors in such investments, which could, in certain circumstances, expose us to a greater than proportional share of any financial loss resulting from such investments.

Investments in or other support for portfolio companies with serious financial difficulties. It is our general policy that portfolio companies be self-financing and we seek to avoid rescuing portfolio companies that run into serious financial difficulties. However, we may occasionally provide our portfolio companies with additional investments or other support, through loans, guarantees, equity investments and other means, when we deem such measures to be appropriate to enhance our shareholder value. Such investments have the potential to impact our ability to pursue other strategic opportunities, could adversely impact our available liquidity and ability to make payments on the Notes, or could otherwise adversely impact our financial position and results of operations.

We may raise additional debt against our holdings in our listed and unlisted subsidiaries, strategic associates or other investment assets or otherwise be adversely affected by declines in their respective valuations.

As part of our long-term strategy as a strategic investment holding company, we expect to rely increasingly on the value of our investments in listed and unlisted subsidiaries and strategic associates to meet our financing requirements and support our growth. We concentrate a high percentage of our investments in a relatively small number of listed subsidiaries and strategic associates, including Arm, SoftBank Corp. and T-Mobile, primarily in the semiconductor, technology and telecommunications industries. The equity value of these investments may be affected by fluctuations in general market conditions, the industries in which they operate, their specific operating performance, and extrinsic events such as significant resales by other major shareholders. Similarly, we have a large number of portfolio investments in unlisted companies, which can be illiquid and subject to substantial uncertainty and instability regarding valuation.

We have on several occasions monetized portions of our investments, including the monetization of substantially all of our position in Alibaba which was completed in 2023, by raising significant amounts of indebtedness directly or indirectly secured over these assets and we may continue to do so in the future. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Cash and Capital Requirements—Variable Prepaid Forward Contracts and Collar Transactions."

Furthermore, for certain of our asset-backed financing, we may be required to post additional share or cash collateral or incur prepayment obligations in the event that the value of our eligible holdings declines due to a deterioration in the stock market or other factors. For example, our margin loans backed by SoftBank Corp. shares include a clause requiring the borrower to provide additional cash collateral if the fair value of the collateral falls below a prescribed threshold relative to the outstanding liabilities under the loan.

Although substantially all of our asset-backed financing has been conducted on a non-recourse basis to us, a default under certain of these obligations could result in substantial blocks of equity collateral being liquidated in the market in an abrupt and uncoordinated manner. Such liquidation could adversely impact the valuation of related assets in our portfolio, as well as our control over our portfolio companies whose shares we provide as collateral. In order to avoid such effects from a default on our asset-backed obligations, we may be compelled to support the borrowers of such obligations in repaying such obligations even where they are without legal recourse to us.

Any sustained, precipitous decline in the value of our key listed subsidiaries or other portfolio assets, or in the valuations of global equity markets generally, could also substantially reduce the overall value of our investment portfolio, which could in turn impair our ability to monetize those investments to repay or refinance our outstanding indebtedness or meet our financing requirements for future growth.

We face risks associated with operation and investment in multiple geographic markets.

We conduct business and invest in multiple regions and countries including the United States, Korea, China, India, Europe and Central and South America, as well as certain other regions and countries, and we may continue expanding our operations outside of Japan, which in some cases have a different level of economic development or different economic structure from that of our traditional region of operations.

Operating and investing in multiple geographic markets exposes us to a number of risks, including:

- difficulties and costs relating to compliance with the different commercial and legal requirements of the markets in which we operate and the potential that such requirements could change to our disadvantage;
- difficulties in staffing and managing international operations;
- government regulations or restrictions on foreign investment, particularly any that prevents us from repatriating internationally derived revenue, or foreign tax structures that make repatriation prohibitively expensive, which could affect our ability to effectively reinvest or utilize such revenues in our business; and
- other geopolitical risks, including the occurrence of political, social, or economic turbulence in such countries and regions, due to the outbreak of wars, conflicts, and terror attacks, the enactment of economic sanctions and the outbreak of communicable diseases.

Our failure to successfully manage or address any of the above-listed risks could have a material adverse effect on our business, financial condition and results of operations.

Our strategic focus on AI and related technologies involves unique risks.

We have mainly invested, and expect to continue to invest, in companies that leverage technologies related to AI. This includes technologies related to semiconductors and software platforms that integrate AI capabilities into products and services. AI technologies and services are highly competitive and rapidly evolving, and AI technologies, including areas such as semiconductor design and production for AI applications, require timely investment to anticipate and meet the changing needs and expectations of users, which we are unable to predict with complete certainty. We may make investments in such AI applications that have significant lead time and uncertainty regarding future results.

Our ability to identify promising AI technologies and platforms, products and services that leverage AI is critical to our business strategy and may depend on the availability and pricing of third-party products, services and technologies. Additionally, competitors may develop AI products and technologies that are similar or superior to technologies in our portfolio companies, which are more cost-effective to deploy or better suited to commercial application. Other companies may also have (or in the future may obtain) patents or other proprietary rights that would prevent, limit, or interfere with the ability of us or our portfolio companies to make, use, or sell AI products and services.

AI is a rapidly evolving area of technology, and certain investments ultimately may not be commercially viable or may not result in an adequate return of capital and, in pursuing new strategies, we may incur unanticipated liabilities. These endeavors involve significant risks and uncertainties, including diversion of resources and management attention from current operations, different monetization models, and the use of alternative investment, governance, or compensation structures that may fail to adequately align incentives or otherwise accomplish their objectives. Furthermore, uncertainty in the legal regulatory regime relating to AI may require significant resources to modify and maintain business practices to comply with applicable laws and regulations, the nature of which cannot be determined at this time. See "—General Business Risks—We are subject to laws, government regulations and licensing regimes that restrict and may impose new restrictions on our business." Additionally, there may be significant reputational harm to us or our portfolio companies if our investee companies that leverage AI technologies and platforms are not sufficiently performant or cost competitive, or produce unreliable or undesirable results.

Risks Related to SVF Segment

Our financial results may be significantly affected by risks relating to SVF.

We invest in each of SVF1, SVF2 and LatAm Funds (collectively, "SVF") as a limited partner. Investment decisions for the various entities comprising SVF are each separately made by investment committees established as committees of SBIA and SBGA, our wholly owned subsidiaries. SBIA manages SVF1 and SBGA manages SVF2 and LatAm Funds. SVF seeks to primarily invest in technology companies that leverage AI and are deemed to have high growth potential. SVF in general acquires minority interests in various companies, ranging from emerging technology businesses to established companies requiring substantial growth funding across a wide range of technology and AI sectors, as long as the investments fall within SVF's investment strategy. As of March 31, 2024, the total committed capital to SVF1 was $98.6 billion (including $33.1 billion from us), cumulative contributions from limited partners were $87.2 billion (including $29.9 billion from us), and remaining committed capital was $11.4 billion (including $3.2 billion from us). As of March 31, 2024, the total committed capital to SVF2 was $59.8 billion (including $57.2 billion from us), cumulative contributions from limited partners were $57.3 billion, and remaining committed capital was $2.5 billion. As of March 31, 2024, the total committed capital to LatAm Funds was $7.8 billion and cumulative contributions from limited partners were $7.4 billion, and remaining committed capital was $0.4 billion. See "Business—Our Assets—SVF—Organization and Capital Deployment."

All entities that comprise SVF are consolidated by us. Investments held by SVF are measured at fair value at the end of every quarter. Changes in fair value are recognized as gain and loss on investments (except for gain and loss on investments in subsidiaries) from SVF1, SVF2 and LatAm Funds in our consolidated statements of profit or loss. With respect to unlisted companies, fair value is measured by combining multiple methods, such as the price of recent transactions, discounted cash flow, and market comparable companies. A decline in the fair value of the investments—due to factors such as a deterioration in the results of operations of portfolio companies or a downturn in financial markets and economic conditions—could lead to a deterioration in the results of operations of SVF, which could have an adverse effect on our consolidated results of operations and financial position. For example, during the fiscal years ended March 31, 2023 and 2024, we recorded loss on investments at SVF of ¥5,322 billion ($35.2 billion) and ¥167 billion ($1.1 billion), respectively. Further, on a non-consolidated basis, a deterioration in the results of operations of SVF could cause us to record a valuation loss on investment made as a limited partner, which could have an adverse effect on our financial condition and results of operations.

We treat the portfolio companies in which SVF has invested and that we are deemed to control under IFRS as subsidiaries. Accordingly, the results of operations as well as assets and liabilities of said subsidiaries are reflected in our consolidated financial statements. Therefore, a deterioration in the results of operations of said portfolio companies that are subsidiaries could have an adverse effect on our consolidated results of operations and financial position. Gain and loss on investments in said subsidiaries that are recognized at SVF are eliminated in consolidation.

Our investment in SVF may not be profitable or generate cash flows.

Net proceeds from the investment performance of SVF1, SVF2 and LatAm Funds are distributed to limited partners, which includes us and third-party investors, in the case of SVF1. To the extent that SVF1, SVF2 and LatAm Funds are not able to realize investment gains on their portfolios, they will not generate cash in order to make such distributions to us as a limited partner. Specifically with regard to SVF1 which has third-party limited partners, contributions by the limited partners 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, and we hold only Equity LP interest in SVF1. Distributions of Preferred Equity holders are calculated equal to a 7% rate per annum based on their contributions and are made semiannually. Accordingly, we do not receive any limited partnership distributions until and unless the determined distributions to Preferred Equity are paid in full. Accordingly, unless the gains on the investment portfolio are sufficient, our LP interest in SVF1 will not generate cash flow for payments on the Notes, although the cash flow has not materially contributed to our Cash Position as of March 31, 2024.

Proceeds from the investment performance of SVF are also distributed to SBIA and SBGA as performance fees based on investment performance of the funds in SVF. If SVF experiences a deterioration in investment profitability and is unable to generate investment performance as planned, we could be unable to receive performance-based distributions as a limited partner in accordance with our expectations or we could be unable to recover our capital contributions. SBIA or SBGA may also be unable to receive performance fees in accordance with expectations.

Further, performance fees received by SBIA are subject to a clawback provision (a provision requiring the return of performance fees received in the past), which is triggered under certain conditions based on future investment performance. If the investment performance at the time of liquidation of SVF1 does not exceed a certain level, the amount of performance fees that has been received by SBIA up until then could be reduced, or SBIA may not be able to receive performance fees. From the inception of SVF1, the cumulative amount of performance fees paid to SBIA was $454 million. During the three-month period ended June 30, 2023, the performance fees (net of tax) were distributed back to the limited partners in accordance with the clawback provision. From the respective inceptions of SVF2 and LatAm Funds to March 31, 2024, no performance fees have been paid to SBGA.

Failure by SVF to generate portfolio gains to enable either LP distributions to us or performance fees to SBIA and SBGA could adversely affect our financial condition and results of operations.

SVF faces risks in connection with its use of leverage.

SVF may utilize borrowings, including direct borrowing, issuance of debt or mezzanine securities, trading on margin, use of derivative instruments and other forms of direct and indirect borrowings, on a non-recourse basis to us in order to incur leverage and securing liquidity on hand. All of these uses or exposures to leverage will increase the exposure of SVF's investments to adverse economic factors such as significantly rising interest rates, severe economic downturns or deterioration in the condition of the corresponding market of the investment. In the event an investment is unable to generate sufficient cash flow to meet principal and interest payments on its indebtedness, the value of SVF's equity in such investment could be significantly reduced or even eliminated, and, if such leverage has recourse to multiple investments, it may also reduce or eliminate the value of these other investments. In the event SVF is unable to generate sufficient returns to meet its obligations under borrowings, SVF may have to realize investments prematurely, adversely impacting returns to investors. As of March 31, 2024, SVF2's outstanding borrowing for the purpose of monetizing its investments was $3.6 billion.

SVF may not be able to exit from investments.

Due to the illiquid nature of many of the investments that SVF may acquire, we are unable to predict with complete certainty what the exit strategy will ultimately be for any given position. Because of SVF's focus on investing in unlisted companies that are seeking to go public, our ability to exit from investments or realize gains may also be heavily impacted by the health of the IPO market and appetite for public offerings generally. Accordingly, there can be no assurance that SVF will be able to realize any gains from such investments in a timely manner. Consequently, the timing of cash distributions to investors is uncertain and unpredictable. Exit strategies that appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political or other factors. SVF may be prohibited by contract or other limitations from selling certain securities for a period of time which may mean that SVF is unable to take advantage of favorable market prices. Such inability to exit investments in an optimal or timely manner could adversely affect our financial condition and result of operations.

SVF may have difficulty securing and retaining necessary human resources.

Each of SBIA and SBGA seeks to maximize the equity value of the investment funds that it manages by carefully selecting investments and promoting growth after investment through the provision of a wide range of support. For the success of these investment activities, it is essential to secure and retain capable personnel who possess broad knowledge of technology and financial markets as well as specialized skills in managing investment businesses. The inability of SBIA or SBGA to secure or retain an adequate number of such capable personnel—including in light of increasing competition among alternative asset firms; financial institutions; private equity, growth equity and venture capital firms; investment managers and other industry participants for hiring and retaining qualified investment professionals and other factors—could have an adverse effect on the maintenance or expansion of the investment scale and future investment performance of the investment funds they manage, which could adversely affect our financial condition and results of operations.

Portfolio companies may not be able to adapt to regulation of new technologies or business models.

Our portfolio includes companies that are advancing the use of or are conducting research and development in relation to new technologies such as AI and big data and companies that are rolling out new business models that are different from existing business models. The business fields in which these types of new technologies and business models are offered (for example, autonomous vehicles and ride-sharing services) may be subject to specific and strict regulations and licensing regimes in many countries and regions. With the development of related laws, the introduction of, or changes in, regulations could have an adverse effect by creating financial burdens or restrictions on portfolio companies' business development and their results of operations by, for example, requiring portfolio companies to change, suspend, or discontinue the deployment of technologies, business models, or related research and development plans. Licenses and permits required to provide certain technology related services are subject to various conditions and there is no assurance that our portfolio companies will be able to satisfy such conditions. Such failure to adapt to regulation of new technologies or business models could adversely affect the value of our portfolio, which in turn could adversely affect our financial condition and results of operations.

SVF's investment portfolio includes securities issued by listed companies.

SVF's investment portfolio may contain securities issued by listed companies. Such investments may subject SVF to risks that differ in type or degree from those involved with investments in unlisted companies. Such risks include greater volatility in the valuation of such companies resulting from the availability of quoted market prices, increased obligations to disclose information regarding such companies, limitations on the ability of SVF to dispose of such securities at certain times, increased likelihood of shareholder litigation and insider trading allegations against such companies' executives and board members, including employees of SBIA and SBGA, and increased costs associated with each of the aforementioned risks. In addition, securities traded on a public exchange are subject to such exchange's right to suspend or limit trading in certain or all securities that it lists. Such a suspension could render it temporarily impossible for SVF's positions to be liquidated, and thereby expose SVF to losses.

Risks Related to SoftBank Corp. Segment

Distributions from SoftBank Corp. are important as our recurring cash flow.

We received aggregate dividend distributions from SoftBank Corp. of ¥164.7 billion ($1,088 million) for the fiscal year ended March 31, 2024. Such distributions have historically been an important source for our recurring cash flow. SoftBank Corp.'s ability to continue to pay dividends to its shareholders is dependent upon the profitability of its business. Accordingly, our ability to generate cash flows in the future will continue to be dependent in part on SoftBank Corp.'s profitability in addition to our ability to generate cash flows from other sources such as the monetization of our investment portfolio.

SoftBank Corp. operates in rapidly changing markets and faces intense competition, including from other large and established competitors and well-funded entrants, and such competition may intensify.

Although a listed company, SoftBank Corp. remains our consolidated subsidiary and accounts for a substantial proportion of our consolidated net sales. Accordingly, the various risks that SoftBank Corp. faces in connection with its business could have a material adverse effect on our own business, financial condition and results of operations.

SoftBank Corp. and its subsidiaries (collectively, the "SoftBank Corp. Group") engage in its core business of telecommunications, in addition to providing services such as Yahoo! JAPAN, LINE, and PayPay, and developing its business in various fields within the information and technology domain, including those related to AI. The telecommunications-related market is undergoing major changes mainly driven by factors such as increasingly pro-competitive policies and new entrants from different industries, while users are increasingly seeking more inexpensive and varied services. In order to address the market environment described above, the SoftBank Corp. Group deploys services, products and sales methods that fit consumer preferences. However, if the SoftBank Corp. Group is unable to meet the expectations of consumers for price plans, voice and data communications quality and so forth, or if the service and products provided by the SoftBank Corp. Group have significant defects, it is possible that the SoftBank Corp. Group may be unable to maintain its current number of subscribers. Moreover, the introduction, amendment, or change in interpretation or application of laws, regulations, systems, and so forth, could result in the effective restriction of services and products that the SoftBank Corp. Group can deliver to its customers, or of sales methods and price plans, etc., causing it to experience a decline in revenue and to incur a larger financial burden.

In certain instances, the SoftBank Corp. Group's competitors may have a competitive advantage over the SoftBank Corp. Group in terms of capital, services and products, technology development capabilities, price competitiveness, customer base, sales capability, brands, public recognition, or overall capability in all of these, for example. If these competitors were to sell services and products that harness these competitive advantages to a greater extent than at present, the SoftBank Corp. Group may be placed at a disadvantage in sales competition, including price competition, may be unable to provide services and products, or acquire or retain customers, as anticipated, or may experience a decrease in Average Revenue Per User ("ARPU"). Furthermore, the services and products of newly established startup companies and new entrants could raise competition with the SoftBank Corp. Group's services and products. Moreover, it may be costly for the SoftBank Corp. Group to develop the newly emergent services and products needed to demonstrate competitiveness.

The SoftBank Corp. Group may conduct internal realignment for purposes such as streamlining overlapping business resources, speeding up decision-making, and generating greater synergies among businesses. However, if the SoftBank Corp. Group is unable to sufficiently capture the expected benefits of realignment, it could face problems such as trouble with and delays in the integration of services to be rolled out, adverse effects on strategies and synergies, and disruptions associated with realignment.

SoftBank Corp. may not be able to adapt to rapidly changing technology and business models in time or at all.

The SoftBank Corp. Group's primary business domain is the information technology industry, which is subject to rapid changes in technology and business models. Advances in the field of generative AI in particular have been surprising and are having a significant impact on existing business models. Although the SoftBank Corp. Group is constantly undertaking measures such as surveying the latest technology and market trends, conducting verification trials to introduce services with highly competitive technologies, and considering alliances with other companies, there are no assurances that the development of new technologies will proceed on time or results will be delivered as planned, or that common standards or specifications will be established, and commercial viability will be achieved. Even if the aforementioned measures are undertaken, there is a possibility that the SoftBank Corp. Group may be unable to develop or introduce outstanding services, technologies and business models in keeping with market trends due to the inability to appropriately adapt to changes in the market or regulatory environment in a timely manner, such as the emergence of new technologies and business models, or due to the inability to deploy equipment and facilities rapidly and efficiently. In this case, the SoftBank Corp. Group's service offerings could lose competitiveness in the market, possibly curtailing the number of subscribers that the SoftBank Corp. Group is able to acquire or retain, or reducing ARPU.

SoftBank Corp. handles customer information, including personal information, and may be subject to security breaches or leakage, which could result in reputational harm and claims from customers and authorities.

In its business operations, the SoftBank Corp. Group handles customer information (including personal information) and other confidential information. The SoftBank Corp. Group strives to build a framework to protect and manage information assets appropriately, including the appointment of a Chief Information Security

Officer and education and training sessions on information security for officers and employees. However, this information could be leaked, lost, or involved in a similar incident, either intentionally or accidentally by the SoftBank Corp. Group (including officers, employees and related parties of subcontractors), or through malicious cyber-attacks, hacking, computer virus infections, or other form of unauthorized access or other means by a third party.

Moreover, if the products and services supplied by the SoftBank Corp. Group are used inappropriately for crimes, fraud or other unlawful or inappropriate uses, it could impair public trust in the SoftBank Corp. Group and the SoftBank Corp. Group's credibility.

Such an occurrence could reduce the SoftBank Corp. Group's competitiveness, and give rise to significant costs to the SoftBank Corp. Group for payment of damages and modification of security systems, in addition to having an adverse impact on SoftBank Corp. Group's credibility or corporate image and making it difficult to acquire or retain customers.

For example, LY Corporation has made reports to the Ministry of Internal Affairs and Communications (the "MIC") and the Personal Information Protection Commission (the "PPC") regarding an incident of unauthorized access that it announced on November 27, 2023, receiving administrative guidance from the MIC on March 5, 2024 and April 16, 2024, and recommendations and a request for a report, from the PPC on March 28, 2024. Currently, LY Corporation is undertaking a response, based on these administrative guidance and recommendations, and submitted a report on its initiatives to prevent a recurrence, to the MIC on April 1, 2024 and a written report summarizing the status of implementation of recurrence prevention measures to the PPC on April 26, 2024. However, if the initiatives undertaken by LY Corporation and SoftBank Corp. were judged to be inappropriate or insufficient, a resulting impairment of public trust in the SoftBank Corp. Group or a decrease in demand for the SoftBank Corp. Group's services could have an adverse impact on the SoftBank Corp. Group's business.

SoftBank Corp. relies on subcontractors and other third parties for certain of its operations.

The SoftBank Corp. Group consigns sales activities, acquisition and retention of customers, and telecommunications network construction and maintenance for various services and products, along with the execution of other related operations, in whole or part to subcontractors. In addition, the SoftBank Corp. Group's information search services make use of other companies' search engines and paid search advertising distribution systems. While the SoftBank Corp. Group strives to reduce risks in the supply chain, if these subcontractors (including their officers and employees, or related parties) are unable to execute operations in line with the SoftBank Corp. Group's expectations, or if the information of its customers is obtained without authorization or a human rights infringement-related issue occurs, it could have an adverse impact on the SoftBank Corp. Group's business.

Furthermore, if the subcontractors' credibility and corporate image were to deteriorate through an incident such as described above, it would also have a negative impact on the SoftBank Corp. Group's credibility or corporate image, which could hinder business development and the acquisition and retention of customers. Moreover, if these subcontractors fail to comply with laws and regulations, the SoftBank Corp. Group could be held accountable for failure to fulfill its supervisory responsibility and be subject to disciplinary measures, for example, a warning or administrative guidance from the regulatory authorities, and the SoftBank Corp. Group's credibility or corporate image could deteriorate, making it difficult to acquire and retain customers.

SoftBank Corp. may be subject to service disruptions or decline in quality due to faults in related systems and other factors.

The SoftBank Corp. Group provides various services by SoftBank Corp., including telecommunications networks, systems for customers, Yahoo! JAPAN, LINE, and the cashless payment service PayPay. When providing these services, it is possible that the SoftBank Corp. Group may be unable to continuously provide the services or suffer a decline in the quality of the services due to human error or problems with equipment or systems (including due to natural disasters and other unpredictable events), or cyber-attacks, hacking or other form of unauthorized access or inappropriate use by a third party. Although the SoftBank Corp. Group has built redundancy into its networks, along with clearly defined restoration procedures in preparation for systems faults and other incidents and conducts restoration activities, such measures may not be adequate, and the SoftBank Corp. Group may be unable to avoid disruptions of services or declines in quality. If such disruptions of services or declines in quality become widespread or significant time is required to restore services, the SoftBank Corp. Group's credibility or corporate image could deteriorate, making it difficult to acquire and retain customers.

SoftBank Corp. and LY Corporation are designated as "core infrastructure providers" under Japanese laws and regulations.

In accordance with the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures of Japan (the "Economic Security Promotion Act"), SoftBank Corp. and LY Corporation have been designated as "core infrastructure providers" in the Japanese telecommunications industry on November 16, 2023. The Economic Security Promotion Act and relevant regulations went into effect on May 17, 2024. If SoftBank Corp. or LY Corporation is unable to comply with and satisfy the requirements under the Economic Security Promotion Act, including prior notification of plans related to installation and contracting maintenance, management of key facilities and inspections by government authorities, regulatory authorities may take administrative measures with respect to SoftBank Corp. or LY Corporation, including making recommendations and issuing orders to implement countermeasures prescribed in the recommendations or to suspend business. As a result, SoftBank Corp. or LY Corporation may encounter suspensions of or delays in implementing its business plans and incur additional capital investment or costs to implement recommended countermeasures as well as reputational harm.

Risks Related to Arm Segment

Our holdings in Arm represent a significant portion of our assets.

As of March 31, 2024, our holdings in Arm represented approximately 47% of our Equity Value of Holdings. As Arm has not paid any dividends or distribution on its common stock to date and has not announced any intention to do so in the future, Arm's corporate value is largely dependent upon its business results, which are subject to substantial risks as described in "—We face various risks relating to Arm's operations." Any sustained, precipitous decline in the value or operations of Arm could substantially have a material adverse effect on our own business, financial condition and results of operations.

We face various risks relating to Arm's operations.

Arm's operations primarily consist of licensing semiconductor intellectual property, including the design of energy-efficient microprocessors and associated technologies. Arm licenses its CPU and related technologies to semiconductor companies to design into computer chips. These chips are built into end products such as smartphones, digital TVs and electronics for cars, by systems companies. Arm's revenue includes licensing fees for Arm's technology, and royalty received on chips with Arm's products that the licensees have shipped. For so long as Arm continues to be our subsidiary, the operations of Arm could substantially affect our business, financial condition and results of operations. Arm's business is subject to risks, including:

- *Change in the business dynamics of semiconductor industry*. Demand for Arm's technology and services is largely dependent on the semiconductor industry and electronics industries, both of which are volatile and intensely competitive. The revenue Arm generates from licensing activities is also largely dependent on the rate at which semiconductor and systems companies develop and adopt new generations of Arm's products, which is affected by the demand for these companies' chips and other products. Decreasing demand from systems companies for chips based on Arm's products would directly and adversely affect the amount of royalty revenues Arm receives.

  Arm's success depends substantially on the acceptance of its products and services by semiconductor and systems companies. There are competing architectures in the market and there is no certainty that the market will continue to accept Arm's products.

  The semiconductor and electronics industries have also become increasingly complex and subject to increasing design and manufacturing costs. Many of Arm's customers utilize third-party vendors for electronic design automation tools and the manufacture of their semiconductor designs. Arm works closely with those third parties to ensure that its technology is compatible with their design tools and manufacturing processes. However, if Arm fails to optimize its products appropriately or if Arm's access to such tools and processes is hampered, then Arm's products may become less desirable.

- *Competition*. The market for Arm's products is intensely competitive and characterized by rapid changes in design and manufacture technologies, end-user requirements, industry standards, and new products. Arm anticipates continued challenges from current and new competitors, including established technologies such as, the x86 architecture, and free, open-source technologies, such as the RISC-V architecture.

  Arm's competitors may devote greater resources to the development, promotion and sale of products and services, they may offer lower pricing and different customer engagement models, and their performance, features and product quality may be more desirable than those of Arm. Arm may therefore have to invest substantial resources to further develop its ecosystem that allows it to compete with alternative architectures. To remain competitive, Arm must continue to innovate and develop new products and services, as well as enhancements to existing products and services, in response to expressed or anticipated customer demand and market opportunities. If Arm is unable to anticipate or react to these competitive challenges, its competitive position could weaken.

- *Customer concentration*. A significant portion of Arm's total revenue is generated from a limited number of key customers. As a result of this customer concentration, Arm is particularly susceptible to adverse developments affecting its key customers and their respective businesses.

- *Fragmentation of the global market*. The global market for Arm's products may be impacted by geopolitical factors. A shift towards geopolitical rivalry could lead to the fragmentation of the global semiconductor market, as certain countries want more end-to-end control of architecture, leading to increased architectural fragmentation and a reduced role for a global architecture. For Arm, this could lead to increased costs to support region specific products, reduced revenue as a result of lost investment in territories that no longer use Arm products and loss of potential markets and future licensing opportunities.

- *Concentration of revenue from PRC*. In particular, revenues from the People's Republic of China ("PRC") accounted for approximately 22% of Arm's total revenue for the fiscal year ended March 31, 2024, substantially all of which was derived from PRC semiconductor companies and original equipment manufacturers ("OEMs"), and from non-PRC semiconductor companies and OEMs that utilize Arm's products in chips and end products sold into the PRC. A failure of Arm to maintain PRC-sourced revenues, access new and existing markets in the PRC or gain traction for new business areas in the PRC, or a loss of Arm's market share in the PRC, could materially and adversely affect Arm's results of operations and competitive position.

  The PRC is a significant source of semiconductor industry revenues. However, the near-term growth prospects of the PRC semiconductor industry and related industries are unclear due to the uncertain effects of trade and national security policies, continued elevated levels of indebtedness, and related policies. In addition, political actions including trade protection and national security policies of the U.S. and the PRC governments currently do and could in the future limit or prevent Arm from transacting business in the PRC or with PRC customers or suppliers. A prolonged downturn or slow recovery in the PRC semiconductor industry or economy generally could materially and adversely affect Arm.

- *Changes in business model*. Arm has in the past made and may in the future make changes to its business model. Arm can provide no assurance that customers will accept these changes. In such case, Arm may not realize the anticipated financial benefits of such changes as anticipated, on the expected timeline or at all.

  In addition, increases in the number or value of licenses signed in the future may not materialize in the same way or at all under a new business model and, therefore, licensing revenue and royalty revenue may be lower than expected. Further, the use of a new business model may have unexpected consequences for Arm, including making Arm's products less attractive to customers.

  Arm actively considers the impact of next generation technology adopted by market participants, which might result in Arm exploring new markets and/or different solutions for existing and prospective customers. To this end, Arm has begun allocating resources and maintains dialogues with ecosystem partners to explore the viability of new products including, without limitation, new products in its IP portfolio, as well as solutions beyond individual IP designs such as compute subsystems, chiplets and complete end chip solutions. To the extent that Arm pursues entry into new markets or offerings of different solutions, such enterprise may be unsuccessful for any number of reasons. It may also result in Arm competing with certain existing customers, which may result in such customers seeking alternative architectures or products from competitors.

- *Protection of IP rights*. Arm's success and ability to compete depends significantly on protecting its intellectual property rights. Arm primarily relies on patent, copyright, trade secret and trademark laws, trade secret protection and contractual protections, such as confidentiality, invention assignment and license agreements with its employees, customers, partners and others to protect its intellectual property rights. The steps Arm takes to protect its intellectual property rights may be inadequate. Arm also may not be able to obtain desired patents. Arm's exposure to different legal jurisdictions may also impact its ability to exercise its contractual and other rights around intellectual property in such jurisdictions. If Arm is unable to successfully navigate the relevant legal and regulatory environment and/or enforce its intellectual property and/or contractual rights in relevant jurisdictions, its business, results of operations, financial condition and prospects could be materially and adversely impacted.

Litigation has been and may be necessary to enforce Arm's patents and other intellectual property rights. Any such litigation could be costly, may not be successful and would divert the attention of management and technical personnel from normal business operations.

Arm is involved in pending litigation, including but not limited to lawsuits with Qualcomm, Inc. and Qualcomm Technologies, Inc. (together "Qualcomm") and Nuvia, Inc. Arm can provide no assurances regarding the outcome of the litigation or how the litigation will affect Arm's relationship with Qualcomm, which is currently a major customer of Arm. Arm's involvement in such litigation could cause significant reputational damage in the industry, in its relationship with Qualcomm and/or its relationships with other third-party partners

- *Infringement of proprietary rights*. Arm has in the past been and it may in the future be subject to claims by third parties alleging infringement, misappropriation or other violation of third-party intellectual property rights. Under Arm's customer agreements, it agrees in some cases to indemnify customers if a third party files a claim asserting that its products infringe such third party's intellectual property rights. Such claims can result in costly and time-consuming litigation, require Arm to enter into royalty or licensing arrangements, subject Arm to damages or injunctions restricting the sale of its products, result in invalidation of a patent or family of patents, require Arm to refund license fees to its customers or to forgo future payments or require Arm to redesign or rebrand certain of its products.
- *Brand and reputation*. Arm's brand and reputation are critical factors in its relationships with customers, employees, governments, suppliers, and other stakeholders. Arm's reputation can be impacted by catastrophic events, incidents involving unethical behavior or misconduct, product quality, security or safety issues, allegations of legal noncompliance, internal control failures, corporate governance issues, security incidents, workplace incidents, climate issues, the use of its technology for illegal or objectionable applications, marketing practices, the conduct of suppliers or representatives, and other issues that result in adverse publicity. Additionally, concerns about Arm's practices related to AI and machine learning, or ML, or the ultimate uses of Arm's products in conjunction with AI and ML technologies, even if unfounded, could damage Arm's reputation. If Arm fails to respond quickly and effectively to these corporate crises and other similar threats, the ensuing negative public reaction could significantly harm its brand and reputation. Arm's brand and reputation may also be damaged by the actions of third parties that are imputed to Arm, for example, through Arm China.
- *Export restrictions and trade barriers*. Arm's headquarters are in the U.K., and it currently operates in jurisdictions around the world, including the U.S., China, India, South Korea, Japan, Taiwan and Europe. Risks associated with these international operations include exposure to political, economic and financial conditions and expected and unexpected changes in legal and regulatory environments.

  Arm is subject to governmental export and import requirements that could subject Arm to liability or restrict its ability to license its products. If the U.S. Department of Commerce were to broaden U.S. export restrictions on foreign-origin items, this could subject more of Arm's products to U.S. export controls and restrictions. Furthermore, if the U.S. Government implemented expanded economic sanctions on specific countries or regions where certain customers and trading partners are based, that could impact Arm's freedom to license its products to designated countries or entities.

  Trade relations between countries where Arm does business or where Arm's customers have end customers have recently been volatile, and the U.S. government has imposed export sanctions on certain of Arm's trading partners and entities. These measures may increase costs and/or reduce distribution in key markets.

General Business Risks

There is uncertainty as to our existing long-term corporate credit ratings and the instruments ratings of the Notes.

Our long-term corporate credit rating is BB+ (stable outlook) from Standard & Poor's Financial Services LLC ("S&P") and A (stable outlook) from Japan Credit Rating Agency, Ltd. ("JCR"), and we expect the Notes will receive a rating of BB+ from S&P. The ratings assigned to the Notes as well as the instrument ratings assigned to the Notes may be lowered or withdrawn entirely in the future, including if our LTV increases significantly or otherwise if we pursue an aggressive investment strategy at the expense of key financial metrics, if we experience a significant decline in the value of our investments, especially the value of our investments in listed companies, or if we suffer negative impacts from the acquisition of other companies, businesses or technologies.

Furthermore, ratings agencies other than S&P and JCR may decide to publish unsolicited ratings in respect of us or the Notes. There can be no assurance that such ratings will be comparable to the ratings provided by S&P or JCR.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. No assurances can be given that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. We have no obligation to inform the Holders of any such revision, downgrade or withdrawal. A suspension, reduction, notching down from our long-term issuer credit rating or withdrawal at any time of the ratings assigned to the Notes may adversely affect the market price of the Notes and may cause us to lose our ability to access bank lending or the capital markets, renew bank credit facilities and access other sources of financing. Downgrades could also increase our costs of borrowing and affect our ability to make payments on outstanding debt instruments and to comply with other existing obligations. Such events could have a material adverse effect on our business, financial condition and results of operations.

Security breaches and illegal or inappropriate use of our services could adversely affect our reputation and expose us to claims from customers and penalties from authorities.

We and many of our portfolio businesses collect, handle and maintain customer information, including personal information and other confidential information, in the course of our business operations. In some cases we also rely upon third-party subcontractors to handle customer information. Information handled by ourselves or our subcontractors may include a customer’s name and email address, as well as date of birth, address, contact information, bank account information, credit card information and other information. We are subject to various regulations regarding the storage and protection of customer information, and we are required to exercise care in protecting the confidentiality of personal information, as well as to take steps to ensure the security of our services.

Any material leak of personal information, due to hacking or other unauthorized access to one of our databases, or due to the willful misconduct or inadvertent mistake of one of our own employees or subcontractors or otherwise, could result in claims or lawsuits against us, and we could be held legally responsible for any damages sustained by the affected persons. For example, in November 2023, LY Corporation, one of our consolidated subsidiaries, reported an incident of unauthorized access to MIC and the PPC and subsequently received administrative guidance from MIC in March and April 2024, and recommendations and a request for a report from PPC in March 2024. See “—Risks Related to SoftBank Corp. Segment—SoftBank Corp. handles customer information, including personal information, and may be subject to security breaches or leakage, which could result in reputational harm and claims from customers and authorities.” Any related reputational damage could lead to a decline in new subscribers or users or an increase in subscriber or user cancellations for any of our or our portfolio company’s services. Any of the above consequences could have a material adverse effect on the value of our investment portfolio, which could adversely affect our financial condition and results of operations.

Our operations may be significantly affected by natural disasters or other unexpected disruptions such as earthquakes or volcanic eruptions.

Some regions in which we or our various portfolio businesses conduct business operations are susceptible to natural disasters, such as earthquakes, volcanic eruptions, typhoons, tsunamis and floods. Such natural disasters or other unexpected disruptions, such as fires, power outages or shortages, terrorist attacks, human error, computer viruses, cyber-attacks, unauthorized access to our system or servers or system malfunctions could affect the normal operation of our businesses and hinder our provision of services to consumers. Any resulting decline in the quality of service on a widespread basis or for an extended period of time could result in loss of our reputation or trustworthiness and make it difficult to retain or attract customers. Further, remedying such disruptions could require significant unanticipated capital expenditures. For example, Japan is an earthquake-prone country and has historically experienced numerous large earthquakes that have resulted in extensive infrastructural damage and destruction.

Additionally, the head offices and business offices of various companies within our group are concentrated within the Tokyo metropolitan area. Therefore, the possibility exists that a major earthquake or other catastrophic natural disaster, attack or other disruption in the Tokyo metropolitan area, or any other area in which we or our portfolio companies are concentrated, could significantly affect our operations or impede the continuity of our business. Any of the foregoing may have a material adverse effect on our business, financial condition and results of operations.

We are subject to laws, government regulations and licensing regimes that restrict and may impose new restrictions on our business.

We are subject to various laws and regulations pertaining to general corporate business activities, as well as laws, regulations and licensing regimes governing our business operations, including laws regulating telecommunications, AI, internet advertising, e-commerce, autonomous vehicles, energy, robots, semiconductors, IoT, financial or payment business or other corporate activities. Our businesses are also subject to laws and regulations relating to the environment, product liability, unfair competition, consumer protection, privacy protection, prohibition of bribery, labor, intellectual property rights, prevention of money laundering, taxes, currency exchange, business and investment permits and the import and export of goods. See "—Risks Related to SVF Segment—Portfolio companies may not be able to adapt to regulation of new technologies or business models," "—Risks Related to SoftBank Corp. Segment—SoftBank Corp. and LY Corporation are designated as "core infrastructure providers" under Japanese laws and regulations," "—Risks Related to Arm Segment—We face various risks relating to Arm's operations" and "Business—Regulation." Any future breaches of relevant regulations or administrative guidance could further subject us to administrative sanctions or guidance by government agencies that may hinder our business development or create financial burdens that could negatively affect our business, financial condition and results of operations. Furthermore, we have in the past, and may in the future, invest in portfolio companies which at such time are not subject to administrative, economic or government sanctions, or other similar restrictions, but which subsequently become subject to such sanctions or other restrictions, which could in turn effect our ability to remain invested in such businesses or our ability to monetize our position.

In providing services in different countries, we are subject to various laws and regulations that govern such jurisdictions as well as various licensing regimes under such laws. The enforcement of existing regulations may greatly restrict our ability to conduct and expand our business. Additionally, revisions to or changes in the interpretation or enforcement of applicable laws and regulations and the introduction of new laws and regulations could prevent us from conducting our current businesses or developing new businesses as anticipated. For example, in the past, we made several investments in companies such as Uber Technologies, Inc., Xiaoju Kuaizhi Inc. and GRAB HOLDINGS INC., which provide ride sharing services in a large number of jurisdictions globally. The taxi and ride-sharing industries are subject to significant regulations, and, in some cases, these businesses have chosen to withdraw from jurisdictions where they determined it was impracticable or impossible to comply with such regulations.

We have mainly invested, and expect to continue to invest, in companies that leverage technologies related to AI, including technologies related to semiconductors, generative AI technologies and software platforms that integrate AI capabilities into products and services. Uncertainty in the legal regulatory regime relating to AI may require significant resources to modify and maintain business practices to comply with applicable laws and regulations, the nature of which cannot be determined at this time. Several jurisdictions around the globe, including Europe and certain U.S. states, have already proposed or enacted laws governing AI. For example, in the United States, an Executive Order was issued on the Safe, Secure and Trustworthy Development and Use of AI, emphasizing the need for transparency, accountability and fairness in the development and use of AI. The order seeks to balance fostering innovation with addressing risks associated with AI by providing eight guiding principles and priorities, such as ensuring that consumers are protected from fraud, discrimination and privacy risks related to AI. The order also calls for future regulations from various agencies, such as the U.S. Federal Trade Commission (to ensure fair competition and reduce consumer harm) and, in alignment with the order, other agencies have published guidance, such as the Cybersecurity and Infrastructure Security Agency. Further, European legislators have politically agreed to a stringent AI regulation, the EU AI Act, with fines in excess of those under the European Union's General Data Protection Regulation (the "GDPR"). Other jurisdictions may decide to adopt similar or more restrictive legislation that may render the use of such technologies challenging. Additionally, certain privacy laws extend rights to individuals (such as the right to delete certain personal data) and regulate automated decision making, which may be incompatible with AI features of our portfolio companies or their use of AI. These obligations may lead to regulatory fines or penalties or prevent or limit the use of AI. If the use of AI is restricted, our portfolio companies that use AI technologies or provide product or services that feature AI capabilities may be less efficient or may be at a competitive disadvantage. The legislative, judicial and regulatory landscapes relating to AI are evolving and may impact the ability of our portfolio companies to use AI and could limit their ability to operate and expand business, cause revenue to decline and adversely affect their business, in turn negatively affecting our business, financial condition and results of operations.

If new laws and regulations are introduced in a form we do not expect, or if existing laws and regulations are amended or subject to changes in interpretation or application, the products and services that we are able to offer to our customers could be limited. We may not be able to accurately predict, prevent or effectively react to new laws and regulations, or new amendments to or interpretations and applications of existing laws and regulations, which could have a material adverse effect on our business, financial condition and results of operations. In addition, decisions by regulators and competent authorities regarding the granting, amendment or renewal of licenses to us or to third parties, could materially adversely affect our businesses, financial condition and results of operations.

We are subject to changes in accounting and taxation systems.

The introduction of new accounting or taxation systems, or changes to existing systems, and the occurrence of an additional tax burden due to differences of views with the tax authorities could adversely affect our financial position and results of operations.

Our determination of our provisions for taxes requires judgment and estimation. In the ordinary course of our business, there are many transactions and calculations where the ultimate tax determination is uncertain. We cannot predict the form or timing of potential changes in accounting and taxation systems, but any newly enacted tax law could have a material adverse impact on our tax expense and cash flow.

We are from time to time subject to review and audit by tax authorities as well as subject to the prospective and retrospective effects of changing tax regulations and legislation. Although we believe our tax estimates are reasonable, the ultimate tax outcome may materially differ from the tax amounts recorded in our consolidated financial statements and may materially affect our income tax provision, net income, or cash flows in the period or periods for which such determination and settlement is made.

Furthermore, in countries and regions in which we or our portfolio companies conduct business activities, the introduction of or changes to tax laws or regulations or changes to their interpretations or enforcement or the incurrence of additional tax burdens due to differences of views with tax authorities could adversely affect our results of operations or financial position.

We may suffer from unauthorized use of our intellectual property by third parties and incur costs associated with protecting our intellectual property.

We regard our proprietary products, brands, domain names, trade names, copyrights, trademarks, trade secrets and similar intellectual property as critical to our business. However, policing the unauthorized use of our intellectual property is difficult and expensive. Although we have taken steps to prevent the misappropriation of our intellectual property, such protective measures may not be adequate to fully prevent the unauthorized use of our intellectual property. Any misappropriation of intellectual property that is used in our business, whether licensed to us or owned by us, could have a material adverse effect on our business, financial condition and results of operations. Further, the laws and enforcement procedures in some countries do not protect intellectual property rights to the same extent as the laws and enforcement procedures of Japan or the United States. Legal protection of our rights may be ineffective in such countries, and we may be unable to protect our intellectual property rights in such countries. In the future, we may need to resort to court proceedings to enforce our intellectual property rights, which might result in substantial costs and diversion of management attention and resources away from the operation and growth of our business.

We may be subject to intellectual property claims.

We generally operate our business in a way that we believe is reasonably designed to avoid infringing the intellectual property rights of third parties. However, particularly as there are many companies that develop and provide online, AI and related technologies, the features and content of which continue to overlap, there is an increasing possibility that we may be subject to litigation involving claims of patent, copyright or trademark infringement, or other violations of intellectual property rights of third parties. In particular, the patent field covering online, AI and related technologies is rapidly evolving and surrounded by a great deal of uncertainty, and our technologies, processes or business models and methods may infringe the intellectual property rights of third parties either now existing or to be issued in the future. Existing or future infringement claims against us, whether valid or not, may be time consuming, distracting to management and expensive to defend.

Intellectual property litigation or claims could force us to:

- cease operating or using products or services that incorporate the intellectual property subject to such claims;
- modify the products or services to avoid infringing upon the intellectual property rights of third parties;

- obtain a license from the holder of the infringed intellectual property, which may not be available on commercially favorable terms, or at all; or
- change our business practices, any of which could result in additional costs.

Additionally, in the event that there is a determination that we have infringed the proprietary rights of any third party, we could incur substantial liabilities. Any of the above may have a material adverse effect on our business, financial condition and results of operations.

From time to time, we may become involved in legal proceedings, which could adversely affect our business.

From time to time, we may become subject to legal proceedings, claims, litigation and government investigations or inquiries, which could be expensive, lengthy or disruptive to normal business operations or affect our corporate image. In addition, the outcome of any legal proceedings, claims, litigation, investigations or inquiries may be difficult to predict and could have a material adverse effect on our business, financial condition and results of operations.

We face risks in connection with our sustainability efforts.

Our success in addressing sustainability issues is important for our business. However, our sustainability activities may diverge significantly from the expectations of internal and external stakeholders, including investors. For example, investors may judge that sustainability factors are not sufficiently integrated into our governance structure and management strategy, or that our measures are inadequate for addressing identified material issues related to sustainability, especially issues with higher priorities such as responsible AI, climate change, or human capital. In such cases, stakeholders' evaluation of us may deteriorate and adversely affect our investment and financing activities, which could have an adverse effect on our financial condition and results of operations. In addition, we may be unable to adequately assess the risks and opportunities associated with the sustainability aspects of our portfolio companies and our portfolio companies may be unable to develop their businesses as we expect. Additionally, if sustainability-related regulations over our investment activities and portfolio companies' business activities significantly change or become burdensome, the pace of investment may slow down or the cost to address such regulations may increase.

Risks Relating to the Notes

There is no prior market for the Notes and any market that does develop may not be liquid.

Although approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST, there can be no assurance that we will be able to obtain or maintain such listing or that any liquid markets for the Notes will ever develop or be maintained. The Initial Purchasers have advised us that they currently intend to make a market in the Notes following the offering. However, the Initial Purchasers have no obligation to make a market in the Notes and they may stop at any time. Furthermore, there can be no assurance as to the liquidity of any market that may develop for the Notes or the prices at which you will be able to sell your Notes, if at all. Future trading prices of the Notes will depend on many factors, including:

- prevailing interest rates;
- our financial condition and results of operations;
- the then-current ratings assigned to the Notes;
- the market for similar securities; and
- general economic conditions.

Any trading market that develops would be affected by many factors independent of and in addition to the foregoing, including the time remaining to the maturity of the Notes and until we are able to redeem the Notes at our option without paying a make-whole premium; the outstanding amount of the Notes; and the level, direction and volatility of market interest rates generally.

In addition, in the event that our obligations in connection with maintaining the listing and quotation of the Notes on the SGX-ST become unduly burdensome, we may be entitled to, and may decide to, delist the Notes from the SGX-ST and seek an alternate listing for the Notes on another securities exchange.

The Notes are unsecured obligations and will be effectively subordinated to the existing and future secured indebtedness of the Company and its subsidiaries. We and our subsidiaries may in the future incur substantial amounts of secured debt.

The Notes are unsecured obligations ranking effectively junior in right of payment to all existing and future secured indebtedness of the Company, to the extent of the value of the collateral securing such indebtedness. As of March 31, 2024, we did not have any secured indebtedness except for ¥7,443 billion ($49,159 million) of asset-backed financing, which are non-recourse to us.

Additionally, the Indenture will not prohibit (other than in certain limited cases) the Company or the Company's subsidiaries from incurring indebtedness that is secured by liens over certain property and assets that do not also secure the Notes. Among other things, the Indenture will permit the Company to pledge any shares that it owns in the Capital Stock (as defined in "Description of the Notes") or Equity Interests (as defined in "Description of the Notes") of any person other than any future Note Guarantors (as defined in "Description of the Notes") to secure indebtedness that does not provide for recourse to the assets of the Company beyond the pledged collateral. The negative pledge to be provided by us under the Indenture does not apply to certain types of indebtedness, including secured indebtedness that does not provide for recourse to our assets beyond the pledged collateral, and is otherwise subject to certain material exceptions. See "Description of the Notes—Certain Covenants—Negative Pledge." In addition, the Indenture will permit our subsidiaries other than any future Note Guarantors to incur unlimited amounts of secured indebtedness that is otherwise non-recourse to the Company. See "Description of the Notes." The Indenture will not regulate our use of the proceeds of such secured indebtedness and will permit us to use such proceeds for, among other things, capital expenditures, acquisitions, other investments, repurchases of ordinary or preferred stock, distributions, dividends or any general corporate purpose. We cannot assure you that the proceeds of such secured indebtedness will be available for repayment of the Notes.

In the event of any bankruptcy, liquidation, reorganization, rehabilitation, dissolution, winding-up or other insolvency proceedings of the Company, the rights of the holders of the Notes to participate in the assets of the Company will rank behind the claims of secured creditors, if any.

Repayment of the Notes may be compromised if:

- we enter into bankruptcy, liquidation, reorganization, rehabilitation, dissolution or other winding-up proceedings or other insolvency proceedings;
- we default in payment of our secured indebtedness or other unsecured indebtedness; or
- any of our indebtedness is accelerated.

If any of these events occurs, our assets may be used first to satisfy the claims of secured creditors and the remaining assets may be insufficient to pay amounts due on the Notes.

The Notes will be structurally subordinated to any existing or future indebtedness, preferred stock and other liabilities of our subsidiaries.

The holders of the Notes will not have any direct right to claim against any of our subsidiaries, and may only participate in the assets of such subsidiaries through the distribution of the remaining assets to us as a common equity interest holder of such subsidiaries or the limited repayment to us as a creditor of such subsidiaries (if we have a claim against such subsidiaries) under bankruptcy or other insolvency procedures. As a result, the Notes are structurally subordinated to the preferred securities, outstanding debt and other obligations of our subsidiaries and the amount of such preferred securities, debt and obligations may be significant.

Our obligations under the Notes will rank pari passu in right of payment with other debt that will have equal right to all assets of the Company in the event of an insolvency or liquidation.

In insolvency or liquidation proceedings of the Company, subject to any claims that are preferred by law, secured claims or cases of preference as provided for under Japanese laws of general application, the Notes will rank *pari passu* in right of payment to all of our unsecured and unsubordinated indebtedness, including the 2015 Senior Notes, the 2017 Senior Notes, the 2018 Senior Exchange Notes, the 2018 Senior Notes, the 2021 Senior Notes, the Company's unsubordinated Yen-denominated bonds and any drawings under the commitment line facility, as well as other senior borrowings. See "Description of Other Indebtedness." Upon any distribution to our creditors in a liquidation, administration, bankruptcy, moratorium of payments, dissolution or other winding-up, the creditors under our unsubordinated corporate bonds (including the 2015 Senior Notes, the 2017 Senior Notes, the 2018 Senior Exchange Notes, the 2018 Senior Notes, the 2021 Senior Notes and the Company's unsubordinated Yen-denominated bonds), any drawings under the commitment line facility and other senior borrowings will be entitled to be paid equally and ratably with respect to our property and assets. See "—Enforcement of claims on the Notes will be subject to certain limitations arising under Japanese insolvency and corporate laws. Japanese laws may be different from, and not as favorable to you as, the laws in other jurisdictions."

The Indenture will not restrict us from issuing preferred stock or incurring further unsecured indebtedness, which might dilute recoveries of holders of the Notes in any insolvency or liquidation.

The Indenture will contain limited restrictive covenants and will not restrict our ability to make investments, incur indebtedness, pay dividends or enter into affiliate transactions.

The Indenture will contain limited restrictive covenants and the Indenture will not restrict our ability to:

- make capital expenditures;
- sell or dispose of our properties and assets;
- make dividends or distributions on our equity interests or those of our subsidiaries;
- invest in affiliates, associates or subsidiaries (including by servicing indebtedness at such affiliates, associates or subsidiaries), invest cash and assets into SVF, repurchase ordinary or preferred stock, make distributions or issue dividends (except in certain limited circumstances);
- guarantee indebtedness issued by our subsidiaries and third parties;
- issue preferred securities or incur unsecured indebtedness;
- pledge the Capital Stock of, or other Equity Interests or securities issued by, any person other than a future Note Guarantor to secure indebtedness that does not provide for recourse to the assets of the Company beyond the pledged collateral; or
- enter into transactions with affiliates.

Our taking such actions under the Indenture could adversely affect our ability to pay amounts due on the Notes.

The ratings of the Notes may change after the issuance of the Notes and those changes may have an adverse effect on the market prices and liquidity of the Notes.

Credit ratings that the Notes may receive will not address all material risks relating to an investment in the Notes, but reflect only the view of each rating agency at the time the rating is issued. There is no assurance that any such credit ratings will remain in effect for any given period of time or that such ratings will not be lowered or suspended. Credit ratings by one or more rating agencies may also be withdrawn, either by the relevant rating agencies or at our request. A downgrade or potential downgrade of our ratings, the assignment of new ratings that are lower than existing ratings or withdrawals of our ratings could reduce the number of potential investors of the Notes and adversely affect the prices and liquidity of the Notes. A security rating is not a recommendation to buy, sell or hold the Notes.

We may not have sufficient funds to repurchase the Notes upon a Change of Control Triggering Event and certain strategic transactions, including sale of our assets, may not constitute a Change of Control Triggering Event.

The occurrence of a Change of Control Triggering Event (as defined in "Description of the Notes") will require us to offer to repurchase the Notes at a purchase price equal to 100% of the aggregate principal amount of Notes repurchased, *plus* accrued and unpaid interest on the Notes up to but excluding the date of repurchase. It is possible that we will not have sufficient funds upon a Change of Control Triggering Event to purchase the Notes tendered pursuant to such an offer and any failure to do so would be a default under the Indenture and could result in cross defaults under our other financing agreements. See "Description of the Notes—Repurchase at the Option of Holders upon a Change of Control Triggering Event." In addition, some of our financing agreements or other similar agreements to which we may become a party may contain restrictions on our ability to purchase the Notes, regardless of the occurrence of a Change of Control Triggering Event.

We frequently evaluate and may in the future enter into strategic transactions. The change of control provisions contained in the Indenture may not protect you in the event of certain important corporate events, including reorganizations, recapitalizations, delistings, sale of key portfolio assets, restructurings or mergers that may adversely affect you, because these transactions may not involve a change in voting power or beneficial interest of the magnitude required to trigger a change of control under the Indenture. The change of control provisions would only be triggered due to a change in beneficial ownership of our shares if, among other things, a person other than Mr. Masayoshi Son, our Chairman and CEO, beneficially owned more than 50% of our voting shares. The change of control provisions would not be triggered if a person other than Mr. Masayoshi Son became our controlling shareholder, unless such other person obtains more than 50% of our voting shares. Strategic transactions such as the foregoing could happen at any time and could be material to our business. Similarly, the covenant described under "Description of the Notes—Certain Covenants—Merger or Consolidation" would neither prohibit us from engaging in the sale of our assets nor require a purchaser or successor entity to guarantee the Notes in the event of such a transaction. Such transactions could significantly increase the amount of our indebtedness outstanding at such time, increase our LTV or otherwise affect our capital structure or credit ratings.

Our leverage and debt service obligations could limit our flexibility, adversely affect our business and prevent us from fulfilling our obligations under the Notes.

The degree to which we may be leveraged could have important negative consequences for us and you as holder of the Notes. Our ability to make scheduled payments on the Notes and to meet our other debt service obligations depends on our future operating and financial performance and ability to generate cash, which are affected by our ability to implement our business strategy as well as general economic, financial, competitive and other factors beyond our control. For example, if we incur substantial debt, such debt could require us to dedicate a substantial portion of our cash flow from operations to making payments on our debt, thereby limiting the availability of funds for working capital, business opportunities and other general corporate purposes, increase our vulnerability to adverse general economic or industry conditions, make it more difficult for us to satisfy our obligations with respect to the Notes, limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate, increase our cost of borrowing, place us at a competitive disadvantage compared to our competitors that may have less indebtedness and limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes. If we cannot generate sufficient cash to meet our debt service obligations or fund our other business needs, we may, among other things, need to refinance all or a portion of our debt, including the Notes, obtain additional financing or sell assets.

Additionally, even if we have a high level of indebtedness and leverage, we may be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with substantial indebtedness. The restrictive covenants in the Indenture governing the Notes, the indentures governing our other senior notes and our other financing agreements impose only limited restrictions on our ability to incur further indebtedness. The debt we incur in compliance with these restrictions could be substantial.

In addition, certain of our outstanding financing agreements will mature or need to be refinanced prior to the maturity of the Notes. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital or seek to restructure or refinance our indebtedness, including the Notes. We may fail to generate sufficient cash through any of the foregoing. If we are not able to refinance any of our debt, obtain additional financing or sell assets on commercially reasonable terms or at all, we may not be able to satisfy our obligations with respect to our debt, including the Notes. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources."

Our corporate structure may affect your ability to receive payment on the Notes.

The Company is an investment holding company and substantially all of its operating income and cash flow are derived from its subsidiaries or proceeds from asset monetization. Although much of our business is conducted through our subsidiaries, none of our subsidiaries is obligated to make funds available to us for payment on the Notes and the terms of the financing agreements of our subsidiaries may restrict them from paying dividends and otherwise transferring assets to us. We cannot assure you that the agreements governing the current and future indebtedness of our subsidiaries will permit our subsidiaries to provide us with sufficient dividends, distributions or loans to fund payments on the Notes when due.

Our principal shareholder, Mr. Masayoshi Son, maintains significant influence over us, and his interests may conflict with your interests.

Mr. Masayoshi Son, our Chairman and CEO, is our single largest shareholder and owned 29.11% of our issued share capital excluding treasury stock as of March 31, 2024. As a result, Mr. Son has significant influence as to the composition of our board of directors and, in general, may determine the outcome of corporate decisions and other matters submitted to our shareholders for approval. Mr. Son also controls MASA USA LLC, a limited partner of SVF2 and LatAm Funds, which had an aggregate outstanding balance of ¥544 billion ($3.7 billion) as of March 31, 2024 in receivables of SVF2 and LatAm Funds personally guaranteed by Mr. Son. Mr. Son is also 33% owner of SB Northstar and Mr. Son's interests as non-controlling interests, including interest and others on loans, in SB Northstar were ¥409 billion ($2.7 billion) as of March 31, 2024. The interests of Mr. Son or other investors, in certain circumstances, may conflict with your interests. For example, Mr. Son could vote to declare dividends or cause us to incur indebtedness or provide funding or support to other entities in the group, in each case as permitted under the Notes, causing capital outflows or increasing debt service obligations, which could hinder our ability to meet our obligations under the Notes.

Enforcement of claims on the Notes will be subject to certain limitations arising under Japanese insolvency and corporate laws. Japanese laws may be different from, and not as favorable to you as, the laws in other jurisdictions.

We are incorporated in Japan and, consequently, will be subject to Japanese laws and procedures affecting debtors and creditors, such as bankruptcy, corporate reorganization, civil rehabilitation or special liquidation proceedings. Under the Bankruptcy Act of Japan (Act No. 75 of 2004, as amended), a petition for the commencement of bankruptcy proceedings may be filed with a court by us or any of our directors or creditors if we are generally and continuously unable to pay our debts as they become due because of a lack of ability to pay or if our liabilities exceed our assets. Under the Corporate Reorganization Act of Japan (Act No. 154 of 2002, as amended), a petition for the commencement of corporate reorganization proceedings may be filed with a court by us or certain qualified shareholders or creditors if it is likely that any of the grounds for bankruptcy as described above will arise. In addition, we may file a petition for the commencement of corporate reorganization proceedings if it is likely that the payment of a debt which becomes due would cause serious impediments to our continued business operations. Under the Civil Rehabilitation Act of Japan (Act No. 225 of 1999, as amended), a petition for the commencement of civil rehabilitation proceedings may be filed with a court by us or any of our creditors if it is likely that we face any of the grounds for bankruptcy as described above. A petition for civil rehabilitation may be also filed by us if we are unable to make any payments as they become due without causing any material obstruction to the continuation of our business. Under the Companies Act of Japan (Act No. 86 of 2005, as amended), a petition for the commencement of special liquidation proceedings may be filed with a court by any of our creditors, liquidators, audit and supervisory board members or shareholders if, after liquidation proceedings have commenced, circumstances exist which would seriously impede the carrying out of our liquidation or if there exists any possibility or doubt that our liabilities exceed our assets. The court will be required to order the commencement of bankruptcy proceedings at its initiative if, after a special liquidation has been commenced, the court determines that there exists a fact which constitutes a cause of commencement of the bankruptcy proceedings while: (i) there is no prospect of entering into a settlement agreement; (ii) there is no prospect of performing a settlement agreement; or (iii) the special liquidation conflicts with the general interest of the creditors.

In any of the insolvency proceedings mentioned above, our liabilities under the Notes would, in general, be paid to holders of the Notes and creditors ranking equally with such holders in right of payment on a pro rata basis, only after all of our debts that are entitled to a preferred status under the insolvency laws (such as employment remuneration claims, expenses of insolvency proceedings and taxes) have been paid. Also, the rights of the holders of the Notes will be effectively subordinated to those of secured creditors (*tanpo-kensha*). In insolvency proceedings other than corporate reorganization proceedings, secured creditors will be entitled to foreclose our collateralized assets outside of the insolvency proceedings, although the foreclosure of collateralized assets by the secured creditors may be suspended upon a special order of the court. In corporate reorganization proceedings, secured creditors will be required to participate in such proceedings, and their rights could be impaired or modified in accordance with a reorganization plan. However, claims of general creditors, including holders of the Notes, would be subordinated under the plan to secured claims to the extent of the net value of the security interest at the commencement of the proceedings unless agreed by a majority of secured creditors. In insolvency proceedings other than special liquidation proceedings, the Notes will rank senior in right of payment to our debts that are subordinated by law, as well as our debts that are contractually subordinated to the extent that we and creditors have agreed prior to the commencement of insolvency proceedings that, if insolvency proceedings are commenced against us, the debts shall be subordinated to any subordinated bankruptcy claims (*retsugo-teki hasan saiken*) defined in the Bankruptcy Act of Japan (such as claims for interest and default interest accrued after the commencement of insolvency proceedings and creditors' expenses to participate in insolvency proceedings) in the order of priority for receiving a distribution in the insolvency proceedings.

Under Japanese insolvency laws, no party (including, without limitation, any director of a company) is expressly obligated to file for the commencement of insolvency proceedings in any particular circumstance (except that liquidators are required to file for the commencement of special liquidation proceedings in certain circumstances). However, our directors are subject to general fiduciary duties under the Companies Act of Japan, which may in certain circumstances require them to take appropriate steps, including filing for the commencement of insolvency proceedings when a cause for insolvency arises. If our directors do not take appropriate action in such circumstances, they could be subject to civil and criminal liabilities.

If, based on a petition for the commencement of bankruptcy proceedings, a court orders the commencement of such bankruptcy proceedings, a trustee in bankruptcy (*hasan kanzainin*) will be appointed to administer our operations, realize all assets belonging to the bankruptcy estate and make distributions to creditors. If, based on a petition for the commencement of corporate reorganization proceedings, a court orders the commencement of such reorganization proceedings, a reorganization administrator (*kousei kanzainin*) will be appointed to take over our operations, assess all assets and liabilities, propose a reorganization plan and, if the plan is approved by our creditors and confirmed by the court, transfer management responsibilities to the new management under the plan. If, based on a petition for the commencement of civil rehabilitation proceedings, a court orders the commencement of such rehabilitation proceedings, our directors will remain in position (subject to supervision by a court appointed rehabilitation supervisor (*kantoku i-in*)) to propose a rehabilitation plan and, if approved by our creditors and confirmed by the court, execute the plan. If, based on a petition for the commencement of special liquidation proceedings, a court orders the commencement of such special liquidation proceedings, a liquidator (*seisan-nin*) will, under court supervision, liquidate all remaining assets and liabilities and make distributions to creditors under a settlement agreement approved by our creditors and confirmed by the court.

The offering of the Notes and payments made to the holders of the Notes may be avoided in insolvency proceedings (except for special liquidation proceedings) by the bankruptcy trustee, reorganization administrator or rehabilitation supervisor pursuant to their "right of avoidance" (*hi-nin ken*) as a fraudulent conveyance or voidable preference.

The acts that are subject to this right of avoidance include:

- any act by the debtor taken with the knowledge that such act will prejudice creditors and the beneficiary of such act was aware, at the time of the act, of the fact that such act will prejudice creditors (except the creation of a security interest or the extinguishment of obligations as to the already existing obligations);
- any act that (except the creation of a security interest or the extinguishment of obligations as to the already existing obligations):
    - prejudices creditors;
    - occurs after the debtor has suspended payments or after the filing of a petition; and
    - the beneficiary of such act was aware, at the time of the act, that the debtor has suspended payments or the filing of a petition has been made, and of the fact that such act will prejudice creditors;
- any voluntary act that:
    - relates to the creation of a security interest or the extinguishment of obligations as to the already existing obligations;
    - occurs after the debtor has become unable to pay debts in general and the creditor was aware, at the time of the act, of such debtor's inability or suspension of payments by the debtor;
    - occurs after the filing of a petition and the creditor was aware, at the time of the act, of such filing; or
    - occurs within 30 days prior to the debtor becoming unable to pay debts in general and the creditor was aware, at the time of the act, of the fact that such act will prejudice other creditors; and
- any gratuitous act (or act deemed to be gratuitous) by the debtor after, or within six months prior to, either the suspension of payments by the debtor or the filing of a petition.

For example, the offering of or payment on the Notes may be avoided if: (i) we are deemed to have been aware at the time of the offering that it would be to the detriment of our creditors and you are deemed to have had notice of such fact at that time; or (ii) the payment takes place after we have become unable to pay our debts in general, or a petition for insolvency proceedings has been filed, and you are deemed to have been aware of such fact at that time.

The transferability of the Notes may be limited under applicable securities laws.

The Notes have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or any other jurisdiction and, unless so registered, may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or any other jurisdiction. The Notes are being offered and sold in offshore transactions outside the United States in reliance on Regulation S only to non-U.S. persons. It is the obligation of holders of the Notes to ensure that their offers and sales of the Notes comply with applicable securities laws and the applicable transfer restrictions. See "Notice to Investors."

The Notes will initially be held in book-entry form and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies.

Unless and until definitive Notes are issued in exchange for book-entry interests in the Notes (which will only occur in very limited circumstances), owners of the book-entry interests will not be considered owners or holders of the Notes. The common depositary (or its nominee) for the accounts of Euroclear and Clearstream will be the registered holder of any Notes. After payment to the common depositary, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of Euroclear or Clearstream and if you are not a participant in Euroclear or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder under the Indenture. See "Book-Entry, Delivery and Form."

Unlike holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream or, if applicable, from a participant. We cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear or Clearstream. We cannot assure you that the procedures to be implemented through Euroclear or Clearstream will be adequate to ensure the timely exercise of rights under the Notes. See "Book-Entry, Delivery and Form."

Holders of the Notes may have difficulty in serving process or enforcing a judgment against us or our directors, executive officers or audit and supervisory board members.

We are a limited liability joint stock corporation incorporated under the laws of Japan. Most of our directors, executive officers and audit and supervisory board members reside in Japan. All or substantially all of our assets and the assets of these persons are located in Japan and elsewhere outside the United States. It may not be possible, therefore, for holders of the Notes to effect service of process within the United States upon us or these persons or to enforce against us or these persons judgments obtained in U.S. courts predicated solely upon the laws of jurisdictions other than Japan. There is also doubt as to the enforceability in Japan, in original actions or in actions for enforcement of judgment of U.S. courts, of liabilities predicated solely upon the federal securities laws of the United States.

USE OF PROCEEDS

We expect to receive a total of approximately \$1,852 million (equivalent) in net proceeds from this offering, comprising approximately \$891 million from the Dollar Notes and €891 million from the Euro Notes, after deducting underwriting discounts and commissions and other offering expenses payable by us. We plan to use the proceeds of the offering for repayment of indebtedness, including the redemption of foreign currency-denominated senior notes and for general corporate purposes, including the maintenance of a cash position for redemption of outstanding notes due over the next two years and new investments. We intend to redeem our USD-denominated senior notes due September 2024 in July 2024, prior to its final maturity, pursuant to the optional redemption provisions thereof.

The dollar-equivalent of the net proceeds from the Euro Notes was calculated by translating the euro-denominated net proceeds amount into Japanese yen at the rate of ¥163.24 = €1.00 and translating such yen amount into dollars at the rate of ¥151.41 = \$1.00. Due to differences in currency exchange rates, such amount may differ from the amount of dollars that we would be able to receive by exchanging the net proceeds of the Euro Notes for dollars on or around the Issue Date. As of June 24, 2024, the relevant exchange rates were ¥170.96 = €1.00 and ¥159.88 = \$1.00.

CAPITALIZATION

The following table sets forth: (i) our available Cash Position and capitalization on an actual historical basis as of March 31, 2024 under IFRS; (ii) available Cash Position and capitalization adjusted to give effect to the issuance of Yen-denominated unsecured straight corporate bonds issued in April 2024 and June 2024 and the redemption of corporate bonds with the proceeds of such issuance; and (iii) available Cash Position and capitalization as further adjusted to give effect to the offering of the Notes as if each had occurred on March 31, 2024. For the avoidance of doubt, interest-bearing debt incurred or repaid by our subsidiaries on or after April 1, 2024 is not adjusted herein. Under IFRS, the Yen-denominated hybrid bonds that we issued in February 2021, June 2021 and April 2023, and the Yen-denominated hybrid loans that we borrowed in November 2017 and May 2023 are considered debt and the USD-denominated perpetual subordinated hybrid notes that we issued in 2017 are considered equity. With respect to the adjusted and further adjusted capitalization information below and adjusted financial information presented elsewhere in this offering memorandum, we have treated 50% of the carrying amount of our Yen-denominated hybrid bonds issued in February 2021, June 2021 and April 2023, and the Yen-denominated hybrid loans that we borrowed in November 2017 and May 2023 as equity, and 50% of the carrying amount of the USD-denominated perpetual subordinated hybrid notes that we issued in July 2017 as debt for the purposes of consistency and to align with the treatment presently applied for such securities for ratings purposes by S&P and JCR.

The information below is illustrative only, and our capitalization on a consolidated basis following the completion of this offering will be adjusted based on the actual proceeds from the offering and other terms of this offering determined at pricing. For our capitalization on a standalone basis, see "Management's Discussion Analysis of Financial Condition and Results of Operations—Key Performance Indicators". You should read this table in conjunction with the information provided under "Selected Historical Financial Information," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of Other Indebtedness," "Description of the Notes" and with our consolidated financial statements and the notes related thereto included elsewhere in this offering memorandum.

	As of March 31, 2024		
	Actual	**Adjusted**	**Further Adjusted**
	(billions of yen)[1]		
Cash Position[2]			
Cash and cash equivalents[3][6][7]	¥ 5,939	¥ 6,275	¥ 6,555
Short-term investments[3][4]	493	493	493
Bond investments[5]	45	45	45
Total Cash Position	¥ 6,477	¥ 6,813	¥ 7,093
Current interest-bearing debt			
Short-term borrowings	¥ 1,100	¥ 1,100	¥ 1,100
Commercial paper	364	364	364
Current portion of long-term borrowings	1,788	1,788	1,788
Current portion of corporate bonds[6]	825	518	518
Current portion of financial liabilities relating to sale of shares by prepaid forward contracts	4,195	4,195	4,195
Current portion of installment payables	—	—	—
Total current interest-bearing debt	¥ 8,271	¥ 7,964	¥ 7,964
Non-current interest-bearing debt			
Notes offered hereby[5]	—	—	¥ 283
Long-term borrowings	¥ 4,699	¥ 4,631	4,631
Yen-denominated hybrid loans[8]	135	68	68
Other long-term borrowings	4,563	4,563	4,563
Corporate bonds	6,620	6,874	6,874
Yen-denominated hybrid bonds[9]	792	396	396
Other corporate bonds[6]	5,828	6,478	6,478
Financial Liabilities relating to sale of shares by prepaid forward contracts	978	978	978
Installment payables	—	—	—
50% of USD-denominated perpetual subordinated hybrid notes (treated as debt)[10]	—	97	97
Total non-current interest-bearing debt	¥12,296	¥12,579	¥12,862
Total interest-bearing debt	¥20,568	¥20,543	¥20,826

	As of March 31, 2024		
	Actual	Adjusted	Further Adjusted
	(billions of yen)(1)		
Equity			
USD-denominated perpetual subordinated hybrid notes	193	97	97
Other equity	10,969	10,969	10,969
50% of Yen-denominated hybrid bonds and loans (treated as equity)(11)	—	464	464
Total equity attributable to owners of the parent	¥11,162	¥11,529	¥11,529
Total capitalization	¥31,730	¥32,072	¥32,356

(1) Applicable U.S. dollar amounts have been translated into Japanese yen at the rate of ¥151.41 = $1.00 and applicable Euro amounts have been translated into Japanese yen at the rate of ¥163.24 = €1.00. Such translated amounts may differ from the amounts recorded on our future consolidated financial statements, which amounts will be translated using exchange rates prevailing at the end of the relevant period (unless the translated amounts do not approximate the amounts translated by the exchange rates at the dates of the transactions, in which case the exchange rates at the transaction dates will be used). As of June 24, 2024, the relevant exchange rates were ¥159.88 = $1.00 and ¥170.96 = €1.00.

(2) The presented Cash Position is the sum of cash and cash equivalents, short-term investments and bond investments as of March 31, 2024.

(3) For the avoidance of doubt, cash and cash equivalents of ¥248 billion and short-term investments of ¥238 billion held by PayPay Bank Corporation is excluded.

(4) Short-term investments consist of marketable securities and time deposits (maturities of over three months) and other investments recorded as current assets.

(5) Bond investments consist of government bonds and corporate bonds, primarily those that are investment grade with a short time to maturity.

(6) We issued the Yen-denominated senior bonds in April 2024 targeting to redeem the outstanding Yen-denominated corporate bonds, which increased other corporate bonds by ¥100 billion and decreased current portion of corporate bonds by ¥100 billion in "Adjusted" column as if it had occurred as of March 31, 2024. In addition, we issued the Yen-denominated corporate bonds in June 2024 targeting to redeem the outstanding Yen-denominated corporate bonds and to make installment payment for the acquisition of Arm shares from SVF1, which increased other corporate bonds by ¥550 billion, while decreasing current portion of corporate bonds by ¥208 billion and increasing cash and cash equivalent by ¥336 billion in "Adjusted" column as if it had occurred as of March 31, 2024.

(7) Cash and cash equivalents in the "Further Adjusted" column gives effect to receipt of the net proceeds of the sale of the Notes and increase in Notes offered hereby, with translated into Japanese yen as described in note (1) above.

(8) Yen-denominated hybrid loans in the "Adjusted" and "Further Adjusted" columns represent 50% of the carrying amount as of March 31, 2024 of ¥84 billion of the Yen-denominated hybrid loan that we borrowed in November 2017 and 50% of the principal amount of ¥51 billion of the Yen-denominated hybrid loan that we borrowed in May 2023.

(9) Yen-denominated hybrid bonds in the "Adjusted" and "Further Adjusted" columns represents the 50% of the carrying amount of ¥792 billion of the Yen-denominated hybrid bonds issued in February 2021, June 2021 and April 2023.

(10) 50% of USD-denominated perpetual subordinated hybrid notes (treated as debt) in the "Adjusted" and "Further Adjusted" columns is 50% of the carrying amount of ¥193 billion of the USD-denominated perpetual subordinated hybrid notes issued in July 2017, adjusted and treated as debt.

(11) 50% of Yen-denominated hybrid bonds and loans (treated as equity) in the "Adjusted" and "Further Adjusted" columns represents the sum of (1) 50% of the carrying amount of ¥792 billion of the Yen-denominated hybrid bonds issued in February 2021, June 2021 and April 2023, and (2) 50% of the carrying amount of ¥84 billion of the Yen-denominated hybrid loan that we borrowed in November 2017 and 50% of the principal amount of ¥51 billion of the Yen-denominated hybrid loan that we borrowed in May 2023, adjusted and treated as equity.

SELECTED HISTORICAL FINANCIAL INFORMATION

The following table shows our selected consolidated financial information as of and for the fiscal years ended March 31, 2023 and 2024. The selected consolidated financial information as of and for the fiscal years ended March 31, 2023 and 2024 is derived from our audited consolidated financial statements included elsewhere in this offering memorandum that were prepared in accordance with IFRS.

	As of and for the fiscal year ended March 31,	
	2023	**2024**
	(millions of yen)	
Statement of Profit or Loss Data:		
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 (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(1)	(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
Statement of Financial Position Data:		
Total assets	¥43,936,368	¥46,724,243
Cash and cash equivalents	6,925,153	6,186,874
Total liabilities	33,287,153	33,487,074
Total interest-bearing debt	19,478,194	20,567,524
Total equity	10,649,215	13,237,169
Statement of Cash Flows Data:		
Net cash provided by operating activities	¥ 741,292	¥ 250,547
Net cash provided by (used in) investing activities	547,578	(841,461)
Net cash provided by (used in) financing activities	191,517	(606,222)

(1) The following shows our segment income before income tax.

	For the fiscal year ended March 31,	
	2023	**2024**
	(millions of yen)	
Segment Income (Before Income Tax)		
Investment Business of Holding Companies	¥ 3,349,846	¥ (97,526)
SoftBank Vision Funds	(4,308,291)	128,179
SoftBank	592,782	835,076
Arm	48,663	(33,215)
Other	(75,258)	51,408
Reconciliations	(76,869)	(826,121)
Consolidated Segment Income (Before Income Tax)	¥ (469,127)	¥ 57,801

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Financial data presented for the fiscal years ended March 31, 2023 and 2024 is derived from our audited consolidated financial statements which, together with their notes, are included elsewhere in this offering memorandum. Prospective investors should read the following discussion of our financial condition and results of operations together with such financial statements and notes to such statements included elsewhere in this offering memorandum. The presentation in this section contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of factors, including, but not limited to, those set forth under "Risk Factors," "Presentation of Financial Information" and elsewhere in this offering memorandum. Unless the context otherwise requires, references to the "Company" refer to SoftBank Group Corp., and references to "we," "our," "us," "SoftBank" and the "SoftBank Group" refer to the Company, its consolidated subsidiaries and equity method non-consolidated subsidiaries and associates, as the context requires.

Overview

As a strategic investment holding company, we invest in a diverse range of businesses in the information and technology sectors. Each of our portfolio companies seeks self-sustained growth while we, in turn, support each of our portfolio companies by promoting collaboration among our portfolio companies and leveraging our group's network.

Our reportable segments are:

- Investment Business of Holding Companies segment, which mainly consists of investment activities by us and our subsidiaries;
- SoftBank Vision Funds segment, which mainly consists of investment activities by SVF1, SVF2 and LatAm Funds;
- SoftBank segment, which mainly consists of our (i) consumer business: the provision of mobile services, sale of mobile devices, and provision of broadband services to retail customers in Japan; (ii) enterprise business: provision of mobile communications and solutions services to enterprise customers in Japan; (iii) distribution business: the provision of Information and Communication Technology ("ICT") services products to enterprise customers and provision of communication device-related products and Internet of Things ("IoT") equipment to retail customers; (iv) media & EC (e-commerce) business: the provision of media-related services, advertising and commerce-related services; and (v) financial business: the provision of payment and financial services, and includes, among others, the business results from SoftBank Corp. and its subsidiaries;
- Arm segment, which mainly consists of microprocessor intellectual property and related technology, and the sale of software tools and provision of related services by Arm and its subsidiaries; and
- Other, including, among other things, the business results from Fukuoka SoftBank HAWKS Corp. and Fortress Investment Group LLC. On May 14, 2024, we sold all of our shares in Fortress Investment Group LLC, held through our subsidiary, to a subsidiary of Mubadala Investment Company PJSC. With the completion of this transaction, Fortress Investment Group LLC is no longer our subsidiary.

For details regarding our business, see "Business."

The following table shows the percentage of our net sales and segment income for the fiscal year ended March 31, 2024 attributable to each of our segments:

	For the fiscal year ended March 31, 2024						
	Investment Business of Holding Companies	**SoftBank Vision Funds**	**SoftBank**	**Arm**	**Other[1]**	**Reconciliations[2]**	**Consolidated**
Net sales	—	—	90.0%	6.9%	3.3%	(0.2)%	100.0%
Segment income (income before income tax)	(168.7)%	221.8%	1,444.7%	(57.5)%	88.9%	(1,429.2)%	100.0%

(1) Other includes, among other things, the business results from Fukuoka SoftBank HAWKS Corp. and Fortress Investment Group LLC. On May 14, 2024, we sold all of our shares in Fortress Investment Group LLC, held through our subsidiary, to a subsidiary of Mubadala Investment Company PJSC. With the completion of this transaction, Fortress Investment Group LLC is no longer our subsidiary.

(2) 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 Inc., an equity method associate, and others, which are included in segment income of the SoftBank Vision Funds segment.

Changes in Presentation of Financial Information

Starting in the fiscal year ended March 31, 2024, the presentation of our financial information has been changed as follows. Information for the fiscal year ended March 31, 2023 included here and elsewhere in this offering memorandum has been restated and presented in the same manner.

Presentation of consolidated statement of cash flows

Under "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 fiscal year ended March 31, 2023, are separately presented for the fiscal year ended March 31, 2024. This is primarily due to the fact that the applicable amounts increased and became significant. For the same reason, under "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 fiscal year ended March 31, 2023, are separately presented for the fiscal year ended March 31, 2024. The financial information for the fiscal year ended March 31, 2023 has been restated and presented in the same manner.

Intragroup transactions of Arm shares and IPO of Arm

Intragroup transactions of Arm shares

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) (the "Arm Acquisition") for $16.1 billion (the "Arm Acquisition Consideration") prior to Arm's initial public offering (the "Arm IPO"). The Arm Acquisition Consideration is being paid in four installments, with the first installment of $4.1 billion having been paid upon completion of the Arm Acquisition in August 2023, and the remaining three installments to be paid over the course of two years up to August 2025, with $4.1 billion in August 2024, $4.1 billion in February 2025 and $3.8 billion in August 2025. SVF1 used the entire $4.1 billion received from the first installment to repay all of its then-outstanding borrowings of $4.1 billion. The proceeds from the second and subsequent installments will be used primarily to make payments to limited partners, including us, in accordance with the allocation method specified in SVF1's limited partnership agreement. Following the completion of the Arm Acquisition and Arm's corporate reorganization in August 2023, SVF1 continues to hold one ordinary share of Arm.

In addition to the Arm Acquisition, we have agreed to acquire interests in Arm Technology (China) Co., Ltd. and Treasure Data, Inc., both of which were previously spun out from Arm. The total consideration for the intragroup transactions involving Arm, including the acquisition of interests in these two companies, was $16.4 billion.

For the fiscal year ended March 31, 2024, in the SoftBank Vision Funds segment, SVF1 recorded a gain on investments of $6.9 billion from the Arm Acquisition, derived from the discounted present value of $15.1 billion as of August 2023 from the Arm Acquisition Consideration of $16.1 billion, after deducting its 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 the Arm Acquisition Consideration of $16.1 billion and the changes in the discounted present value from the discounted present value of $15.1 billion as of August 2023. These investment gains were and will be eliminated in consolidation, as they resulted from an intragroup transaction of subsidiary shares.

The following table shows reconciliation of the SoftBank Vision Funds segment information and the consolidated statement of profit or loss for the fiscal year ended March 31, 2024.

	For the fiscal year ended March 31, 2024		
	(millions of yen)		
	SoftBank Vision Funds segment	**Reconciliations**	**Consolidated statement of profit or loss**
Gain (loss) on investments at SoftBank Vision Funds[1]	¥ 724,341	¥(891,631)	¥(167,290)
Gain (loss) on investments in subsidiaries	891,631	(891,631)	—
Gain (loss) on investments in Arm shares	807,320	(807,320)	—
Loss on investments other than in subsidiaries	(167,290)	—	(167,290)
Change in third-party interests in SVF	(390,137)	—	(390,137)

(1) 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.

IPO of Arm

Arm was listed on the Nasdaq Global Select Market on September 14, 2023, under the ticker symbol "ARM." In the Arm IPO, our wholly owned subsidiary disposed of 102,500,000 American depositary shares ("ADS"), representing 10% of Arm's outstanding ordinary shares, at a price to the public of $51.00 per ADS. As of March 31, 2024, we held 88.7% (922,733,999 shares) of Arm's outstanding ordinary shares through a wholly owned subsidiary.

For the fiscal year ended March 31, 2024, we did not record a gain on disposal or changes in the fair value of Arm's shares in our consolidated statement of profit or loss as Arm remains our consolidated subsidiary after the disposal of Arm's ADS in the Arm IPO. However, ¥674 billion ($4.7 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 billion ($5.1 billion) from the partial sales of shares of subsidiaries to non-controlling interests were recorded under cash flows from financing activities.

As of June 20, 2024, the closing price of Arm's ADS was $160.77 per share, up approximately 215% from the initial public offering price.

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

As part of the consideration for the April 2020 merger between T-Mobile US, Inc. and our then-U.S. subsidiary, Sprint Corporation, we received the right to acquire 48,751,557 shares of T-Mobile stock (the "T-Mobile Contingent Consideration") for no additional consideration, contingent upon the satisfaction of a certain condition (the "T-Mobile Contingent Condition"). Following the satisfaction of the T-Mobile Contingent Condition on December 22, 2023, we acquired 48,751,557 T-Mobile shares (valued at $7.7 billion or ¥1,098 billion at the time of the acquisition) for no additional consideration on December 28, 2023. Upon the closing of the merger on April 1, 2020, we recorded the fair value of the T-Mobile Contingent Consideration of $1.8 billion (¥196 billion) as part of the gains on the sale of Sprint Corporation in the consolidated statement of profit or loss for the fiscal year ended March 31, 2021 and as derivative financial assets in the consolidated statement of financial position as of March 31, 2021. Subsequently, changes in the T-Mobile Contingent Consideration's fair value have been recorded under gains and losses on investments in our Investment Business of Holding Companies segment as derivative gains and losses on investments in the consolidated statement of profit or loss.

On December 28, 2023, the acquisition date of 48,751,557 T-Mobile shares, we derecognized the abovementioned derivative financial assets (fair value as of that date: $7.7 billion (¥1,098 billion)) and recorded the acquired T-Mobile shares as investment securities of the same amount in the consolidated statement of financial position. In the consolidated statement of profit or loss for the fiscal year ended March 31, 2024, we recorded a derivative gain on investments of ¥227 billion as part of investment gains in our Investment Business of Holding Companies segment. In addition, also as part of investment gains in our Investment Business of Holding Companies segment, we recorded an unrealized gain of ¥155 billion on valuation of T-Mobile shares, including our preexisting holdings. Of this gain, ¥31 billion is attributed to 48,751,557 T-Mobile 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.

As of December 31, 2023, the carrying amounts of the shares and warrants of WeWork held by SVF1 and SVF2 and the notes held by SVF2 have been written down to zero. 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. For the fiscal year ended March 31, 2024, we recorded loss on investments and other loss associated with WeWork of ¥252 billion.

On June 11, 2024, WeWork announced its successful emergence from Chapter 11 protection, having its global operational and financial restructuring plan approved.

Recent Developments

Since March 31, 2024, we have continued to pursue our business and investment strategies. The following are some recent developments and investments:

- *Issuance and Sale of Yen-denominated Corporate Bonds to Wholesale Markets.* On April 25, 2024, we issued and sold a series of unsecured straight Yen-denominated bonds to wholesale markets. The aggregate principal amount of the Yen-denominated straight corporation bonds issued is ¥100 billion ($660 million).
- *Issuance and Sale of Yen-denominated Corporate Bonds to Retail Markets.* On June 14, 2024, we issued and sold a series of unsecured straight Yen-denominated bonds, the 63rd Unsecured Straight Corporate Bond, or the "Fukuoka SoftBank HAWKS Bond", to individual investors in retail markets. The aggregate principal amount of the Fukuoka SoftBank HAWKS Bond issued is ¥550 billion ($3,633 million).
- *Physical Settlement of Certain Prepaid Forward Contracts using Alibaba shares*. Some of our wholly owned subsidiaries have entered into prepaid forward contracts with financial institutions to procure funds using Alibaba shares (such subsidiaries, the "Alibaba Shares Fund Procurement Entities"). We have decided to physically settle certain existing prepaid forward contracts using 304 million Alibaba shares. The physical settlement takes place at the relevant Alibaba Shares Fund Procurement Entity from May to July 2024.

Key Performance Indicators

Our investment portfolio is made up of companies that we believe have a competitive edge over peers in each sector, centered on semiconductor and telecommunications, and includes operating companies such as Arm and SoftBank Corp. We also make investments through SVF1, SVF2 and LatAm Funds in diverse geographies, sectors and business models, from foundational technological infrastructure that we believe the next generation of IT companies will rely on, to AI-enabled consumer services. For effective monitoring of the composition of our investment portfolio and its performance, we use various financial measures, including non-IFRS financial measures and metrics such as Equity Value of Holdings, Gross Interest-bearing Debt, Cash Position, Standalone Cash Position, Standalone Net Interest-bearing Debt, NAV and LTV ratio. We consider these measures and metrics to be useful measures of our investment performance because they facilitate analysis of our investment portfolio based on key factors such as liquidity and fair value, as well as our financial condition. These non-IFRS financial measures should not be unduly relied on or considered as alternatives to historical results of operations prepared in accordance with IFRS. No regulatory body in Japan or elsewhere has passed judgment on the acceptability of the adjustments and hypothetical assumptions that we use to prepare these non-IFRS financial measures. In addition, these non-IFRS financial measures do not have any standardized meaning and may not be comparable with similar measures used by other companies. Furthermore, these non-IFRS financial measures do not guarantee that we will achieve a certain level of financial status. For more details on non-IFRS financial measures, please see "Presentation of Financial Information—Non-IFRS Financial Measures."

We calculate Equity Value of Holdings presented below based on our proportionate ownership in the investments and corresponding fair value as of given dates below, except that, in some cases, acquisition cost is used. Because the equity value of our investments and holdings reported on an absolute basis could be affected by cross-segment investments, intersegment transactions, and financing activities and derivative transactions using the securities invested, we have made certain adjustments as listed below. The following table sets forth the calculation of Equity Value of Holdings as of the end of each of the three-month periods indicated and the adjusted pro forma Equity Value of Holdings as of June 20, 2024.

	As of					Adjusted Pro Forma as of
	March 31, 2023	**June 30, 2023**	**September 30, 2023**	**December 31, 2023**	**March 31, 2024**	**June 20, 2024[11]**
	(billions of yen)[1]					
Equity Value of Holdings						
Alibaba[2]						
Fair value of Alibaba shares held by the Company	¥ 4,842	¥ 4,289	¥ 4,605	¥ 3,835	¥ 3,757	¥ 3,757
Unsettled portion of prepaid forward contracts using Alibaba shares	(4,128)	(4,265)	(4,599)	(3,830)	(3,752)	(3,752)
Alibaba total	715	24	6	5	5	5
SoftBank Corp.[3]						
Fair value of SoftBank Corp. shares held by the Company	2,928	2,949	3,237	3,369	3,736	3,725
Outstanding amount related to asset-backed financings using SoftBank Corp. shares	(561)	(561)	(564)	(567)	(576)	(576)
SoftBank Corp. total	2,367	2,388	2,674	2,802	3,159	3,149
SVF1[4]						
Company's portion of the equity value of SVF1	2,798	3,029	3,287	3,248	3,444	3,444
SVF1 total	2,798	3,029	3,287	3,248	3,444	3,444
SVF2[5]						
Company's portion of the equity value of SVF2	3,516	4,039	3,890	4,135	4,424	4,424
SVF2 total	3,516	4,039	3,890	4,135	4,424	4,424
LatAm Funds[6]						
Company's portion of the equity value of LatAm Funds	791	911	942	912	968	968
LatAm Funds total	791	911	942	912	968	968
T-Mobile[7]						
Fair value of T-Mobile shares held by the Company	769	873	908	2,094	2,276	2,570
Fair value of the Company's right to acquire T-Mobile shares for no additional consideration under certain contingent conditions	834	795	848	—	—	—
Net other derivatives	12	(52)	(53)	(66)	(71)	(74)
Unsettled portion of prepaid forward contracts using T-Mobile shares	(382)	(415)	(428)	(409)	(444)	(516)
T-Mobile total	1,233	1,201	1,274	1,618	1,761	1,980
Deutsche Telekom[8]						
Fair value of Deutsche Telekom shares held by the Company	729	711	708	767	828	875
Unsettled portion of prepaid forward contracts using Deutsche Telekom shares	(445)	(479)	(481)	(478)	(500)	(523)
Deutsche Telekom total	284	232	227	289	328	352
Arm[9]						
Fair value of Arm shares held by the Company	3,994	4,881	7,387	9,834	17,462	23,463
Payable amount of consideration for Arm shares	—	—	(1,801)	(1,707)	(1,823)	(1,904)
Outstanding margin loan backed by Arm shares	(1,127)	(1,225)	(1,260)	(1,194)	(1,275)	(1,332)
Arm total	2,867	3,656	4,326	6,933	14,365	20,227

	As of					Adjusted Pro Forma as of
	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024	June 20, 2024[11]
	(billions of yen)[1]					
Others[10]						
Other stocks held by the Company	1,302	1,418	1,729	1,773	1,894	1,894
Others total	1,302	1,418	1,729	1,773	1,894	1,894
Total	¥15,874	¥16,896	¥18,355	¥21,716	¥30,348	¥36,443

(1) U.S. dollar amounts have been translated into Japanese yen using the exchanges rates prevailing at the end of each fiscal period indicated. The exchange rates used for the equity value of holdings as of the end of each fiscal period are ¥133.53 = $1.00, ¥144.99 = $1.00, ¥149.58 = $1.00, ¥141.83 = $1.00 and ¥151.41 = $1.00, in order from left to right.

(2) Calculated by multiplying the number of Alibaba shares held as of the end of the relevant fiscal period by the per-share price of Alibaba shares as of the end of the relevant fiscal period; *less* the sum of the amount to be settled at the maturity of the unsettled portion of prepaid forward contracts using Alibaba shares as of the end of the relevant fiscal period (calculated by using the per-share price of Alibaba as of the end of the relevant fiscal period).

(3) Calculated by multiplying the number of SoftBank Corp. shares held as of the end of the relevant fiscal period by the per-share price of SoftBank Corp. shares as of the end of the relevant fiscal period, *less* the amount equivalent to the outstanding amount related to asset-backed financings using SoftBank Corp. shares as of the end of the relevant fiscal period.

(4) Equivalent to the sum of our portion of the equity value of SVF1 and the performance fees accrued, each as of the end of the relevant fiscal period. The equity value of SVF1 is equivalent to the value of the investments made by SVF1 as of the end of the relevant fiscal period, calculated as financial assets at fair value through profit and loss.

(5) Equivalent to the sum of our portion of the equity value of SVF2. The equity value of SVF2 is equivalent to the value of the investments made by SVF2 as of the end of the relevant fiscal period, calculated as financial assets at fair value through profit and loss.

(6) Equivalent to the sum of our portion of the equity value of LatAm Funds and the performance fees accrued, each as of the end of the relevant fiscal period. The equity value of LatAm Funds is equivalent to the value of the investments made by LatAm Funds as of the end of the relevant fiscal period, calculated as financial assets at fair value through profit and loss.

(7) Calculated by (i) multiplying the number of T-Mobile shares held (including the number of T-Mobile shares subject to call options by Deutsche Telekom AG and T-Mobile share acquired for additional consideration on December 28, 2023) as of the end of the relevant fiscal period by the per-share price of T-Mobile shares as of the end of the relevant fiscal period; *plus* (ii) calculating the fair value of our right to acquire T-Mobile shares for no additional consideration under certain contingent conditions as derivative financial assets until our acquisition on December 28, 2023; *less* (iii) the amount of derivative financial liabilities relating to the call options held by Deutsche Telekom AG as of the end of the relevant fiscal period; *less* (iv) the sum of the total amount to be settled at maturity of prepaid forward contracts using T-Mobile shares, such as collar contracts, calculated by using the share price of T-Mobile as of the end of the relevant fiscal period.

(8) Calculated by (i) multiplying the number of Deutsche Telekom shares held as of the end of the relevant fiscal period by the per-share price of Deutsche Telekom shares as of the end of the relevant fiscal period; *less* (ii) the sum of the total amount to be settled at maturity of prepaid forward contracts using Deutsche Telekom shares, such as collar contracts, calculated by using the share price of Deutsche Telekom as of the end of the relevant fiscal period.

(9) Calculated by (i) (a) calculating the fair value of Arm shares as financial assets at fair value through profit and loss until the initial public offering on September 14, 2023, and (b) multiplying the number of Arm shares held as of the end of the relevant fiscal period by the per-share price of Arm shares as of the end of the relevant fiscal period after the initial public offering on September 14, 2023; *less* (ii) the remaining consideration for the acquisition of Arm shares from SVF1 in August 2023 and the acquisition of two companies previously spun out from Arm through intra-group transactions; *less* (iii) the sum of the outstanding amount of margin loans borrowed by the Company backed by Arm shares as of the end of the relevant fiscal period.

(10) Equivalent to the sum of the market value of the listed stocks held, the fair value of the unlisted stocks held and our portion of the net asset value of SB Northstar, calculated as assets *minus* liabilities, each as of the end of the relevant fiscal period, other than (2) through (9) above. The assets of SB Northstar excludes cash and cash equivalents from June 30, 2023 and bond investments from December 31, 2023. The liabilities of SB Northstar excludes ¥5,014 million of liabilities as of June 30, 2023 and ¥21 million of liabilities as of September 30, 2023, which are included as our Gross Interest-bearing Debt and Standalone Net Interest-bearing Debt.

(11) The adjusted pro forma equity value of holdings as of June 20, 2024 represents the equity value of holdings as of March 31, 2024, adjusted to reflect (i) the fair values of Arm, SoftBank Corp., T-Mobile and Deutsche Telekom shares held and (ii) the outstanding amounts related to asset-backed financings of Arm, SoftBank Corp., T-Mobile and Deutsche Telekom shares, in each case as of June 20, 2024 based on closing market share prices and the exchange rates of ¥158.16 = $1.00 and ¥169.97 = €1.00 on June 20, 2024. All other equity value of holdings components and adjustments, including the exchange rate used thereof, remain unadjusted from the components and adjustments as of March 31, 2024. The adjusted pro forma amounts presented are illustrative only and do not purport to show what the equity value of holdings would have been on June 20, 2024 or any other such date.

In addition to Equity Value of Holdings, we believe Gross Interest-bearing Debt, Standalone Cash Position, Standalone Net Interest-bearing Debt, NAV and LTV ratio to be useful measures in monitoring our financial condition and assessing our financial cushion for future investment capacity and financial maneuvers such as sale or monetization of our assets, debt reduction and share repurchase. We calculate Gross Interest-bearing Debt by deducting non-recourse interest-bearing debt and lease liabilities of our self-financing subsidiaries such as SoftBank Corp. (including its subsidiaries such as LY Corporation and PayPay Corporation), SVF1, SVF2, LatAm Funds and Arm from the consolidated interest-bearing debt and lease liabilities and making adjustments for hybrid finance, asset-backed financings and interest-bearing debt of our asset management subsidiaries such as SB Northstar. We define the consolidated Cash Position as the sum of cash and cash equivalents, short-term investments recorded as current assets and bond investments (excluding Cash Position held by PayPay Bank Corporation) on a consolidated basis and calculate Standalone Cash Position by deducting Cash Position of our self-financing subsidiaries such as SoftBank Corp. (including its subsidiaries such as LY Corporation and PayPay Corporation), SVF1, SVF2, LatAm

Funds and Arm from the consolidated Cash Position and making adjustments for Cash Position of our asset management subsidiaries such as SB Northstar. We deduct Standalone Cash Position from Gross Interest-bearing Debt to arrive at Standalone Net Interest-bearing Debt. Based on the foregoing, we calculate NAV by deducting Standalone Net Interest-bearing Debt from Equity Value of Holdings, and define LTV ratio as the ratio of Standalone Net Interest-bearing Debt to Equity Value of Holdings.

The following tables show our consolidated interest-bearing debt and lease liabilities, Gross Interest-bearing Debt, Standalone Cash Position, Standalone Net Interest-bearing Debt, NAV and LTV ratio as of the end of each of the fiscal periods indicated.

	As of					Adjusted Pro Forma as of
	March 31, 2023	**June 30, 2023**	**September 30, 2023**	**December 31, 2023**	**March 31, 2024**	**June 20, 2024(7)**
	(billions of yen except LTV ratio)					
Current interest-bearing debt	¥ 5,129	¥ 6,414	¥ 5,751	¥ 6,624	¥ 8,271	¥ 8,271
Current lease liabilities	184	171	161	153	150	150
Non-current interest-bearing debt	14,349	14,674	14,818	13,501	12,296	12,353
Non-current lease liabilities	653	650	663	657	645	645
Consolidated interest-bearing debt and lease liabilities	¥20,315	¥21,908	¥21,394	¥20,935	¥21,362	¥21,419
Non-recourse interest-bearing debt and lease liabilities of subsidiaries(1)	(7,624)	(7,825)	(7,058)	(7,169)	(7,065)	(7,065)
Adjustment for hybrid finance(2)	(129)	(146)	(367)	(367)	(367)	(367)
Adjustment for asset-backed financings(3)	(6,329)	(7,443)	(7,668)	(7,170)	(7,443)	(7,500)
Adjustment for interest-bearing debt of asset management subsidiaries(4)	—	(5)	(0)	—	—	—
Gross Interest-bearing Debt	¥ 6,233	¥ 6,495	¥ 6,301	¥ 6,229	¥ 6,487	¥ 6,487
Consolidated cash and cash equivalents	6,555	6,991	6,449	5,800	5,939	5,939
Consolidated short-term investments recorded as current assets	170	217	202	357	493	493
Consolidated bond investments(5)	—	—	59(5)	14	45	45
Consolidated Cash Position	¥ 6,725	¥ 7,208	¥ 6,712	¥ 6,171	¥ 6,477	¥ 6,477
Cash Position held at subsidiaries(1)	(2,197)	(2,036)	(2,314)	(2,400)	(2,520)	(2,520)
Adjustment for Cash Position held at asset management subsidiaries(4)	(42)	(30)	(41)	(29)	(22)	(22)
Standalone Cash Position	¥ 4,487	¥ 5,142	¥ 4,357	¥ 3,742	¥ 3,934	¥ 3,934
Gross Interest-bearing Debt	6,233	6,495	6,301	6,229	6,487	6,487
Standalone Cash Position	(4,487)	(5,142)	(4,357)	(3,742)	(3,934)	(3,934)
Standalone Net Interest-bearing Debt(6)	¥ 1,747	¥ 1,353	¥ 1,944	¥ 2,486	¥ 2,553	¥ 2,553
Equity Value of Holdings	15,874	16,896	18,355	21,716	30,348	36,443
NAV	14,127	15,543	16,411	19,229	27,795	33,890
LTV ratio	11.0%	8.0%	10.6%	11.5%	8.4%	—(8)

(1) Non-recourse interest-bearing debt of subsidiaries includes interest-bearing debt and lease liabilities at self-financing subsidiaries such as SoftBank Corp., SVF1, SVF2, LatAm Funds and Arm, which are non-recourse to the Company. The interest-bearing debt includes interest-bearing debts to third parties only, and excludes the amount calculated as deposits for banking business. Cash Position held at subsidiaries includes cash and cash equivalents and short-term investment recorded as current assets held at self-financing subsidiaries such as SoftBank Corp., SVF1, SVF2 and Arm, which are non-recourse to the Company. Cash Position held at subsidiaries includes bond investments from September 30, 2023.

(2) Adjustment for hybrid finance is: (i) deduction of 50% of the outstanding principal amount of the Yen-denominated hybrid bonds issued in February 2021, June 2021 and April 2023, which are recorded as liabilities in the consolidated financial statements; (ii) addition of 50% of the outstanding principal amount of the USD-denominated hybrid notes issued in July 2017, which are recorded as equity in the consolidated financial statements; and (iii) deduction of 50% of the outstanding principal amount of the Yen-denominated hybrid loans borrowed in November 2017 and May 2023, which is recorded as liabilities in in the consolidated financial statements.

(3) Adjustment for asset-backed financings is the deduction of the sum of: (i) the financial liabilities relating to sale of shares by prepaid forward contracts using Alibaba shares; (ii) the amount equivalent to the outstanding margin loan backed by Arm shares; (iii) the amount equivalent to the outstanding amount related to asset-backed financings using SoftBank Corp. shares; (iv) the financial

liabilities relating to sale of shares by prepaid forward contracts using T-Mobile shares, such as collar contracts; and (v) the financial liabilities recorded as interest-bearing debt related to collar transactions using Deutsche Telekom AG shares, each as of the end of the date indicated. For more details, see "—Cash and Capital Requirements—Debt Repayments and Certain Other Contractual Commitments—Variable Prepaid Forward Contracts and Collar Transactions" and "—Liquidity and Capital Resources—Margin Loans Backed by Arm and SoftBank Corp. Shares."

(4) Adjustment for interest-bearing debt of asset management subsidiaries is the deduction of includes interest-bearing debt at SB Northstar. Cash Position held at asset management subsidiaries includes short-term investment recorded as current assets at SB Northstar.

(5) Consolidated bond investments as of September 30, 2023 includes government bonds only.

(6) Net Interest-bearing Debt held at our subsidiaries as of March 31, 2024 were ¥4,529 billion at SoftBank Corp., net cash of ¥66 billion at SVF1, ¥441 billion at SVF2, net cash of ¥408 billion at Arm, and ¥48 billion at Other. Net Interest-bearing Debt held at asset management subsidiaries as of March 31, 2024 was net cash of ¥22 billion.

(7) The adjusted pro forma NAV as of June 20, 2024 represents NAV as of March 31, 2024, adjusted to reflect (i) the adjusted pro forma equity value of holdings as of June 20, 2024 and (ii) the outstanding amount under the margin loan backed by Arm shares, in each case as of June 20, 2024 based on closing market share prices and the exchange rates of ¥158.16 = $1.00 and ¥169.97 = €1.00 on June 20, 2024. All other NAV components and adjustments, including the exchange rate used thereof, remain unadjusted from the components and adjustments as of March 31, 2024. The adjusted pro forma amounts presented are illustrative only and do not purport to show what NAV would have been on June 20, 2024 or any other such date.

(8) Due to the limited nature of the adjustments made to calculate the adjusted pro forma amounts presented, we refrain from presenting the adjusted pro forma LTV ratio as of June 20, 2024.

Results of Operations

Comparison of the Fiscal Year Ended March 31, 2024 with the Fiscal Year Ended March 31, 2023

The following table shows selected statement of income data for the fiscal years ended March 31, 2023 and 2024. The comparisons below are with respect to the financial information derived from our audited financial statements for the fiscal year ended March 31, 2024 and the financial information for the fiscal year ended March 31, 2023 is presented as comparative information therein.

	As of and for the fiscal year ended March 31,	
	2023	2024
	(millions of yen)	
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
	¥ (789,801)	¥ 209,217

Consolidated Results of Operations

Net sales. Net sales increased by ¥186 billion ($1,229 million), or 2.8%, from ¥6,570 billion ($43,395 million) for the fiscal year ended March 31, 2023 to ¥6,757 billion ($44,624 million) for the fiscal year ended March 31, 2024 mainly due to increases in the net sales of the SoftBank and Arm segments.

Cost of sales. Cost of sales decreased by ¥28 billion ($187 million), or 0.9%, from ¥3,242 billion ($21,415 million) for the fiscal year ended March 31, 2023 to ¥3,214 billion ($21,228 million) for the fiscal year ended March 31, 2024 mainly due to a decrease in the cost of sales of the SoftBank segment.

Gross profit. Gross profit increased by ¥214 billion ($1,416 million), or 6.4%, from ¥3,328 billion ($21,980 million) for the fiscal year ended March 31, 2023 to ¥3,542 billion ($23,396 million) for the fiscal year ended March 31, 2024.

Gain (loss) on investments at Investment Business of Holding Companies. Gain on investments at Investment Business of Holding Companies was ¥4,561 billion ($30,121 million) for the fiscal year ended March 31, 2023, compared to a loss of ¥459 billion ($3,032 million) for the fiscal year ended March 31, 2024. The loss for the fiscal year ended March 31, 2024 was primarily due to realized and unrealized valuation losses on Alibaba shares, totaling ¥959,935 million which significantly outweighed an investment gain of ¥371,108 million on T-Mobile shares. See "—Investment Business of Holding Companies Segment."

Loss on investments at SoftBank Vision Funds. Loss on investments at SoftBank Vision Funds decreased by ¥5,155 billion ($34,046 million), or 96.9%, from ¥5,322 billion ($35,151 million) for the fiscal year ended March 31, 2023 to ¥ 167 billion ($1,105 million) for the fiscal year ended March 31, 2024. The loss for the fiscal year ended March 31, 2024 mainly comprised losses of ¥37,903 million at SVF1 and ¥231,329 million at SVF2, partially offset by gains of ¥73,862 million at LatAm Funds and ¥28,080 million on other investments. See "—SoftBank Vision Funds Segment."

Gain (loss) on other investments. Loss on other investments was ¥73 billion ($484 million) for the fiscal year ended March 31, 2023, compared to a gain of ¥67 billion ($442 million) for the fiscal year ended March 31, 2024. The gain for the fiscal year ended March 31, 2024 was primarily due to a valuation gain on Symbotic Inc. ("Symbotic") shares acquired by our wholly owned subsidiary in July 2023, primarily resulting from an increase in Symbotic's share price.

Total gain on investments. Total gain on investments was a loss of ¥835 billion ($5,515 million) for the fiscal year ended March 31, 2023, compared to a loss of ¥559 billion ($3,694 million) for the fiscal year ended March 31, 2024.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by ¥287 billion ($1,896 million), or 10.7%, from ¥2,695 billion ($17,802 million) for the fiscal year ended March 31, 2023 to ¥2,982 billion ($19,697 million) for the fiscal year ended March 31, 2024 mainly due to an increase in the selling, general and administrative expenses of the Arm segment.

Finance cost. Finance cost increased by ¥102 million ($1 million), or 0.0%, from ¥556 billion ($3,672 million) for the fiscal year ended March 31, 2023 to ¥556 billion ($3,672 million) for the fiscal year ended March 31, 2024 mainly 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 which were partially offset by the decrease in expenses 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.

Foreign exchange loss. Foreign exchange loss decreased by ¥69 billion ($457 million), or 9.0%, from ¥772 billion ($5,101 million) for the fiscal year ended March 31, 2023 to ¥703 billion ($4,644 million) for the fiscal year ended March 31, 2024. The loss for the fiscal year ended March 31, 2024 was mainly due to U.S. dollar-denominated liabilities of the Company and its domestic subsidiaries used for fund procurement, such as borrowings from subsidiaries and foreign currency-denominated senior notes, exceeding their U.S. dollar-denominated cash and cash equivalents and loans receivable.

Loss on equity method investment. Loss on equity method investment decreased by ¥58 billion ($383 million), or 60.0%, from ¥97 billion ($639 million) for the fiscal year ended March 31, 2023 to ¥39 billion ($255 million) for the fiscal year ended March 31, 2024. This change was mainly due to a loss on equity method investments recorded in the previous fiscal year related to Alibaba, which was, however, excluded as an associate beginning in the second quarter of the previous fiscal year.

Derivative gain (excluding gain (loss) on investments). Derivative gain (excluding gain (loss) on investments) increased by ¥1,448 million ($9,564 million), or 2,669.0% from ¥54 billion ($358 million) for the fiscal year ended March 31, 2023 to ¥1,502 billion ($9,922 million) for the fiscal year ended March 31, 2024. The gain for the fiscal year ended March 31, 2024 was mainly due to a recorded derivative gain of ¥1,517 billion ($10,021 million) in connection with prepaid forward contracts using Alibaba shares.

Change in third-party interests in SVF. Change in third-party interests in SVF, which represents the gains and losses attributable to third-party investors, calculated based on the gain and loss on investments at SVF, 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 SVF, was a decrease of ¥1,128 billion ($7,450 million) recorded as income for the fiscal year ended March 31, 2023, compared to an increase of ¥390 billion ($2,577 million) recorded as expense for the fiscal year ended March 31, 2024.

Other gain (loss). Other loss was ¥24 billion ($159 million) for the fiscal year ended March 31, 2023, compared to a gain of ¥243 billion ($1,603 million) for the fiscal year ended March 31, 2024.

Income before income tax. As a result of the foregoing, income before income tax increased by ¥527 billion ($3,480 million), from a loss of ¥469 billion ($3,098 million) for the fiscal year ended March 31, 2023 to a gain of ¥58 billion ($382 million) for the fiscal year ended March 31, 2024.

Income taxes. We recorded an income tax expense of ¥321 billion ($2,118 million) for the fiscal year ended March 31, 2023, compared to an income tax benefit of ¥151 billion ($1,000 million) for the fiscal year ended March 31, 2024. The income tax benefit for the fiscal year ended March 31, 2024 was mainly due to the recording of deferred income taxes of ¥580 billion ($3,834 million) (a credit of income taxes), while SoftBank Corp. and other operating companies recorded current tax expenses of ¥429 billion ($2,834 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.

Net income. As a result of the forgoing, net income was a loss of ¥790 billion ($5,216 million) for the fiscal year ended March 31, 2023, compared to a gain of ¥209 billion ($1,382 million) for the fiscal year ended March 31, 2024.

Net income attributable to owners of the parent. As a result of the forgoing, net income attributable to owners of the parent was a loss of ¥970 billion ($6,407 million) for the fiscal year ended March 31, 2023, compared to a loss of ¥228 billion ($1,504 million) for the fiscal year ended March 31, 2024.

Investment Business of Holding Companies Segment

The following table shows selected statement of income data for the Investment Business of Holding Companies segment for the fiscal years ended March 31, 2023 and 2024. The comparisons below are with respect to the financial information derived from our audited financial statements for the fiscal year ended March 31, 2023 and the financial information for the fiscal year ended March 31, 2024 is presented as comparative information therein.

	For the fiscal year ended March 31,	
	2023	**2024**
	(millions of yen)	
Gain (loss) on investments at Investment Business of Holding Companies[(1)]	¥4,560,568	¥ (459,045)
Gain relating to settlement of prepaid forward contracts using Alibaba shares	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	(67,054)	12,692
Derivative loss on investments at asset management subsidiaries	(5,102)	(792)
Realized loss on investments	(235,617)	(38,429)
Unrealized loss on valuation of investments	(144,198)	(611,627)
Change in valuation for the fiscal year	(132,423)	(647,414)
Reclassified to realized gain (loss) recorded in the past fiscal years[(2)]	(11,775)	35,787
Derivative gain on investments	205,506	226,050
Effect of foreign exchange translation[(3)]	—	6,532
Other	17,890	36,889
Selling, general and administrative expenses	(73,796)	(89,285)
Finance cost	(398,541)	(473,811)
Foreign exchange loss	(772,053)	(703,438)
Income (loss) on equity method investments	(22,836)	1,904
Derivative gain (excluding gain (loss) on investments)	65,732	1,500,015
Other gain (loss)	(9,228)	126,134
Segment income (income before income tax)	¥3,349,846	¥ (97,526)

(1) Excludes elimination due to consolidation. "Gain (loss) on investments at Investment Business of Holding Companies" in the consolidated statements of profit or loss for the fiscal year ended March 31, 2023 and March 31, 2024 were a gain of ¥4,560,500 million and a loss of ¥459,045 million, respectively.

(2) 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."

(3) 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.

Gain (loss) on investments. Gain on investments for the Investment Business of Holding Companies segment was ¥4,561 billion ($30,121 million) for the fiscal year ended March 31, 2023, compared to a loss of ¥459 billion ($3,032 million) for the fiscal year ended March 31, 2024. The loss for the fiscal year ended March 31, 2024 was primarily due to (i) loss of ¥612 billion ($4,040 million) recorded on valuation of investments, primarily due to a ¥913 billion ($6,031 million) loss on Alibaba shares arising from a decrease in its share price which was partially offset by a gain of ¥155 billion ($1,021 million) on T-Mobile shares, due to an increase in its share price; and (ii) derivative gain of ¥226 billion ($1,493 million), which mainly included a gain of ¥227 billion ($1,499 million) related to the T-Mobile Contingent Consideration.

Finance cost. Finance cost for the Investment Business of Holding Companies segment increased by ¥75 billion ($497 million), or 18.9%, from ¥399 billion ($2,632 million) for the fiscal year ended March 31, 2023 to ¥474 billion ($3,129 million) for the fiscal year ended March 31, 2024 mainly due to a slight increase in interest expenses paid to entities outside of the Company's group, totaling ¥403 billion ($2,662 million). In addition, an amortized cost of ¥67 billion ($445 million) was recognized during the fiscal year ended March 31, 2024 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.

Derivative gain (excluding gain (loss) on investments). Derivative gain (excluding gain (loss) on investments) for the Investment Business of Holding Companies segment was ¥66 billion ($434 million) for the fiscal year ended March 31, 2023, compared to ¥1,500 billion ($9,907 million) for the fiscal year ended March 31, 2024, an increase of ¥1,434 billion ($9,473 million). The gain for the fiscal year ended March 31, 2024 was primarily due to a recorded derivative gain of ¥1,517 billion ($10,021 million) in connection with prepaid forward contracts and associated contracts using Alibaba shares.

Segment income (income before income tax). As a result of the foregoing, segment income (income before income tax) for the Investment Business of Holding Companies segment was ¥3,350 billion ($22,124 million) for the fiscal year ended March 31, 2023, compared to a loss of ¥98 billion ($644 million) for the fiscal year ended March 31, 2024.

SoftBank Vision Funds Segment

The SoftBank Vision Funds segment mainly includes the results of the investment and operational activities of SVF1, SVF2 and LatAm Funds.

The following table shows selected statement of income data for the SoftBank Vision Funds segment for the fiscal years ended March 31, 2023 and 2024. The comparisons below are with respect to the financial information derived from our audited financial statements for the fiscal year ended March 31, 2024 and the financial information for the fiscal year ended March 31, 2023 is presented as comparative information therein.

	For the fiscal year ended March 31,	
	2023	**2024**
	(millions of yen)	
Gain (loss) on investments at SoftBank Vision Funds[1]	¥(5,279,494)	¥ 724,341
Gain (loss) on investments at SVF1, SVF2, and LatAm Funds	(5,298,458)	696,261
Realized gain on investments[2]	78,616	984,409
Unrealized loss on valuation of investments	(5,267,270)	(144,835)
Change in valuation for the fiscal year	(4,978,591)	(189,604)
Reclassified to realized gain (loss) recorded in the past fiscal year[2]	(288,679)	44,769
Interest and dividend income from investments	1,512	21,668
Derivative gain (loss) on investments	14,537	(7,337)
Effect on foreign exchange translation	(125,853)	(157,644)
Gain on other investment	18,964	28,080
Selling, general and administrative expenses	(65,999)	(84,986)
Finance cost	(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	(10,473)	(46,717)
Segment income (income before income tax)	¥(4,308,291)	¥ 128,179

(1) 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. "Gain (loss) on investments at SoftBank Vision Funds" in the consolidated statements of profit of loss for the fiscal year ended March 31, 2023 and March 31, 2024 were a loss of ¥5,322,265 million and a loss of ¥167,290 million, respectively.

(2) Unrealized gain 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 sales of investments.

Gain (loss) on investments at SoftBank Vision Funds. Loss on investments at SoftBank Vision Funds was ¥5,279 billion ($34,869 million) for the fiscal year ended March 31, 2023, compared to a gain of ¥724 billion ($4,784 million) for the fiscal year ended March 31, 2024. The gain for the fiscal year ended March 31, 2024 was primarily due to an investment gain of ¥807 billion ($5.6 billion) associated with the investment in Arm, which is eliminated in consolidation and is not included in "Gain (loss) on investments at SoftBank Vision Funds" in the consolidated statement of profit or loss for the fiscal year ended March 31, 2024. This gain was partially offset by unrealized valuation losses from decreases in the fair values of investments, notably including WeWork stocks and notes, despite fair value increases of select companies, such as ByteDance Ltd., Coupang, Inc., and DoorDash, Inc.

Finance cost. Finance cost decreased by ¥7 billion ($45 million), or 8.4%, from ¥81 billion ($536 million) for the fiscal year ended March 31, 2023 to ¥74 billion ($491 million) for the fiscal year ended March 31, 2024 mainly due to decreases in interest expenses resulting from repayments of borrowings made by SVF1 and SVF2.

Change in third-party interests in SVF. Change in third-party interests in SVF 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, was a decrease of ¥1,128 billion ($7,450 million) recorded as income for the fiscal year ended March 31, 2023, compared to an increase of ¥390 billion ($2,577 million) recorded as expense for the fiscal year ended March 31, 2024.

Segment income (income before income tax). As a result of the foregoing, segment income (income before income tax) for the SoftBank Vision Funds segment was a loss of ¥4,308 billion ($28,454 million) for the fiscal year ended March 31, 2023, compared to a gain of ¥128 billion ($847 million) for the fiscal year ended March 31, 2024.

SoftBank Segment

The SoftBank segment includes the results of the operation activities of SoftBank Corp. and its subsidiaries mainly in Japan, including LY Corporation and PayPay Corporation.

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.

Although SoftBank Corp. recorded a gain of ¥295 billion ($1,947 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 our consolidated financial statements, as PayPay Corporation has consistently been classified as our consolidated subsidiary prior to the business combination.

Net sales. Net sales increased by ¥127 billion ($841 million), or 2.1%, from ¥5,957 billion ($39,340 million) for the fiscal year ended March 31, 2023 to ¥6,084 billion ($40,181 million) for the fiscal year ended March 31, 2024.

Segment income (income before income tax). Segment income (income before income tax) for the SoftBank segment increased by ¥242 billion ($1,600 million), or 40.9%, from ¥593 billion ($3,915 million) for the fiscal year ended March 31, 2023 to ¥835 billion ($5,515 million) for the fiscal year ended March 31, 2024 mainly due to a reversal in the consumer business's income decline and sustained growth in the Media & EC business and the enterprise business.

Arm Segment

The Arm segment mainly includes the results of the operation activities of Arm, primarily consisting of licensing of semiconductor intellectual property, including the design of energy-efficient microprocessors and associated technologies.

Net sales. Net sales for the Arm segment increased by ¥82 billion ($543 million), or 21.6%, from ¥382 billion ($2,521 million) for the fiscal year ended March 31, 2023 to ¥464 billion ($3,065 million) for the fiscal year ended March 31, 2024 mainly due to the highest-ever license and other revenue and very strong royalty revenue, which was only slightly below the previous fiscal year's record level.

Segment income (income before income tax). Segment income (income before income tax) for the Arm segment was a gain of ¥49 billion ($321 million) for the fiscal year ended March 31, 2023, compared to a loss of ¥33 billion ($219 million) for the fiscal year ended March 31, 2024. This was primarily due to an increase in expenses related to stock compensation schemes combined with an increase in headcount to enhance R&D capability, which was partially offset by the strong net sales.

Cash and Capital Requirements

Cash Requirements

Our cash and capital requirements are related to investments, funding our debt repayment and certain other contractual commitments, interest payment, capital expenditures, shareholder returns, including dividend payments and share repurchase programs which we may implement from time to time, and operating cash requirements. On standalone basis, our cash and capital requirements are related to investments, funding our debt repayment and certain other contractual commitments, interest payment, tax payment and dividend payments.

Debt Repayments and Certain Other Contractual Commitments

Interest-Bearing Debt

As of March 31, 2024, the interest-bearing debt of the Company primarily consisted of:

- Corporate bonds (including USD-denominated perpetual subordinated hybrid notes issued in July 2017) totaling ¥6,341 billion ($41,878 million).
- Borrowings (including the Yen-denominated hybrid loans totaling ¥135 billion ($894 million)) totaling ¥463 billion ($3,058 million), of which ¥328 billion ($2,164 million) is short-term borrowings.
- Commercial paper totaling ¥177 billion ($1,166 million).

The following table shows the scheduled redemptions for the total remaining bonds, including USD-denominated perpetual subordinated hybrid notes, issued by the Company for the periods indicated, as of March 31, 2024, as adjusted for ¥100 billion of the yen-denominated corporate bonds issued in April 2024 and ¥550 billion of the yen-denominated corporate bonds issued in June 2024:

Fiscal year ending March 31,	**Total Principal Amount Due[(1)(2)]**
	(billions of yen)
2025[(3)]	¥ 701
2026[(3)]	999
2027[(3)]	1,097
2028[(3)]	506
2029[(3)]	1,555
2030[(3)]	588
2031	550
2032[(3)]	768
2033[(3)]	69

(1) Amounts correspond to the face amounts. Includes domestic corporate bonds issued in April and June 2024.

(2) In case of early redemption on the first call date of the Yen-denominated Hybrid Bonds and USD-denominated Hybrid Notes.

(3) Foreign Currency-denominated Senior Notes converted to Japanese yen by each swap rate where applicable. Otherwise, the rate of ¥151.41 = $1.00 or ¥163.24 = €1.00 is applied. USD-denominated Hybrid Notes converted to Japanese yen at the rate of ¥151.41 = $1.00.

The following table shows the total remaining scheduled repayments for the hybrid loans for the period indicated as of March 31, 2024.

Fiscal year ending March 31,	**Total Principal Amount Due[(1)(2)]**
	(billions of yen)
2025	¥84
2026	—
2027	—
2028	—
2029	53

(1) Amounts correspond to the face amounts.

(2) Assumes that the loan is repaid on the date of the first call.

As of March 31, 2024, our consolidated interest-bearing debt primarily consisted of:

- Short-term and long-term borrowings totaling ¥7,587 billion ($50,106 million);
- Corporate bonds totaling ¥7,445 billion ($49,169 million); and
- Financial liabilities totaling ¥5,173 billion ($34,162 million) relating to sale of shares by variable prepaid forward contracts. See "—Variable Prepaid Forward Contracts and Collar Transactions."

The following table summarizes our consolidated interest-bearing debt as of March 31, 2024 by maturities. The following table does not include interest payments.

	Carrying amount	Aggregation of redemption schedule	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years
	(millions of yen)							
Non-derivative financial liabilities								
Interest-bearing debt								
Short-term borrowings	¥ 1,100,158	¥ 1,100,158	¥1,100,158	¥ —	¥ —	¥ —	¥ —	¥ —
Commercial paper	363,501	363,501	363,501	—	—	—	—	—
Long-term borrowings	6,486,449	6,520,112	1,791,173	2,972,054	547,454	454,121	312,407	442,903
Corporate bonds	7,444,630	7,492,240	825,305	1,120,232	930,590	515,298	1,548,815	2,552,000
Financial liabilities relating to sale of shares by prepaid forward contract	5,172,511	5,274,124	4,259,358	1,014,766	—	—	—	—
Installment payables	275	275	168	99	8	—	—	—
Lease liabilities	794,507	794,507	149,801	116,535	96,266	80,476	67,232	284,197
Total	¥21,362,031	¥21,544,917	¥8,489,464	¥5,223,686	¥1,574,318	¥1,049,895	¥1,928,454	¥3,279,100

See "Description of Other Indebtedness."

Interest Expense

We incur interest expenses mainly due to payments on our loan and bond obligations, and interest-bearing debt incurred at our wholly owned subsidiaries conducting fund procurement. We also incur interest expenses in connection with the lease liabilities of SoftBank Corp.

Variable Prepaid Forward Contracts and Collar Transactions

Alibaba shares

Some of our wholly owned subsidiaries have entered into prepaid forward contracts with financial institutions to procure funds using Alibaba shares, which are held by such subsidiaries (the "Alibaba Shares Fund Procurement Entities").

In these prepaid forward contracts, the number of Alibaba shares settled by the contracts is either (i) fixed regardless of changes in market share price in the future in the form of a forward contract or (ii) determined by reference to market price of the shares at the valuation dates prior to the settlement date. In the latter type of contracts, both a cap and a floor may be set for the price of shares settled in the form of a collar contract (also referred to as a "collar"). In addition to the prepaid forward contracts, the Alibaba Shares Fund Procurement Entities have entered into call spread (combination of long position of call option and short position of call option with different strike prices) contracts in preparation for increases in Alibaba shares price.

The aforementioned prepaid forward contracts are classified as hybrid financial instruments with embedded derivatives. We account for such prepaid forward 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, we measure the call spread contracts at fair value. 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 Alibaba Shares Fund Procurement Entities 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 they elect cash settlement, they 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 the Alibaba Shares Fund Procurement Entities are pledged as collateral in accordance with all of the prepaid forward contracts (except for a certain contract) with the right of use granted to the financial institutions with respect to such pledged shares in general. However, the collateral can be released by cash settlement at the discretion of the Alibaba Shares Fund Procurement Entities.

During the fiscal year ended March 31, 2024, the Alibaba Shares Fund Procurement Entities procured ¥606 billion ($4.4 billion) in total, by entering into new prepaid forward contracts. In addition, certain existing prepaid forward contracts matured and were settled by Alibaba shares during the fiscal year ended March 31, 2024, resulting in a decrease in current portion of financial liabilities relating to sale of shares by prepaid forward contracts of ¥357 billion ($2.4 billion), recorded as a decrease of ¥232 billion ($1.5 billion) in "derivative financial assets (current)" and a decrease of ¥125 billion ($0.8 billion) in Alibaba shares included in "investment securities" in the consolidated statement of financial position as of March 31, 2024.

As of March 31, 2024, we pledged ¥3,752 billion ($24.8 billion) of Alibaba shares in aggregate, which is recorded as "investment securities" in the consolidated statement of financial position, as collateral for ¥3,699 billion ($24.4 billion) of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥978 billion ($6.5 billion) of financial liabilities relating to sale of shares by prepaid forward contracts.

T-Mobile shares

As of March 31, 2024, our wholly owned subsidiary pledged ¥613 billion ($4.0 billion) of T-Mobile shares as collateral for ¥432 billion ($2.9 billion) of current portion of financial liabilities related to prepaid forward contracts utilizing T-Mobile shares. The pledged T-Mobile shares are included in "investment securities" in the consolidated statement of financial position.

Deutsche Telekom shares

As of March 31, 2024, our wholly owned subsidiary pledged ¥828 billion ($5.5 billion) of Deutsche Telekom shares as collateral for ¥83 billion ($0.5 billion) of current portion of long-term borrowings and ¥414 billion ($2.7 billion) of long-term borrowings by collar transactions using Deutsche Telekom shares. The pledged Deutsche Telekom shares are included in "investment securities" in the consolidated statement of financial position.

Capital Expenditures

We mainly incur capital expenditures to expand and maintain our telecommunications network in the SoftBank segment. In the SoftBank segment, we made investments in the deployment of a 5G network in Japan at the amount of ¥762 billion ($5.0 billion) and ¥622 billion ($4.1 billion) during the fiscal years ended March 31, 2023 and March 31, 2024, respectively.

Dividend Payments

Our basic policy is to maintain a sound financial position, while at the same time both investing prudently to ensure sustained growth and returning profits to shareholders. Returns to shareholders include cash dividends paid twice per year, in principle, as an interim dividend and a year-end dividend. On June 21, 2024, it was resolved at the annual general meeting of shareholders that the year-end dividend will be ¥22.00 per share for the fiscal year ended March 31, 2024. Together with the interim dividend of ¥22.00 per share paid in December 2023, our annual dividend for the fiscal year ended March 31, 2024 was ¥44.00 per share, the same per-share amount as the previous fiscal year. Our total dividend payments during the fiscal year ended March 31, 2024 were ¥64 billion ($426 million).

Liquidity and Capital Resources

Liquidity

The below table reflects the Cash Position of certain of our key subsidiaries and our consolidated Cash Position as of March 31, 2023 and March 31, 2024. See "Capitalization" for our Cash Position on an as adjusted basis.

	As of and for the fiscal year ended March 31,	
	2023	2024
	(billions of yen)	
Cash Position(1)		
SBG Standalone Cash Position(2)	¥4,487	¥3,934
SoftBank Group Corp.	3,454	2,244
Asset management subsidiaries	—	1,059
Other	1,032	631
Cash Position held at subsidiaries(3)**:**		
SoftBank Segment(4)	1,702	1,792
SVF1	72	66
SVF2	37	107
Arm	296	443
Other	90	112
Total	2,197	2,520
Cash Position held at asset management subsidiaries	42	22
Consolidated Cash Position(4)	¥6,725	¥6,477

(1) Cash Position is cash and cash equivalents *plus* short-term investments *plus* bond investments. Short-term investments consist of marketable securities, time deposits (maturities of over three months) and other investments recorded as current assets.

(2) For the avoidance of doubt, SBG Standalone Cash Position excludes the Cash Position held by PayPay Bank Corporation, but includes cash and cash equivalents of SB Northstar since June 2023 and bond investments of SB Northstar since December 2023.

(3) Cash Position held at subsidiaries includes cash and cash equivalents, short-term investments recorded as current assets and bond investments at self-financing subsidiaries such as SoftBank Corp., Arm, SVF1, SVF2 and LatAm Funds, which are non-recourse to the Company.

(4) Cash Position held at the SoftBank Segment is calculated as the sum of Cash Position of each company in the SoftBank Segment after elimination of intragroup transactions.

As a strategic investment holding company, we invest in a number of companies through direct investments (including investments made through subsidiaries), as well as through investment funds such as SVF1, SVF2 and LatAm Funds. In turn, we receive dividends from portfolio companies or distributions from investment funds and, when deemed appropriate, exit our investments by selling or monetizing. As of March 31, 2024, our consolidated Cash Position (cash and cash equivalents *plus* short term investments *plus* bond investments) equaled ¥6,477billion ($42.8 billion).

We also use diversified financing methods for raising funds including both indirect financing, such as bank loans, and direct financing, such as the issuance of bonds (in the local and international capital markets) and commercial paper, taking market conditions into consideration, and continue to proactively assess and manage our financing requirements. Some of our other financing methods include sales or monetization of investment securities and investments in associated companies via wholly owned subsidiaries conducting fund procurement as required, including monetization of shares via variable prepaid forward contracts. See "—Cash and Capital Requirements—Debt Repayments and Certain Other Contractual Commitments—Variable Prepaid Forward Contracts and Collar Transactions."

As of March 31, 2024, our standalone liquidity, including cash, cash equivalents, short-term investments and available borrowing capacity under our commitment lines was ¥4,684 billion ($30.9 billion). We expect our liquidity position to be sufficient to cover our expected bond redemption needs through the end of March 31, 2026.

Margin Loans Backed by Arm and SoftBank Corp. Shares

Arm Shares

On September 21, 2023, through one of our wholly owned subsidiaries, Kronos I (UK) Limited, we borrowed $8,500 million from lenders under a margin loan using Arm shares that we held through another wholly owned subsidiary and all of the assets of Kronos I (UK) Limited (except for certain assets specified in the loan agreement) pledged as collateral. The margin loan is recorded for ¥1,275 billion ($8.4 billion) 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 a non-recourse debt.

SoftBank Corp. Shares

On February 25, 2020, through one of our wholly owned subsidiaries, Moonlight Finance GK (formerly known as Hinode 1 GK), we borrowed ¥500 billion ($3,302 million) from lenders under a margin loan using its SoftBank Corp. shares pledged as collateral. We have refinanced the margin loan for the same amount on February 21, 2023.

We believe that the utilization of margin loans using our investment shares pledged as collateral has further supported our liquidity position.

Commitment Line

In order to reduce liquidity risk, we enter into commitment lines of credit and other credit facilities from time to time with various financial institutions. On September 21, 2023, we renewed one such commitment line of credit for borrowings up to $4,715 million (¥714 billion) on a USD tranche and ¥36 billion ($235 million) on a JPY tranche, which has not been drawn as of the date of this offering memorandum. See "Description of Other Indebtedness."

Cash Flow

The following table shows our consolidated cash flow data for the fiscal years ended March 31, 2023 and 2024.

	As of and for the fiscal year ended March 31,	
	2023	**2024**
	(millions of yen)	
Cash and cash equivalents at the beginning of the year	¥5,169,001	¥6,925,153
Net cash provided by operating activities	741,292	250,547
Net cash provided by (used in) investing activities	547,578	(841,461)
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 end of the year	¥6,925,153	¥6,186,874
Cash and cash equivalents at the end of the year, excluding the cash and cash equivalents of PayPay Bank Corporation	¥6,555,340	¥5,938,576

Our net cash provided by operating activities decreased by ¥491 billion ($3,241 million), or 66.2%, from ¥741 billion ($4,896 million) for the fiscal year ended March 31, 2023 to ¥251 billion ($1,655 million) for the fiscal year ended March 31, 2024 mainly due to outlays for income taxes in the fiscal year ended March 31, 2024 amounting to ¥886 billion ($5,849 million), which included the payment of ¥369 billion ($2,435 million) in income taxes by the Company arising in conjunction with the physical settlement of the prepaid forward contracts using Alibaba shares, as well as the cost for acquisition of corporate bonds in the fiscal year ended March 31, 2024 (primarily those of investment grades with short time to maturity) by SB Northstar for the purpose of investing surplus funds.

Our net cash provided by investing activities was ¥548 billion ($3,617 million) for the fiscal year ended March 31, 2023, compared to net cash used in investing activities of ¥841 billion ($5,557 million) for the fiscal year ended March 31, 2024, representing an increase in cash outflow of ¥1,389 billion ($9,174 million). Our net cash used in investing activities for the fiscal year ended March 31, 2024 mainly came from cash outflow of ¥801 billion ($5,290 million) from our payment for investment acquisitions, primarily driven by the expansion of strategic investments by the Company and its wholly owned subsidiaries as well as increased investments in bonds and other asset management products by PayPay Bank Corporation, ¥212 billion ($1,400 million) from payment for acquisition of investments by SVF, which was offset by cash inflow of ¥922 billion ($6,090 million) from proceeds from sales of investments by SVF, and ¥623 billion ($4,112 million) from purchase of property, plant and equipment, and intangible assets due to capital expenditure mainly at SoftBank Corp.

Our net cash provided by financing activities was ¥192 billion ($1,265 million) for the fiscal year ended March 31, 2023, compared to net cash used in financing activities of ¥606 billion ($4,004 million) for the fiscal year ended March 31, 2024, representing an increase in cash outflow of ¥798 billion ($5,269 million). Our net cash used in financing activities for the fiscal year ended March 31, 2024 primarily related to repayment of borrowings made by SVF through asset-backed financings and distributions and repayments to third-party investors made at SVF1, which were partially offset by proceeds from the disposal of Arm shares and conducted financing.

Credit Ratings

We have a long-term corporate credit rating of BB+ (stable outlook) from Standard & Poor's Financial Services LLC ("S&P"), and A (stable outlook) from Japan Credit Rating Agency, Ltd. ("JCR").

Market Risk

Our consolidated statements of financial position and income include substantial amounts of assets, liabilities and gain (loss) on investments whose fair values are subject to market risks. Our significant market risks are primarily associated with equity prices, interest rates, foreign currency exchange rates, credit risk and liquidity risk. The fair values of our investment portfolios, shares pledged as collateral and prepaid forward contracts remain subject to considerable volatility. The following sections address the significant market risks associated with our business activities.

Derivative transactions entered into by us are conducted and controlled based on our internal rules and procedures for derivative transactions and are limited to the extent of actual demands. For more information, see Note 28 to our audited consolidated financial statements for the fiscal year ended March 31, 2024 included elsewhere in this offering memorandum.

Equity Price Risk

Our predominant exposure to equity price risk is related to our Investment Business of Holding Companies and SoftBank Vision Funds segments and the sensitivities to movements in the fair value of our investments. Risk is regularly evaluated and is managed on a position basis as well as on a portfolio basis in both segments. Senior members of our investment teams in both segments meet on a regular basis to assess and review certain risks, including concentration risk, correlation risk and credit risk for significant positions. Certain risk metrics and other analytical tools are used in the normal course of business by both segments.

We hold investments that are reported at fair value as of the reporting date, which include, among others, securities owned, securities sold, securities pledged as collateral and derivatives as reported in our consolidated financial statements. The value of listed assets (excluding asset-backed financings) as of March 31, 2024 was ¥23.9 trillion ($158 billion). Historically, the investments included in this segment have been concentrated on relatively few issuers. As of March 31, 2024, approximately 47% of the equity value of holdings (excluding asset-backed financings) was concentrated in Arm, representing a significant increase from approximately 18% as of March 31, 2023, primarily due to the acquisition of Arm shares from SVF1 in August 2023 and the increase in fair value of Arm shares following the initial public offering of Arm in September 2023. See "Risk Factors—Risks Related to Arm Segment—Our holdings in Arm represent a significant portion of our assets." As of March 31, 2024, approximately 79% of our portfolio was comprised of listed assets (excluding asset-backed financings). We also invest in highly liquid listed stocks and engaging in derivative transactions related to listed stocks, to diversify our assets and investments and to manage surplus funds. This has been done while being firmly committed to our stated financial policies on LTV ratio and Cash Position.

The fair value of our financial assets and liabilities primarily fluctuates in response to changes in the value of securities. The net effect of these fair value changes impacts our gain (loss) on investments and net income in the consolidated statements of profit or loss. See "Risk Factors—Risks Relating to Our Status as a Strategic Investment Holding Company—We face various risks in connection with our investment activities." We are also subject to equity price risk with respect to our prepaid forward contracts and margin loans. Our ultimate liability with respect to these prepaid forward contracts is determined from the movement of the underlying stock price between the contract inception date and expiration date. The fair values of our liabilities arising from these contracts are also affected by changes in other factors such as interest rates and the remaining duration of the contracts and loans. For more information on sensitivity analysis of our securities and derivatives, see Note 28 to our audited consolidated financial statements for the fiscal year ended March 31, 2024 included elsewhere in this offering memorandum.

Interest Rate Risk

We raise funds through issuing interest-bearing debt. Certain interest-bearing debt is issued with floating interest rates, and is exposed to interest rate risk.

Interest-bearing debt with floating interest rates has the risk of increased interest expenses due to rising interest rates. In order to prevent and reduce interest rate fluctuation risk, we maintain an appropriate mixture of fixed and floating interest rate debt. For certain borrowings and bonds with floating interest rates, we also utilize derivative transactions, such as interest rate swaps, in order to hedge interest rate fluctuation risk, converting floating interests into fixed interests. For floating interest rate debt, we continuously monitor interest rate fluctuations.

Foreign Exchange Risk

We engage in international businesses through investments, financial contributions and the establishment of joint ventures. We undertake transactions denominated in foreign currencies with foreign parties and through lending to and borrowings from foreign subsidiaries. Consequently, we are subject to foreign exchange risk that arises from changes in currency rates mainly in the U.S. dollar, Chinese yuan and euro.

To manage this risk, we continuously monitor exchange rates and manages exchange rate exposures. We also use foreign currency forward contracts and foreign currency swap contracts to hedge the risk.

Credit Risk

In the course of our business, trade and other receivables, and other financial assets (including deposits, equity securities, bonds, and derivatives) are exposed to the credit risk of our counterparties.

In order to prevent and reduce the risk, we do not expose ourselves to significant concentrations of credit risk for such receivables and financial assets. To manage our credit risk, we perform controls around the due date and balance for each customer in accordance with its internal customer credit management rules and regularly monitors major customers' credit status. In addition, SB Northstar, which engages in the acquisition and sale of government bonds and corporate bonds, mitigates the risk by focusing on investment grade bonds with a short time to maturity.

Derivative transactions executed and maintained by us are conducted and controlled based on our internal rules and procedures for derivative transactions, and those transactions engaged in are limited to those with financial institutions with high credit ratings in order to reduce the risk.

Liquidity Risk

We endeavor to ensure our liquidity and financial stability by securing funds sufficient to redeem our corporate bonds for at least the next two years. In order to prevent and reduce liquidity risk, we maintain access to diversified fundraising sources including both indirect financing, such as bank loans, and direct financing, such as the issuance of bonds and commercial paper, taking market conditions and its current/non-current debt ratios into consideration. We also continuously monitor forecasted and actual cash flows and liquid funds.

Significant Accounting Policies

The preparation of financial statements often requires the use of judgments to select specific accounting methods and policies from several acceptable alternatives. Furthermore, significant estimates and assumptions concerning the future may be required in selecting and applying those methods and policies in the financial statements. We based our estimates and judgments on historical experience and various other assumptions that we believe are reasonable under the circumstances. Actual results may differ from these estimates and judgments under different assumptions or conditions.

The following is a review of the significant accounting policies and methods used in the preparation of the financial statements, as well as the changes in accounting policies and estimates made for the fiscal years ended March 31, 2023 and March 31, 2024.

Changes in accounting policies required by IFRS

We have 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)

SoftBank Vision Funds Segment – SVF1, SVF2 and LatAm Funds

Consolidation of SVF1, SVF2, and LatAm Funds

SVF1 and SVF2 are limited partnerships established by their respective general partners, which are wholly owned subsidiaries of the Company. 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 by 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 over SVF1 and SVF2.

LatAm Funds is a limited liability company in which a wholly owned subsidiary of the Company invests. LatAm Funds is consolidated by the Company as it holds more than one-half of the voting rights of LatAm Funds.

Intercompany 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. The results of operations, assets, and liabilities of SVF1, SVF2 and LatAm Funds after eliminations are recorded in the Company's consolidated financial statements.

Portfolio company investments made by SVF1, SVF2 and LatAm Funds

The portfolio companies of SVF1, SVF2 and LatAm Funds that the Company is deemed to control under IFRS are treated as subsidiaries of the Company and 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.

Investments made in portfolio companies other than our subsidiaries, including investments in associates and joint ventures and other investments, are in principle treated as financial assets at FVTPL and are measured at fair value at the end of each quarter. They are 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 would 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.

The recognition of changes in the value of investments held at FVTPL through SVF1, SVF2 and LatAm Funds could impact the volatility of certain line items in our consolidated financial statements, including total non-current assets, gain (loss) on investments and net income. Moreover, both realized gain and loss on sales and unrealized valuation gain and loss in connection with these investments are recognized in our financial statements over the relevant quarter or fiscal year.

Contribution from third-party investors in SVF1, SVF2 and LatAm Funds

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 the 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 such 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 investors in SVF2 and LatAm Funds are 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 SVF II Investment Holdings LLC or SLA Holdco II LLC to the end of each company's life. As of March 31, 2024, the Company has recognized receivables from third-party investors as "Other financial assets (non-current)" in the consolidated statement of financial position.

"Third-party interests in SVF" fluctuates due to (i) the results of SVF1, SVF2 and LatAm Funds, (ii) contributions from third-party investors, (iii) distributions and repayments of investments to third-party investors, and (iv) exchange differences on translating third-party interests. 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 income. The 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. The exchange differences on translating third-party interests are included in "exchange differences on translating foreign operations" in the consolidated statement of income.

BUSINESS

The following is qualified in its entirety by, and is subject to, the more detailed information and financial statements contained elsewhere in this offering memorandum. Certain capitalized terms used but not defined in this section are used herein as defined elsewhere in this offering memorandum. Prospective investors should carefully consider the information set forth under the caption "Presentation of Financial Information," "Risk Factors" and all other information in this offering memorandum prior to making an investment in the Notes.

Overview

AI-centric Investment Holding Company

We are guided by our corporate philosophy of "Information Revolution — Happiness for everyone." As a strategic investment holding company with a focus on artificial intelligence ("AI"), we aim to maximize our enterprise value by building a global investment portfolio of companies leading the Information Revolution and providing essential technologies and services to people around the world. We are committed to leading the Information Revolution, fueled by the advancements in AI technologies, which will transform societies and lifestyles and contribute to well-being over the long term.

As a strategic investment holding company, we oversee and manage an investment portfolio consisting of our subsidiaries and associates as well as our investees. We seek to capture the major investment opportunities presented by advances in the Information Revolution and the AI revolution, which we perceive as major growth opportunities. In particular, we believe the emergence of technologies for increasingly capable AI, and the potential future development of artificial general intelligence ("AGI")—technologies that may one day be capable of problem-solving like human beings with capacities that equal or exceed human intellectual abilities—will open up entirely new markets for innovative products and services, and provide crucial growth opportunities. To this end, it is imperative for us to identify changes in the market, technologies and societal needs quickly and to continuously transform our business while optimizing our investment portfolio and group structure to maximize the benefits from the technologies and business models that will be the driving forces in the future.

Our leadership team is led by a technology and business innovator, Masayoshi Son, our founder, Representative Director, Corporate Officer, Chairman and CEO.

We are listed on the Tokyo Stock Exchange with a market capitalization of ¥15.0 trillion ($98.9 billion), excluding treasury stock, as of June 20, 2024.

Net Asset Value (NAV) and Loan-to-Value (LTV) Ratio

We consider our Net Asset Value (NAV) to be a key performance indicator. We calculate our NAV by deducting Standalone Net Interest-bearing Debt from Equity Value of Holdings. We believe NAV is a useful performance indicator for evaluating our business managing our investment portfolio, which is comprised of our subsidiaries, associates and other investees. We have consistently focused our investments on growth opportunities presented by the Information Revolution, and we have sought to grow our NAV by supporting the growth of portfolio companies, while increasing Equity Value of Holdings by fully leveraging our expertise in information technology and related technology fields. Looking ahead, we plan to continue to pursue investment opportunities that capture the market expansion enabled by the creation of revolutionary new industries using AI, with the aim of achieving further growth in our NAV.

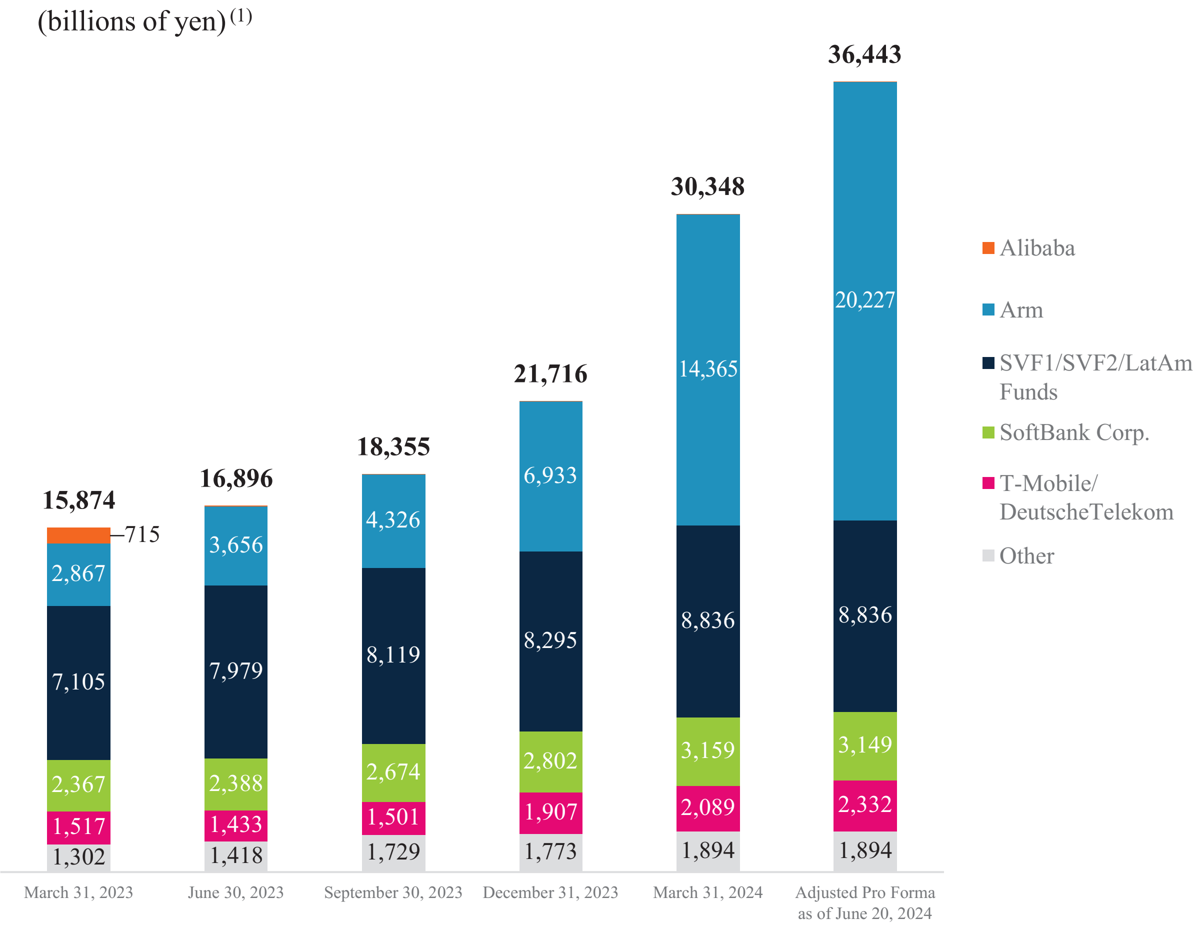
As of March 31, 2024, our NAV was ¥27.8 trillion ($183.6 billion), calculated by deducting Standalone Net Interest-bearing Debt of ¥2.6 trillion ($16.9 billion) from Equity Value of Holdings of ¥30.3 trillion ($200.4 billion). Our adjusted pro forma NAV as of June 20, 2024 was ¥33.9 trillion ($214.5 billion), calculated by deducting adjusted pro forma Standalone Net Interest-bearing Debt as of June 20, 2024 of ¥2.6 trillion ($16.9 billion) from adjusted pro forma Equity Value of Holdings as of June 20, 2024 of ¥36.4 trillion ($231.4 billion). For further details, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators."

To maximize our NAV and to ensure our financial stability, we consider our Loan-to-Value (LTV) ratio to be an important measure. We calculate our LTV ratio as the ratio of Standalone Net Interest-bearing Debt to Equity Value of Holdings. We generally strive to maintain our LTV ratio below 25% under normal circumstances, with an upper threshold of 35% in exigent circumstances. In addition, we endeavor to ensure our liquidity and financial stability by securing funds sufficient to redeem our corporate bonds for at least the next two years.

As of March 31, 2024, our LTV ratio was 8.4%, calculated based on Standalone Net Interest-bearing Debt of ¥2.6 trillion ($16.9 billion) and Equity Value of Holdings of ¥30.3 trillion ($200.4 billion).

The following graph summarizes Equity Value of Holdings as of the dates indicated. For further details of each of our main assets, please see "—Our Assets." For more details on Equity Value of Holdings, Standalone Net Interest-bearing Debt, NAV and LTV, please see "Presentation of Financial Information—Non-IFRS Financial Measures" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators."

Equity Value of Holdings



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(1) U.S. dollar amounts have been translated into Japanese yen using the exchanges rates prevailing at the end of each fiscal period indicated. The exchange rates used for the equity value of holdings as of the end of each fiscal period are ¥133.53 = $1.00, ¥144.99 = $1.00, ¥149.58 = $1.00, ¥141.83 = $1.00 and ¥151.41 = $1.00, in order from left to right. Certain amounts have been adjusted to reflect the deduction of the value of asset-backed financing obligations as well as other factors. The adjusted pro forma equity value of holdings as of June 20, 2024 represents the equity value of holdings as of March 31, 2024, adjusted to reflect (i) the fair values of Arm, SoftBank Corp., T-Mobile and Deutsche Telekom shares held and (ii) the outstanding amounts related to asset-backed financings of Arm, SoftBank Corp., T-Mobile and Deutsche Telekom shares, in each case as of June 20, 2024 based on closing market share prices and the exchange rates of ¥158.16 = $1.00 and ¥169.97 = €1.00 on June 20, 2024. All other equity value of holdings components and adjustments, including the exchange rate used thereof, remain unadjusted from the components and adjustments as of March 31, 2024. The adjusted pro forma amounts presented are illustrative only and do not purport to show what the equity value of holdings would have been on June 20, 2024 or any other such date. For further details, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators."

Strengths

One of largest investment holding companies in the world, with a portfolio of approximately $200 billion

We have grown from a new-born distributor of packaged software in 1981 to one of the largest and most successful strategic investment holding companies in the world, with an investment portfolio of ¥30.3 trillion ($200.4 billion) as of March 31, 2024. Our founder, Chairman and CEO Masayoshi Son's entrepreneurial vision for SoftBank Group has placed us at the forefront of the information revolution. We have a consistent track record of making pioneering investments, foreseeing and investing in upcoming innovation and technologies. Anticipating the future of the Internet, we started to accelerate our strategic investments in Internet-related businesses around the world since the mid-1990s. We were an early investor in internet firms, initially investing in Yahoo! Inc. in 1995 and in Alibaba in 2000. In 2001, we launched the broadband service Yahoo! BB and strengthened investments in enterprise business centered on the fixed-line telecom business through the acquisition of JAPAN TELECOM (currently SoftBank Corp.) in 2004. Anticipating the future of mobile internet, we acquired Vodafone Japan (currently SoftBank Corp.) in 2006 and shifted our investment focus to mobile communications, becoming one of the leading mobile communications providers in Japan and entering the U.S. telecommunications market through the acquisition of Sprint in 2013, and its subsequent merger with T-Mobile in 2020. In 2021, we entered into a strategic partnership and equity share swap agreement with Deutsche Telekom. See "—History."

We have evolved to become one of the largest investment holding companies in the world when benchmarked against other large investment holding companies across both listed and unlisted assets. We changed our name from SoftBank Corp. to SoftBank Group Corp. in July 2015 in order to clarify our position as a strategic investment holding company.

We invest in companies that build the backbone infrastructure for the AI revolution as well as companies that leverage AI technology in a visionary way. To that end, we acquired Arm in 2016, and Arm has subsequently made investments that have doubled its revenue and increased the annual number of chips shipped with its technologies by approximately two times, setting the stage for an initial public offering ("IPO") in September 2023, the largest IPO globally in 2023. See "—Our Assets—Arm (NASDAQ: ARM)". We launched SVF1 in 2017 and both SVF2 and LatAm Funds in 2019 in order to make investments in high-growth potential companies that are leveraging AI. Since their respective inceptions, as of the end of March 2024, SVF1 has invested $89.6 billion in 94 companies (including $38.0 billion of exits), SVF2 has invested $52.4 billion in 277 companies (including $3.0 billion of exits), and LatAm Funds has invested $7.4 billion in 105 companies (including exits). Since the acquisition of Arm in 2016, we have evolved our business from a telecom-centric company with some investments to an AI-centric investment holding company, scaling up our strategic investment activities and diversifying our investment portfolio.

The visionary founders we have backed are changing the way billions of people live and work and are addressing some of the world's most critical challenges, which we believe will disrupt and enhance various sectors of the economy and further increase the value of our investments.

Near-record NAV driven by our AI-centric portfolio

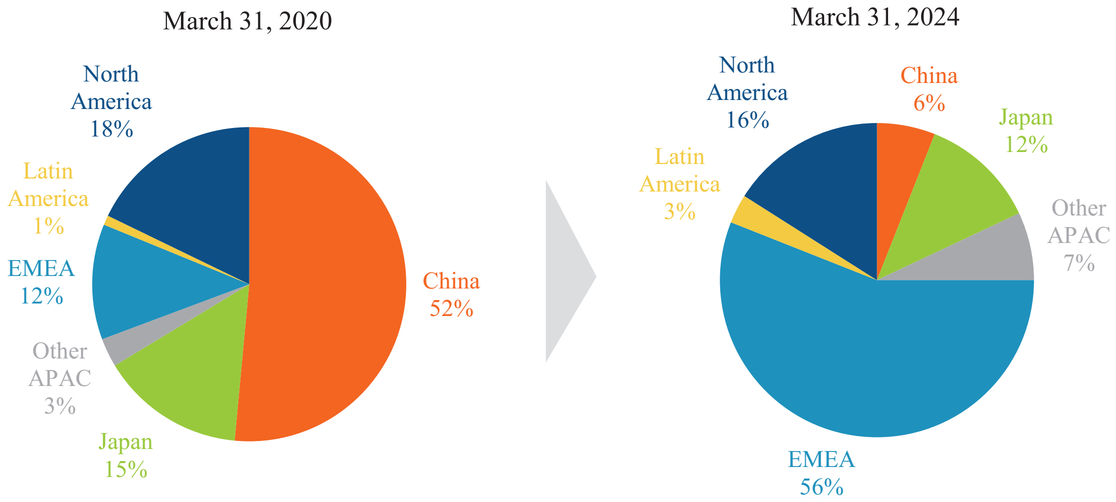
Our successful investment in Arm, from our acquisition in 2016 to its landmark IPO in 2023 and its subsequent share price rise, has driven our NAV to the near-record high of ¥27.8 trillion ($183.6 billion) as of March 31, 2024 and to ¥33.9 trillion ($214.5 billion) as of June 20, 2024 on an adjusted pro forma basis. For details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Performance Indicators." We believe Arm's high-performance, energy-efficient semiconductor designs will be key to unlocking the potential of AI and serve as a core infrastructure underlying the ongoing AI revolution. According to Arm's estimate, the aggregate value of chips containing Arm technology was approximately $98.9 billion in the calendar year ended December 31, 2022, representing an approximate 48.9% market share globally. Chips containing Arm technology provide double-digit performance and energy efficiency improvements over comparable current-generation processor chips of the competing x86 processor architecture.

SVF has invested across the full AI stack, from businesses deploying AI as a core service offering to customers to companies utilizing AI in their normal course business operations to help increase profitability and efficiency. Though the creative capabilities of generative AI have driven the most buzz, we believe we are still in the early stages of the era of AI and the vast potential of its applications is still emerging. As AI grows and its applications become more universal, we anticipate significant benefits for SVF from its broad exposure to businesses utilizing AI technology.

Going forward, we intend for the success of our AI-centric investment portfolio to serve as the engine of our continued growth and investments as their technologies, products and services fuel further innovations in technologies, products and services of our portfolio companies that utilize the AI technologies to transform the way people live and work. In addition, strategic monetization of our investment portfolio and utilization of our financing capabilities will allow us to drive forward our AI-centric portfolio and investing strategy to lead the AI revolution.

Highly liquid and well diversified investment portfolio by sector, geography and growth stage, providing stability through the cycle

Change in Composition of Investment Portfolio by Region[(1)]



(1) Equity value of holdings (net of asset-backed financings) basis. Classification of regions based on the location of each portfolio company's headquarters. "North America" represents T-Mobile, investments in North America from SVF1 and SVF2, and other investments in North America. "Latin America" represents Investments from LatAm Funds and other investments in Latin America. "EMEA" represents Arm, Deutsche Telekom, investments in Europe, the Middle East and Africa from SVF1 and SVF2, and other investments in Europe, the Middle East and Africa. "Other APAC" represents investments in the Asia-Pacific region excluding China and Japan from SVF1 and SVF2, and other investments in the region. "Japan" represents SoftBank Corp., investments in Japan from SVF1 and SVF2, and other investments in Japan. "China" represents Alibaba, investments in China from SVF1 and SVF2, and other investments in China.

Over the last decade, we have built a very liquid, diversified and balanced investment portfolio. Our investment portfolio is truly global and we have stakes in a number of sectors and companies at different stages of their lifecycle, spanning from seed investments in emerging companies to larger participations in mature, established market-leading organizations such as Arm, SoftBank Corp. and T-Mobile.

Our investment portfolio has one of the highest proportions of listed investments among investment holding companies globally. As of March 31, 2024, 79% of our portfolio based on Equity Value of Holdings consisted of listed assets, led by Arm (47%), SoftBank Corp. (10%) and T-Mobile (6%). Arm's proportion in our portfolio has significantly increased since its IPO in 2023 and subsequent share price rise, further enhancing the liquidity of our portfolio. The liquidity of our portfolio assets provides us with significant flexibility, including the ability to quickly capitalize on monetization opportunities to swiftly bolster our cash position in case of need and seize attractive investment opportunities as they arise.

Our investment portfolio is also supported by its diversity in sectors and regions, highlighted by SVF, which represents 29% of our portfolio based on Equity Value of Holdings. As of March 31, 2024, SVF has invested in 477 investees (including exits) across a broad spectrum of sectors and geographies with a focus on building a portfolio that leverage the full stack of AI technology, from businesses deploying AI as a core service offering to customers to companies utilizing AI in their normal course business operations. SVF's investees span across the full spectrum of businesses, from consumer, logistics, transportation, enterprise to fintech, health tech and edtech and others, with operations around the world, including North and South America, Asia, Europe, the Middle East and Africa.

Our highly liquid and well-diversified portfolio is supported by the stability of our telecommunications assets, SoftBank Corp, T-Mobile and Deutsche Telekom, representing 17% of our portfolio based on Equity Value of Holdings, that provide strong cash flows. As the industry-leading companies in the telecommunication sector, SoftBank Corp., T-Mobile and Deutsche Telekom contribute to the stability of our portfolio as defensive stocks, the performance of which is less affected by economic cycle The high credit quality of these telecommunications assets, SoftBank Corp. (AA-/A+ with JCR and R&I, respectively), T-Mobile (BBB/BBB+ with S&P and Fitch, respectively) and Deutsche Telekom (BBB+/BBB+ with S&P and Fitch, respectively), further strengthens the stability of our portfolio.

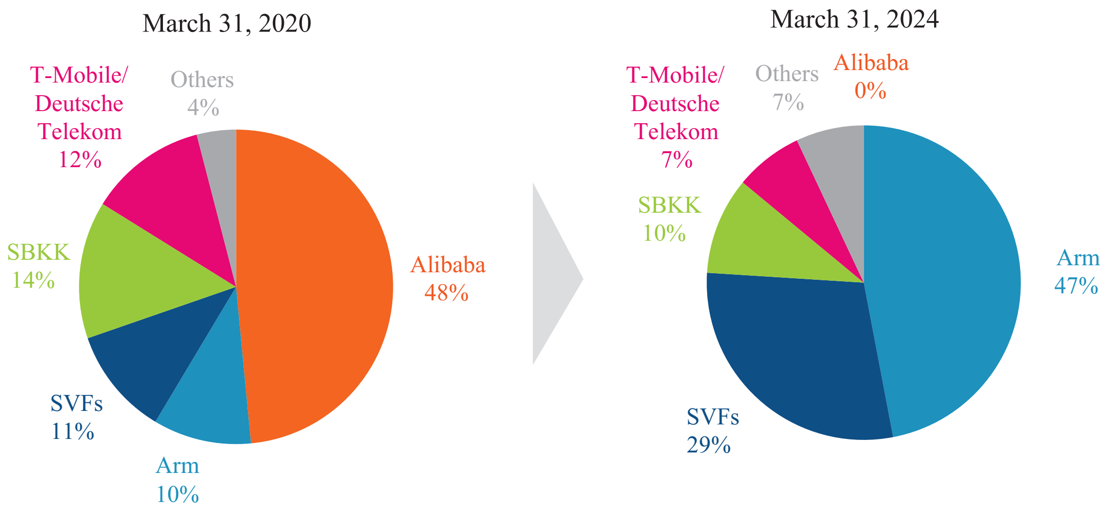
The sectors we have historically invested in include telecom, e-commerce, semiconductors, digital marketing, IT services and cloud infrastructure, transportation and logistics, proptech, fintech, healthtech and AI, and our main portfolio companies are based in Europe, the U.S., Japan, China and other parts of Asia. The diversification of our portfolio by sector and geography has allowed us to continue growing on a consistent basis across different economic cycles and despite idiosyncratic events. We actively manage our portfolio to maintain diversification and significant potential for growth in value across our asset base, while engaging in strategically timed monetization to preserve gains, deliver returns and continue to pursue new attractive investment opportunities. We also have a strong track record of targeting and realizing synergies among our investments and group companies, increasing the equity value of our portfolio companies by enabling the companies to development of their business models as they interact synergistically with the other investees within our ecosystem and employ resources from our group companies to develop new business growth opportunities and technological advancements. For example, GreenBox Systems LLC is established as a joint venture company between Symbotic, one of our investees, and us. The joint venture aims to transform supply chain services through automation and AI. In addition, PayPay Corporation, a leading electronic payment provider owned by SoftBank Corp., LY Corporation and SVF2, has demonstrated realization of synergies among group companies by leveraging domestic mobile customer base.

As part of our management approach as our investment focus shifts towards AI, we have over time completed liquidation of portions of our holdings of T-Mobile and SoftBank Corp. and gradually exited from our investment in Alibaba through a series of monetization programs. The proceeds from asset monetization, together with the steady stream of dividends we have historically received from SoftBank Corp., have enabled us to broaden the range of our investments in high-growth-potential technology companies primarily leveraging AI.

Our investment portfolio showed overall progress throughout the fiscal year ended March 2024, with quarterly improvements throughout the year. Although the SVF segment has recorded a cumulative net loss on investments of $3.4 billion over the life of the respective funds so far, it recorded an investment gain of ¥724 billion ($4,784 million) in the fiscal year ended March 31, 2024. This includes the gain from the sale of Arm shares through an intragroup transaction, which is eliminated in consolidation.

Actively managed investment portfolio with a proven track record of selecting and creating value in attractive investment and monetization opportunities through a variety of methods

Change in Composition of Investment Portfolio by Asset



We have a proven track record of increasing the equity value of our portfolio by selecting and strategically managing attractive opportunities and by leveraging our network and experience to promote business collaborations among our portfolio companies. In 2013, we bought a controlling stake in Sprint and, in 2020, we merged it with T-Mobile U.S. to create a performing asset with enhanced scale and the ability to deliver a transformative 5G network in the U.S. market. We have subsequently successfully monetized a portion of our investment in T-Mobile.

We gradually exited from our investment in Alibaba through a series of monetization programs. The divestiture of Alibaba reflects our shift to defensive mode in the fiscal year ended March 31, 2023 to address an uncertain business environment, including China's tightening regulations on the internet sector, and to reduce our exposure to geopolitical risk, while narrowing our portfolio increasingly to AI-related investments.

In 2016, we acquired Arm, a major semiconductor design company. Under our leadership and investment, Arm's revenue and the annual number of chips shipped with its technologies have each approximately doubled from 2016 to 2023. In September 2023, Arm successfully completed an IPO on the Nasdaq Global Select Market, the largest IPO globally that year.

Our successful investment in Arm, from our acquisition in 2016 to its landmark IPO in 2023 and its subsequent share price rise, has driven our NAV to the near-record high of ¥27.8 trillion ($183.6 billion) as of March 31, 2024. We believe Arm's high-performance, energy-efficient semiconductor designs will be key to unlocking the potential of AI and serve as a core infrastructure underlying the ongoing AI revolution.

Going forward, we intend for the success of our AI-centric investment portfolio to serve as the engine of our continued growth and investments as the AI revolution fuels further innovations in products and services of our portfolio companies that utilize AI to transform the way people live and work.

The proceeds from asset monetization, together with the recurring stream of dividends we have historically received from SoftBank Corp., have enabled us to broaden the range of our investments in companies colloquially known as "unicorns," private companies in an early stage of development that are valued at more than $1 billion at the time of investment. SVF1, SVF2 and LatAm Funds are now invested in numerous unicorns that have promising growth prospects as market leaders. Over the twelve months ended March 31, 2024, we completed our exit from substantially all of our stake in Alibaba, and received approximately 48.8 million T-Mobile shares for no additional consideration (valued at $7.7 billion or ¥1,098 billion at the time of the acquisition).

Our assessment of new investment opportunities is underpinned by a clear investment thesis, which we have honed through our decades-long experience in making successful investments. Once we have selected our investments, we leverage our network and experience to promote business collaborations among our portfolio companies, use our bargaining power and a shared vision to provide founders and companies the freedom to grow their business, and engage in extensive information sharing among the portfolio companies and the Company in order to facilitate the rapid internal growth of our portfolio companies. We also work to facilitate external growth through strategic M&A in our portfolio companies where appropriate, helping our portfolio companies to scale rapidly and gain resources needed to expand their business. This investment thesis is also exemplified by SVF. For example, in February 2024 SVF's portfolio company Cohesity announced its plans to acquire Veritas' data protection business, forming a new leader in AI-powered data security and management.

SBIA and SBGA implement disciplined approaches to selectively exit the assets of the SVF funds in a timely and appropriate manner, aiming to maximize returns and ultimately make distributions to limited partners, including the Company. The SVF funds may exit portfolio company investments through acquisitions by strategic buyers, secondary share sales to other institutional asset managers, or via public market listings.

As of March 31, 2024, the SVF funds have facilitated 50 public listings and have a combined pipeline of late-stage companies such as ByteDance, Fanatics, PayPay and KAVAK that we anticipate will be ready to list in the near to medium term totaling $32 billion in fair value. Recent highlights of SVF's M&A exit activity have included the sale of OSIsoft to Aveva, Cruise to General Motors, Vividion Therapeutics to Bayer, and Pismo to Visa.

Flexible and prudent financial management

We have a prudent and conservative approach to financial management, as shown by the large liquidity position we maintain at all times and our commitment to keeping our LTV below 25% in normal times, with an upper threshold of 35% in exigent circumstances. We have adhered to this LTV financial policy for more than five years since our transformation from a telecom company to an AI-centric strategic investment holding company in late 2019, and have maintained our LTV well below 25%. As of March 31, 2024, we held a Cash Position and available borrowing capacity under our commitment lines of ¥4.7 trillion ($30.9 billion), more than sufficient to redeem bonds maturing in the upcoming two years, and had an LTV of 8.4%, which is well below our conservative upper threshold of below 25%. In addition, we manage our cash-on-hand by utilizing bank deposit with competitive interest yields and governmental bonds mainly in U.S. dollar, while we pursue attractive investment opportunities proactively.

We continue to have ample access to multiple sources of funding and stakes in listed companies such as SoftBank Corp., T-Mobile and Arm, including through measures such as selling equity assets, receiving dividends from portfolio companies, obtaining distributions from investment funds and raising funds through asset-backed financing and through the regular issuance of debt securities in the Japanese domestic market. For example, we issued ¥550.0 billion of senior bonds targeting Japanese retail investors in March 2024, ¥100.0 billion of corporate bonds targeting Japanese institutional investors in April 2024 and ¥550.0 billion of corporate bonds targeting Japanese retail investors in June 2024. We have a proven track record of managing financial policy in order to maintain our current credit ratings, and recently received a credit rating upgrade from S&P in May 2024 to BB+ from BB and from JCR in April 2024, to A from A-, our first upgrade from JCR in twelve years. We are aiming to further build upon this track record by consistently monitoring and implementing applicable investment holding company rating criteria.

Our financial strategy will continue to build on this success by effectively using of our ample Cash Position to prioritize growth investments with the aim of creating future NAV expansion, additionally supported by active use of non-recourse financing to support our strategic investments. At the same time, we will implement enhanced monitoring of our portfolio companies to facilitate monetization and reinvestment of our portfolio stakes.

World-class management team led by Japan's most successful entrepreneur, with a track record of growing businesses and risk control through disciplined portfolio management under our high standards of corporate governance

With our strong senior management team and a group of transformational Internet entrepreneurs, we believe our leadership team has the experience and vision to continue our success.

Our founder, Chairman and CEO Masayoshi Son is Japan's foremost information technology and business innovator. Under his leadership, we have grown from a new-born distributor of packaged software in 1981 to one of the largest strategic investment holding companies in the world. See "—History." Our board members also include Yoshimitsu Goto, Senior Vice President and CFO, with over three decades of experience in finance; Ken Miyauchi, the ex-Chairman and CEO of SoftBank Corp., who joined us shortly after its founding and led the expansion of domestic business together with Masayoshi Son; and Rene Haas, the CEO of Arm, with a 35-year semiconductor industry experience. In addition to these board members, Rajeev Misra, the co-CEO of SBIA, and Alex Clavel, the co-CEO of SBIA and the CEO of SBGA, who bring far-reaching vision and inspiration to their roles, have led our investment funds for the Information Revolution.

Our management team has consistently demonstrated our ability to leverage their respective networks to identify and execute investment opportunities, connect them with investors and facilitate the growth of successful businesses. For example, we acquired Vodafone's Japanese operations (currently SoftBank Corp.) in 2006. Through prudent investment, we transformed it from a below-average network into a leading mobile telecom operator, cementing its status with Japanese consumers by making it the launch provider of the first iPhone in Japan. In addition, we acquired a controlling interest in Sprint in 2013. Under our leadership, Sprint saw a sharp recovery in its business prior to completing its merger with T-Mobile in April 2020. Our leadership team and their experienced approach to growth, monetization, and risk management has also been instrumental to our disciplined exit from our position in Alibaba and strategic monetization of our position in T-Mobile since the merger. These funds, in turn, have served in part as the engine of powering our acquisition and expansion of Arm and our shift to an AI-centric investment portfolio. Going forward, we believe that our team of seasoned managers and visionary entrepreneurs will be key to our business plans for the Information Revolution fueled by the AI revolution.

We recognize that in order to achieve our corporate mission, it is vital to maintain effective corporate governance. To that end, we seek to continue to strengthen our corporate governance by taking measures such as formulating the SoftBank Group Charter, which establishes our fundamental concept of governance as "free, fair, innovative," devising our "Group Company Management Regulations," which sets out our management policy and management framework for portfolio companies, ensuring compliance with our Code of Conduct, which prescribes the policies to be followed by the Company, its board of directors, and employees and forming a Nominating & Compensation Committee.

Following the election of additional external board directors at our annual general meeting of shareholders held on June 23, 2021, our board of directors is comprised of a majority of external board directors, enabling us to further strengthen our corporate governance. Our board of directors currently consists of nine board directors, including five external board directors. Each of the external board directors actively participates in discussions at the meetings of the board of directors and we make management judgments and decisions based on these discussions. See "Management."

We seek to maintain our established set of corporate governance standards that are required to be referred to when making determinations about potential investments. See "—Approach Concerning Investment Decisions." When making potential investments and when ultimately managing those investments, we seek to confirm or make reasonable efforts to ensure that each portfolio company in which we invest is operating under the standards of corporate governance that are substantially equivalent to our own standards set forth in the "Portfolio Company Governance and Investment Guidelines Policy." We ensure alignment across our own corporate governance policies and those of our portfolio companies by enforcing our corporate governance standards, which apply to determinations about potential investments and cover a wide range of corporate governance matters, including the composition of the board of directors of our portfolio companies, founder and management rights, rights of shareholders and mitigation of potential conflicts of interest. This supports a consistent and formalized approach to the evaluation of corporate governance across SoftBank Group Corp. and its investing subsidiaries.

Strategies

Synergistic long-term investments to lead the AI Revolution

We believe that rapid advances in artificial intelligence technology will form the core of an Information Revolution that will create trailblazing advancements across substantially all existing industries, replacing, augmenting and enhancing human abilities and creating higher efficiencies and potential for growth. In recent years, incorporation of AI technology into a variety of business models has accelerated, and we believe that this trend is starting to reshape current models of value creation and will fundamentally redefine most industries. We believe that the near future may see the development of artificial general intelligence ("AGI")—technologies capable of problem-solving like human beings with capacities that equal or exceed human intellectual abilities. As the advance of AI opens up new markets for innovative products and services, we aim to make investments across our group in order to capture major opportunities arising from the disruption in existing industries, creation of new industries and overall market expansion driven by AI technology and its broad adoption. Our strong track record of having invested ahead of the curve in era-defining and pathbreaking technologies, including our early investments in internet companies, mobile providers and e-commerce platforms, is a key strength, giving us the expertise, experience and confidence to continue making strategic, long-term synergistic investments to unlock AI revolution.

In addition to our commitment to Arm, which provides backbone infrastructure for the AI revolution, we are making strategic investments in areas that we see as leading opportunities for near-term adoption of AI technology such as industrial automation and robotics, and autonomous driving technology. In the fiscal year ended March 31, 2024, we invested approximately \$1.6 billion and \$0.8 billion in companies that provide AI-based solutions in industrial automation and robotics, and autonomous driving technology, respectively. For example, in industrial automation and robotics in July 2023, we acquired Berkshire Grey, Inc. ("Berkshire Grey"), a company that combines robotics and AI to automate fulfillment, supply chain, and logistics operations, for approximately \$338 million, including the consideration paid to SVF2 for intragroup acquisition. Berkshire Grey's systems utilize AI-powered software that continuously learns and improves picking, packing, movement, storage, and sorting operations to optimize operating efficiency in warehouses and stores and to greatly reduce manual labor, delivering competitive advantage for enterprises serving today's connected consumers. Another example is GreenBox Systems LLC ("GreenBox"), a joint venture set up by us and our strategic investee Symbotic, a provider of automated warehouse systems using AI-powered robotics and software technology. GreenBox is the exclusive provider of Symbotic systems in the warehouse-as-a-service market, aiming to automate supply chain networks globally by deploying Symbotic's advanced AI and automation technology for warehouses. As of May 13, 2024, GreenBox is in the process of launching its first automated warehouse site in California, which has already contracted 100% of its warehouse's capacity for the next 10 years, with further warehouse sites under active development. In self-driving car technology, we led an investment round of over \$1 billion in May 2024, with contributions from Nvidia Corporation and Microsoft Corporation, for Wayve Technologies Ltd., a U.K. headquartered developer of AI systems for autonomous vehicles that became the first company to develop and test an end-to-end deep learning-based autonomous driving system on public roads.

Alongside our core strategic AI investments, we are also continuing to invest through SVF in companies across the expanding frontier of AI, in areas including consumer, fintech, enterprise, health tech, logistics and transportation, looking to develop the further development and application of AI to more industries and create new business and growth opportunities. We prefer to make investments in high-growth potential companies who have already established their market position in their respective sector, an approach that we believe generally leads to a higher success rate as compared to ordinary venture capital funds.

Maintain our prudent and conservative financial policy

We seek to adhere to our time-tested and prudent approach to financial management by firmly keeping the following policies.

Manage LTV below 25% in normal times

We seek to adhere to our time-tested and prudent approach to financial management by continuing to maintain a strong balance sheet and an LTV below 25% during normal times, with an upper threshold of 35% in exigent circumstances. We believe that keeping LTV below 25% in normal times is a highly prudent financial standard. Our LTV was 8.4% as of March 31, 2024, which is well below our policy ceiling of 25% in normal times. Our LTV is currently at an exceptionally safe level in our view. From the fiscal year ending March 31, 2025 onward, as we continue to make new investments to further expand NAV, LTV is expected to return to levels appropriate for market conditions. We will continue adhering to our financial policy by carefully managing net interest-bearing debt from new investments and our equity holdings value, monetizing assets and collecting dividends and distributions from subsidiaries and other investees.

Maintain funds covering bond redemptions for at least the next two years

In addition to our LTV policy, we proactively manage our investment portfolio to maintain an abundant liquidity position that is sufficient to redeem maturing bonds for at least the next two years.

Secure recurring distributions and dividend income

Our cash management policy also encompasses distribution and dividend income from SVF as well as other subsidiaries, such as SoftBank Corp. We received ¥165 billion ($1,088 million) of cash dividends from SoftBank Corp. in the twelve months ended March 31, 2024.

It is our general policy that portfolio companies be self-financing and we seek to avoid rescuing portfolio companies that run into serious financial difficulties, in order to avoid diverting resources.

Although we seek to remain firmly committed to the above financial policies in the future, we do so with the aim of simultaneously remaining agile and flexible in order to swiftly address changes in circumstances that arise based on opportunities presented to us in the investment cycle against a backdrop of changing economic conditions.

Enjoy rapid and prominent growth of Arm acting as a leader of the AI Revolution

We assess our investments through the lens of sustainable growth. Our research and development and new business initiatives are often tied to revenue streams five to ten years in the future, while our historical investments drive revenue and enable profitability and cash flow generation today. Key levers of our growth strategy are summarized below.

We already have significant market share in some high-value markets, such as mobile applications processors, which enables us to invest in other growth opportunities. As of December 31, 2022, Arm's market share in growth industries, including cloud computing, networking equipment, automotive and consumer electronics, was 10%, 26%, 41% and 32%, respectively. We believe that the increasing need for high-performance and energy-efficient computing, as well as our continued investments, will enable us to grow Arm's market share in these markets.

As chip designs become more advanced and complex, we believe that our investments in additional functionality, higher performance, higher efficiency, and more specialized designs will allow us to deliver more value to our customers. These innovations enable us to license more advanced Arm products, and for our customers to implement Arm-based chips with multiple CPUs and more cores, all of which allow us to capture more value per chip.

To enable further improvements in performance and efficiency, we continue to develop a broader set of configurable systems Intellectual Property ("IP") offerings, including proven on-chip interconnect, security IP, memory controllers, and other design IP to be used with our processors, such as the integration of multiple IP technologies into a subsystem and additional information to assist in fabrication. More recently, we have invested in a holistic, solution-focused approach to design, expanding beyond individual design IP elements to providing a more complete system. By delivering System on Chip ("SoC") solutions optimized for specific use cases, we can further enhance the ability of the entire system to work together seamlessly to provide maximum performance and efficiency. At the same time, by designing an increasingly larger proportion of the overall chip design, we are further reducing incremental development investment and risk borne by our customers while also enabling us to capture more value per device.

We continuously evaluate emerging markets and technologies that may enable us to create more advanced products that bring more value to our customers and ecosystem. For example, we are leading the way in integrating AI and Machine Learning ("ML") capabilities across all devices through our highly scalable architecture. All modern smartphones are AI and ML capable by virtue of their Arm processors, and we are increasingly working with companies in other markets, such as consumer electronics and automotive, to deploy AI-based solutions. In the networking, cloud and data center markets, we continue to add AI-specific features to our CPUs to enable market-leading performance.

Each Arm processor provides a certain compute capability within a power budget and, as such, can be used in multiple different devices that have similar compute requirements. An Arm customer who may have designed a processor for one application may, in the future, find additional applications that can utilize this technology. Consequently, Arm products may be used in new products for new end markets for many years or, in some cases, decades. For example, a processor originally licensed to go into a chip for a smartphone can also be used in a chip for a tablet, digital TV, or smart speaker. We expect this trend to continue with the growing proliferation of devices and use cases.

We are focused on making Arm products as easy to access and to integrate into a chip design as possible. We continuously assess ways to expand our flexible engagement model to provide all companies with easy access to Arm products, including low- and no-cost offerings for startups. In recent years and with a growing portfolio of new products, we have started to move customers onto product portfolio licenses, where each customer will gain access to a broad portfolio of Arm products. Our business model makes licensing our products much easier by allowing our customers to quickly gain access to Arm products. We believe our business model will encourage customer experimentation and result in a broader range of Arm features being used. Our business model is also designed to provide better alignment between pricing and the value delivered by us across low- and high-end devices.

Maintain high standards of corporate governance

We recognize that in order to achieve our corporate mission, it is vital to maintain effective corporate governance. To that end, we seek to continue to strengthen our corporate governance by taking measures such as formulating the SoftBank Group Charter, which establishes our fundamental concept of governance as “free, fair, innovative,” devising our “Group Company Management Regulations,” which sets out our management policy and management framework for portfolio companies, ensuring compliance with our Code of Conduct, which prescribes the policies to be followed by the Company, its board of directors, and employees and forming a Nominating & Compensation Committee.

Following the election of additional external board directors at our annual general meeting of shareholders held on June 23, 2021, our board of directors is comprised of a majority of external board directors, enabling us to further strengthen our corporate governance. Our board of directors currently consists of nine board directors, including five external board directors. The Chairman and CEO serves as the chairman of the board of directors. Agenda items for discussion at the meetings of the board of directors are set forth in the Regulations of the Board of Directors. The board of directors discusses statutory matters, as well as critical matters related to business management, such as investments, loans, and borrowings that exceed a certain amount.

From December 2023 to April 2024, we had an independent organization prepare a questionnaire and conduct interviews with our board of directors, including CEO, Executive Vice Presidents, and external board directors, and all of our audit and supervisory board members about the composition, operation, and support systems of the board of directors, and conducted an evaluation of the effectiveness of the board of directors based on its results. The results of the evaluation confirmed that, as was the case in the fiscal year ended March 31, 2023, the relationship based on trust, along with a healthy level of checks and balances, among the Representative Director, Corporate Officer, Chairman & CEO and the board of directors as well as active discussions among independent and diverse board directors have been maintained and firmly established as the culture of our board of directors. Additionally, the evaluation confirmed that effective monitoring was being conducted by our board of directors on recent investments.

We elect independent external board directors in accordance with the independence criteria set by the Tokyo Stock Exchange. Our board of directors elects external board directors from candidates who can contribute to increasing corporate value through their qualifications, ability, and deep knowledge in their fields of expertise. We also consider candidates for their ability to actively participate in constructive discussions and frankly express their opinions. Our goal is to ensure adequate independence of our five external board directors, who bring a wealth of knowledge and experience to our board of directors related to business management and other matters. Each of the external board directors actively participates in discussions at the Board meetings and we make management judgments and decisions based on these discussions.

We seek to maintain our established set of corporate governance standards that are required to be referred to when making determinations about potential investments. See “—Approach Concerning Investment Decisions.” When making potential investments and when ultimately managing those investments, we seek to confirm or make reasonable efforts to ensure that each portfolio company in which we invest is operating under the standards of corporate governance that are substantially equivalent to our own standards set forth in the “Portfolio Company Governance and Investment Guidelines Policy.” We ensure alignment across our own corporate governance policies and that of our portfolio companies by enforcing our corporate governance standards, which apply to determinations about potential investments and cover a wide range of corporate governance matters, such as the composition of the board of directors, founder and management rights, rights of shareholders and mitigation of potential conflicts of interest. This ensures a consistent and formalized approach to the evaluation of corporate governance across SoftBank Group Corp. and its investing subsidiaries.

As an organization at the forefront of the AI revolution, we recognize the importance of building frameworks for responsible use of AI—frameworks to control the risks but also leverage the opportunities of AI to create new value. As part of this effort to ensure responsible use of AI, we have established the AI Governance Working Group to discuss our approach to AI governance. We aim for the establishment of an appropriate AI governance structure through discussions at the Working Group and beyond and will continue our efforts to build a governance structure that balances proactive and secure approaches to manage the breakneck advancements in AI.

Approach Concerning Investment Decisions

As a general matter, we have established of a set of corporate governance standards that are required to be referred to when making determinations about potential investments. The standards cover a wide range of corporate governance aspects, such as the composition of the board of directors, founder and management rights, rights of shareholders and mitigation of potential conflicts of interest.

The core purpose of the standards is to ensure a consistent and formalized approach to the evaluation of corporate governance across SoftBank Group Corp. and its unlisted investing subsidiaries, including with respect to the management of the SVF funds, as we pursue sustainable growth as a global strategic holding company. The standards have been selected to reflect an expectation for robust corporate governance and are used as a benchmark for ongoing monitoring of investments within our existing portfolio.

SoftBank Group Corp.

We make direct investments (including investments through subsidiaries) outside of our investment funds (for example, SVF1, SVF2 and LatAm Funds). When making investment decisions for such direct investments, we seek to appropriately estimate the investment target's equity value and to assess risks related to the target's businesses, finances, corporate governance, compliance and internal controls, including by conducting due diligence on matters such as the target's business, technology, business model, market size, business plan, competitive environment, financial condition and legal compliance. As part of this process, we obtain the advice of, for example, outside financial, legal, and tax advisors, in addition to the relevant internal departments. In addition, a dedicated review department performs an objective review of the adequacy of the due diligence findings. Based on the results of such reviews, our board of directors or the investment committee to which our board of directors delegate the authority make investment decisions.

The Investment Committee makes decisions on matters including investments, loans and borrowings under a certain amount. Namely, the committee resolves the following matters:

- Investments, loans and borrowings under a certain amount;
- Certain matters related to subsidiaries (excluding listed subsidiaries and their subsidiaries), such as (a) investments and loans and borrowings under a certain amount, (b) issuance and gratis issuance of new stock or stock acquisition rights (except matters such as the issuance of new stocks that will not alter the shareholding ratio), (c) issuance of corporate bonds, (d) overseas business expansion and (e) entry into new business fields; and
- Other matters such as disposal and acceptance of important assets under a certain amount.

For further details, please see "Management—Investment Committee."

SVF funds

The various entities comprising SVF1, SVF2 and LatAm Funds make investment and exit decisions through investment committees of SBIA and SBGA, our wholly owned advisory company subsidiaries. SBIA manages SVF1 and SBGA manages both SVF2 and LatAm Funds, providing strategic alignment across these funds to pursue our geographical and strategic diversification initiatives with a greater focus on the AI revolution. SVF1's investment period has ended in September 2019 and primarily focuses on exit decisions. SVF2 and LatAm Funds actively consider investment opportunities for high-growth-potential companies leveraging AI while strategically conducting monetization and exit opportunities.

For SVF2 and LatAm Funds, once a potential investment target is identified, a preliminary screening is conducted, focusing on the market opportunity, business model and management team of the potential investment. Each investment case then moves into a rigorous due diligence process, in which each fund's team and its external advisors perform commercial, legal, financial, compliance and technical due diligence. Managing partners who oversee multiple regions and sectors then review and select investments to be recommended to the respective investment committee. A short list of investments is presented to the investment committees. SBGA's investment committee includes Mr. Masayoshi Son, our founder, Representative Director, Corporate Officer, Chairman and CEO, and Mr. Alex Clavel, the CEO of SBGA.

A clear exit strategy is the primary focus of SBIA investment committee's considerations. Exit strategies are regularly reviewed and updated by the investment and equity capital markets teams. Exit strategies are also stress tested under various market conditions by an investment risk team to allow for forward planning. SBIA's investment committee includes Mr. Masayoshi Son and Mr. Rajeev Misra, the co-CEO of SBIA.

History

SOFTBANK Japan was established in September 1981 with the aim of becoming a "software bank" that would play a role in the infrastructure of the information society in the coming age of personal computers. At the time of establishment, we engaged mainly in the distribution of packaged software.

We established SoftBank Holdings in the U.S. in 1994 to gather information on Internet-related companies and undertake strategic investments, in order to bring U.S.-developed businesses and technologies to the Japanese market. Yahoo! Inc., at the time a startup company, was brought to our attention through one of SoftBank Holdings' investments, and in 1996, we established Yahoo Japan (currently LY Corporation) through joint investment with Yahoo!. Positioning 1996 as the "First Year of the Internet," we took our first full-fledged step as an Internet company with moves that launched a number of Internet-related businesses and subsidiaries.

Following the release of the broadband service Yahoo! BB in 2001, which was committed to widespread broadband use in Japan by providing faster and cheaper access to the Internet, we acquired JAPAN TELECOM in 2004 and entered the fixed-line telecom business. In anticipation of entering the mobile business, we enhanced our corporate reputation and brand recognition by acquiring a professional baseball team (currently the Fukuoka SoftBank HAWKS) in 2005. Meanwhile, since around 2000, we have made strategic investments in Internet-related companies globally, including Alibaba.

Presaging the shift in the Internet's core user environment from PC to mobile, we acquired Vodafone's Japan unit in 2006. We then launched mobile communication services under the SoftBank brand, and rapidly expanded our customer base by introducing innovative price plans, enhancing our network, and expanding the lineup of handsets, and various other measures. In 2008, we launched iPhone 3G as the first provider in Japan, contributing to a further boost in smartphone penetration in the domestic market. Then in 2013, fully leveraging the experience and know-how cultivated in Japan, we acquired Sprint and entered the U.S. telecommunications market.

Starting with the name change to the current SoftBank Group Corp. in July 2015, we have gradually clarified our position as a strategic investment holding company. Anticipating the age in which AI will be used to an even greater extent, in September 2016 we acquired Arm, a major semiconductor design company based in the United Kingdom. As a result of our investments, Arm's revenue has doubled over the course of our ownership to present and the number of chips shipped using its IP have increased by 1.9 times. In May 2017, SVF1 was established, proceeding to make large-scale investments in high-growth potential companies that leverage AI and other emerging technologies.

In December 2018, SoftBank Corp., a core subsidiary in the telecom business field, listed its shares, further clarifying our role as a holding company that engages in global investment activities.

SVF2 and LatAm Funds started their investment in 2019, accelerating the development of our investment activities with further geographical and strategic diversification with a greater focus on the AI revolution.

Recently, we started to see a flow of the "harvest" of successful investments we made over the past few years. In April 2020, we completed the long-pending merger between Sprint and T-Mobile, and in June 2020, we sold about two-thirds of T-Mobile shares acquired through the merger. In the fiscal year ended March 31, 2024, we completed the monetization of substantially all of our position in Alibaba, facilitating our strategic shift towards AI-centric portfolio. In furtherance of our financial strategy of flexibly responding to environmental changes while adhering to a conservative financial policy, we completed an IPO of Arm shares in September 2023, raising $5.12 billion for 10% of the outstanding Arm shares.

Our Assets

Arm (NASDAQ: ARM)

As of March 31, 2024, the portion of Equity Value of Holdings attributable to our holdings in Arm, after giving effect to remaining consideration for the intragroup acquisition of Arm shares from SVF1 in August 2023 and asset-backed financing transactions, was ¥14.4 trillion ($94.9 billion), representing 47% of our investment portfolio, an increase from 10% of our investment portfolio as of March 31, 2020.

Established in 1990, Arm is primarily involved in the business of licensing semiconductor intellectual property (IP), including the design of energy-efficient microprocessors and related technologies. During the twelve months ended December 31, 2023, shipments of Arm-based chips totaled 28.6 billion units, taking the cumulative number of Arm-based chips reported by its licensees as shipped to more than 287 billion units, and net sales for the fiscal year ended March 31, 2024 increased 13.6% year over year in U.S. dollar terms, driven by highest-ever license and other revenue and strong royalty revenue, only slightly below the previous fiscal year's record level, as 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. Since our acquisition in September 2016, Arm's revenue has doubled, from $1.5 billion to $3.2 billion and the number of Arm-based chips reported as shipped per year has increased 1.9 times. In addition, Arm has accelerated its investments in R&D, increasing overall headcount 1.7 times, hiring more engineers to maintain or expand its market share in existing markets and gain market share in new markets. While continuing to grow its business in mobile computing, where Arm chips enjoy a leading market share, Arm has worked to diversify its offerings into automotive, cloud, IoT, and consumer electronics. In the fiscal year ended March 31, 2024 the majority of Arm's royalty revenues were derived from chips in these non-mobile-computing sectors.

Arm expects the demand for Arm-based chips to continue across all market segments as AI continues to be deployed in virtually all applications, from the most advanced data centers to the smallest consumer devices. Deployment of AI requires chips with increased performance and less power consumption, which Arm expects will drive the need for Arm's most advanced technology, such as Armv9, into smartphones, servers, smart IoT, and networking devices. Arm's data center customers are reporting substantial performance-per-watt savings compared with legacy architectures and this contributes to why Arm's energy-efficient technology is increasingly being chosen to help run these workloads. Ten of the world's largest hyperscale cloud computing providers use Arm-based chips for their data centers, including Amazon Web Services, Microsoft, and Oracle Cloud. In March 2024, NVIDIA also announced their Grace Blackwell Superchip that combines NVIDIA's Blackwell GPU architecture with an Arm-based Grace CPU. This provides significant power savings compared to running a GPU alongside a legacy server chip. Arm technology provides similar energy-efficiency for chips in PCs, smartphones, automotive applications and networking. Energy efficiency is not only important for enterprises and consumers looking to reduce their energy bills, but is also critical for achieving sustainability for our planet. As the demand for increased performance continues to grow, especially with more applications adopting AI, the need for energy efficiency remains crucial. Consequently, we expect demand for Arm's technology to continue to grow as its customers strive to develop high-performance and energy-efficient chips essential for powering future AI algorithms.

On September 14, 2023 Arm successfully completed an IPO on the Nasdaq Global Select Market. As part of the IPO, the largest of 2023, we disposed of 102,500,000 American depositary shares (ADSs), representing 10% of Arm's 1,025,234,000 issued and outstanding ordinary shares as of September 30, 2023, and received proceeds of $5.12 billion. As of March 31, 2024, we held 88.7% of the outstanding shares in Arm.

SVF

Overview

As of March 31, 2024, the portion of Equity Value of Holdings attributable to our holdings in SVF1, SVF2 and LatAm Funds was ¥3.4 trillion ($22.7 billion), ¥4.4 trillion ($29.2 billion) and ¥1.0 trillion ($6.4 billion), respectively, representing 11%, 15% and 3% of our investment portfolio, respectively.

SVF1 is managed by SBIA, our wholly owned subsidiary, which is authorized and regulated by the Financial Conduct Authority in the United Kingdom. SVF1 aims to maximize returns from a medium- to long-term perspective, through large-scale investments in high-growth-potential technology companies primarily leveraging AI, particularly in private companies valued at over $1 billion at the time of investment, colloquially known as "unicorns." SVF1's investment period ended on September 12, 2019. The remaining undrawn capital is reserved for fixed distributions and operating expenses. In principle, the life of SVF1 is until November 20, 2029 (unless extended for two additional one-year periods by SBIA). Since its inception through March 31, 2024, SVF1 has made 94 investments (including fully exited investments) at an acquisition cost of $89.6 billion, with a total cumulative return of $106.3 billion, calculated based on the sum of aggregate fair value of the investments held as of March 31, 2024 and the sales proceeds from the exited investments. For the fiscal year ended March 31, 2024, it benefitted from strong performances across certain public and private investments, notably ByteDance and Coupang. As of March 31, 2024, SVF1 had investments in 68 companies.

SVF2 and LatAm Funds are managed by SBGA, our wholly owned subsidiary, which is authorized and regulated by the Financial Conduct Authority in the United Kingdom. SVF2 launched in October 2019 with committed capital from us, aiming to facilitate the continued acceleration of the AI revolution through investment in market leading, tech-enabled growth companies across their vintage years. We are the primary limited partner investing in SVF2, with a total committed capital of $57.2 billion as of March 31, 2024. Since its inception through March 31, 2024, SVF2 has invested in 277 companies (including fully exited investment) at an acquisition cost of $52.4 billion, with a total cumulative return of $33.1 billion, calculated based on the sum of aggregate fair value of the investments held as of March 31, 2024 and the sales proceeds from the exited investments. For the fiscal year ended March 31, 2024, SVF2 saw a gross loss primarily due to markdowns of a wide range of private investments, partially offset by increased fair values from a recovery in public investee companies and follow-on investment rounds of private investee companies. As of March 31, 2024, SVF2 had investments in 272 companies.

LatAm Funds aims to accelerate the AI revolution by investing in companies harnessing the power of AI and data technology to redefine industries exclusively within rapidly developing Latin America. We are the primary limited partner investing in LatAm Funds, with a total committed capital of $7.4 billion as of March 31, 2024. Since its inception through March 31, 2024, LatAm Funds have invested in 105 companies (including fully exited investments) at an acquisition cost of $7.4 billion, with a total cumulative return of $6.3 billion, calculated based on the sum of aggregate fair value of the investments held as of March 31, 2024 and the sales proceeds from the exited investments. For the fiscal year ended March 31, 2024, LatAm Funds demonstrated continued momentum, in part driven by the investment performance of Nubank and VTEX, as well as strategic M&A, including the acquisition of Pismo by Visa for $1 billion. As of March 31, 2024, LatAm Funds had investments in 89 companies.

Organization and Capital Deployment

SVF1, SVF2 and LatAm Funds are organized as follows:

<table>
<tr><th></th><th>SVF1</th><th>SVF2</th><th>LatAm Funds</th></tr>
<tr><td>Major limited partnership</td><td>SoftBank Vision Fund L.P.</td><td>SoftBank Vision Fund II-2 L.P.</td><td>SBLA Latin America Fund LLC</td></tr>
<tr><td>Limited partners</td><td>SoftBank Group Corp.
Public Investment Fund
Mubadala Investment Company
Apple
Foxconn Technology Group
Qualcomm Incorporated
Sharp Corporation</td><td>SoftBank Group Corp.
Third-party investor(1)</td><td>SoftBank Group Corp.
Third-party investor(1)</td></tr>
<tr><td>Management company</td><td>SB Investment Advisers (UK) Limited (“SBIA”) (our wholly owned subsidiary in the United Kingdom)</td><td colspan="2">SB Global Advisers Limited (“SBGA”)</td></tr>
<tr><td>Investment period</td><td>Ended on September 12, 2019)</td><td colspan="2">To be determined by the manager</td></tr>
<tr><td>Minimum fund life</td><td>Until November 20, 2029 + up to two one-year extensions by SBIA</td><td colspan="2">Until October 4, 2032 + up to two one-year extensions by SBGA</td></tr>
</table>

(1) 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 “Related-Party Transactions”.

Exit decisions for the various entities comprising SVF1 are made by the SBIA investment committee. Investment and exit decisions for the various entities comprising SVF2 and LatAm Funds are made by the SBGA investment committee. See “—Approach Concerning Investment Decisions—SVF funds.”

The following table summarizes the capital deployment of SVF1, SVF2 and LatAm Funds as of March 31, 2024:

SVF1

	Total	The Company	Third-party investors
	(billions of dollars)		
Committed capital	98.6	33.1[(1)]	65.5
Drawn capital	87.2	29.9[(2)]	57.3
Return of capital (non-recallable)	37.3	9.2	28.1
Outstanding capital	49.9	20.7	29.2
Remaining committed capital	11.4	3.2	8.2

(1) Our 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 earmarked for purposes of an incentive scheme related to SVF1.

(2) Drawn capital of SVF1 excludes the amount repaid to limited partners due to investment plan changes and other reasons after the capital was drawn.

SVF2 and LatAm Funds

	SVF2	LatAm Funds
	(billions of dollars)	
Committed capital	59.8	7.8
Drawn capital	57.3	7.4
Remaining committed capital[(1)]	2.5	0.4

(1) Remaining committed capital includes recallable return of capital.

Investment Portfolio

The following tables summarize the respective investment portfolios of SVF1, SVF2 and LatAm Funds as of March 31, 2024.

SVF1

Sector	Number of investments	Investment cost	Fair value	Cumulative unrealized valuation gain (loss)[(1)]
	(billions of dollars other than number of investments)			
Consumer	16	$12.5	$24.9	$ 12.4
Edtech	1	0.6	0.2	(0.4)
Enterprise	7	1.9	1.2	(0.7)
Fintech	8	2.6	0.7	(1.9)
Frontier Tech	4	0.3	0.1	(0.2)
Health Tech	7	1.7	1.5	(0.2)
Logistics	11	6.0	3.8	(2.2)
Proptech	7	9.3	1.0	(8.3)
Transportation	7	16.7	6.5	(10.2)
Total	68	$51.6	$39.9	$(11.7)
(Reference)				
Listed companies:				
Coupang, Inc.		$ 1.7	$ 6.2	$ 4.5
DiDi Global Inc.[(2)]		12.1	3.7	(8.4)
Grab Holdings Inc.		1.8	1.3	(0.5)
Full Truck Alliance Co. Ltd.		1.3	1.1	(0.2)
DoorDash, Inc.		0.1	0.9	0.8
Roivant Sciences Ltd.		0.7	0.8	0.1
Delhivery Limited		0.2	0.4	0.2
PT GoTo Gojek Tokopedia Tbk		1.0	0.4	(0.6)
Compass, Inc.		0.8	0.4	(0.4)
Relay Therapeutics, Inc.		0.3	0.2	(0.1)
Auto 1 Group SE		0.7	0.2	(0.5)

Sector	Number of investments	Investment cost	Fair value	Cumulative unrealized valuation gain (loss)[1]
	(billions of dollars other than number of investments)			
Vir Biotechnology, Inc.		0.1	0.2	0.1
SenseTime Group Inc.		0.4	0.1	(0.3)
Aurora Innovation Inc.		0.3	0.1	(0.2)
One97 Communications Limited (Paytm)		0.1	0.0	(0.1)
Energy Vault, Inc.		0.0	0.0	(0.0)
Ginkgo Bioworks Holdings, Inc.		0.0	0.0	(0.0)
Getaround, Inc.		0.3	0.0	(0.3)
View Inc.[3]		1.2	0.0	(1.2)
OneConnect Financial Technology Co., Ltd.		0.1	0.0	(0.1)
WeWork Inc.[4]		3.2	—	(3.2)
Total	21	26.4	16.0	(10.4)
Unlisted companies	47	25.2	23.9	(1.3)
Total	68	$51.6	$39.9	$(11.7)

(1) For a certain investment that was once decided to be transferred from us to SVF1 but later canceled, its unrealized gain and loss incurred for the period leading up to the decision to cancel the transfer is not included in the presentation.
(2) Traded in the over-the-counter market.
(3) Transferred to the over-the-counter market on April 5, 2024.
(4) The carrying amount of WeWork stocks has been written down to zero as of March 31, 2024.

SVF2

Sector	Number of investments	Investment cost	Fair value	Cumulative unrealized valuation gain (loss)
	(billions of dollars other than number of investments)			
Consumer	47	$10.4	$ 5.6	$ (4.8)
Edtech	10	1.5	0.8	(0.7)
Enterprise	74	9.0	5.4	(3.6)
Fintech	37	8.7	5.8	(2.9)
Frontier Tech	17	2.9	1.8	(1.1)
Health Tech	45	4.7	2.2	(2.5)
Logistics	19	6.0	5.5	(0.5)
Proptech	8	3.7	0.1	(3.6)
Transportation	9	2.3	2.5	0.2
Other	6	0.2	0.2	(0.0)
Total	272	49.4	29.9	(19.5)
(Reference)				
Listed companies:				
AutoStore Holdings Ltd.		$ 2.8	$ 2.4	$ (0.4)
Symbotic Inc.		0.2	0.9	0.7
Full Truck Alliance Co. Ltd.[1]		0.2	0.1	(0.1)
Exscientia PLC		0.3	0.1	(0.2)
Neumora Therapeutics, Inc.		0.1	0.1	0.0
JD Logistics, Inc.[1]		0.5	0.1	(0.4)
Qingdao AInnovation Technology Group Co., Ltd.		0.1	0.1	(0.0)
Better Holdco Inc.[1]		0.5	0.1	(0.4)
IonQ, Inc.[1]		0.1	0.1	(0.0
Beisen Holding Limited		0.1	0.0	(0.1)
Keep Inc.		0.2	0.0	(0.2)
DingDong (Cayman) Limited[1]		0.3	0.0	(0.3)
Seer, Inc.[1]		0.2	0.0	(0.2)
Globalstar, Inc.		0.0	0.0	0.0

Sector	Number of investments	Investment cost	Fair value	Cumulative unrealized valuation gain (loss)
	(billions of dollars other than number of investments)			
Pear Therapeutics, Inc.[(1)(2)]		0.0	0.0	(0.0)
WeWork Inc.[(1)(3)]		3.0	—	(3.0)
Total	16	8.6	4.0	(4.6)
Unlisted companies	256	40.8	25.9	(14.9)
Total	272	$49.4	$29.9	$(19.5)

(1) Investments not subject to the co-investment program.
(2) Traded in the over-the-counter market.
(3) The carrying amount of WeWork stocks has been written down to zero as of March 31, 2024.

LatAm Funds

Sector	Number of investments
Consumer	14
Edtech	6
Enterprise	13
Fintech	29
Frontier Tech	1
Health Tech	1
Logistics	7
Proptech	4
Transportation	2
Other	12
Total	89

SoftBank Corp. (Tokyo Stock Exchange, Prime Market: 9434)

As of March 31, 2024, the portion of Equity Value of Holdings attributable to our holdings in SoftBank Corp. was ¥3.2 trillion ($20.9 billion), representing 10% of our investment portfolio, after deducting the amount equivalent to the outstanding amount related to asset-backed financings using SoftBank Corp. shares. SoftBank Corp., our main operating entity doing business in Japan, is a leading provider of mobile and fixed-line telephone and Internet service that aims to further grow its core telecommunications business under its “Beyond Carrier” growth strategy, through which SoftBank Corp. pursues business opportunities and cutting-edge technological innovations outside of the traditional telecommunications businesses, as well as expand its non-telecommunications business 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. As of March 31, 2024, the cumulative number of smartphone subscribers with the three brands operated by SoftBank Corp.—SoftBank, Y!mobile, LINEMO and LINE MOBILE (which is no longer accepting new subscribers)—was 30.73 million, and the cumulative number of broadband service subscribers, including SoftBank Hikari, SoftBank Air and Yahoo! BB Hikari with FLET’S, was 8.49 million. On October 1, 2023, Z Holdings Corporation, a holding company subsidiary of SoftBank Corp. which is focused on innovative Internet services, completed a scheduled intragroup reorganization process, including a merger primarily among Z Holdings Corporation and its core wholly owned subsidiaries, LINE Corporation and Yahoo Japan Corporation, as well as changing its name to LY Corporation. The revised organizational structure, with a further emphasis on products, is expected to accelerate synergy expansion through business integration in these companies, which strive to resolve social issues while capturing unmet customer needs using data and AI.

Under its “Beyond Carrier” growth strategy, SoftBank Corp., which is responsible for our domestic operations, will strive to spur sustainable growth of its core telecommunications business, as it goes beyond the confines of telecommunications carriers and proactively expand its business in various fields of the information and technology sector, with the aim of maximizing its corporate value. Specifically, SoftBank Corp. is working to (1) drive further growth in the telecommunications business, (2) expand the digital transformation and solution business in the enterprise business, (3) drive growth of the Media & EC (e-commerce) business, (4) drive growth of the financial business, (5) develop and expand new business fields, and (6) streamline costs.

T-Mobile (NASDAQ: TMUS)

As of March 31, 2024, the portion of Equity Value of Holdings attributable to our holdings in T-Mobile, after giving effect to unexercised call options held by Deutsche Telekom AG and asset-backed financing transactions, represented 6% of our investment portfolio, with an aggregate equity value of ¥1.8 trillion ($11.6 billion). T-Mobile, which brands itself as America's "Un-carrier", aims to disrupt the wireless communication industry in the United States by actively engaging with its customers to focus on eliminating pain points and providing added value while implementing signature initiatives that have changed the U.S. wireless industry, according to its public disclosure.

On April 1, 2020, the merger of Sprint, which had been our subsidiary, and T-Mobile in an all-stock transaction was completed. As consideration for the merger, we received 353,357,606 T-Mobile shares, including 48,751,557 shares received in December 2023 for no additional consideration as we satisfied certain conditions in December 2023. As of April 1, 2020, Sprint ceased to be our subsidiary, and the combined new company, T-Mobile, became our equity method associate with a shareholding of 24.7%. According to its public disclosure, since the merger, T-Mobile has grown its mobile and high-speed Internet service subscriptions to approximately 121 million (as of March 31, 2024) with America's largest, fastest, and most reliable 5G network.

Between June 2020 and August 2020, we sold a total of 198,314,426 T-Mobile shares we held in a series of transactions through subsidiaries for $20.1 billion. As a result of the decrease in voting rights following these sales, we lost our significant influence over T-Mobile as of June 26, 2020 and, on the same date, we removed T-Mobile as our equity method associate.

In addition, in June 2020, Deutsche Telekom AG, the parent of T-Mobile, received call options over our 101,491,623 shares of common stock of T-Mobile. In September 2021, we engaged in a share swap with Deutsche Telekom, pursuant to which we transferred 45,366,669 T-Mobile shares in partial exercise of the call options in return for 225,000,000 Deutsche Telekom shares. Subsequently, in April 2022, Deutsche Telekom exercised additional call options and we sold an additional 21,153,145 T-Mobile shares to Deutsche Telekom for $2.4 billion. In June 2023, we received approximately 3.6 million T-Mobile shares, not subject to Deutsche Telekom call options, upon vesting of certain contingent value rights we received in June 2020 in relation to the disposal of T-Mobile shares. In addition, we satisfied certain contingent conditions in December 2023 under the merger agreement for the merger of T-Mobile and Sprint in 2020 and received approximately 48.8 million T-Mobile shares, equivalent to ¥1.1 trillion ($7.74 billion), for no additional consideration on December 28, 2023. As of March 31, 2024, we held approximately 92.1 million T-Mobile shares (representing 7.8% of total outstanding shares), of which approximately 35.0 million shares remained subject to Deutsche Telekom call options.

The table below summarizes changes in our holdings of T-Mobile shares between March 31, 2023 and March 31, 2024.

	As of March 31, 2023 (millions of shares)	As of March 31, 2024 (millions of shares)
Number of shares subject to Deutsche Telekom call options	35.0	35.0
Number of shares not subject to Deutsche Telekom call options	4.8	57.1
Total shares held	**39.8**	**92.1**

Alibaba (New York Stock Exchange: BABA; Hong Kong Stock Exchange: 9988)

We initially invested in Alibaba, an e-commerce, cloud computing and digital media and entertainment company that operates the C-to-C marketplace Taobao and the B-to-C marketplace Tmall in 2000. Over the course of our investment in Alibaba, we invested a total of approximately ¥7.4 billion ($48.6 million) in Alibaba. As of March 31, 2020, our holdings in Alibaba represented approximately 48% of the Equity Value of Holdings, with an equity value at the time of ¥26.9 trillion ($178 billion). We have since monetized our position in Alibaba via a series of transactions utilizing various methods including prepaid forward contracts and margin loans over several years and have diversified our investment portfolio while shifting to AI-centric portfolio. As of March 31, 2024, the Equity Value of Holdings attributable to our holdings in Alibaba, after giving effect to asset-backed financing transactions, represented 0.02%, with the Equity Value of Holdings of ¥5 billion ($34 million).

Other

As of March 31, 2024, remaining amount of Equity Value of Holdings was ¥1.9 trillion ($12.5 billion), including our ¥0.5 trillion ($3.2 billion) of holdings in our asset management subsidiary, SB Northstar, which were active to acquire and sell listed stocks and other instruments and engages in derivative and credit transactions related to listing stocks in the past, using surplus funds of the Company.

SB Northstar is indirectly held 67% by us and 33% by our Representative Director, Corporate Officer, Chairman & CEO, Masayoshi Son. Masayoshi Son's interest is deducted from gain and loss on investments at SB Northstar as a non-controlling interest. Furthermore, if, at the end of the SB Northstar's life (12 years from the fiscal year ended March 31, 2021 with two one-year extensions), SB Northstar has any unfunded repayment obligations to us, Masayoshi Son has agreed to pay his *pro rata* share of any such unfunded obligations based upon his relative ownership percentage of SB Northstar.

Additionally included in Other are our investments in Fukuoka SoftBank HAWKS Corp. and Fortress Investment Group LLC, representing 0.6% of our investment portfolio in the aggregate. On May 14, 2024, we sold all of our shares in Fortress Investment Group LLC, held through our subsidiary, to a subsidiary of Mubadala Investment Company PJSC. With the completion of this transaction, Fortress Investment Group LLC is no longer our subsidiary.

Sustainability

Our firm commitment to sustainability is rooted in our corporate philosophy, "Information Revolution — Happiness for everyone," which embodies our determination to bring happiness to everyone, even to future generations 300 years from now. We believe the Information Revolutions is entering a new stage with the evolution of AI, bringing about a safer, more prosperous, and exciting future, while contributing to solving global issues such as climate change, educational and economic disparities, and achieving sustainability on a global scale. By driving the Information Revolution through the responsible use of AI, we seek to fulfil our responsibility as a global leader in the Information Revolution in order to realize a sustainable society where people can live in harmony with the earth.

Sustainability Principles and Material Issues Relating to Sustainability

We have established "The SoftBank Group Sustainability Principles" as a guideline for our group's sustainability, so as to achieve sustainable growth by meeting the expectations of shareholders, creditors, customers, business partners, employees, local communities, and all other stakeholders. Based on these principles, we identify and classify sustainability-related issues to be addressed from two perspectives, the importance to our stakeholders and the importance to the Company and its subsidiaries. Among these issues, we identify material issues relating to sustainability (the "Material Issues") that should be addressed with priority, determined by our board of directors. We set the goals and action plans for the Material Issues with particularly high priority, and we will continuously monitor the progress of these goals and actions plans. We also review the Material Issues at least once in every two years to reflect changes in social environments, the expectations of our stakeholders and changes in the business operations within each group company.

In January 2024, we have updated the Material Issues to ten issues, from eight issues we previously identified in the fiscal year 2020, in consideration of changes in social and business environments surrounding the Company and its subsidiaries. We have identified responsible AI, climate change and human capital as the Material Issues that are of highest priority to both our stakeholders and the Company and its subsidiaries.

Sustainability Governance

Our board of directors appoints the Chief Sustainability Officer ("CSusO") who is responsible for the promotion of the group-wide sustainability and has established the Sustainability Committee in June 2020 for the purpose of promotion of sustainability-related activities of our group. Chaired by the CSusO, the Sustainability Committee continuously discusses overall policies such as sustainability vision and basic policies, policies of individual activities such as sustainability-related issues, goal setting and information disclosure, as well as sustainability promotion systems and operation policies. The Sustainability Committee is chaired by the CSusO and composed of three members, Board Director, Corporate Officer, Senior Vice President, CFO & CISO (head of Finance Unit & head of Administration Unit), Corporate Officer, Senior Vice President (head of Accounting Unit) and Corporate Officer, CLO & GCO (head of Legal Unit). The Sustainability Committee holds the meetings on a flexible quarterly basis. In addition to the Sustainability Committee members, the heads of relevant departments attend the meetings to engage in cross-functional discussions based on specialized knowledge and multiple perspectives. The CSusO reports the details of these discussions to our board of directors.

The Sustainability Committee met three times during the fiscal year ended March 31, 2024, and the discussions involved reviewing Material Issues, developing an approach to responsible AI, integrating sustainability factors into the investment process, advancing mandated non-financial information disclosure, responding to climate change, addressing human rights risks, strengthening sustainability information disclosure and establishing sustainability-related group policies.

Sustainability Risk Management

At the Company, the Risk Management Office is responsible for integrated management of our group-wide risks in accordance with the Risk Management Policy. The Sustainability Department under the CSusO collects information through reports from major group companies and each department of the Company and identifies sustainability-related risks taking into account discussions in the Sustainability Committee. In addition, the Sustainability Department reports the identified risks, countermeasures and their status to the Risk Management Office.

The Risk Management Office analyzes and assesses various risks including sustainability and their countermeasures. For material risks that could have a significant impact on sustainable growth of the Company and its subsidiaries, the Risk Management Office collaborates with the parties involved in each risk in order to consider countermeasures and monitor the effectiveness of such countermeasures. Material risks and the status of countermeasures are reported to and discussed by our board of directors and the Group Risk and Compliance Committee that consists of the board director and the Corporate Officers of the Company. Based on the results of these discussions, the Risk Management Office strives to strengthen our group companies' risk management system.

Environment

We have achieved carbon neutrality[Note 1] on a standalone basis as of the fiscal year 2020. In March 2024, we formulated a plan for reducing greenhouse gas emissions to achieve our group-wide target[Note 2] of achieving carbon neutrality[Note 1] as a group by the end of fiscal year 2030. We and our major subsidiaries are undertaking greenhouse gas emissions reduction initiatives in accordance with this plan. Specifically, Arm has announced its commitment to achieve net-zero carbon[Note 3] by the end of 2030, and has completed the shift to 100% renewable energy for the electricity use as of its fiscal year 2022. SoftBank Corp. has announced its commitment to achieve carbon neutrality[Note 1] by the end of its fiscal year 2030, and has converted 81.6% of its electricity used at the base stations to renewable energy in its fiscal year 2023. LY Corporation has committed to achieve carbon neutrality[Note 1] from its group by the end of its fiscal year 2030.

(Note 1) Applies to Scope 1 and Scope 2 greenhouse gas emissions.
(Note 2) SoftBank Group Corp. and its major subsidiaries (in principle, "Principal Subsidiaries" as defined and disclosed in the annual securities report prepared in accordance with the FIEA, but there are some exceptions for reasons such as regulations).
(Note 3) Applies to Scope 1, Scope 2 and Scope 3 greenhouse gas emissions.

In 2011, we entered the renewable energy business for a safe, secure, and sustainable supply of energy. As of March 31, 2024, SB Energy Global Holdings Limited, our subsidiary, and its subsidiaries operated six solar power generation plants in the United States with a total generation capacity of 1,430 MW and had three solar power generation plants under development in the United States with a total expected generation capacity of 2,130 MW.

Our other subsidiaries engage with energy and resource conservation and development of energy-saving technologies through their businesses. For example, with accelerated growth in shipments of Arm-based chips, Arm architecture is found in an ever-greater range of applications, from smartphones and home appliances to vehicles and servers. Arm recognizes its responsibility to develop energy-efficient designs and believes that it could be one of the solutions for helping to cut global energy consumption. Arm has developed numerous technologies that combine exceptional processing with energy efficiency. One example is Arm Ethos-U55, which provides up to 90% energy reduction for machine learning workloads on IoT devices compared to its predecessor. Another is Arm Cortex-A715, which delivers 20% power efficiency improvements to consumer markets compared to its predecessor.

Social

We view human resources as a source of value creation and an important stakeholder in supporting sustainable growth and believe that creating a working environment in which employees can challenge themselves and play an active role while maximizing their individuality and abilities will enhance corporate value. We emphasize hiring professionals based on our three core competencies of "professionalism", "smart" and "relation". By advancing the hiring and promotion to management positions of individuals without regard to their gender, nationality or disability status, we strive to create a workplace rich in diversity where employees of all backgrounds can thrive. We are committed to assignments that allow employees, who are the driving force behind corporate growth, to make the most of their individuality and abilities. We are particularly committed to empowering women. As of March 31, 2024, 46.2% of all employees and 25.0% of managers were women, and we will continue to promote the advancement of women in our group.

Responsible AI

As we aspire to become a world leader in the use of AI, we are committed to promoting responsible use of AI so that AI benefits everyone. We have identified "Responsible AI" as one of the most important material issues relating to sustainability that should be addressed with priority and aim to establish an appropriate group-wide AI governance structure. As part of this effort, we have established the AI Governance Working Group under the Group Risk and Compliance Committee to discuss our approach to AI governance. Chaired by the CSusO and with a membership that includes representatives from related divisions such as CEO Office, Legal and Information System and from major subsidiaries such as Arm, SoftBank Corp., LY Corporation and SBIA, the Working Group convenes regularly to share information about best practices and discuss an AI governance model for us to adopt. We established guidelines on generative AI in April 2023, and added the Action Statements on AI to the "SoftBank Group Code of Conduct" in April 2024 to promote active but responsible use of AI by our officers and employees. We will continue our efforts to build a governance structure that balances proactive and secure approaches to manage the breakneck advancements in AI.

Our group companies also actively promote responsible use of AI. SoftBank Corp. has a dedicated team leading efforts to build an effective system of AI governance to ensure that the company's AI-driven services are safe and secure for customers to use. For example, in July 2022, SoftBank Corp. established the "AI Ethics Policy" and established the AI Ethics Committee, which includes outside experts, in April 2024 that discusses and advises the company on matters related to AI ethics. SoftBank Corp. takes active steps to raise awareness of AI governance in the workplace and provides basic training courses for all employees along with practical training for employees involved in AI-related planning, development, and application. As of April 2024, the "AI Ethics Policy" applies to SoftBank Corp.'s 72 group companies. LY Corporation also established the "Basic Policy on AI Ethics" in 2022 and launched an internal chat-based generative AI tool in July 2023.

Intellectual Property

We are the holder of the registered trademark "SoftBank" and the related corporate logo. We have granted SoftBank Corp. the sole and perpetual right to use the "SoftBank" trademark with respect to certain of its domestic businesses. SoftBank Corp. has also been granted a limited right to sublicense the use of the trademark to its subsidiaries.

Certain of our group companies have registered patents, trademarks, designs, and utility models and also have pending patents, trademarks, registered designs and utility models. In addition, certain of our group companies license the right to use certain intellectual property to third parties.

Employees

As of March 31, 2024, we had 65,352 full-time employees.

The following table shows the aggregate number of our full-time employees. During the fiscal year ended March 31, 2024, we had an average of 24,474 part-time employees.

	As of March 31, 2024
Investment Business of Holding Companies Segment	307
SoftBank Vision Funds Segment	312
SoftBank Segment	55,400
Arm Segment	6,928
Others	2,405
Total	65,352

Group-wide, we enjoy good relations with our employees. While our employees are not unionized, some of our consolidated subsidiaries have labor unions.

Regulation

The business activities of the SoftBank Group are subject to various governmental regulations in Japan and the other jurisdictions in which we operate, including regulations relating to business and investment approvals, consumer protection, intellectual property, taxation, foreign exchange controls and environmental requirements. Applicable regulations are frequently introduced, abolished or amended, and in any event are subject to interpretation by governmental and judicial authorities.

In particular, our business activities under the SoftBank segment, such as mobile communications business, broadband infrastructure business and fixed-line telecommunications business, are subject to general regulations applicable to the telecommunications industry in Japan, of which the following are the most significant:

- the Telecommunications Business Act of Japan (Act No. 86 of 1984, as amended) (the "TBA");
- the Radio Act of Japan (Act No. 131 of 1950, as amended) (the "Radio Act"); and
- the Wire Telecommunications Act of Japan (Act No. 96 of 1953, as amended) (collectively together with the TBA and the Radio Act, the "Telecommunications Regulations").

The Telecommunications Regulations are administered primarily by the Ministry of Internal Affairs and Communications of Japan (the "Ministry") through regulatory actions of the responsible government minister (the "MIC Minister" and together with the Ministry, the "MIC"). Additionally, the Japan Fair Trade Commission (the "JFTC") has jurisdiction over telecommunications carriers by virtue of its powers under the Act Concerning Prohibition of Monopoly and Maintenance of Fair Trade (Act No. 54 of 1947, as amended) to prohibit anti-competitive practices.

As is typical for regulatory authorities in Japan, the MIC has announced various guidelines in connection with the implementation of applicable laws for the primary purpose of clarifying the meaning of such laws as well as ordinances made under them. Such guidelines are informal in nature and do not have the status of legislation passed by the National Diet of Japan, the primary legislative body in Japan (the "Diet"). Accordingly they are not legally binding on telecommunications carriers. Nevertheless, such guidelines serve as a statement of the regulatory interpretation of applicable laws and, accordingly, telecommunications carriers are, in practice, required to comply with them.

We are also subject to various governmental regulations in connection with our investments, including through SVF1, SVF2 and LatAm Funds. For example, SVF1 is managed by SBIA and SVF2 and LatAm Funds are separately managed by SBGA, but both SBIA and SBGA are regulated by the UK Financial Conduct Authority. In addition, when we or our subsidiaries or associates make investments overseas, such investments may be subject to approval in multiple jurisdictions under various regulatory regimes, such as those relating to antitrust and national security.

Legal Proceedings

We are routinely involved in litigation and other legal proceedings in connection with our ordinary course business activities. We are not currently involved in any litigation or other legal proceedings that, if determined adversely to us, would individually or in the aggregate be expected to have a material adverse effect on our financial condition or results of operations.

MANAGEMENT

Overview

Our board of directors has the ultimate responsibility for the administration of our affairs. The Board's purpose is to make important decisions on execution of duties and oversee directors' execution of duties. Our Articles of Incorporation provide for not more than 11 directors, and at the present, we have nine directors including five external directors. External directors are responsible for supervising our business management. Our Representative Director, Corporate Officer, Chairman and CEO serves as the chairman of the Board.

All directors are elected at general meetings of shareholders. The normal term of office of directors is one year, although they may serve any number of consecutive terms. To elect directors, the board of directors selects candidates in accordance with our Articles of Incorporation and the Regulations of the Board of Directors and these candidates are proposed at the general meeting of shareholders. Shareholders can also propose candidates in compliance with the requirements of the Companies Act of Japan. Cumulative voting is not allowed in the election of our directors.

Our Articles of Incorporation provide for not more than five audit and supervisory board members, and at present, we have four audit and supervisory board members, four of whom are external audit and supervisory board members (two full-time members and two part-time members), and is chaired by a full-time, internal audit and supervisory board member. All audit and supervisory board members are elected at general meetings of shareholders. The normal term of office of audit and supervisory board members is four years, although they may serve any number of consecutive or non-consecutive terms. The audit and supervisory board members are not required to be certified public accountants and may not at the same time be our directors or employees of any of our group companies. In addition, not less than half of the audit and supervisory board members must be external corporate auditors.

The audit and supervisory board members form the audit and supervisory board, which determines matters relating to the duties of audit and supervisory board members such as audit policy and methods of investigating our affairs. The audit and supervisory board also receives quarterly briefings and reports relating to financial results from the independent auditor and briefings on individual matters from directors as necessary and exchanges information and opinions with the independent auditor as necessary.

We established the assistant to audit department to support the audit and supervisory board members. This department acts under the direction of the audit and supervisory board members to gather information, investigate matters and provide other assistance.

Under the Companies Act of Japan, the audit and supervisory board members have the statutory duty of supervising the administration of our affairs by the directors and also of examining the financial statements and business reports to be submitted by a representative director to general meetings of shareholders. The audit and supervisory board members must attend meetings of the board of directors and express opinions there, if necessary, but they are not entitled to vote. Audit and supervisory board members also have a statutory duty to provide their report to the audit and supervisory board, which must submit its audit report to a representative director. If the audit report covers financial statements, the audit and supervisory board must also submit its audit report to the independent auditor.

We must appoint independent certified public accountants or audit firms in addition to audit and supervisory board members. Such independent certified public accountants or audit firms have the statutory duty of auditing the financial statements, prepared in accordance with the Companies Act of Japan, to be submitted by a representative director to general meetings of shareholders and reporting their opinion thereon to the audit and supervisory board, and a representative director. Our audit firm for such purposes is Deloitte Touche Tohmatsu LLC.

Under the Companies Act of Japan and our Articles of Incorporation, we may, by resolution of our board of directors, limit the liability of our directors and audit and supervisory board members for losses sustained by us in connection with the failure of such directors and audit and supervisory board members to perform their duties, except in the case of willful misconduct or gross negligence. The applicable liability thresholds are calculated, in accordance with the Companies Act of Japan, with reference to the amounts of annual remuneration, retirement allowance and profits received upon exercise or transfer of stock options for the relevant individual. In addition, we have entered into agreements limiting the liability of our non-executive directors and audit and supervisory board members for losses sustained by us in connection with the failure of such directors and audit and supervisory board members to perform their duties, except in the case of willful misconduct or gross negligence, to the greater of either an amount previously agreed in the liability limitation agreement that is no less than ¥10 million ($66,046) or an amount calculated as described above.

Directors and Audit and Supervisory Board Members

The following table sets out certain information on our directors and audit and supervisory board members as of the date of this offering memorandum:

Name	Date	Position/Action
Masayoshi Son	September 1981	Founded SOFTBANK Corp. Japan (currently SoftBank Group Corp.), Chairman & CEO
	January 1996	President & CEO, Yahoo Japan Corporation (currently LY Corporation)
	October 2005	Director, Alibaba.com Corporation (currently Alibaba Group Holding Limited)
	April 2006	Chairman of the Board, President & CEO, Vodafone K.K. (currently SoftBank Corp.)
	June 2015	Director, Yahoo Japan Corporation (currently LY Corporation)
	September 2016	Chairman and Executive Director, ARM Holdings plc
	June 2017	Chairman & CEO, SoftBank Group Corp.
	November 2020	Representative Director, Corporate Officer, Chairman & CEO, SoftBank Group Corp. (to present)
	April 2021	Board Director, Founder, SoftBank Corp. (to present)
	August 2023	Chairman and Director, Arm Holdings plc (to present)
Yoshimitsu Goto	April 1987	Joined The Yasuda Trust and Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)
	June 2000	Joined SoftBank Corp. (currently SoftBank Group Corp.)
	October 2000	Head of Finance Department, SoftBank Corp. (currently SoftBank Group Corp.)
	April 2006	Director, Vodafone K.K. (currently SoftBank Corp.)
	July 2012	Corporate Officer, Senior Vice President, SoftBank Corp. (currently SoftBank Group Corp.)
	October 2013	President & CEO and acting owner, Fukuoka SoftBank HAWKS Corp. (to present)
	June 2014	Board Director, SoftBank Corp. (currently SoftBank Group Corp.)
	June 2015	Senior Vice President, SoftBank Corp. (currently SoftBank Group Corp.)
	June 2017	Senior Vice President, SoftBank Group Corp.
	April 2018	Senior Vice President, CFO & CISO, SoftBank Group Corp.
	June 2020	Board Director, Senior Vice President, CFO, CISO & CSusO, SoftBank Group Corp.
	November 2020	Board Director, Corporate Officer, Senior Vice President, CFO, CISO & CSusO, SoftBank Group Corp.
	June 2022	Board Director, Corporate Officer, Senior Vice President, CFO & CISO, SoftBank Group Corp. (to present)
Ken Miyauchi	February 1977	Joined Japan Management Association
	October 1984	Joined SOFTBANK Corp. Japan (currently SoftBank Group Corp.)
	February 1988	Board Director, SOFTBANK Corp. Japan (currently SoftBank Group Corp.)

Name	Date	Position/Action
	April 2006	Executive Vice President, Director & COO, Vodafone K.K. (currently SoftBank Corp.)
	June 2007	Representative Director & COO, SoftBank Mobile Corp. (currently SoftBank Corp.)
	June 2012	Director, Yahoo Japan Corporation (currently LY Corporation)
	June 2013	Representative Director, Senior Executive Vice President, SoftBank Corp. (currently SoftBank Group Corp.)
	April 2015	President & CEO, SoftBank Mobile Corp. (currently SoftBank Corp.)
	April 2018	Board Director, SoftBank Group Corp. (to present)
	June 2018	President & CEO, SoftBank Corp.
	April 2021	Representative Director & Chairman, SoftBank Corp.
	April 2023	Director & Chairman, SoftBank Corp.
	April 2024	Director & Special Advisor, SoftBank Corp.
	June 2024	Special Advisor, SoftBank Corp. (to present)
Rene Haas	January 1999	Vice President of Sales, Tensilica
	August 2004	Vice President of Sales and Marketing, Scintera Networks,
	October 2006	Vice President & General Manager – Computing Products Business Unit, NVIDIA Corporation
	October 2013	Vice President of Strategic Alliances, ARM Holdings plc
	January 2015	Executive Vice President & Chief Commercial Officer ARM Holdings plc
	January 2017	President of Arm's IP Product Groups (IPG), ARM Holdings plc
	February 2022	CEO, Arm Limited (to present)
	June 2023	Board Director, SoftBank Group Corp. (to present)
	August 2023	Director, Arm Holdings plc (to present)
Masami Iijima	April 1974	Joined MITSUI & CO., LTD.
	April 2006	Managing Officer, Chief Operating Officer of Iron & Steel Raw Materials and Non-Ferrous Metals Business Unit, MITSUI & CO., LTD.
	April 2007	Managing Officer, Chief Operating Officer of Mineral & Metal Resources Business Unit, MITSUI & CO., LTD.
	April 2008	Executive Managing Officer, MITSUI & CO., LTD.
	June 2008	Representative Director, Executive Managing Officer, MITSUI & CO., LTD.
	October 2008	Representative Director, Senior Executive Managing Officer, MITSUI & CO., LTD.
	April 2009	Representative Director, President and Chief Executive Officer, MITSUI & CO., LTD.
	April 2015	Representative Director, Chairman of the Board of Directors, MITSUI & CO., LTD.
	June 2016	Director, Ricoh Company, Ltd.
	June 2018	External Board Director, SoftBank Group Corp. (to present)
	June 2019	Counsellor, Bank of Japan (to present)

Name	Date	Position/Action
	June 2019	Director, Isetan Mitsukoshi Holdings Ltd.
	April 2021	Director, MITSUI & CO., LTD.
	June 2021	Counselor, MITSUI & CO., LTD. (to present)
	June 2021	Director (Audit & Supervisory Committee member), Takeda Pharmaceutical Company Limited
	June 2022	Director, Takeda Pharmaceutical Company Limited (to present)
	June 2023	Director, KAJIMA CORPORATION (to present)
Yutaka Matsuo	April 2002	Researcher, National Institute of Advanced Industrial Science and Technology
	August 2005	Visiting Scholar, Stanford University
	October 2007	Associate Professor, Graduate School of Engineering, the University of Tokyo
	April 2019	Professor, Graduate School of Engineering, the University of Tokyo (to present)
	June 2019	External Board Director, SoftBank Group Corp. (to present)
Keiko Erikawa	July 1978	Senior Executive Director, KOEI Co., Ltd. (currently KOEI TECMO GAMES CO., LTD.)
	April 1994	Director, foundation for the Fusion Of Science and Technology (to present)
	June 2001	Chairman and CEO, KOEI Corporation (currently KOEI TECMO AMERICA Corporation)
	May 2007	Head Director, Association of Media in Digital (to present)
	June 2013	Chairman (Representative Director), KOEI TECMO GAMES CO., LTD.
	June 2013	Chairman (Representative Director), KOEI TECMO HOLDINGS CO., LTD. (to present)
	June 2014	Board Director, TECMO KOEI EUROPE LIMITED (currently KOEI TECMO EUROPE LIMITED) (to present)
	April 2015	Chairman Emeritus (Director), KOEI TECMO GAMES CO., LTD. (to present)
	June 2021	External Board Director, SoftBank Group Corp. (to present)
Kenneth A. Siegel	August 1986	Joined Morrison & Foerster LLP
	January 1994	Partner, Morrison & Foerster LLP
	August 1996	Managing Partner, Morrison & Foerster Tokyo Office (Morrison & Foerster Gaikokuho Jimu Bengoshi Jimusho) (to present)
	January 2009	Member of Executive Committee, Morrison & Foerster LLP
	January 2009	Board Director, Member of Executive Committee, Morrison & Foerster LLP (to present)
	June 2021	External Board Director, SoftBank Group Corp. (to present)
David Chao	June 1988	Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)
	June 1989	Joined Apple Computer, Inc. (currently Apple Japan, Inc.)
	August 1993	Joined U.S. McKinsey & Company (McKinsey & Company, Inc.)

Name	Date	Position/Action
	May 1996	Co-Founder and CTO, Japan Communications Inc.
	January 1997	Co-Founder and General Partner, DCM Ventures (to present)
	June 2022	External Board Director, SoftBank Group Corp. (to present)
Maurice Atsushi Toyama	September 1977	Joined San Francisco Office of Price Waterhouse (currently PricewaterhouseCoopers)
	August 1981	Certified Public Accountant, State of California, U.S.
	June 2006	Partner, Aarata Audit Corporation (currently, PricewaterhouseCoopers Japan LLC)
	June 2015	Full-time External Audit and Supervisory Board Member, SoftBank Corp. (currently SoftBank Group Corp.; to present)
Yuji Nakata	April 1983	Joined Nomura Securities Co., Ltd.
	April 2007	Executive Managing Director, Nomura Securities Co., Ltd.
	April 2007	COO, Nomura Asia Holding N.V.
	April 2008	Executive Managing Director, Nomura Holdings, Inc.
	November 2008	Senior Managing Director, Nomura Securities Co., Ltd.
	April 2016	Executive Managing Director, Nomura Holdings, Inc.
	April 2017	Representative Executive Officer and Deputy President, Nomura Securities Co., Ltd.
	May 2019	Executive Managing Director and Chief Risk Officer, Nomura Holdings, Inc.
	April 2020	Senior Adviser, Nomura Institute of Capital Markets Research
	June 2021	Full-time External Audit and Supervisory Board Member, SoftBank Group Corp. (to present)
Soichiro Uno	April 1988	Joined Nagashima & Ohno Law Office (currently Nagashima Ohno & Tsunematsu), admitted to practice law in Japan
	November 1993	Passed the bar examination of the State of New York, U.S.
	January 1997	Partner, Nagashima & Ohno Law Office (currently Nagashima Ohno & Tsunematsu) (to present)
	June 2004	External Audit and Supervisory Board Member, SoftBank Corp. (currently SoftBank Group Corp.; to present)
	June 2018	Director (Audit & supervisory Committee Member), Dream Incubator Inc.
	June 2019	Director (Audit & supervisory Committee Member), TERUMO CORPORATION (to present)
Keiichi Otsuka	November 1978	Joined Price Waterhouse Accounting Office
	August 1982	Registered as a Certified Public Accountant
	July 1998	Representative Partner, Aoyama Audit Corporation
	September 2006	Representative Partner, Aarata Audit Corporation (currently PricewaterhouseCoopers Japan LLC)
	June 2016	Audit & Supervisory Board Member, TBK Co., Ltd. (to present)
	July 2016	Representative of Otsuka CPA Office (to present)
	January 2017	Director, Shizuoka Bank (Europe) S.A.
	June 2021	External Audit and Supervisory Board Member, SoftBank Group Corp. (to present)

Among our directors, Masami Iijima, Yutaka Matsuo, Keiko Erikawa, Kenneth A. Siegel and David Chao are external directors.

Among our external officers, Masami Iijima, Yutaka Matsuo, Keiko Erikawa and David Chao are independent directors; Maurice Atsushi Toyama, Yuji Nakata, Soichiro Uno and Keiichi Otsuka are external audit and supervisory board members.

Among our audit and supervisory board members, Maurice Atsushi Toyama, Yuji Nakata and Keiichi Otsuka are independent officers.

Investment Committee

The Investment Committee has the purpose of making decisions on matters for which it has been delegated authority by the board of directors, in order to carry out corporate activities flexibly. The Committee is comprised of four board directors or corporate officers elected by the Board: Masayoshi Son, Yoshimitsu Goto, Kazuko Kimiwada and Tim Mackey.

The agenda items for discussion in the Investment Committee are set forth in the Regulations of the Investment Committee. The committee resolves the following matters:

- Investments, loans and borrowings under a certain amount;
- Certain matters related to subsidiaries (excluding listed subsidiaries and their subsidiaries), such as (a) investments, loans and borrowings under a certain amount, (b) issuance and gratis issuance of new stock or stock acquisition rights (except matters such as the issuance of new stocks that will not alter the shareholding ratio), (c) issuance of corporate bonds, (d) overseas business expansion and (e) entry into new business fields; and
- Other matters such as disposal and acceptance of important assets under a certain amount.

The committee resolves through in-person, electronic or voice call meeting, and such decisions are only approved by majority agreement. If a proposal is rejected, it is brought to our board of directors. All resolutions of the committee are reported to our board of directors.

Executive Compensation

Total compensation paid by SoftBank Group Corp. to our directors (excluding external directors) consists of fixed compensation and performance-linked compensation. Furthermore, performance-linked compensation comprises a cash-based incentive for short-term performance as well as a share-based incentive for mid-to-long term enhancement of corporate value, such as nonmonetary compensation. The ratio of each component is determined individually based on deliberations by our Nominating & Compensation Committee.

The aggregate compensation, including bonuses, paid by SoftBank Group Corp. to our directors and audit and supervisory board members as a group during the fiscal year ended March 31, 2024 was ¥795 million ($5 million). During the fiscal year ended March 31, 2024, consolidated compensation provided by us to Mr. Son, Mr. Goto, Mr. Miyauchi and Mr. Haas was ¥100 million ($1 million), ¥351 million ($2 million), ¥844 million ($6 million) and ¥3,458 million ($23 million) respectively.

Stock Option Plan

Pursuant to resolution at the meeting of the board of directors held on July 26, 2018, we granted stock acquisition rights to purchase up to 719,700 shares, which has been increased to 1,439,400 shares after a stock split, of our common stock to certain directors, corporate officers and employees of us and our subsidiaries. As of March 31, 2024, of such stock acquisition rights, stock acquisition rights to purchase up to 518,600 shares remained outstanding and will be exercisable at an exercise price of ¥1 during the period from September 1, 2021 to August 31, 2025.

Pursuant to resolution at the meeting of the board of directors held on July 25, 2019, we granted stock acquisition rights to purchase up to 208,600 shares of our common stock to certain of our employees. As of March 31, 2024, of such stock acquisition rights, stock acquisition rights to purchase up to 66,200 shares remained outstanding and will be exercisable at an exercise price of ¥1 during the period from September 1, 2021 to August 31, 2025.

Pursuant to resolution at the meeting of the board of directors held on November 26, 2019, we granted stock acquisition rights to purchase up to 58,400 shares of our common stock to certain of our corporate officers and employees. As of March 31, 2024, of such stock acquisition rights, stock acquisition rights to purchase up to 13,500 shares remained outstanding and will be exercisable at an exercise price of ¥1 during the period from January 1, 2023 to December 31, 2026.

Pursuant to resolutions at the meeting of the board of directors held on July 30, 2020, we granted stock acquisition rights to purchase up to 188,900 shares of our common stock to certain of our corporate officers and employees and directors of our subsidiaries. As of March 31, 2024, of such stock acquisition rights, stock acquisition rights to purchase up to 76,300 shares remained outstanding and will be exercisable at an exercise price of ¥1 per share during the period from September 1, 2023 to August 31, 2027.

Pursuant to resolutions at the meeting of the board of directors held on July 28, 2021, we granted stock acquisition rights to purchase up to 152,400 shares of our common stock to our corporate officers and employees and employees of our subsidiaries. As of March 31, 2024, of such stock acquisition rights, stock acquisition rights to purchase up to 139,400 shares remained outstanding and will be exercisable at an exercise price of ¥1 per share during the period from September 1, 2024 to August 31, 2028.

Pursuant to resolutions at the meeting of the board of directors held on July 29, 2022, we granted stock acquisition rights to purchase up to 126,400 shares of our common stock to our corporate officers and employees and employees of our subsidiaries. As of March 31, 2024, of such stock acquisition rights, stock acquisition rights to purchase up to 118,400 shares remained outstanding and will be exercisable at an exercise price of ¥1 per share during the period from September 1, 2025 to August 31, 2029.

Pursuant to resolutions at the meeting of the board of directors held on July 28, 2023, we granted stock acquisition rights to purchase up to 160,200 shares of our common stock to our corporate officers and employees. As of March 31, 2024, of such stock acquisition rights, stock acquisition rights to purchase up to 154,800 shares remained outstanding and will be exercisable at an exercise price of ¥1 per share during the period from September 1, 2026 to August 31, 2030.

RELATED-PARTY TRANSACTIONS

The following discussion is a summary of the significant transactions with our associates in the fiscal years ended March 31, 2023 and 2024 and under current consideration. We believe that each of these arrangements has been entered into on arm's-length terms or on terms that we believe have been at least as favorable to us as similar transactions with non-related parties would have been.

For the fiscal year ended March 31, 2023

Co-investment program with restricted rights to receive distributions

MASA USA LLC ("MgmtCo"), a company controlled by Masayoshi Son, our Representative Director, Corporate Officer, Chairman & CEO and a related party, is an investor in SVF2 and LatAm Funds. The co-investment program with restricted rights to receive distributions to SVF2 and LatAm Funds was formed during the three-month period ended September 30, 2021 for the purpose of enabling Mr. Masayoshi Son to make a co-investment in SVF2 and LatAm Funds with the Company through MgmtCo. Under the co-investment program, the equity interests contributed by MgmtCo are subordinated to the preferred equity contributed separately by the Company to SVF2 or LatAm Funds. 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 or LatAm Funds, 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. The terms of the management fees, including performance-linked management fees, to be charged to MgmtCo are the same as those to be charged to the Company as an equity investor in SVF2 and LatAm Funds. In order to secure the receivables of SVF1 and LatAm Funds from MgmtCo related to initial capital contribution and any accrued premiums thereon, all of the equity interests in SVF2 and LatAm Funds held by MgmtCo, respectively, and SoftBank Group Corp. shares held by Mr. Masayoshi Son have been pledged as collateral and Mr. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables.

MgmtCo's right to receive distributions from its investment under the co-investment program is subject to certain restrictions. Distributions from SVF2 and LatAm Funds to MgmtCo are fully restricted and are not paid until the sum of proceeds received by SVF2 or LatAm Funds, as applicable, from realized investments plus the aggregate fair value of all of SVF2's or LatAm Funds' unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SVF2's or LatAm Funds' 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 distributions from SVF2 or LatAm Funds. In the event that, upon the liquidation of SVF2 or LatAm Funds, 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 or LatAm Funds, then any such excess amounts received by MgmtCo will be subject to clawback.

As of March 31, 2023, MgmtCo held an equity interest of 17.25% in each of SVF2 and LatAm Funds, and the net balance of the receivables of SVF2 and LatAm Funds from MgmtCo was ¥385 billion ($2.9 billion) and ¥62 billion ($0.5 billion), respectively. As of March 31, 2023, 8,897,100 SoftBank Group Corp. shares and 2,168,500 SoftBank Group Corp. shares were pledged to SVF2 and LatAm Funds as collateral by Mr. Masayoshi Son, respectively.

Loans under our incentive program

We provided loans to some of our executives as a part of our incentive program, which was designated for use for the purchase of our shares. Under the incentive program that the board of directors approved in April and July 2018, we did not lend any additional loan to our executives during the fiscal year ended March 31, 2023, and the balance of the outstanding loans made to our executives as of March 31, 2023 was ¥5.6 billion ($36.7 million). In addition, under the incentive program that the board of directors approved in February 2020, we did not lend any additional loan to our executives during the fiscal year ended March 31, 2023 and there was no outstanding balance as of March 31, 2023.

Transfer of T-Mobile shares

In connection with the merger of T-Mobile and Sprint Corporation in 2020, we entered into agreements with some of our executives in June 2020 related to the transfer of T-Mobile shares and loans designated for use for the purchase of T-Mobile shares. For the fiscal year ended March 31, 2023, we loaned an additional $11 million to an executive in April 2022, and the entire outstanding balance of the loans, including the additional loan made in April 2022, made to the executive was repaid in June 2022. As of March 31, 2023, there was no outstanding balance of the loans as a related party transaction.

Other related-party transactions

During the fiscal year ended March 31, 2023, we purchased secured notes issued by WeWork in aggregate principal amount of $250 million, out of up to $500 million we were obligated to purchase. As of March 31, 2023, the value of the WeWork warrants that we held was equivalent to $44 million and the aggregate principal amount of the outstanding unsecured notes of WeWork was $1,362 million and the outstanding secured notes were $247 million. For further discussion, see "(2) Credit guarantees" under "Note 46. Contingency," and "d. Other related party transactions" under "Note 45. Related party transactions" to our audited consolidated financial statements for the fiscal year ended March 31, 2024 included elsewhere in this offering memorandum.

We paid dividends totaling ¥22.0 billion ($146 million) to our Representative Director, Corporate Officer, Chairman & CEO, Mr. Masayoshi Son, and related entities of which he holds more than one-half of the voting rights ("Masayoshi Son Affiliates"). In addition, Mr. Masayoshi Son exercised his stock acquisition rights over SoftBank Corp. shares totaling ¥0.5 billion ($3.3 million).

We paid dividends totaling ¥0.3 billion ($2.1 million) to our Director, Mr. Ken Miyauchi, who also exercised his stock acquisition rights over SoftBank Corp. shares totaling ¥0.5 billion ($3.3 million).

We paid dividends ¥0.1 billion ($1.0 million) directly and ¥0.01 billion ($0.08 million) of capital contribution to a subsidiary through Mistletoe Venture Partners, Inc., a related entity of which Mr. Taizo Son holds more than one-half of the voting rights, to Mr. Taizo Son, the brother of Mr. Masayoshi Son, and related entities of which he holds more than one-half of the voting rights ("Taizo Son Affiliates").

For the fiscal year ended March 31, 2024 and subsequent period

Co-investment program with restricted rights to receive distributions

As of March 31, 2024, MgmtCo held an equity interest of 17.25% in each of SVF2 and LatAm Funds, and the net balance of the receivables of SVF2 and LatAm Funds from MgmtCo was ¥449 billion ($3.0 billion) and ¥91 billion ($0.6 billion), respectively. As of March 31, 2024, 8,897,100 SoftBank Group Corp. shares and 2,168,500 SoftBank Group Corp. shares were pledged to SVF2 and LatAm Funds as collateral by Mr. Masayoshi Son, respectively.

Loans under our incentive program

We provided loans to some of our executives as a part of our incentive program, which was designated for use for the purchase of our shares. Under the incentive program that the Board approved in April and July 2018, we collected ¥5.6 billion ($36.7 million) of the loan from our Director, Mr. Ken Miyauchi during the fiscal year ended March 31, 2024, and there was no outstanding balance of the loans made to our executives as of March 31, 2024.

Other related-party transactions

We recorded revenue of ¥96 billion ($0.7 billion) under the terms of the intellectual property licensing agreement with ARM Technology (China) Co., Ltd. The outstanding balance as of March 31, 2024, was ¥45 billion ($0.3 billion).

During the fiscal year ended March 31, 2024, we received ¥94 billion ($0.7 billion) of shares and convertible bonds in exchange for the unsecured notes issued by WeWork Inc. The balance of the shares and the convertible bonds are zero as of March 31, 2024, and valuation losses were recorded for the shares and the convertible bonds. In addition, we purchased additional $50 million of senior secured notes issued by WeWork Inc. and $300 million of senior secured notes, the sum of $250 million of senior secured notes purchased in the fiscal year ended March 31, 2023 and $50 million of senior notes purchased in the fiscal year ended March 31, 2024, were fully redeemed by WeWork Inc. The remaining $200 million of unfunded commitment for the senior secured notes was canceled. We entered into a new commitment contract with WeWork Inc., and purchased $300 million of the secured notes issued by WeWork Inc. After the valuation based on the recoverability of the secured notes, the balance of the secured notes is zero as of March 31, 2024. Further, we provided a loan to WeWork Inc. due to execution of the credit support. Balance of the loan as of March 31, 2024 is zero as the loss allowance was fully allocated to the loan. For further discussion, see "*7" under "Note 41. Other gain (loss)", "(2) Credit guarantees" under "Note 46. Contingency," and "d. Other related party transactions" under "Note 45.

Related party transactions" to our audited consolidated financial statements for the fiscal year ended March 31, 2024, included elsewhere in this offering memorandum.

We paid dividends totaling ¥21.7 billion ($143 million) to our Representative Director, Corporate Officer, Chairman & CEO, Mr. Masayoshi Son and Masayoshi Son Affiliates.

Mr. Yoshimitsu Goto exercised his stock acquisition rights over SoftBank Group Corp. shares totaling ¥0.5 billion ($3.2 million).

We paid dividends totaling ¥0.3 billion ($2.0 million) to our Director, Mr. Miyauchi Ken.

We paid dividends totaling ¥0.4 billion ($2.8 million) directly and sold all of our 3,600,000 shares in SoftBank Ventures Asia Corp. ("SBVA") to EDGE of Korea Co., Ltd, ("EDGE of Korea"), which is a Taizo Son Affiliate, for ¥13 billion ($85.9 million) on June 14, 2023. And we and EDGE of Korea entered into a loan agreement of ¥6 billion ($42.1 million) which is equivalent to 49% of the sales price of shares in SBVA. The loan is guaranteed by Mistletoe Singapore Pte. Ltd. and other two entities which are controlled by Mr. Taizo Son, and 49% of the SBVA shares held by EDGE of Korea are pledged as collateral for the loan. The voting rights of SBVA are retained by EDGE of Korea. We had entered into limited partnership agreements with SBVA for several funds which are managed by SBVA as a general partner. As a result of the sales transaction of SBVA mentioned above, SBVA became an entity controlled by Mr. Taizo Son and transactions regarding the limited partnership agreements are determined as related party transactions. As of the date of determination, the total commitment amount and unfunded commitment amount of the Company to the funds were ¥29 billion ($192 million) and ¥1 billion ($6.8 million), respectively. Also, for the fiscal year ended March 31, 2024, the Company entered into a limited partnership agreement for a fund which is managed by an entity controlled by Mr. Taizo Son as a general partner and changed the limited partnership agreement for an existing fund which is managed by an entity controlled by Mr. Taizo Son as a general partner. As of March 31, 2024, the total commitment amount and unfunded commitment amount of the Company to the funds were ¥39 billion ($255.7 million) and ¥7 billion ($46.4 million), respectively. Under the limited partnership agreements, management fees are to be paid as 0.5% to 2.3% of the commitment amounts or funded amounts, and success fees are to be paid as distributions of the amount equivalent to the equity owned at the liquidation or 20% to 30% of investment gains, further subject to the achievement of certain level of internal rate of return. In addition to the above, on May 31, 2024, we sold certain investment securities to a fund which is managed by an entity controlled by Mr. Taizo Son as a general partner for $20 million. The sales price was determined based on the recent transaction price of the investment securities.

SUBSIDIARIES AND ASSOCIATES

The following tables provide information on our significant consolidated subsidiaries and associates as of March 31, 2024. Because we own a number of subsidiaries through subsidiaries that we do not wholly own, our economic interests in some of our subsidiaries listed below, may not be identical to our voting interests in such subsidiaries.

Corporations

Company Name	Country	Issued Share Capital (millions of yen, thousands of dollars and euros)	Percentage of voting interest owned (%)	Principal Business
Investment Business of Holding Companies Segment				
Subsidiaries				
SoftBank Group Overseas GK[1] [11]	Japan	¥ 2	100.0	Holding company
SoftBank Group Capital Limited[1]	U.K.	$ 5,508	100.0	Holding company
SoftBank Group Japan Corporation	Japan	¥ 188,798	100.0	Holding company
SB Group US, Inc.	U.S.	$ 0	100.0	Management of overseas investment
Shiodome Project 17 GK[2]	Japan	¥ 101	100.0	Holding company
STARFISH I PTE. LTD.	Singapore	¥ 101,540	100.0	Holding company
Hayate Corporation	Micronesia	¥ 77,843	100.0	Holding company
SB Pan Pacific Corporation	Micronesia	¥ 48,249	100.0	Holding company
SoftBank Vision Funds Segment				
Subsidiaries				
SB Investment Advisers (UK) Limited	U.K.	$ 1,139	100.0	Management of SVF1
SB Global Advisers Limited	U.K.	$ 310	100.0	Management of SVF2 and LatAm Funds
SoftBank Segment				
Subsidiaries				
SoftBank Corp.	Japan	¥ 214,394	40.7	Provision of mobile communications services; sale of mobile devices; provision of broadband communications services and solution services in Japan
A Holdings Corporation	Japan	¥ 100	50.0	Holding company of shares of LY Corporation
LY Corporation[3]	Japan	¥ 248,145	64.4	Development of online advertising business, e-commerce business, members services business, and other businesses, and management of group companies of LY Corporation
Cybertrust Japan Co., Ltd.	Japan	¥ 820	57.6	IoT business, certification service business, security solution business, and Linux / OSS business
SB Technology Corp.[4]	Japan	¥ 1,271	54.0	ICT service business focusing on cloud, security, IoT and AI

Company Name	Country	Issued Share Capital (millions of yen, thousands of dollars and euros)	Percentage of voting interest owned (%)	Principal Business
ITmedia Inc.	Japan	¥ 1,883	53.4	Operation of comprehensive IT information site ITmedia
eMnet Japan.co.ltd.	Japan	¥ 328	41.2	Internet advertising agency business
Associates				
Geniee, Inc.	Japan	¥ 1,553	31.3	Advertising technology business
C Channel Corporation	Japan	¥ 10	29.0	E-commerce business; internet advertising and marketing
Subsidiaries of LY Corporation				
Z Intermediate Holdings Corporation	Japan	¥ 1	100.0	Holding company
PayPay Corporation	Japan	¥ 94,180	100.0	Development and provision of mobile payments and other electronic payment services
Z Financial Corporation	Japan	¥ 36,604	100.0	Management of group companies of Z Financial Corporation
LINE SOUTHEAST ASIA CORP.PTE.LTD.	Singapore	$ 220,500	100.0	Holding company
Alpha Purchase Co., Ltd.	Japan	¥ 557	62.8	Sales of Indirect materials such as consumable supplies; facility management
ValueCommerce Co., Ltd.(5)	Japan	¥ 1,728	51.9	Affiliate advertising marketing service; StoreMatch online advertising distribution service
ZOZO, Inc.	Japan	¥ 1,360	51.5	Planning and operation of fashion e-commerce website; operational support of brands' own e-commerce website; operation of fashion coordination app
PayPay Bank Corporation	Japan	¥ 72,217	46.6	Banking
ASKUL Corporation	Japan	¥ 21,234	45.0	Mail-order sale of stationery and services
Associates of LY Corporation				
DEMAE-CAN CO., LTD	Japan	¥ 100	36.8	Operation of food delivery service Demae-can
Arm Segment				
Subsidiaries				
Arm Holdings plc(6)	U.K.	$ 1,311	88.7	Design of microprocessor intellectual property and related technology; sale of software tools and provision of related services
Arm PIPD Holdings One, LLC(2) (7)	U.S.	$ 620,855	100.0	Holding company
Arm PIPD Holdings Two, LLC(2) (7)	U.S.	$ 426,016	100.0	Holding company

Company Name	Country	Issued Share Capital (millions of yen, thousands of dollars and euros)	Percentage of voting interest owned (%)	Principal Business
Others				
Subsidiaries				
Fortress Investment Group LLC[(2) (8)]	U.S.	—	100.0	Alternative investment management business
Fukuoka SoftBank HAWKS Corp.	Japan	¥ 100	100.0	Ownership of professional baseball team; operation of baseball games; management and maintenance of baseball stadium and other sports facilities; distribution of video, voice, and data content via media
SoftBank Robotics Group Corp.	Japan	¥ 54,601	87.8	Holding company
Balyo SA	France	€ 2,749	73.5	Providing solutions for autonomous forklifts

Funds

Company Name	Country	Capital accepted (millions of yen, thousands of dollars and euros)	Investment Ratio (%)	Principal Business
Investment Business of Holding Companies Segment				
Subsidiaries				
SB Northstar LP[(9)]	Cayman	$ 34,000,000	100.0 (66.7)	Investment in listed stocks and other financial instruments
SoftBank Vision Funds Segment				
Subsidiaries				
SoftBank Vision Fund L.P.[(10)]	Bailiwick of Jersey	$ 87,000,000	33.6	Investment fund in the technology sector
SoftBank Vision Fund II-2 L.P.[(11) (12)]	Bailiwick of Jersey	$ 57,000,000	100.0 (82.8)	Investment fund in the technology sector
SBLA Latin America Fund LLC[(12)]	U.S.	$ 7,000,000	100.0 (82.8)	Investment fund in the technology sector

(1) Effective November 27, 2023, the Company transferred to SoftBank Group Overseas GK, by contribution in kind, the entire tracking shares in SoftBank Group Capital Limited, which were linked with the value of SoftBank Group Capital Limited's overseas investment portfolio.

(2) The voting rights represent our entire contributions as a percentage of capital.

(3) 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.

(4) SoftBank Corp. implemented a tender offer from April 26, 2024, to June 11, 2024, through which it intends to acquire the equity interest (common shares and stock acquisition rights) in SB Technology Corp., in order to make SB Technology Corp. a wholly owned subsidiary. SoftBank Corp. will undertake a series of procedures to make SB Technology Corp. a wholly owned subsidiary following the tender offer.

(5) ValueCommerce Co., Ltd. implemented a tender offer for its own shares from March 12, 2024, to April 9, 2024. Z Intermediate Holdings Corporation tendered and sold a portion of shares in ValueCommerce Co., Ltd. As a result of the completion of the tender offer, on May 2, 2024, ValueCommerce Co., Ltd. ceased to be a consolidated subsidiary of us and became an equity-method affiliate.

(6) 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 Arm Holdings Limited a wholly owned subsidiary of the Company. 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.

(7) Capital represents the amount of capital contribution.

(8) Fortress Investment Group LLC has not prepared stand-alone financial statements, thus a capital amount is not listed. On May 14, 2024, the Company sold its entire interest in Fortress Investment Group LLC, held through a subsidiary of the Company, to a subsidiary of Mubadala Investment Company PJSC. Upon the completion of the sale, Fortress Investment Group LLC ceased to be a consolidated subsidiary of us.

(9) The figure in parentheses in the investment ratio represents our indirect investment ratio.

(10) The capital accepted of SoftBank Vision Fund L.P. includes the capital accepted by alternative investment vehicles. The investment ratio of SoftBank Vision Fund L.P. includes an incentive scheme related to SVF1.

(11) Effective November 30, 2023, the Company transferred to SoftBank Group Overseas GK, by contribution in kind, the entire equity interest in SoftBank Vision Fund II-2 L.P.

(12) The capital accepted and investment ratio include equity and preferred equity contributions under a co-investment program with MASA USA LLC, a company controlled by Masayoshi Son (Representative Director, Corporate Officer, Chairman & CEO of SoftBank Group Corp.) with restricted rights to receive distributions. Figures in parentheses in the investment ratio represent the ratio of the Company's equity interest in the co-investment program. The ratio of MASA USA's equity stake in the co-investment program is 17.25%.

DESCRIPTION OF OTHER INDEBTEDNESS

The following is a description of our material indebtedness as of the date of this offering memorandum. The description does not purport to be complete and is qualified in its entirety by reference to the agreements which set forth the principal terms and conditions of our credit facilities and other indebtedness.

The table below shows the consolidated interest-bearing debt and lease liabilities at the Company and its subsidiaries as of March 31, 2024:

	As of March 31, 2024	
	(billions of yen and millions of dollars)[1]	
SoftBank Group Corp.		
Short-term borrowings and current position of long-term borrowings	¥ 328	$ 2,164
Commercial paper	177	1,166
Long-term borrowings	135	894
Corporate bonds[2]	6,148	40,602
Lease liabilities	9	62
Total	6,796	44,887
Wholly owned subsidiaries conducting fund procurement[3]		
Borrowings	2,271	14,996
Financial liabilities relating to sale of shares by prepaid forward contracts	5,173	34,162
Total	7,443	49,159
SB Northstar		
Borrowings	—	—
SoftBank Vision Funds segment		
SVF1		
Borrowings	—	—
Total	—	—
SVF2		
Borrowings	548	3,619
Total	548	3,619
SBIA, SBGA, SBLA Advisers Corp.		
Lease liabilities	16	105
Total	16	105
SoftBank Corp. segment		
SoftBank Corp.	4,374	28,887
LY Corporation	1,122	7,414
PayPay Corporation, PayPay Bank Corporation, PayPay Card Corporation	504	3,327
Other	321	2,121
Total[4]	6,321	41,748
Arm segment		
Arm Holdings plc and its subsidiaries	35	229
Others	203	1,340
Consolidated interest-bearing debt and lease liabilities at the Company and its subsidiaries	¥21,362	$141,087

(1) Japanese yen and U.S. dollar amounts have been translated, as applicable, at the rate of ¥151.41 = $1.00, the exchange rate prevailing as of March 31, 2024.

(2) Excludes the USD-denominated perpetual subordinated hybrid notes issued in July 2017, which are treated as equity pursuant to IFRS.

(3) The interest-bearing debt of wholly owned subsidiaries engaged in fund procurement is nonrecourse to SBG.

(4) Represents the sum of each company in the SoftBank segment after elimination of intragroup transactions.

Consolidated Net Interest-bearing Debt as of March 31, 2024

The table below shows the consolidated net interest-bearing debt and lease liabilities at the Company and its subsidiaries as of March 31, 2024. The below information was prepared under IFRS and is net of intragroup reconciliations and eliminations.

	As of March 31, 2024		
	Total interest-bearing debt(1)	Cash and cash equivalents	Net interest-bearing debt
		(billions of yen)	
SoftBank Group Corp.			
Senior bond	¥ 4,337	—	—
Other senior debt	504	—	—
Subordinated debt	1,019	—	—
Deeply subordinated bond(1)	792	—	—
Deeply subordinated loan	135	—	—
Other	9	—	—
Total	6,796	¥2,199	¥ 4,598
Wholly owned subsidiaries conducting fund procurement			
Margin loan backed by Arm shares	1,275	—	—
Asset-backed financings using SoftBank Corp. shares	499	—	—
Prepaid forward contracts using Deutsche Telekom shares	497		
Prepaid forward contracts using Alibaba, T-Mobile and other shares	5,173	—	—
Total	7,443	31	7,413
SB Northstar			
Borrowings	—	—	—
Total	—	795	(795)
SoftBank Vision Funds segment			
SVF1	—	66	(66)
SVF2	548	102	446
LatAm Funds	—	3	(3)
SBIA, SBGA, SBLA Advisers Corp.	16	59	(43)
SoftBank segment			
SoftBank Corp.	4,374	483	3,891
LY Corporation	1,122	325	797
PayPay Corporation, PayPay Bank Corporation, PayPay Card Corporation	504	740	(236)
Other	321	445	(124)
Arm segment			
Arm Holdings plc and its subsidiaries	35	291	(256)
Others	203	649	(446)
Consolidated total at the Company and its subsidiaries	¥21,362	¥6,187	¥15,175

(1) Excludes the USD-denominated perpetual subordinated hybrid notes issued in July 2017, which are treated as equity pursuant to IFRS.

Borrowings

The table below summarizes outstanding loans at the Company and its subsidiaries as of March 31, 2024.

Loan	As of March 31, 2024	
	(billions of yen and millions of dollars)	
SoftBank Group Corp.	¥ 463	$ 3,058
Senior loans	328	2,164
Hybrid loans	135	894
Other loans	—	—
Wholly owned subsidiaries conducting fund procurement	2,271	14,996
Margin loans and other liabilities	2,271	14,996
SB Northstar	—	—

Loan	As of March 31, 2024	
	(billions of yen and millions of dollars)	
Loans	—	—
SoftBank Vision Funds segment	548	3,619
SVF1	—	—
SVF2	548	3,619
SoftBank segment	4,137	27,324
SoftBank Corp.	2,994	19,774
LY Corporation	591	3,906
PayPay Bank Corporation, PayPay Card Corporation	396	2,617
Other	156	1,028
Arm segment	—	—
Arm Holdings plc and its subsidiaries	—	—
Others	168	1,109
Consolidated total at the Company and its subsidiaries	¥7,587	$50,106

The table below summarizes the loans the Company has drawn down since March 31, 2024.

Loan	Balance	
	(billions of yen and millions of dollars)	
Commitment Line(1)	¥—	$—

(1) The remaining capacity to draw down is ¥749 billion or $4,950 million, consisting of up to $4,715 million (¥714 billion) on a USD tranche and ¥36 billion ($235 million) on a JPY tranche.

¥4,677 billion ($30,887 million) of Indebtedness Outstanding under Prepaid Forward Contracts Using Alibaba Shares as of March 31, 2024

Since the fiscal years ended March 31, 2020 and March 31, 2021, we, through the Alibaba Shares Fund Procurement Entities, have entered into numerous prepaid forward contracts using our Alibaba shares. As of March 31, 2024, the outstanding balance was ¥4,677 billion ($30,887 million).

We have the option to settle the prepaid forward contracts by delivering cash, Alibaba shares, or, in certain cases, a combination of cash and Alibaba shares. The Alibaba shares held by the Alibaba Shares Fund Procurement Entities that have entered in these prepaid forward contracts are pledged as collateral in accordance with all of the prepaid forward contracts, and, except for certain prepaid forward contracts of one of the Alibaba Shares Fund Procurement Entities, the right of use are granted to financial institutions. However, the collateral can be released by cash settlement at our discretion.

For more information on these prepaid forward contracts, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Cash and Capital Requirements—Debt Repayments and Certain Other Contractual Commitments—Variable Prepaid Forward Contracts and Collar Transactions."

¥1,774 billion ($11,714 million) of Indebtedness Outstanding under Margin Loans of Wholly Owned Subsidiaries Conducting Fund Procurement

Through our wholly owned subsidiaries conducting fund procurement, we have entered into margin loans backed by SoftBank Corp. and Arm shares. As of March 31, 2024, the outstanding balances were ¥499 billion ($3,294 million) and ¥1,275 billion ($8,420 million) for the margin loans backed by SoftBank Corp. shares and Arm shares, respectively.

The borrowings under these margin loans backed SoftBank Corp. and Arm shares are non-recourse debt to the Company. The margin loans are subject to early settlement by the creditors under certain circumstances such as a significant decrease in the fair value of pledged shares. The creditors would be able to dispose the shares pledged as collateral upon such circumstances where the early settlement is demanded and, accordingly, the repayment obligations would be determined.

For more information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Margin Loans Backed by Arm and SoftBank Corp. Shares."

¥749 billion ($4,950 million) of Available Liquidity under Commitment Line as of March 31, 2024

On September 21, 2023, we renewed a commitment line agreement with several Japanese and international financial institutions for borrowings up to $4,715 million (¥714 billion) on a USD tranche and

¥36 billion ($235 million) on a JPY tranche (the "Commitment Line"). As of the date of this offering memorandum, the Commitment Line has not been drawn. The Commitment Line is a direct, unsecured obligation of the Company and ranks *pari passu* with all other outstanding unsecured, unsubordinated obligations of the Company.

The Commitment Line has a one-year term from the time of entering into the contract, which we have historically renewed annually, and the interest rate is equal to the sum of the announced Japanese yen TIBOR, for the applicable interest period, *plus* a margin.

The Commitment Line is subject to representations and warranties customary in the Japanese syndicated loan market. It is also subject to certain financial and operational covenants that require us to maintain certain financial ratios and that restrict our business activities. One of the covenants sets certain caps on the total amount of senior debt the Company can incur subject to maintenance of a certain level of loan-to-value ratio.

The Commitment Line is also subject to customary events of default including breach of the covenants described above. Any event of default could trigger acceleration of the amount outstanding under the Commitment Line through the majority lenders' decision, provided that a certain limited number of events shall automatically lead to acceleration of the loan. We are obliged to report the occurrence of an event of default or a potential event of default as soon as we become aware of it. We may prepay the loan by paying break funding costs (if any) and without penalty.

¥328 billion ($2,164 million) of Indebtedness Outstanding under Other Senior Loans as of March 31, 2024

We have also entered into other senior loan agreements with a number of major financial institutions, under which the total outstanding indebtedness as of March 31, 2024 was ¥328 billion ($2,164 million) (measured at amortized costs pursuant to IFRS). All the loans have maturities less than one year and almost all of the senior loans have been distributed to Japanese investors in the form of money trusts backed by the loans. These loan agreements contain terms that we believe are customary for these types of loans provided by financial institutions.

Corporate Bonds

The table below summarizes all bonds which the Company and its subsidiaries have issued, outstanding as of March 31, 2024.

Bond	Interest Rate (% per annum)	Balance (billions of yen)(1)	Balance (millions of dollars)(1)
SoftBank Group Corp.			
Yen-denominated Corporate Bonds			
Institutional Bonds			
50th series Unsecured Straight Bond	2.480%	¥ 30	$ 198
54th series Unsecured Straight Bond	1.569%	40	264
57th series Unsecured Straight Bond	1.380%	98	646
Subtotal		168	1,108
Retail Bonds (Fukuoka SoftBank HAWKS bond)			
53rd series Unsecured Straight Bond	1.570%	410	2,707
55th series Unsecured Straight Bond	1.640%	499	3,295
56th series Unsecured Straight Bond	1.380%	398	2,630
58th series Unsecured Straight Bond	2.840%	381	2,517
59th series Unsecured Straight Bond	3.040%	543	3,588
Subtotal		2,231	14,737
Subtotal		2,399	15,845
Foreign Currency-denominated Senior Notes			
2024 EUR-denominated Senior Notes (2021 Notes)	2.125%	104	687
2024 USD-denominated Senior Notes (2017 Notes)	4.750%	118	780
2025 USD-denominated Senior Notes (2021 Notes)	3.125%	68	448
2025 USD-denominated Senior Notes (2018 Notes)	6.125%	51	336
2025 EUR-denominated Senior Notes (2018 Notes)	4.500%	44	293
2025 USD-denominated Senior Notes (2015 Notes)	6.000%	87	573
2025 EUR-denominated Senior Notes (2015 Notes)	4.750%	103	681
2025 EUR-denominated Senior Notes (2017 Notes)	3.125%	114	755

Bond	Interest Rate (% per annum)	Balance (billions of yen)[1]	Balance (millions of dollars)[1]
2026 USD-denominated Senior Notes (2021 Notes)	4.000%	101	666
2027 EUR-denominated Senior Notes (2021 Notes)	2.875%	71	469
2027 EUR-denominated Senior Notes (2015 Notes)	5.250%	34	226
2027 USD-denominated Senior Notes (2017 Notes)	5.125%	250	1,650
2028 USD-denominated Senior Notes (2018 Exchange Notes)	6.250%	70	464
2028 EUR-denominated Senior Notes (2018 Exchange Notes)	5.000%	171	1,131
2028 USD-denominated Senior Notes (2021 Notes)	4.625%	116	768
2029 EUR-denominated Senior Notes (2021 Notes)	3.375%	77	506
2029 EUR-denominated Senior Notes (2017 Notes)	4.000%	93	616
2031 USD-denominated Senior Notes (2021 Notes)	5.250%	196	1,295
2032 EUR-denominated Senior Notes (2021 Notes)	3.875%	69	454
Subtotal		1,937	12,796
Yen-denominated Subordinated Bonds			
4th series Unsecured Subordinated Corporate Bond	2.400%	30	198
3rd series Unsecured Subordinated Corporate Bond	2.400%	446	2,944
5th series Unsecured Subordinated Corporate Bond	2.480%	543	3,588
Subtotal		1,019	6,730
Yen-denominated Subordinated Bonds with interest deferrable clause and early redeemable option			
4th Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision) (Hybrid Bond)	3.000%	176	1,160
5th Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision) (Hybrid Bond)	2.750%	398	2,630
6th Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision) (Hybrid Bond)	4.750%	218	1,441
Subtotal		792	5,231
SoftBank Group Corp. Total		6,148	40,602
SoftBank Corp.			
6th Unsecured Straight Bonds	0.36%	70	462
8th Unsecured Straight Bonds	0.35%	80	528
19th Unsecured Straight Bonds	0.98%	119	789
21st Unsecured Straight Bonds	0.82%	60	395
24th Unsecured Straight Bonds	1.24%	139	919
Other Unsecured Straight Bonds	0.24% - 1.30%	359	2,373
SoftBank Corp. Total		828	5,467
LY Corporation			
11th Straight Bond	0.18%	50	330
12th Straight Bond	0.37%	70	462
13th Straight Bond	0.46%	50	330
16th Straight Bond	0.60%	70	462
19th Straight Bond	0.35%	50	330
23rd Straight Bond	0.76%	50	329
Other (JPY-denominated Straight Bonds)	0.35% - 0.90%	130	857
LY Corporation Total		469	3,099
Total		¥7,445	$49,169

(1) Japanese yen and U.S. dollar amounts have been translated, as applicable, at the rate of ¥151.41 = $1.00, the exchange rate prevailing as of March 31, 2024.

The table below summarizes all bonds the Company has issued as of March 31, 2024 that are treated as equity pursuant to IFRS.

Bonds	Interest Rate (% per annum)	Balance (billions of yen)(1)	Balance (millions of dollars)(2)
SoftBank Group Corp. USD-denominated Perpetual Subordinated Hybrid Notes			
Undated Subordinated NC10 Resettable Notes	6.875%	¥193	$1,276

(1) Carrying amount recognized as equity pursuant to IFRS.
(2) U.S. dollar amounts have been translated at the rate of ¥151.41 = $1.00, the exchange rate prevailing as of March 31, 2024.

The table below summarizes all bonds we have issued since March 31, 2024.

Bond	Interest Rate (% per annum)	Principal Amount (billions of yen)	Principal Amount (millions of dollars)(1)
SoftBank Group Corp. Unsecured Straight Bonds			
60th Unsecured Straight Bonds	1.799%	30	198
61st Unsecured Straight Bonds	2.441%	50	330
62nd Unsecured Straight Bonds	2.900%	20	132
63rd Unsecured Straight Bonds	3.030%	550	3,633

(1) Japanese yen and U.S. dollar amounts have been translated, as applicable, at the rate of ¥151.41 = $1.00, the exchange rate prevailing as of March 31, 2024.

The following table shows the scheduled redemptions for the total remaining bonds, including USD-denominated Perpetual Subordinated Hybrid Notes, issued by the Company for the periods indicated, as adjusted for ¥100 billion of the yen-denominated corporate bonds issued in April 2024 and ¥550 billion of the yen-denominated corporate bonds issued in June 2024:

Fiscal year ending March 31,	Total Principal Amount Due(1)(2)
	(billions of yen)
2025(3)	¥ 701
2026(3)	999
2027(3)	1,097
2028(3)	506
2029(3)	1,555
2030(3)	588
2031	550
2032(3)	768
2033(3)	69

(1) Amounts correspond to the face amounts. Includes domestic corporate bonds issued in April and June 2024.
(2) In case of early redemption on the first call date of the Yen-denominated Hybrid Bonds and USD-denominated Hybrid Notes.
(3) Foreign Currency-denominated Senior Notes converted to Japanese yen by each swap rate. Otherwise, the rate of ¥151.41 = $1.00 or ¥163.24 = €1.00 is applied. USD-denominated Hybrid Notes converted to Japanese yen at the rate of ¥151.41 = $1.00.

¥2,399 billion ($15,845 million) of Indebtedness Outstanding under Domestic Yen-denominated Unsecured Straight Bonds

We have issued domestic unsubordinated Yen-denominated unsecured bonds (the "Yen-denominated Corporate Bonds"), which are senior, unsecured obligations of the Company and rank *pari passu* with all other outstanding unsecured, unsubordinated obligations of the Company.

These bonds contain terms that are customary for these types of securities issued by Japanese companies in Japan. However, we note the 53rd, 55th, 56th, 58th and 59th series Yen-denominated Corporate Bonds contain a financial covenant requiring that the Company's net assets on a stand-alone basis must be at least ¥369.8 billion ($2,442 million) at the end of each fiscal year. These bonds contain various events of default, including those relating to the non-payment of principal or interest, cross-acceleration of other indebtedness in excess of specified thresholds and insolvency events. Upon the occurrence of an event of default, holders of the bonds are immediately entitled to redeem the bonds on all amounts due.

As of March 31, 2024, the aggregate outstanding indebtedness under the Yen-denominated Corporate Bonds was ¥2,399 billion ($15,845 million) (measured at amortized costs pursuant to IFRS).

In April 2024, we issued three additional series of the domestic unsubordinated Yen-denominated unsecured bonds with an aggregate principal amount of ¥100 billion ($660 million).

In June 2024, we issued a series of the domestic unsubordinated Yen-denominated unsecured bonds with an aggregate principal amount of ¥550 billion ($3,633 million).

¥1,937 billion ($12,796 million) of Indebtedness Outstanding under Foreign Currency-denominated Unsecured Senior Notes

We have issued foreign currency-denominated senior notes (the "Foreign Currency-denominated Senior Notes"), which are senior, unsecured obligations of the Company and rank *pari passu* with all other outstanding unsecured, unsubordinated obligations of the Company.

The Foreign Currency-denominated Senior Notes contain restrictive covenants that limit our ability to, among other things: (i) incur secured indebtedness, (ii) guarantee the indebtedness of our subsidiaries and other non-subsidiary affiliates and (iii) use proceeds from asset sales to make restricted payments, unless our Company LTV ratio is equal to or less than 25% or the aggregate restricted payments do not exceed $20 billion since July 6, 2021 (only with respect to the Foreign Currency-denominated Senior Notes issued in July 2021) or February 8, 2021 (with respect to the other Foreign Currency-denominated Senior Notes).

Upon the occurrence of a change of control triggering event, the Company would be required to make an offer to repurchase all outstanding Foreign Currency-denominated Senior Notes at a purchase price equal to 100% of their principal amount *plus* any accrued and unpaid interest.

The Foreign Currency-denominated Senior Notes are redeemable by the Company at any time prior to maturity at a redemption price equal to 100% of the outstanding principal amount, with accrued and unpaid interest *plus* a "make-whole" premium.

As of March 31, 2024, the aggregate outstanding indebtedness under the Foreign Currency-denominated Senior Notes was ¥1,937 billion ($12,796 million) (measured at amortized costs pursuant to IFRS).

¥1,019 billion ($6,730 million) of Indebtedness Outstanding under Domestic Yen-denominated Unsecured Subordinated Bonds

We have issued domestic Yen-denominated unsecured subordinated bonds (the "Domestic Subordinated Bonds") at 2.400% and 2.480% coupon per annum, which are direct, unsecured obligations of the Company and contractually subordinated to all existing and future debt except for debt equal or subordinated to the Domestic Subordinated Bonds.

As of March 31, 2024, the aggregate outstanding indebtedness under these Domestic Subordinated Bonds was ¥1,019 billion ($6,730 million) (measured at amortized costs pursuant to IFRS).

¥792 billion ($5,231 million) of Indebtedness Outstanding under Domestic Yen-denominated Unsecured Hybrid Bonds with Interest Deferral and Early Redemption Clauses

In April 2023, we issued another series of the Yen-denominated Hybrid Bonds due 2058 (callable in 2028) in order to refinance a part of the outstanding principal amount of the USD-denominated Hybrid Bonds which became callable in July 2023 and the Yen-denominated Hybrid Bonds which became callable in September 2023. The Yen-denominated Hybrid Bonds are subordinated to all existing and future debt, including the Domestic Subordinated Bonds, except for debt equal or subordinated to the Yen-denominated Hybrid Bonds.

As of March 31, 2024, the aggregate outstanding indebtedness under these Yen-denominated Hybrid Bonds was ¥792 billion ($5,231 million) (measured at amortized costs pursuant to IFRS). The Yen-denominated Hybrid Bonds have been assigned 50% equity credit from both S&P and JCR.

¥193 billion ($1,276 million) of Indebtedness Outstanding under USD-denominated Perpetual Subordinated Hybrid Notes

In July 2017, we issued the Hybrid Notes, which consisted of $2.75 billion in USD-denominated Undated Subordinated NC6 Resettable Notes and $1.75 billion in USD-denominated Undated Subordinated NC10 Resettable Notes. In October 2022, we completed the settlement of a tender offer with respect to USD-denominated Undated Subordinated NC6 Resettable Notes of $750 million in aggregate principal amount, and subsequently redeemed all of the outstanding principal amount at the first callable date in July 2023. The Hybrid Notes are classified as equity instruments in accordance with IFRS because we have the option to defer interest payments, they have no maturity date, their payment priority in the event of bankruptcy is subordinated to senior indebtedness, and other factors. They are recorded as equity in the Company's consolidated financial statements. The Hybrid Notes have been assigned 50% equity credit from both S&P and JCR.

¥828 billion ($5,467 million) of Indebtedness Outstanding under Yen-denominated Unsecured Straight Bonds issued by SoftBank Corp.

As of March 31, 2024, the aggregate outstanding indebtedness under Yen-denominated unsecured bonds issued by SoftBank Corp. was ¥828 billion ($5,467 million) (measured at amortized costs pursuant to IFRS).

Lease Liabilities

The amount of our consolidated lease liabilities as of March 31, 2024 was ¥795 billion ($5,247 million), of which the amount attributable to SoftBank Group Corp. was ¥9 billion ($62 million). The weighted average interest rate for the lease liabilities as of March 31, 2024 was 1.86% and their due dates ranged from April 2024 to October 2053.

DESCRIPTION OF THE NOTES

The definitions of certain terms used in this Description of the Notes can be found under the subheading "*Certain Definitions*." In this Description of the Notes, the term the "*Company*" refers only to SoftBank Group Corp. and not to any of its Subsidiaries.

The Company will issue $400,000,000 aggregate principal amount of its 6¾% Senior Notes due 2029 denominated in U.S. dollars (the "*2029 Dollar Notes*"), and $500,000,000 aggregate principal amount of its 7% Senior Notes due 2031 denominated in U.S. dollars (the "*2031 Dollar Notes*," and together with the 2029 Dollar Notes, the "*Dollar Notes*"), and $450,000,000 aggregate principal amount of its 5⅜% Senior Notes due 2029 denominated in euro (the "*2029 Euro Notes*") and $450,000,000 aggregate principal amount of its 5¾% Senior Notes due 2032 denominated in euro (the "*2032 Euro Notes*," and together with the 2029 Euro Notes, the "*Euro Notes*," and, together with the Dollar Notes, the "*Notes*") under an indenture (the "*Indenture*"), to be dated as of the Issue Date, among the Company, The Bank of New York Mellon, London Branch, as trustee (the "*Trustee*", which expression shall include its successor(s) and all persons for the time being the trustee or trustees under the Indenture) and as paying agent, and The Bank of New York Mellon SA/NV, Dublin Branch, as transfer agent and registrar, in a private transaction that is not subject to the registration requirements of the U.S. Securities Act. Holders of the Notes will not be entitled to any registration rights. See "*Notice to Investors*."

The following description is a summary of the material provisions of the Indenture. It does not restate the Indenture in its entirety. The Indenture, and not this description, defines the rights of holders of the Notes. Copies of the Indenture are available by email to the requesting holder or for inspection at the corporate trust office of the Trustee at all reasonable times during normal business hours (being 9:00 a.m. to 3:00 p.m.) at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom upon prior written request and satisfactory proof of holdings. Certain defined terms used in this description but not defined below have the meanings assigned to them in the Indenture. The Indenture is not required to be nor will it be qualified under and will not be subject to the U.S. Trust Indenture Act.

The registered holder of a Note will be treated as the owner of it for all purposes. Only registered holders will have rights under the Indenture.

Brief Description of the Notes

The Notes

The Notes will:

- be general unsecured obligations of the Company;
- in insolvency proceedings of the Company, rank *pari passu* in right of payment with all existing and future Indebtedness of the Company (including the Existing Senior Notes, and the Company's unsubordinated Yen-denominated unsecured bonds), except that the Notes will:
    - rank senior in right of payment to all existing and future Indebtedness of the Company that is contractually subordinated in right of payment to the Notes and all existing and future Indebtedness of the Company that is subordinated in right of payment to the Notes by operation of law (including the Company's Yen-denominated hybrid loans and Yen-denominated hybrid bonds); and
    - be subordinated in right of payment to all existing and future Indebtedness of the Company that is preferred by operation of law;
- be effectively subordinated to any existing and future Indebtedness of the Company that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness, through either enforcement of such Indebtedness outside insolvency proceedings or preferred treatment of such Indebtedness in insolvency proceedings; and
- be effectively subordinated to all existing and future Indebtedness, lease obligations or other obligations and any trade payables of any Subsidiary of the Company that does not guarantee the Notes (including the substantial financial liabilities outstanding under asset-backed Indebtedness or derivative obligations incurred by Subsidiaries of the Company).

See *"Risk Factors—Risks Relating to the Notes—The Notes are unsecured obligations and will be effectively subordinated to the existing and future secured indebtedness of the Company and its subsidiaries. We and our subsidiaries may in the future incur substantial amounts of secured debt."; "Risk Factors—Risks Relating to the Notes—The Notes will be structurally subordinated to any existing or future indebtedness, preferred stock and other liabilities of our subsidiaries."; "Risk Factors—Risks Relating to the Notes—Enforcement of claims on the Notes will be subject to certain limitations arising under Japanese insolvency and corporate laws. Japanese laws may be different from, and not as favorable to you as, the laws in other jurisdictions."; and "Description of Other Indebtedness."*

Note Guarantees

The Notes will benefit from no guarantee as of the Issue Date. Subsidiaries of the Company may be required to Guarantee the Notes in the future under certain circumstances. See "*—Certain Covenants—Subsidiary Guarantees of Indebtedness*." Each future Guarantee of the Notes (a "*Note Guarantee*") of a Note Guarantor, if any, will:

- be a general unsecured obligation of such Note Guarantor;
- in insolvency proceedings of such Note Guarantor, rank *pari passu* in right of payment with all existing and future Indebtedness of such Note Guarantor, except that the Note Guarantee will:
  - rank senior in right of payment to all existing and future Indebtedness of such Note Guarantor that is contractually subordinated in right of payment to the Note Guarantee and all existing and future Indebtedness of such Note Guarantor that is subordinated in right of payment to the Note Guarantee by operation of law; and
  - be subordinated in right of payment to all existing and future Indebtedness of such Note Guarantor that is preferred by operation of law;
- be effectively subordinated to any existing and future Indebtedness of such Note Guarantor that is secured by property or assets that do not secure the Note Guarantee, to the extent of the value of the property and assets securing such Indebtedness through either enforcement of such Indebtedness outside insolvency proceedings or preferred treatment of such Indebtedness in insolvency proceedings; and
- be effectively subordinated to all existing and future Indebtedness or other obligations, including any trade payables, of any Subsidiary of such Note Guarantor that does not Guarantee the Notes.

Non-Guarantor Subsidiaries

Substantially all of the operations of the Company are conducted through its Subsidiaries and, therefore, the Company depends on the proceeds of asset monetizations and refinancings, together with the cash flows of its Subsidiaries, to meet its obligations, including its obligations under the Notes. The Notes will be effectively subordinated in right of payment to all existing and future Indebtedness, lease obligations or other obligations and any trade payables of all Subsidiaries of the Company (the "*Non-Guarantor Subsidiaries*") that do not Guarantee the Notes (including the substantial financial liabilities outstanding under asset-backed Indebtedness or derivative obligations incurred by Subsidiaries of the Company). Any right of the Company to receive assets of any of its Non-Guarantor Subsidiaries upon such Subsidiary's liquidation or reorganization (and the consequent right of the holders of the Notes to participate in those assets) will be effectively subordinated to the claims of that Non-Guarantor Subsidiary's creditors, except to the extent that the Company is itself recognized as a creditor of the Non-Guarantor Subsidiary, in which case the claims of the Company may be effectively subordinated in right of payment to any security in the assets of the Non-Guarantor Subsidiary and any Indebtedness of such Subsidiary senior to that held by the Company. See "*Risk Factors—Risks Relating to the Notes—Our corporate structure may affect your ability to receive payment on the Notes.*"; "*Risk Factors—Risks Relating to the Notes—The Notes will be structurally subordinated to any existing or future indebtedness, preferred stock and other liabilities of our subsidiaries*."; and "*Risk Factors—Risks Relating to the Notes—Enforcement of claims on the Notes will be subject to certain limitations arising under Japanese insolvency and corporate laws. Japanese laws may be different from, and not as favorable to you as, the laws in other jurisdictions*."

Principal, Maturity and Interest

The Indenture will be unlimited in aggregate principal amount and each series of Notes will be unlimited in aggregate principal amount. The Company will issue $900,000,000 in aggregate principal amount of Dollar Notes and €900,000,000 in aggregate principal amount of Euro Notes in this offering.

The Company may issue additional notes (the "*Additional Notes*") under the Indenture from time to time after this offering. Any Additional Notes will be of the same or different series as the Dollar Notes or the Euro Notes initially issued in this offering and will have substantially identical terms to the initial Dollar Notes or the Euro Notes, except for such other terms as may be specifically distinguished in an officer's certificate supplied to the Trustee specifying:

- the title of such Additional Notes;
- the aggregate principal amount of such Additional Notes;
- the issue price and issuance date of such Additional Notes;
- the rate or rates (which may be fixed or floating) at which such Additional Notes shall bear interest and, if applicable, the interest rate basis, formula or other method of determining such interest rate or rates, the date or dates from which such interest shall accrue, the interest payment dates on which such interest shall be payable or the method by which such dates will be determined, the record dates for the determination of holders thereof to whom such interest is payable and the basis upon which such interest will be calculated;
- the currency or currencies in which such Additional Notes shall be denominated and the currency in which cash or government obligations in connection with such series of Additional Notes may be payable, including in the case of optional redemption, defeasance or satisfaction and discharge of the Indenture;
- the maturity date, and the date or dates and the price or prices at which, the period or periods within which, and the terms and conditions upon which, such Additional Notes may be redeemed, in whole or in part;
- the denominations in which such Additional Notes shall be issued and redeemed (in the relevant currencies);
- the ISIN, Common Code, CUSIP or other securities identification numbers with respect to such Additional Notes; and
- any relevant limitation language with respect to Note Guarantees.

In the Issuer's sole discretion, the aforementioned officer's certificate may include provisions pertaining to (a) the redemption of such Additional Notes, in whole or in part, including, but not limited to, pursuant to any special mandatory redemption in the event that the release from any escrow into which proceeds of the issuance of such Additional Notes are deposited is conditioned on the consummation of any acquisition, investment, refinancing or other transaction (such redemption, a "*Special Mandatory Redemption"*), (b) the escrow of all or a portion of the proceeds of such Additional Notes and the granting of Liens described in clause (8) of the definition of "*Permitted Liens*" in favor of the Trustee or a security agent solely for the benefit of the holders of such Additional Notes (and not, for the avoidance of doubt, for the benefit of the holders of any other Notes, including Notes of the same series as such Additional Notes), together with all necessary authorizations for the Trustee or such security agent to enter into such arrangements. In addition, such officer's certificate may include provisions pursuant to which such Additional Notes are issued bearing a temporary CUSIP, ISIN or common code pending the satisfaction of certain conditions, such as the consummation of an acquisition, investment, refinancing or other transaction, and such Additional Notes bearing a temporary CUSIP, ISIN or common code may be automatically exchanged for new Additional Notes bearing the same CUSIP, ISIN or common code as the existing Notes with respect to which such Additional Notes were issued; *provided* that such Additional Notes are fungible with the series of Notes with respect to which such Additional Notes were issued on the relevant issue date for U.S. federal income tax purposes (to the extent fungibility for U.S. federal income tax purposes is relevant). Additional Notes may be designated to be of the same series as any other series of Notes, including any series of Notes initially issued on the Issue Date, but only if they have terms substantially identical in all material respects to such other series, and shall be deemed to form one series with other series (including, if applicable, such Notes) (it being understood that (i) any Additional Notes that are substantially identical in all material respects to any other series of Notes but for being subject to any escrow arrangements or a Special Mandatory Redemption shall be deemed to be substantially identical to such series of Notes only following the release from such escrow arrangements or the expiration of any provisions relating to such Special Mandatory Redemption, as applicable and (ii) any Additional Notes that are substantially identical in all material respects to any other series of Notes but for the date of issuance, the first interest payment date and the date from which interest thereon will begin to accrue shall be deemed to be substantially identical to such series of Notes).

Unless the context otherwise requires, in this "*Description of the Notes*," references to the "*Notes*" include any Additional Notes that are actually issued and references to each series of Notes include any Additional Notes of the same series that are issued. The Notes and any Additional Notes will be treated, along with all other series of Notes, as a single class for all purposes of the Indenture, including, without limitation, certain waivers, amendments, redemptions and offers to purchase, except as otherwise provided for in the Indenture.

Subject to the terms applicable to Additional Notes set forth in the preceding paragraphs, the Company will issue the Dollar Notes in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof and the Euro Notes in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The 2029 Dollar Notes will mature on July 8, 2029 and the 2031 Dollar Notes will mature on July 8, 2031. The 2029 Euro Notes will mature on January 8, 2029 and the 2032 Euro Notes will mature on July 8, 2032.

Interest on the 2029 Dollar Notes will accrue at the rate of 6.750% per annum, interest on the 2031 Dollar Notes will accrue at the rate of 7.000% per annum, interest on the 2029 Euro Notes will accrue at the rate of 5.375% per annum and interest on the 2032 Euro Notes will accrue at the rate of 5.750% per annum and, in each case, will be payable semi-annually in arrears on January 8 and July 8 in each year, commencing on January 8, 2025.

The Company will make each interest payment, to the extent that Notes are represented by Global Notes, to the holders of record of the Notes at the close of business (in the relevant clearing system) on the Clearing System Business Day immediately before the due date for such payment. Interest on the Notes will accrue from the date of original issuance or, if interest has already been paid, from the date it was most recently paid. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period shall end on (but not include) the relevant payment date. The rights of holders to receive the payments of interest on the Notes are subject to applicable procedures of Euroclear and Clearstream.

Methods of Receiving Payments on the Notes

The Notes will be issued in the form of one or more registered notes in global form (the "*Global Notes*"). Principal, interest and premium, if any, and Additional Amounts, if any, on the Global Notes will be payable by a wire transfer of immediately available funds to the account specified by the common depositary for Euroclear and/or Clearstream or its nominee.

If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Paying Agent, Registrar and Transfer Agent for the Notes

The Company will maintain one or more paying agents (each, a "*Paying Agent*") for the Notes in the City of London. The Bank of New York Mellon, London Branch will initially act as Paying Agent in London.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that a Global Note is exchanged for definitive notes in registered form ("*Definitive Registered Notes*"), the Company will appoint and maintain a paying agent in Singapore, and an announcement of such exchange shall be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Registered Notes and the details of the paying agent in Singapore.

The Bank of New York Mellon SA/NV, Dublin Branch will initially act as Registrar (the "*Registrar*").

The Bank of New York Mellon SA/NV, Dublin Branch will initially act as a transfer agent. The Company may change the Paying Agent, the Transfer Agent or the Registrar without prior notice to the holders of the Notes, and the Company or any of its Subsidiaries may act as paying agent, transfer agent or registrar.

Transfer and Exchange

A holder may transfer or exchange Notes in accordance with the provisions of the Indenture. The Registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents in connection with a transfer of Notes. Holders of the Notes will be required to pay all taxes due on transfer. Neither the Registrar, Transfer Agent nor the Company will be required to register the transfer or exchange of any Notes:

- during a period beginning at the opening of business on the Clearing System Business Day (to the extent that Notes are represented by Global Notes) or at the opening business on the 15th day (to the extent that Notes are represented by Definitive Registered Notes) prior to (i) the day fixed for the redemption of the Notes or (ii) the day fixed for selection of Notes to be redeemed in part, and ending at the close of business on the day of such redemption or selection;

- selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part;
- between a record date and the next succeeding interest payment date; or
- that the registered holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer.

During the 40-day "distribution compliance period" (as such term is defined in Rule 902 of Regulation S under the U.S. Securities Act), book-entry interests in the Notes may be transferred only to non-U.S. persons as defined under Regulation S.

For further discussion of the requirements (including the presentation of transfer certificates) under the Indenture to effect exchanges or transfer of interests in Global Notes, see "*Book-Entry, Delivery and Form*."

Additional Amounts

All payments made by or on behalf of the Company under or with respect to the Notes (whether or not in the form of Definitive Registered Notes) or any Note Guarantor with respect to its Note Guarantee will be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes unless the withholding or deduction of such Taxes is then required by law. If any withholding, deduction or imposition for, or on account of, any Taxes imposed or levied by or on behalf of any jurisdiction in which the Company or Note Guarantor (including any Successor Entity), is then incorporated, engaged in business or resident for tax purposes, or any political subdivision thereof or therein or any jurisdiction from or through which payment is made (each, a "*Tax Jurisdiction*"), will at any time be required to be made from any payments made by or on behalf of the Company under or with respect to the Notes or any Note Guarantor with respect to any Note Guarantee, including payments of principal, redemption price, purchase price, interest or premium, the Company or any Note Guarantor, as applicable, will pay such additional amounts (the "*Additional Amounts*") as may be necessary in order that the net amounts received in respect of such payments (including Additional Amounts) after such withholding, deduction, or imposition will equal the respective amounts that would have been received in respect of such payments in the absence of such withholding, deduction or imposition; *provided, however*, that no Additional Amounts will be payable with respect to:

(1) any Taxes that would not have been imposed but for the holder or beneficial owner of the Notes being a citizen, resident or national of, incorporated in or carrying on a business, in the relevant Tax Jurisdiction in which such Taxes are imposed, other than by the mere holding of such Note, enforcement of rights thereunder, the receipt of payments in respect thereof or any other connection with respect to the Notes;

(2) any Taxes imposed or withheld as a result of the failure of the holder or beneficial owner of the Notes to comply with any written request, made to the relevant holder in writing at least 90 days before any such withholding or deduction would be payable, by the Company or a Note Guarantor to provide timely or accurate information concerning the nationality, residence or identity of such holder or beneficial owner or to make any valid or timely declaration or similar claim or satisfy any certification information or other reporting requirement applicable to such holder or beneficial owner (to the extent such holder or beneficial owner is legally eligible to do so), which is required or imposed by a statute, treaty, regulation or administrative practice of the relevant Tax Jurisdiction as a precondition to exemption from all or part of such Taxes;

(3) any Note presented for payment (where Notes are in the form of Definitive Registered Notes and presentation is required) more than 30 days after the relevant payment is first made available for payment to the holder (except to the extent that the holder would have been entitled to Additional Amounts had the Note been presented on the last day of such 30 day period);

(4) any estate, inheritance, gift, sale, transfer, personal property or similar tax or assessment;

(5) any Note presented for payment by or on behalf of a holder who is an individual non-resident of Japan or a non-Japanese corporation and is liable for such Taxes in respect of such Notes by reason of its (a) having some connection with Japan, other than the mere holding of such Notes, enforcement of rights thereunder, the receipt of payments in respect thereof or any other connection with respect to the Notes or (b) being a Specially-Related Person of the Company);

(6) any Note presented for payment by or on behalf of a holder of the Notes who would otherwise be exempt from any such withholding or deduction but who fails to comply with any applicable requirement to provide certain information prescribed by the Special Taxation Measures Act to

enable a participant of a depositary or financial intermediary through which the Notes are held (a "*Participant*") to establish that such beneficial owner is exempted from the requirement for Japanese taxes to be withheld or deducted (the "*Interest Recipient Information*");

(7) any Note presented for payment by or on behalf of a holder of the Notes who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation (except for (a) a designated Japanese financial institution within certain categories as prescribed by the Special Taxation Measures Act (a "*Designated Financial Institution*"), which complies with the requirement to provide Interest Recipient Information or to submit a written application for tax exemption and (b) an individual resident of Japan or a Japanese corporation that duly notifies (directly or through the Participant or otherwise) the Paying Agent of its status as exempt from Taxes to be withheld or deducted by the Company by reason of such individual resident of Japan or Japanese corporation receiving interest on the Notes through a payment handling agent in Japan appointed by it);

(8) any Taxes that are imposed under FATCA; or

(9) any combination of items (1) through (8) above.

In addition to the foregoing, the Company and each Note Guarantor (including any Successor Entities thereof) will also pay and indemnify the holder for any present or future stamp, issue, registration, court or documentary Taxes, or any other excise or property Taxes, charges or similar levies or Taxes which are levied by any Tax Jurisdiction on the execution, delivery, registration or enforcement of any of the Notes, the Indenture, any Note Guarantee, or any other document or instrument referred to therein.

If the Company or any Note Guarantor becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any Note Guarantee, the Company or the relevant Note Guarantor, as the case may be, will deliver to the Trustee, copied to the Paying Agent, on a date at least 30 days prior to the date of payment (unless the obligation to pay Additional Amounts arises after the 30th day prior to that payment date, in which case the Company or the relevant Note Guarantor, as the case may be, shall notify the Trustee promptly thereafter) an officers' certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The officers' certificate must also set forth any other information reasonably necessary to enable the Paying Agent to pay Additional Amounts to holders of the Notes on the relevant payment date. The Company or the relevant Note Guarantor, as the case may be, will provide the Trustee with documentation reasonably satisfactory to the Trustee evidencing the payment of Additional Amounts. The Trustee will be entitled to rely solely on such officers' certificate as conclusive proof that such payments are necessary.

The Company or the relevant Note Guarantor, as the case may be, will make all withholdings and deductions required by law and will remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Company or the relevant Note Guarantor, as the case may be, will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Company or the relevant Note Guarantor, as the case may be, will furnish to the holders of the Notes, within 60 days after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Company or the relevant Note Guarantor, as the case may be, or if, notwithstanding the Company's or the relevant Note Guarantor's efforts to obtain receipts, receipts are not obtained, other evidence of payments by the Company or the relevant Note Guarantor, as the case may be.

Whenever the Indenture or this "*Description of the Notes*" mentions the payment of amounts based on the principal amount, interest of any other amount payable under, or with respect to, any of the Notes, such mention shall be deemed to include the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligation will survive any termination, defeasance or discharge of the Indenture, any transfer by a holder or beneficial owner of its Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any Successor Entity is organized or resident (or deemed resident) for tax purposes.

Where the Notes are held through a Participant, in order to receive payments free of withholding or deduction by the Company for, or on account of Taxes, if the relevant holder is, in accordance with the Special Taxation Measures Act, (A) an individual non-resident of Japan or a non-Japanese corporation (other than a Specially-Related Person of the Company) or (B) a Designated Financial Institution, such holder shall, at the time of entrusting a Participant with the custody of the Notes, provide the Interest Recipient Information and advise the Participant if the holder of the Notes ceases to be so exempted (including the case where the holder who is an individual non-resident of Japan or a non-Japanese corporation becomes a Specially-Related Person of the Company).

Where the Notes are not held by a Participant, in order to receive payments free of withholding or deduction by the Company for, or on account of, Taxes, if the relevant holder is (A) an individual non-resident of Japan or a non-Japanese corporation (other than a Specially-Related Person of the Company) or (B) a Designated Financial Institution, such holder shall, prior to each time on which it receives interest, submit to the Paying Agent a written application for tax exemption in a form obtainable from the Paying Agent stating the name and address of the holder of the Notes, the title of the Notes, the relevant interest payment date, the amount of interest and the fact that the holder is qualified to submit the written application for tax exemption, together with documentary evidence regarding its identity and residence. If the relevant beneficial owner of Notes provides the Paying Agent with the information required to be stated in a written application for tax exemption in an electronic form prescribed by the Special Taxation Measures Act, such beneficial owner of such Notes will be deemed to have submitted a Written Application for Tax Exemption to the Paying Agent.

Redemption for Changes in Taxes

The Company or any Note Guarantor may redeem any series of Notes, in whole but not in part, at any time upon giving not less than 30 nor more than 60 days' prior notice to the holders of such series of Notes (which notice will be irrevocable and given in accordance with the procedures described in "*—Selection and Notice*") and the Trustee, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Company for redemption (a "*Tax Redemption Date*") and all Additional Amounts (if any) then due and that will become due on the Tax Redemption Date as a result of the redemption or otherwise (subject to the right of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date and Additional Amounts (if any) in respect thereof), if on the next date on which any amount would be payable in respect of the Notes, the Company has or would be required to pay Additional Amounts, and the Company cannot avoid any such payment obligation by taking reasonable measures available to it (including by changing the jurisdiction of the Paying Agent), as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the relevant Tax Jurisdiction affecting taxation which change or amendment has not been publicly announced as formally proposed before and which becomes effective on or after the date of the Indenture (or, if the relevant Tax Jurisdiction has changed since the date of the Indenture, the date on which the then current Tax Jurisdiction became the applicable Tax Jurisdiction under the Indenture); or

(2) any change in, or amendment to, the existing official position or the introduction of an official position regarding the application, administration or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published practice), which change, amendment, application or interpretation has not been publicly announced as formally proposed before and becomes effective on or after the date of the Indenture (or, if the relevant Tax Jurisdiction has changed since the date of the Indenture, the date on which the then current Tax Jurisdiction became the applicable Tax Jurisdiction under the Indenture).

The Company or such Note Guarantor will not give any such notice of redemption earlier than 90 days prior to the earliest date on which the Company would be obligated to make such payment or withholding if a payment in respect of such Notes were then due. Notwithstanding the foregoing, neither the Company nor the Note Guarantors may redeem any series of Notes under this provision if the relevant Tax Jurisdiction changes under the Indenture and the Company is obligated to pay any Additional Amounts with respect to such Notes as a result of a change in, or an amendment to, the laws (or any regulations or rulings promulgated thereunder), or any change in or amendment to, any official position regarding the application, administration or interpretation of such laws, regulations or rules, of the then current Tax Jurisdiction which, at the time such Tax Jurisdiction became the applicable Tax Jurisdiction under the Indenture, was publicly announced as formally proposed.

Prior to the publication or, where relevant, mailing of any notice of redemption of any series of Notes pursuant to the foregoing, the Company will deliver to the Trustee an officers' certificate and opinion of counsel to the effect that there has been such change or amendment which would entitle the Company or such Note Guarantor to redeem such Notes hereunder and the Company cannot avoid any obligation to pay Additional Amounts by taking reasonable measures available to it. The Trustee will accept such officers' certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on holders of the Notes.

Optional Redemption

At any time prior to the date that is 90 days prior to the final maturity date of the Notes of any series, the Company or any Note Guarantor may on any one or more occasions redeem all or a part of such series of Notes, upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed, *plus* the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of holders of such Notes on the relevant record date to receive interest due on the relevant interest payment date.

At any time on or after the date that is 90 days prior to the final maturity date of the Notes of any series, the Company or any Note Guarantor may on any one or more occasions redeem all or a part of the Notes of such series, upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Notes redeemed, *plus* accrued and unpaid interest and Additional Amounts, if any, to the date of redemption, subject to the rights of holders of such Notes on the relevant record date to receive interest due on the relevant interest payment date.

Except pursuant to the two preceding paragraphs, as set forth above under "*—Redemption for Changes in Taxes*" or as set forth in the ninth paragraph under "*—Repurchase at the Option of Holders upon a Change of Control Triggering Event*," the Notes will not be redeemable at the Company's option prior their final maturity date.

Subject to the terms of the applicable redemption notice, Notes called for redemption become due on the date fixed for redemption. Unless the Company or the relevant Note Guarantor defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

The Company and its Subsidiaries shall also be entitled at their option, at any time and from time to time, to purchase the Notes or derivative instruments related thereto in privately negotiated or open market transactions, by tender offer or otherwise.

Tender Offers

In connection with any tender offer for any series of Notes (including, without limitation, any Change of Control Offer), if holders of the Notes of such series of not less than 90% in aggregate principal amount of the outstanding Notes of such series validly tender and do not withdraw such Notes in such tender offer and the Company, or any third party making such a tender offer in lieu of the Company, purchases all of the Notes of such series validly tendered and not withdrawn by such holders, all of the holders of the Notes of such series will be deemed to have consented to such tender or other offer. Accordingly, the Company or such third party will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such tender offer expiration date, to redeem the Notes of such series that remain outstanding in whole, but not in part (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), following such purchase at a price equal to the price (excluding any early tender fee) offered to each other holder of Notes in such tender offer, *plus*, to the extent not included in the tender offer payment, accrued and unpaid interest and Additional Amounts, if any, thereon, to, but excluding, such redemption date. In determining whether the holders of at least 90% of the aggregate principal amount of the then outstanding Notes of any series have validly tendered and not validly withdrawn such Notes in a tender offer, Notes owned by the Company or its Affiliates or by funds controlled or managed by any Affiliate of the Company, or any successor thereof, shall be deemed to be outstanding for the purposes of such tender offer and, if owned by the Company, to have been validly tendered therein and not withdrawn.

Selection and Notice

If less than all of the Notes (or any series of Notes) are to be redeemed, the Notes will be selected for redemption as follows: (i) if the Notes are listed on any securities exchange and/or being held through the clearing systems, in compliance with the requirements of the securities exchange on which the Notes are then listed, and/or the requirements or relevant procedures of the clearing systems, as applicable; or (ii) if the Notes are not listed on any securities exchange and/or held through the clearing systems, on a *pro rata* basis or by lot or such other method as the Trustee may determine in its sole and absolute discretion, unless otherwise required by law.

No Dollar Note in the principal amount of $200,000 or less and no Euro Note in the principal amount of €100,000 or less can be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Note, a new Definitive Registered Note in principal amount equal to the unredeemed portion of any Definitive Registered Note redeemed in part will be issued in the name of the holder thereof upon cancellation of the original Definitive Registered Note. In the case of a Global Note, redemption will be effected in accordance with the procedures of the relevant clearing system (including by application of a pool factor) or an appropriate notation will be made on such Global Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof.

Any redemption and notice of redemption of Notes may, at the Company's discretion, be subject to the satisfaction of one or more conditions precedent (including, without limitation, the incurrence of Indebtedness the proceeds of which will be used to redeem the Notes). In addition, if such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice may state that, at the Company's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed; *provided* that in no case shall the notice have been delivered less than 10 days or more than 60 days prior to the date on which such redemption (if any) occurs, except that the redemption notice may be delivered more than 60 days prior to the redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture.

If requested in writing by the Company, which request may be included in the applicable notice of redemption, the Trustee or the Paying Agent (or such other entity directed, designated or appointed (as agent) by the Trustee, for this purpose) shall distribute any amounts deposited with the Trustee or the Paying Agent (or such other entity directed, designated or appointed (as agent) by the Trustee, for this purpose) to the holders prior to the applicable redemption date, *provided, however*, that holders shall have received at least three Business Days' notice from the Company of such earlier repayment (which may be included in the notice of redemption). For the avoidance of doubt, the distribution and payment to holders prior to the applicable redemption date as set forth above will not include any negative interest, present value adjustment, break costs or any other premium on such amounts. To the extent the Notes are represented by a Global Note deposited with a common depositary for a clearing system, any payment to the beneficial holders holding Book-Entry Interests as participants of such clearing system will be subject to the then applicable procedures of such clearing system.

Mandatory Redemption

The Company is not required to make mandatory redemption or sinking fund payments with respect to the Notes.

Repurchase at the Option of Holders upon a Change of Control Triggering Event

If a Change of Control Triggering Event occurs, each holder of Notes will have the right to require the Company to repurchase all or any part (in case of Dollar Notes, equal to $200,000 or an integral multiple of $1,000 in excess thereof and in case of Euro Notes, equal to €100,000 or an integral multiple of €1,000 in excess thereof) of that holder's Notes pursuant to an offer described below (the "*Change of Control Offer*") and on the terms set forth in the Indenture. In the Change of Control Offer, the Company will offer a payment (the "*Change of Control Payment*") in cash equal to 100% of the aggregate principal amount of Notes repurchased, *plus* accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased to the date of purchase, subject to the rights of holders of the Notes on the relevant record date to receive interest due on the relevant interest payment date.

Within 30 days following any Change of Control Triggering Event, the Company will provide notice to the Trustee and each holder describing the events that constitute the Change of Control Triggering Event and offering to repurchase Notes on a date (the "*Change of Control Payment Date*") specified in the notice, which date will be no earlier than 10 days and no later than 60 days from the date such notice is given, pursuant to the procedures required by the Indenture and described in such notice. The Trustee and the Agents shall not be obliged to take any steps to ascertain whether a Change of Control has occurred or to monitor the occurrence of any Change of Control, and shall not be liable to the holders of the Notes or any other person for not doing so.

The Company will comply with the requirements of relevant securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of such compliance.

On the Change of Control Payment Date, the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent or a tender agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee an officer's certificate stating the aggregate principal amount of Notes or portions of the Notes being purchased by the Company in the Change of Control Offer;

(4) in the case of Global Notes, unless notation of the purchase of Notes is to be effected in accordance with the procedures of the relevant clearing system, deliver, or cause to be delivered, to the Paying Agent the Global Notes, in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Company; and

(5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the relevant Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Company.

If any Definitive Registered Notes have been issued, the Paying Agent or the tender agent will promptly pay to each holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee (or an authenticating agent) will, at the cost of the Company, promptly authenticate and mail (or cause to be transferred by book-entry) to each holder of Definitive Registered Notes a new Definitive Registered Note equal in principal amount to the unpurchased portion of the Notes surrendered, if any.

The provisions described above that require the Company to make a Change of Control Offer following a Change of Control Triggering Event will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the holders of the Notes to require that the Company repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Company will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if (1) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) notice of redemption has been given pursuant to the Indenture as described above under the caption "*—Redemption for Changes in Taxes*" or "*—Optional Redemption*," unless and until there is a default in payment of the applicable redemption price.

Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.

The agreements governing the Company's other Indebtedness contain, and future agreements may contain, prohibitions of certain events, including events that would constitute a Change of Control. The exercise by the holders of the Notes of their right to require the Company to repurchase the Notes upon a Change of Control could cause a default under these other agreements, even if the Change of Control itself does not, due to the financial effect of such repurchases on the Company. In the event a Change of Control occurs at a time when the Company is prohibited from purchasing Notes, the Company could seek the consent of its other lenders to the purchase of Notes or could attempt to refinance the borrowings that contain such prohibition. If the Company does not obtain a consent or repay those borrowings, the Company will remain prohibited from purchasing Notes. In that case, the Company's failure to purchase tendered Notes would constitute an Event of Default under the Indenture which could, in turn, constitute a default under the other indebtedness. Furthermore, the Company's ability to pay cash to the holders of the Notes upon a repurchase may be limited by the Company's then existing financial resources. See "*Risk Factors—Risks Relating to the Notes—We may not have sufficient funds to repurchase the Notes upon a Change of Control Triggering Event and certain strategic transactions, including sale of our assets, may not constitute a Change of Control Triggering Event*."

Certain Covenants

Negative Pledge

None of the Company or any Note Guarantor will create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing any Relevant Indebtedness upon any of its property or assets, now owned or hereafter acquired (an "*Initial Lien*"), unless:

(1) all payments due under the Notes or the relevant Note Guarantees, as applicable, are secured on an equal and ratable basis with the obligations so secured until such time as such obligations are no longer so secured; or

(2) such Initial Lien is a Permitted Lien.

Any Lien created for the benefit of the holders of the Notes pursuant to the preceding paragraph shall be automatically and unconditionally released and discharged under any one or more of the following circumstances:

(a) upon the release and discharge of the Initial Lien to which it relates;

(b) upon full and final payment of the Notes and performance of all obligations of the Company and any Note Guarantors under the Indenture and the Notes, as provided under "*—Satisfaction and Discharge*";

(c) upon a Note Guarantor that has granted such Liens becoming a Non-Guarantor Subsidiary or any Note Guarantee provided by such Note Guarantor being otherwise discharged or terminated, in either case pursuant to the terms of the Indenture;

(d) upon the sale or other disposition of the assets which are subject to such Liens (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction), the Company or an Affiliate of the Company;

(e) upon legal or covenant defeasance in accordance with the provisions described under "*—Legal Defeasance and Covenant Defeasance*"; or

(f) as described under the caption "*—Amendment, Supplement and Waiver.*"

Upon any occurrence giving rise to a release and discharge of a Lien created for the benefit of the holders of the Notes pursuant to this covenant, as specified in this paragraph, the Trustee, subject to receipt of an officers' certificate and an opinion of counsel certifying that the event or circumstance in question has occurred and such release of Lien complies with the Indenture and all conditions precedent to the release of such Liens have been satisfied, will execute any documents reasonably requested by the Company in order to evidence or effect such release and discharge in respect of such Lien.

Subsidiary Guarantees of Indebtedness

The Company will not permit any of its Non-Guarantor Subsidiaries, directly or indirectly, to Guarantee any Indebtedness of the Company or a Note Guarantor unless such Non-Guarantor Subsidiary simultaneously executes and delivers a supplemental indenture providing for a Note Guarantee by such Subsidiary, which Note Guarantee will be senior to or pari passu with such Subsidiary's Guarantee of such other Indebtedness.

Notwithstanding the foregoing, the Company shall not be obligated to cause such Subsidiary to Guarantee the Notes to the extent that such Note Guarantee by such Subsidiary would give rise to or result in a violation of applicable law or any liability for the officers, directors or shareholders of such Subsidiary which, in any case, cannot be prevented or otherwise avoided through measures available to the Company or such Subsidiary.

Automatic Release of Note Guarantees

The Note Guarantee of any Note Guarantor will automatically and unconditionally be released:

(1) in connection with any sale or other disposition of all of the Capital Stock of such Note Guarantor to a Person that is not (either before or after giving effect to such transaction) the Company or another Subsidiary of the Company;

(2) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "*—Legal Defeasance and Covenant Defeasance*" and "*—Satisfaction and Discharge*;" or

(3) as a result of a transaction permitted by "*—Merger or Consolidation*."

Optional Release of Note Guarantees

Except as provided below, the Company may at any time unconditionally release the Note Guarantee of any Note Guarantor, if:

(1) such release will not cause or result in a Default or an Event of Default; and

(2) (i) immediately after such release, such Note Guarantor will no longer Guarantee any Indebtedness of the Company or a Note Guarantor or (ii) the Company delivers to the Trustee an officers' certificate stating (a) that such Note Guarantor's Guarantee of any Existing Senior Notes outstanding at such time will be released in accordance with the relevant Existing Senior Notes Indentures substantially concurrently with the release of its Note Guarantee and (b) that, upon the release of such Note Guarantor's Guarantee of any outstanding Existing Senior Notes and the Note Guarantee, such Note Guarantor will no longer Guarantee any Indebtedness of the Company or any Note Guarantor.

Merger or Consolidation

The Company

The Company will not, directly or indirectly consolidate or merge with or into another Person (whether or not the Company is the surviving Person), unless:

(1) either: (a) the Company is the surviving Person; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Company) is a corporation organized and existing under the laws of Japan, any jurisdiction which is at the Issue Date or at any time thereafter a member state of the European Union, the United Kingdom, Switzerland, the United States, any state of the United States or the District of Columbia, Singapore, the Cayman Islands, Jersey, Guernsey, Hong Kong, Canada or the British Virgin Islands;

(2) the Person formed by or surviving any such consolidation or merger (if other than the Company) assumes all the obligations of the Company under the Notes and the Indenture (pursuant to a supplemental indenture) and under any security documents providing for Liens for the benefit of holders of the Notes in accordance with the covenant described under "—*Negative Pledge*" (pursuant to customary agreements reasonably satisfactory to the Trustee);

(3) immediately after such transaction, no Default or Event of Default exists; and

(4) the Company shall have delivered to the Trustee an officers' certificate and an opinion of counsel, each to the effect that such consolidation or merger and such supplemental indenture (if any) comply with the Indenture and an opinion of counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Company or the surviving Person (if other than the Company) (in each case, in form and substance reasonably satisfactory to the Trustee); *provided* that in giving an opinion of counsel, counsel may rely on an officers' certificate as to any matters of fact, including as to satisfaction of clauses (2) and (3) above, and *provided*, *further*, that no such certificate and opinion of counsel shall be required in connection with (i) the Company consolidating with or merging into any Subsidiary that is a Note Guarantor, or (ii) the Company consolidating or otherwise combining with or merging into an Affiliate incorporated or organized for the purpose of changing its legal domicile, reincorporating in another jurisdiction or changing its legal form.

Note Guarantors

A Note Guarantor may not consolidate with or merge with or into (whether or not such Note Guarantor is the surviving Person) another Subsidiary or Affiliate of the Company, other than the Company or another Note Guarantor, unless:

(1) the Person formed by or surviving any such consolidation or merger becomes a Note Guarantor under the Indenture (pursuant to a supplemental indenture) and assumes all the obligations of the Note Guarantor under any security documents providing for Liens for the benefit of holders of the Notes in accordance with the covenant described under "—Negative Pledge" (pursuant to customary agreements reasonably satisfactory to the Trustee); and

(2) immediately after giving effect to such transaction, no Default or Event of Default exists.

General

The provisions of this covenant shall not restrict (and shall not apply to): (a) any Subsidiary of the Company that is not a Note Guarantor from consolidating with, merging or liquidating into the Company, a Note Guarantor or any Non-Guarantor Subsidiary of the Company, so long as, immediately after giving effect to such transaction, no Default or Event of Default exists; (b) any Note Guarantor from liquidating into the Company or another Note Guarantor; or (c) any consolidation or merger of the Company into any Note Guarantor; *provided* that, if the Company is not the surviving Person of such consolidation or merger, the relevant Note Guarantor will assume all the obligations of the Company under the Notes and the Indenture pursuant to a supplemental indenture reasonably satisfactory to the Trustee.

Payments for Consent

The Company will not, and will not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of any series of Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is paid to all holders of such series of Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement (the "*Consenting Holders*"); *provided* that (i) the Company and its Subsidiaries will be permitted, in any such consent solicitation or liability management transaction, to exclude holders of the Notes in any jurisdiction or any category or number of holders of the Notes so long as such consideration is paid within 30 days of the closing of any such consent solicitation or liability management transaction; and (ii) the Company and its Subsidiaries may in their sole discretion furnish or cause to be furnished the same consideration, in whole or in part, to any holder of Notes other than the Consenting Holders.

Reports

So long as any Notes are outstanding, the Company will furnish to the holders of the Notes, as soon as they are available but in any event not more than 10 days after they are filed with the Tokyo Stock Exchange or any other internationally recognized exchange on which the Company's common shares are at any time listed for trading, true and correct copies of any financial or other report in the English language filed with such exchange; *provided* that if at any time the Company's common shares cease to be listed for trading on an internationally recognized stock exchange, the Company will furnish to the holders of the Notes as soon as they are available, but in any event:

(1) within 150 days after the end of each fiscal year of the Company, copies of the financial statements (on a consolidated basis and in the English language) of the Company in respect of such fiscal year (including a statement of income, balance sheet and cash flow statement) prepared in accordance with GAAP and audited by a member firm of an internationally recognized firm of independent accountants; and

(2) within 60 days after the end of the first, second and third quarters of each fiscal year of the Company, copies of the financial statements (on a consolidated basis and in the English language) of the Company in respect of such period (including a statement of income, balance sheet and cash flow statement) prepared in accordance with GAAP.

To the extent any reports are filed on the Company's website, such reports shall be deemed to have been furnished to the holders of the Notes.

Events of Default and Remedies

Each of the following is an "*Event of Default*":

(1) default for 30 days in the payment when due of interest on, or Additional Amounts with respect to, if any, the Notes;

(2) default in the payment within two Business Days after the date when such payment is due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on, the Notes;

(3) failure by the Company or Note Guarantors to comply with the provisions described under the captions "*—Repurchase at the Option of Holders upon a Change of Control Triggering Event*" or "*—Certain Covenants—Merger or Consolidation*;"

(4) failure by the Company for 60 days after notice to the Company by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the agreements in the Indenture (other than a default in performance covered under clauses (1), (2) or (3) above);

(5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any (i) Indebtedness for money borrowed by the Company or any Note Guarantor or (ii) Guarantee by the Company or any Note Guarantor of Indebtedness for money borrowed by another Person, whether such Indebtedness or Guarantee now exists, or is created after the date of the Indenture or arises under the Indenture, if that default:

(a) is caused by a failure to pay principal of, premium on, if any, or interest, if any, on, such Indebtedness or Guarantee prior to the expiration of the grace period provided in such Indebtedness or Guarantee on the date of such default (a "*Payment Default*"); or

(b) results in the acceleration prior to the Stated Maturity of such Indebtedness or of such indebtedness guaranteed by the Company or a Note Guarantor,

and, in each case, the principal amount of any such Indebtedness or principal amount in respect of such Guarantee, together with the principal amount of any other such Indebtedness and principal amount in respect of any other such Guarantee under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates ¥15 billion (or foreign currency equivalent) or more;

(6) failure by the Company or any Note Guarantor to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of ¥15 billion (or foreign currency equivalent), which judgments are not paid, discharged or stayed, for a period of 60 days;

(7) except as permitted by the Indenture, any Note Guarantee is held in any judicial proceeding to be unenforceable or invalid, in whole or in part, or ceases for any reason to be in full force and effect, or any Note Guarantor, or any Person acting on behalf of any Note Guarantor, denies or disaffirms its obligations under its Note Guarantee; or

(8) certain events of bankruptcy or insolvency described in the Indenture with respect to the Company or any Note Guarantor.

In the case of an Event of Default arising from certain events of bankruptcy or insolvency, with respect to the Company or any Note Guarantor, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing with respect to the Notes of any series (regardless of whether the same Event of Default has occurred and is continuing with respect to other series of Notes), the Trustee or the holders of at least 25% in aggregate principal amount of the then outstanding Notes of such series may declare all the Notes of such series to be due and payable immediately; *provided* that holders of at least 25% in aggregate principal amount of the then outstanding Notes (as a whole) may declare all the Notes then outstanding to be due and payable immediately.

Subject to certain limitations, holders of a majority in aggregate principal amount of the then outstanding Notes of any series may direct the Trustee in its exercise of any trust or power with respect to the Notes of such series; *provided* that, to the extent holders of a majority in aggregate principal amount of the then outstanding Notes provide directions to the Trustee as to all Notes, such directions shall prevail over directions from holders of one or more specific series of Notes that are limited to such series, to the extent of any inconsistency between or among directions. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default if it determines that withholding notice is in their interest, except a Default or Event of Default relating to the payment of principal, premium, interest or Additional Amounts, if any.

Subject to the provisions of the Indenture relating to the duties of the Trustee, in case an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any holders of the Notes unless the requisite number of holders have instructed the Trustee in writing and offered to the Trustee indemnity, security and/or prefunding satisfactory to it against any loss, liability or expense. Except to enforce the right to receive payment of principal, premium, if any, or interest, if any, when due, no holder of a Note may pursue any remedy with respect to the Indenture or the Notes of any series unless:

(1) such holder has previously given the Trustee written notice that an Event of Default is continuing;

(2) either (a) holders of at least 25% in aggregate principal amount of the then outstanding Notes of such series make a written request to the Trustee to pursue the remedy with respect to the Notes of such series or (b) holders of at least 25% in aggregate principal amount of the then outstanding Notes (as a whole) make a written request to the Trustee to pursue the remedy with respect to all Notes;

(3) such holder or holders offer to the Trustee security, indemnity and/or prefunding satisfactory to the Trustee against any loss, liability or expense;

(4) the Trustee does not comply with such request within 60 days after receipt of the request and the offer of security, indemnity and/or prefunding; and

(5) during such 60-day period, neither (a) holders of a majority in aggregate principal amount of the then outstanding Notes of such series nor (b) holders of a majority in aggregate principal amount of the then outstanding Notes (as a whole) give the Trustee a direction inconsistent with such request; *provided* that a written request under clause (a) of this paragraph shall not reverse a request made under clause (b) of the above paragraph (2).

The holders of a majority in aggregate principal amount of the then outstanding Notes of the relevant series by written notice to the Trustee may, on behalf of the holders of all of the Notes of the relevant series, rescind an acceleration or waive any existing Default or Event of Default and its consequences under the Indenture as to such series and holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may, on behalf of the holders of all of the Notes (as a whole), rescind an acceleration or waive any existing Default or Event of Default and its consequences under the Indenture as to all of the Notes then outstanding (as a whole) if, in either case, the rescission would not conflict with any judgment or decree, except a Default or Event of Default in the payment of principal of, premium on, interest on or Additional Amounts, if any, with respect to the Notes (which may only be rescinded or waived by the holders of not less than 90% in aggregate principal amount of the then outstanding Notes of the relevant series or the Notes as a whole, as applicable).

The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture. Upon becoming aware of any Default or Event of Default, the Company is required to deliver to the Trustee a statement specifying such Default or Event of Default.

The Indenture will provide that any Default or Event of Default for failure to comply with the time periods prescribed in the covenant entitled "*—Certain Covenants—Reports*" shall be deemed to be cured upon the delivery of the report required by such covenant, even though such delivery is not within the prescribed period specified in the Indenture.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Company or any Note Guarantor as such, will have any liability for any obligations of the Company or any Note Guarantor under the Notes, any Note Guarantees, the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under U.S. federal securities laws.

Legal Defeasance and Covenant Defeasance

The Company may at any time, at the option of its Board of Directors evidenced by a resolution set forth in an officers' certificate, elect to have all of its obligations discharged with respect to the outstanding Notes and the Note Guarantors' obligations discharged with respect to any Note Guarantees ("*Legal Defeasance*") except for:

(1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, premium on, interest on or Additional Amounts with respect to, if any, such Notes when such payments are due from the trust referred to below;

(2) the Company's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee under the Indenture, and the Company's and the Note Guarantors' obligations in connection therewith; and

(4) the Legal Defeasance and Covenant Defeasance provisions of the Indenture.

In addition, the Company may, at its option and at any time, elect to have its obligations or obligations of the Note Guarantors released with respect to certain covenants (including its obligation to make Change of Control Offers) that are described in the Indenture ("*Covenant Defeasance*") and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, all Events of Default described under "*—Events of Default and Remedies*" (except those relating to payments on the Notes or bankruptcy, receivership, rehabilitation or insolvency events) will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Company must irrevocably deposit with the Trustee (or its agent) or such other entity designated by the Trustee for this purpose, in trust, for the benefit of the holders of the Dollar Notes, cash in U.S. dollars, U.S. Government Obligations or a combination thereof, or, for the benefit of the holders of the Euro Notes, cash in euro, European Government Obligations or a combination thereof, in amounts as will be sufficient, in the opinion of an internationally recognized investment bank, appraisal firm or firm of independent public accountants, to pay the principal of, premium on, interest on and Additional Amounts with respect to, if any, the outstanding Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to such stated date for payment or to a particular redemption date;

(2) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit (and any similar concurrent deposit relating to other Indebtedness), and the granting of Liens to secure such borrowing);

(3) such Legal Defeasance or Covenant Defeasance will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indenture and the agreements governing any other Indebtedness being defeased, discharged or replaced) to which the Company is a party or by which the Company is bound;

(4) the Company must deliver to the Trustee an officers' certificate stating that the deposit was not made by the Company with the intent of preferring the holders of the Notes over the other creditors of the Company or the Note Guarantors with the intent of defeating, hindering, delaying or defrauding any creditors of the Company, the Note Guarantors or others; and

(5) the Company must deliver to the Trustee an officers' certificate and an opinion of counsel, each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture, the Notes or any Note Guarantees may be amended or supplemented with the consent of the holders of at least a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes), and any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium on, interest on or Additional Amounts with respect to, if any, the Notes, except a Payment Default resulting from an acceleration that has been rescinded) or compliance with any provision of the Indenture, the Notes or any Note Guarantees may be waived with the consent of the holders of a majority in aggregate principal amount of the then outstanding Notes (including, without limitation, Additional Notes, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes); *provided* that, if any amendment, waiver or other modification only relates to the Dollar Notes or the Euro Notes or any series of Notes, then only the consent of the holders of at least a majority in principal amount of the then outstanding Dollar Notes or the Euro Notes or such series of Notes (including, without limitation, any applicable Additional Notes), and not the consent of at least a majority of all Notes then outstanding, shall be required.

Without the consent of (i) holders of Notes holding not less than 90% of the then outstanding aggregate principal amount of Notes, or, (ii) if the amendment, supplement or waiver only relates to the Dollar Notes or the Euro Notes or any other series of Notes, then holders of Dollar Notes or Euro Notes or such other series of Notes holding not less than 90% of the then outstanding aggregate principal amount of the Dollar Notes or the Euro Notes or such other series of Notes (as applicable), an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting holder):

(1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver;

(2) reduce the principal of or change the fixed maturity of any Note or alter or waive any of the provisions with respect to the redemption of the Notes (except those provisions relating to the covenant described above under the caption "*—Repurchase at the Option of Holders upon a Change of Control Triggering Event*");

(3) reduce the rate of or change the time for payment of interest, including default interest, on any Note;

(4) waive a Default or Event of Default in the payment of principal of, premium on, interest on or Additional Amounts with respect to, if any, the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the then outstanding Notes and a waiver of the Payment Default that resulted from such acceleration);

(5) make any Note payable in money other than that stated in the Notes;

(6) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of the Notes to receive payments of principal of, premium on, interest on or Additional Amounts with respect to, if any, the Notes;

(7) waive a redemption payment with respect to any Note (other than a payment required by the covenant described above under the caption "*—Repurchase at the Option of Holders upon a Change of Control Triggering Event*");

(8) release any Note Guarantor from any of its obligations under its Note Guarantee or the Indenture, except in accordance with the terms of the Indenture; or

(9) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without the consent of any holder of Notes, the Company, the relevant Note Guarantor and the Trustee may amend or supplement the Indenture, the Notes or any Note Guarantees:

(1) to cure any ambiguity, manifest error, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of Definitive Registered Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the United States Internal Revenue Code of 1986, as amended);

(3) to provide for the assumption of the Company's or a Note Guarantor's obligations to holders of the Notes and Note Guarantees in the case of a merger or consolidation;

(4) to make any change that would provide any additional rights or benefits to the holders of the Notes or that does not adversely affect the legal rights under the Indenture of any holder in any material respect;

(5) to conform the text of the Indenture, the Notes or any Note Guarantees to any provision of this Description of the Notes to the extent that such provision in this Description of the Notes was intended to be a verbatim recitation of a provision of the Indenture, the Notes or any Note Guarantees, which intent may be evidenced by an officers' certificate to that effect;

(6) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the date thereof;

(7) to allow any Note Guarantor to execute a supplemental indenture or a Note Guarantee with respect to the Notes;

(8) to secure the Notes;

(9) to give effect to Permitted Liens;

(10) to evidence and provide for the acceptance and appointment under the Indenture of a successor trustee pursuant to the requirements thereof;

(11) to make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as permitted by the Indenture, including, without limitation to facilitate the issuance and administration of any Notes; *provided* that (i) compliance with the Indenture as so amended would not result in Notes being transferred in violation of the U.S. Securities Act or any applicable securities law and (ii) such amendment does not materially and adversely affect the rights of holders to transfer Notes; or

(12) to effect any changes to the Indenture in a manner necessary to comply with the procedures of any applicable clearing system; *provided that*, such action shall not adversely affect the interests of the holders of the Notes in any material respect.

For purposes of determining whether the holders of the requisite principal amount of Notes have taken any action under the Indenture (other than with respect to a determination that only affects one or more series of the Euro Notes), the principal amount of Euro Notes or Notes denominated in another currency other than the U.S. Dollar shall be deemed to be the Dollar Equivalent of such principal amount of such Euro Notes or other Notes as of (a) if a record date has been set with respect to the taking of such action, such date, (b) if no such record date has been set, the date the taking of such action by the holders of such requisite principal amount is certified to the Trustee by the Company, or (c) a date selected by the Company that is within the consent delivery period or no more than five Business Days prior to the beginning of the consent delivery period, as specified by the Company in the relevant consent materials.

The Trustee shall, at the direction of the Company, sign any supplemental indenture or other documentation that gives effect to amendments, waivers or supplements authorized as described under this heading "*Amendment, Supplement and Waiver*." Except in cases where the agreement of the relevant Note Guarantor or security provider is necessary pursuant to clauses (3), (7), (8) or (9) of the second preceding paragraph is required, it shall only be necessary for the Company and the Trustee to authorize and execute a supplemental indenture or other documentation in order to effect an amendment, waiver or supplement authorized as described under this heading "*Amendment, Supplement and Waiver*." Unless otherwise specified by the Company, a waiver authorized as described under this heading "*Amendment, Supplement and Waiver*" will become effective once the requisite consent of holders has been obtained, without execution of any supplemental indenture or other documentation.

The consent of the holders of the Notes is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any holder given in connection with a tender of such holder's Notes will not be rendered invalid by such tender.

In formulating its decision on such matters, the Trustee shall be entitled to require and rely conclusively on such evidence as it deems necessary, including officers' certificates and opinions of counsel.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the Paying Agent for cancellation; or

(b) all Notes that have not been delivered to the Paying Agent for cancellation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Company or any Note Guarantor has irrevocably deposited or caused to be deposited with the Trustee (or such other entity designated by the Trustee for such purpose) as trust funds in trust solely for the benefit of the holders, cash in U.S. dollars, U.S. Government Obligations or a combination thereof, with respect to the Dollar Notes, or cash in euro, European Government Obligations or a combination thereof, with respect to the Euro Notes, and, in either case, in amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness on the Notes not delivered to the Paying Agent for cancellation for principal of, premium on, interest on or Additional Amounts with respect to, if any, the Notes to the date of maturity or redemption;

(2) in respect of clause 1(b), no Default or Event of Default has occurred and is continuing on the date of the deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and any similar deposit relating to other Indebtedness and, in each case, the granting of Liens to secure such borrowings) and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Note Guarantor is a party or by which the Company or any Note Guarantor is bound (other than with respect to the borrowing of funds to be applied concurrently to make the deposit required to effect such satisfaction and discharge and any similar concurrent deposit relating to other Indebtedness, and in each case the granting of Liens to secure such borrowings);

(3) the Company or any Note Guarantor has paid or caused to be paid all sums payable by it under the Indenture; and

(4) the Company has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Company must deliver an officers' certificate and an opinion of counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

If requested in writing by the Company, which request may be included in the applicable notice of redemption or pursuant to the applicable officer's certificate, the Trustee or the Paying Agent (or such other entity directed, designated or appointed (as agent) by the Trustee, for this purpose) shall distribute any amounts deposited to the holders prior to the applicable redemption date or maturity, as applicable, of the Notes; *provided* that holders shall have received at least three Business Days' notice from the Company of such earlier repayment (which may be included in the notice of redemption). For the avoidance of doubt, the distribution and payment to holders prior to the applicable redemption date or maturity, as applicable, of the Notes as set forth above will not include any negative interest, present value adjustment, break costs or any other premium on such amounts. To the extent the Notes are represented by a Global Note deposited with a common depositary for a clearing system, any payment to the beneficial holders holding Book-Entry Interests as participants of such clearing system will be subject to the then applicable procedures of such clearing system.

Judgment Currency

The sole currency of account and payment for all sums payable by the Company or any Note Guarantor under the Indenture with respect to Dollar Notes is U.S. dollars and with respect to Euro Notes is euro. Any payment on account of an amount that is payable in U.S. dollars or euro or any other currency, as the case may be (the "*Required Currency*"), which is made to or for the account of any holder of the Notes or the Trustee in lawful currency of any other jurisdiction (the "*Judgment Currency*"), whether as a result of any judgment or order or the enforcement thereof or the liquidation of the Company or a Note Guarantor, shall constitute a discharge of the obligations of the Company and any Note Guarantor under the Indenture, the Notes and any Note Guarantees only to the extent of the amount of the Required Currency which such holder or the Trustee, as the case may be, could purchase in the London foreign exchange markets with the amount of the Judgment Currency in accordance with normal banking procedures at the rate of exchange prevailing on the date of the receipt or recovery of the payment in the Judgment Currency (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If the amount of the Required Currency that could be so purchased is less than the amount of the Required Currency originally due to such holder or the Trustee, as the case may be, the Company and the Note Guarantors shall indemnify and hold harmless the holder or the Trustee, as the case may be, from and against all loss or damage arising out of, or as a result of, such deficiency. For the purposes of this indemnity, it will be sufficient for the holder to certify that it would have suffered a loss had an actual purchase of Required Currency been made with the amount so received in Judgment Currency on the date of receipt or recovery (or, if a purchase of Required Currency on such date had not been practicable, on the first date on which it would have been practicable). This indemnity shall constitute an obligation separate and independent from the other obligations contained in the Indenture, the Notes or any Note Guarantees, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder or the Trustee from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under the Indenture, the Notes or any Note Guarantees or under any judgment or order.

Concerning the Trustee

If the Trustee becomes a creditor of the Company or any Note Guarantor, the Indenture limits the right of the Trustee to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions; *however*, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign.

The holders of a majority in aggregate principal amount of the then outstanding Notes (as a whole) or, to the extent relating solely to such series, holders of a majority in aggregate principal amount of the then outstanding Notes of any series of Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee with respect to all the Notes (as a whole) or the Notes of such series, as the case may be, in each case subject to certain exceptions. To the extent holders of a majority in aggregate principal amount of the then outstanding Notes provide directions to the Trustee with respect to all the Notes (as a whole), such directions shall prevail over directions from holders of any specific series of Notes that are only expressed with respect to such series, to the extent of any inconsistency between or among directions. The Indenture provides that in case an Event of Default has occurred and is continuing, the

Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder has offered to the Trustee indemnity, security and/or prefunding satisfactory to it against any loss, liability or expense. The Trustee shall not be liable to any person for having acted on instruction or direction validly provided to it by holders with respect to the Indenture and the Notes.

Listing

Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. There can be no assurance that such listing will be obtained or maintained.

Governing Law, Consent to Jurisdiction and Service of Process

The Notes, any Note Guarantees and the Indenture will provide that they will be governed by, and construed in accordance with, the laws of the State of New York.

The Company and the Note Guarantors will irrevocably agree that any suit, action or proceeding arising out of, related to, or in connection with the Indenture, the Notes or any Note Guarantee may be instituted in any U.S. federal or state court located in the Borough of Manhattan in The City of New York. The Company will appoint Cogency Global Inc. as its agent for service of process in any such action or proceeding.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all defined terms used therein, as well as any other capitalized terms used herein for which no definition is provided.

"*2015 Senior Notes*" means the Company's outstanding (i) 6% USD-denominated Senior Notes due 2025; (ii) $5^1/_4$% Euro-denominated Senior Notes due 2027; (iii) $4^3/_4$% Euro-denominated Senior Notes due 2025, in each case, issued under the 2015 Senior Notes Indenture.

"*2017 Senior Notes*" means the Company's outstanding (i) $4^3/_4$% USD-denominated Senior Notes due 2024; (ii) $5^1/_8$% USD-denominated Senior Notes due 2027; (iii) $3^1/_8$% Euro-denominated Senior Notes due 2025 and (iv) 4% Euro-denominated Senior Notes due 2029, in each case, issued under the 2017 Senior Notes Indenture.

"*2018 Senior Exchange Notes*" means the Company's outstanding (i) $6^1/_4$% USD-denominated Senior Notes due 2028; and (ii) 5% Euro-denominated Senior Notes due 2028, in each case, issued under the 2018 Senior Exchange Notes Indenture.

"*2018 Senior Notes*" means the Company's outstanding (i) $6^1/_8$% USD-denominated Senior Notes due 2025; and (ii) $4^1/_2$% Euro-denominated Senior Notes due 2025, in each case, issued under the 2018 Senior Notes Indenture.

"*2021 Senior Notes*" means the Company's outstanding (i) $3^1/_8$% USD-denominated Senior Notes due 2025; (ii) 4% USD-denominated Senior Notes due 2026; (iii) $4^5/_8$% USD-denominated Senior Notes due 2028; (iv) $5^1/_4$% USD-denominated Senior Notes due 2031; (v) $2^1/_8$% Euro-denominated Senior Notes due 2024; (vi) $2^7/_8$% Euro-denominated Senior Notes due 2027; (vii) $3^3/_8$% Euro-denominated Senior Notes due 2029; and (viii) $3\frac{7}{8}$% Euro-denominated Senior Notes due 2032, in each case, issued under the 2021 Senior Notes Indenture.

"*2015 Senior Notes Indenture*" means that certain indenture, dated as of July 28, 2015 and as amended or waived from time to time, by and between, among others, the Company and SoftBank Corp., as guarantor, Deutsche Trustee Company Limited, as trustee, Deutsche Bank AG, London Branch, as principal paying agent, and Deutsche Bank Luxembourg S.A., as transfer agent and registrar.

"*2017 Senior Notes Indenture*" means that certain indenture, dated as of September 19, 2017 and as amended or waived from time to time, by and between, among others, the Company and SoftBank Corp., as guarantor, The Bank of New York Mellon, London Branch, as trustee and paying agent, and The Bank of New York Mellon SA/NV, Luxembourg Branch, as transfer agent and registrar.

"*2018 Senior Exchange Notes Indenture*" means that certain indenture, dated as of April 3, 2018 and as amended or waived from time to time, by and between, among others, the Company and SoftBank Corp., as guarantor, The Bank of New York Mellon, London Branch, as trustee and paying agent, and The Bank of New York Mellon SA/NV, Luxembourg Branch, as transfer agent and registrar.

"*2018 Senior Notes Indenture*" means that certain indenture, dated as of April 20, 2018 and as amended or waived from time to time, by and between, among others, the Company and SoftBank Corp., as guarantor, The Bank of New York Mellon, London Branch, as trustee and paying agent, and The Bank of New York Mellon SA/NV, Luxembourg Branch, as transfer agent and registrar.

"*2021 Senior Notes Indenture*" means that certain indenture, dated as of July 6, 2021 and as amended or waived from time to time, by and between, among others, the Company and The Bank of New York Mellon, London Branch, as trustee and paying agent, and The Bank of New York Mellon SA/NV, Luxembourg Branch, as transfer agent and registrar.

"*Account Currency*" means, at any time, the presentation currency used in the most recent annual financial statements reported by the Company pursuant to GAAP at such time.

"*Account Currency Equivalent*" means with respect to any Indebtedness denominated in any other currency, at any time for the determination thereof, the amount of Account Currency obtained by converting such other currency into Account Currency at the spot rate for the purchase of Account Currency with such other currency as published by Bloomberg on the date that is two Business Days prior to such determination; *provided* that, if any such Indebtedness that is denominated in a different currency is subject to a currency hedging agreement swapping principal amounts payable on such Indebtedness into Account Currency, the amount of such Indebtedness expressed in Account Currency will be adjusted to take into account the effect of such agreement.

"*Affiliate*" of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"*Applicable Dollar Note Premium*" means, with respect to any Dollar Note at any redemption date prior to its final maturity date, the excess of:

a) the present value at such redemption date of

i. the payment of principal on such Dollar Note on its final maturity date

plus

ii. all required remaining scheduled interest payments due on such Dollar Note through to its final maturity date (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date *plus* 50 basis points over

b) the principal amount of such Dollar Note on such redemption date.

For the avoidance of doubt, calculation of the Treasury Rate or the Applicable Dollar Note Premium shall not be a duty or obligation of the Trustee or any Paying Agent.

"*Applicable Euro Note Premium*" means, with respect to a Euro Note at any redemption date prior to its final maturity date, the excess of:

a) the present value at such redemption date of

i. the redemption price of such Euro Note on its final maturity date

plus

ii. all required remaining scheduled interest payments due on such Euro Note through to its final maturity date (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date *plus* 50 basis points over

b) the principal amount of such Euro Note on such redemption date.

For the avoidance of doubt, calculation of the Bund Rate or the Applicable Euro Note Premium shall not be a duty or obligation of the Trustee or any Paying Agent.

"*Applicable Premium*" means, with respect to any Dollar Note, the Applicable Dollar Note Premium and, with respect to any Euro Note, the Applicable Euro Note Premium and, with respect to any Additional Notes denominated in a different currency, the applicable premium specified in the officer's certificate supplied to the Trustee in connection with the issuance of such Additional Notes.

"*Associate*" has the meaning assigned to such term under GAAP. If the term is not defined under GAAP, "*Associate*" has the meaning assigned to the term "*equity investee*" under GAAP.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the U.S. Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation, the board of directors (or analogous governing body) of the corporation or any committee thereof duly authorized to act on behalf of such board;

(2) with respect to a partnership, the Board of Directors of the general partner of the partnership;

(3) with respect to a limited-liability company, the managing member or members or any controlling committee of managing members thereof (or analogous governing body); and

(4) with respect to any other Person, the board or committee (or analogous governing body) of such Person serving a similar function.

"*Bund Rate*" means, with respect to any redemption date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where:

(1) "*Comparable German Bund Issue*," with respect to redemption of Euro Notes of any series, means the German *Bundesanleihe* security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to the Stated Maturity of the Notes of such series, and that would be utilized at the time of selection and in accordance with customary financial practice, in pricing new issues of euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of Notes of such series and of a maturity most nearly equal to the maturity date of the Notes of such series; *provided*, *however*, that, if the period from such redemption date to the Stated Maturity of the Notes of such series, is less than one year, a fixed maturity of one year shall be used;

(2) "*Comparable German Bund Price*" means, with respect to any redemption date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Company obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(3) "*Reference German Bund Dealer*" means any dealer of German *Bundesanleihe* securities appointed by the Company; and

(4) "*Reference German Bund Dealer Quotations*" means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the Company of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany, time on the third business day in Frankfurt preceding the redemption date.

"*Business Day*" means each day that is not a Saturday, Sunday or other day on which banking institutions in London, New York or Tokyo are authorized or required by law to close; *provided* that for any payments to be made under this Indenture, such day shall also be a day on which the second generation Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments. If a payment date is not a Business Day at a place of payment, payment may be made at that place on the next succeeding day that is a Business Day, and no interest shall accrue on such payment for the intervening period.

"*Capital Stock*" means:

(1) in the case of a corporation, corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited-liability company, partnership interests (whether general or limited) or membership interests; and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

"*Change of Control*" means the occurrence of any of the following:

(1) the adoption of a plan relating to the liquidation or dissolution of the Company (other than in connection with a solvent reorganization); or

(2) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any Person (including any "person" as defined above) other than the Permitted Holders becomes the Beneficial Owner, directly or indirectly, of more than 50.0% of the Voting Stock of the Company (or its Successor Entity), measured by voting power rather than number of shares; *provided* that a transaction in which the Company becomes a Subsidiary of another Person shall not, subject to the Company surviving, constitute a Change of Control where (x) the shares of Voting Stock of the Company outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of such other Person of which the Company is a Subsidiary immediately following such transaction and (y) immediately following such transaction:

1) no Person other than the Permitted Holders or such other Person Beneficially Owns, directly or indirectly, more than 50.0% of the Voting Stock of the Company (or its Successor Entity), and

2) no Person other than the Permitted Holders Beneficially Owns, directly or indirectly, more than 50.0% of the Voting Stock of such other Person.

"*Change of Control Triggering Event*" means the occurrence of a Change of Control and, if the Notes are rated by at least one Ratings Agency, a Ratings Decline; *provided* that, for the avoidance of doubt, if the Notes are not rated by any Ratings Agency, a Change of Control Triggering Event shall mean the occurrence of a Change of Control.

"*Clearing System Business Day*" means a day on which each clearing system for which the Global Note is being held is open for business.

"*Commission*" means the U.S. Securities and Exchange Commission, as from time to time constituted, created under the U.S. Exchange Act, or if at any time after the execution of the Indenture such Commission is not existing and performing the duties now assigned to it under the U.S. Securities Act, U.S. Exchange Act and U.S. Trust Indenture Act, then the body performing such duties at such time.

"*Comparable Treasury Issue*" means, with respect to redemption of Dollar Notes of any series, the U.S. Treasury security having a maturity comparable to the Stated Maturity of the Notes of such series that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Stated Maturity of the Notes of such series.

"*Comparable Treasury Price*" means, with respect to any redemption date, if clause (ii) of the Treasury Rate is applicable, the average of three (or such lesser number as is received by the Company) Reference Treasury Dealer Quotations for such redemption date.

"*Consolidated Net Tangible Assets*" means the Company's consolidated total assets as reflected in the Company's most recent balance sheet preceding the date of determination prepared in accordance with GAAP, less total Current Liabilities and goodwill, software, customer relationships, favorable lease contracts, game titles, trademarks with finite useful lives and other similar intangible assets.

"*Continuing*" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

"*Current Liabilities*" means those items that are included in such term under GAAP and reflected as such in the Company's most recent balance sheet preceding the date of determination prepared in accordance with GAAP.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Designated Project Finance Indebtedness*" means Indebtedness incurred by a Person other than the Company or a Note Guarantor in an aggregate principal amount not to exceed $2.0 billion; *provided* that such Indebtedness (i) is incurred with respect to the ownership, acquisition, construction, development, operation and/or improvement of tangible assets related to renewable energy projects; and (ii) allows for no greater recourse to the Company or any Note Guarantor for the payment of any sum relating to such Indebtedness than would, in the good faith determination of the Company, be customary for financings of a similar nature in the jurisdiction where such assets are located.

"*Dollar Equivalent*" means with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such other currency involved in such computation into U.S. dollars at the spot rate for the purchase of U.S. dollars with such other currency as published by Bloomberg on the date that is two Business Days prior to such determination.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Escrowed Proceeds*" means the proceeds from the offering of any debt securities or other Indebtedness paid into one or more escrow accounts with an independent escrow agent substantially concurrently with the funding, drawing or incurrence of such offering or other Indebtedness, pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow accounts upon satisfaction of certain conditions or the occurrence of certain events. The term "Escrowed Proceeds" shall include any interest earned on the amounts held in escrow.

"*European Government Obligations*" means any security that is (1) a direct obligation of Ireland, Belgium, the Netherlands, France, Germany or the United Kingdom, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally guaranteed as a full faith and credit obligation by such country, which, in either case under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

"*Existing Senior Notes*" means the 2015 Senior Notes, the 2017 Senior Notes, the 2018 Senior Exchange Notes, the 2018 Senior Notes and the 2021 Senior Notes.

"*Existing Senior Notes Indentures*" means the 2015 Senior Notes Indenture, the 2017 Senior Notes Indenture, the 2018 Senior Exchange Notes Indenture, the 2018 Senior Notes Indenture and the 2021 Senior Notes Indenture.

"FATCA" means:

(1) sections 1471 to 1474 of the United States Internal Revenue Code of 1986, as amended, or any associated regulations or other official guidance;

(2) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (1) above; or

(3) any agreement pursuant to the implementation of paragraphs (1) or (2) above with the United States Internal Revenue Service, the United States government or any governmental or taxation authority in any other jurisdiction.

"*Fitch*" means Fitch Ratings Inc.

"*GAAP*" means the IFRS Accounting Standards issued by the International Accounting Standards Board and its predecessors as in effect from time to time; *provided* that the Company may (by notice to the Trustee and posting an announcement to that effect on its website) make one irrevocable election to establish that "GAAP" shall mean either (i) generally accepted accounting principles in Japan as in effect from time to time ("*JGAAP*"), or (ii) generally accepted accounting principles in the United States as in effect from time to time ("*US GAAP*"). Upon such election, references to GAAP will be construed to mean JGAAP or US GAAP for all purposes under the Indenture.

"*Guarantee*" means a guarantee by any Person (other than by endorsement of negotiable instruments for collection or deposit in the ordinary course of business), direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness of another Person (whether arising by virtue of partnership arrangements, or by agreements to keep well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise); *provided* that Permitted Liens shall not constitute Guarantees. When used as a verb, to "Guarantee" shall mean to provide a Guarantee.

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

"*Indebtedness*" means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

(1) in respect of borrowed money;

(2) evidenced by or issued in exchange for bonds, notes, debentures or similar instruments or letters of credit or reimbursement agreements in respect thereof (in the case of letters of credit, the amount of Indebtedness being equal to the aggregate amount of drawings thereunder that have not been reimbursed within 10 days);

(3) in respect of banker's acceptances, bank guarantees, surety bonds or similar instruments; or

(4) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. The amount of Indebtedness representing any Hedging Obligation will be determined by the net termination value of such agreement or arrangement giving rise to such obligation that would be payable on the date of such determination. In addition, the term "Indebtedness" includes (i) all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person), (ii) to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person and (iii) preferred stock or other equity interests providing for mandatory redemption or sinking fund or similar payments issued by any Subsidiary of the specified Person.

"*Investment Grade Rating*" means a rating equal to or greater than BBB- by S&P, BBB- by Fitch or the equivalent thereof by any other Ratings Agency or under any new ratings system if the ratings systems of any such Rating Agency shall be modified after the Issue Date, or the equivalent rating of any other Ratings Agency selected as provided in the definition of Ratings Agency herein.

"*Issue Date*" means the date as of which the Notes are issued upon completion of the offering.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, and any lease having substantially the same economic effect as any of the foregoing; *provided* that, for the avoidance of doubt, in no event will an operating lease constitute a Lien.

"*Non-Recourse Relevant Indebtedness*" means Relevant Indebtedness:

(1) of a person other than the Company or any Note Guarantor (except to the extent of Liens on assets of the Company or any Note Guarantor permitted by clause (4) of this definition),

(2) that is not Guaranteed, in whole or in part, by the Company or any Note Guarantor (except to the extent of Liens on assets of the Company or any Note Guarantor permitted by clause (4) of this definition),

(3) that is not recourse to, and does not obligate, the Company or any Note Guarantor in any way (except to the extent of Liens on assets of the Company or any Note Guarantor permitted by clause (4) of this definition), and

(4) that does not subject any property or asset of the Company or any Note Guarantor to the satisfaction thereof, directly or indirectly, contingently or otherwise, except for (i) Liens on Capital Stock of, or other Equity Interests or securities issued by, any Subsidiary that is not a Note Guarantor or any Person other than a Subsidiary, (ii) other Permitted Liens, or (iii) the ability to be converted into or exchanged for Capital Stock of, or other Equity Interests or securities issued by, any Subsidiary that is not a Note Guarantor or any Person other than a Subsidiary.

"*Note Guarantor*" means any Person that executes a Note Guarantee of the Notes after the Issue Date, in each case until (i) the Note Guarantee of such Person has been released in accordance with the provisions of the Indenture or (ii) a Successor Entity replaces such Person pursuant to the applicable provisions of the Indenture and, thereafter, shall mean such Successor Entity.

"*Permitted Holders*" means (1) Mr. Masayoshi Son, (2) any of his immediate family members and (3) any trust, corporation, partnership, limited-liability company or other entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding a majority (and controlling) interest of which consist of Mr. Masayoshi Son and/or any of his immediate family members.

"*Permitted Lien*" means:

(1) Liens on Capital Stock of, or other Equity Interests or securities issued by, any Subsidiary that is not a Note Guarantor or any Person other than a Subsidiary securing Non-Recourse Relevant Indebtedness;

(2) Liens arising or already arisen automatically by operation of law which are promptly discharged or disputed in good faith by appropriate proceedings;

(3) Liens created or outstanding in favor of the Company or any Note Guarantor;

(4) Liens with respect to (a) Relevant Indebtedness that, when taken together with the aggregate principal amount of all other outstanding Relevant Indebtedness secured by Liens incurred pursuant to this clause (4) and any Permitted Refinancing Indebtedness thereof (expressed in the Account Currency Equivalent), does not exceed 2.0% of the Company's Consolidated Net Tangible Assets and (b) any Permitted Refinancing Indebtedness of Indebtedness described under sub-clause (a) above;

(5) Liens on accounts receivables pledged, encumbered or otherwise disposed of pursuant to any receivables financing or asset-backed financing of the Company or any Note Guarantor that consists of Relevant Indebtedness and has a maturity no longer than 180 days from its funding date;

(6) Liens on tangible assets incurred for the purpose of securing Relevant Indebtedness of the Company or a Note Guarantor incurred or assumed to finance the acquisition, construction, development or improvement of tangible assets in the ordinary course of business and any Permitted Refinancing Indebtedness thereof; *provided* that any such Lien may not extend to any assets or property of the Company or any Note Guarantor other than the tangible assets acquired, improved, developed or constructed with the proceeds of such Relevant Indebtedness and any improvements or accessions to such tangible assets;

(7) Liens on Capital Stock of, or other Equity Interests or securities issued by, any Person that incurs Project Finance Indebtedness or Designated Project Finance Indebtedness, and shareholder loans made to such Person, securing such Project Finance Indebtedness or such Designated Project Finance Indebtedness, as applicable; *provided* that such Person has been established specifically for the purpose of ownership, acquisition, construction, development, operation and/or improvement of the relevant tangible assets and such Person owns no other significant assets and carries on no other business; or

(8) Liens on (a) Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or (b) on cash set aside at the time of the incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in escrow accounts or similar arrangement to be applied for such purpose.

"*Permitted Refinancing Indebtedness*" means any Indebtedness (including Guarantees) of the Company or any Note Guarantor issued in exchange or replacement for, or the net proceeds of which are used to renew, refund, refinance, defease or discharge other Indebtedness of the Company or any Note Guarantor (other than intercompany Indebtedness); *provided* that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged (*plus* all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);

(2) any Permitted Liens securing such Permitted Refinancing Indebtedness are limited to all or part of the same property and assets that were subject to Permitted Liens securing the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged (*plus* improvements and accessions to such property or proceeds or distributions thereof);

(3) such Indebtedness is incurred either by the Company or by any Note Guarantor who is the obligor on the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged; and

(4) if the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged is Relevant Indebtedness, such Permitted Refinancing Indebtedness is also Relevant Indebtedness.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited-liability company or government or other entity.

"*Project Finance Indebtedness*" means Indebtedness incurred by any Person (a "*Debtor*") other than the Company or a Note Guarantor for the purpose of financing the ownership, acquisition, construction, development, operation and/or improvement of tangible assets in respect of which the creditors have no recourse whatsoever for the payment of any sum relating to such Indebtedness other than:

(1) recourse to such Debtor or any Subsidiary of such Debtor for amounts limited to such assets and/or the cash flows from such assets;

(2) recourse to such Debtor generally, or to the Company or any Subsidiary of the Company or any joint venture in which the Company or any its Subsidiaries participate (as applicable, the "*Sponsor*"), which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specific way) for breach of an obligation, representation or warranty (not being a payment obligation, representation or warranty or an obligation to procure payment by another, to comply or to procure compliance by another with any financial ratios or other test of financial condition only) by such Debtor or Sponsor or for gross negligence, willful misconduct or fraud by such Debtor or Sponsor or similar cause on such Debtor's or Sponsor's side;

(3) if such Debtor has been established specifically for the purpose of constructing, developing, owning and/or operating the relevant asset and such debtor owns no other significant assets and carries on no other business, recourse to all or any part of the assets and undertakings of such Debtor and the shares in the capital of such Debtor and shareholder loans made to such Debtor;

(4) recourse to the Sponsor pursuant to any form of assurance, undertaking or support, including a keepwell agreement or comfort letter or agreement (including a sponsor support agreement or a *keiei shido nensho*), entered into in respect of such Project Finance Indebtedness (a "*Sponsor Support Agreement*"); *provided* that such Sponsor Support Agreement (i) does not expressly provide for legal recourse to the Company or the Note Guarantors beyond seeking specific performance or damages in respect of obligations of the Sponsor to maintain the solvency or financial health of the Debtor (including after giving effect to the incurrence of such Indebtedness) or the overall soundness of the Debtor's assets or business or to procure compliance by the Debtor with terms and conditions of such Indebtedness (other than express obligations to procure direct payments proscribed by sub-clause (ii) below) or for gross negligence, willful misconduct or fraud by such Sponsor or similar cause on such Sponsor's side, and (ii) does not expressly obligate the Sponsor to make or procure direct payments of principal or interest (or pay liquidated damages relating to non-payment defaults) in respect of such Indebtedness to the holders thereof;

(5) recourse to the Company or any Note Guarantor pursuant to any form of assurance, undertaking or support, including a keepwell agreement or comfort letter or agreement (including a sponsor support agreement or a *keiei shido nensho*) entered into in respect of the obligations of a Sponsor pursuant to a Sponsor Support Agreement as set forth in clause (4) of this definition; *provided* that such keepwell agreement or comfort letter or agreement (including a sponsor support agreement or a *keiei shido nensho*) (i) does not expressly provide for legal recourse to the Company or such Note Guarantor beyond seeking specific performance or damages in respect of obligations of the Company or such Note Guarantor to maintain the solvency or financial health of such Sponsor (including after giving effect to the incurrence of Indebtedness under such Sponsor Support Agreement) or the overall soundness of such Sponsor's assets or business or to procure compliance by such Sponsor with terms and conditions of such Sponsor Support Agreement (other than express obligations to procure direct payments proscribed by sub-clause (ii) below) or for gross negligence, willful misconduct or fraud by the Company or such Note Guarantor or similar cause on the Company or such Note Guarantor's side, and (ii) does not expressly obligate the Company or such

Note Guarantor to make or procure direct payments of principal or interest (or pay liquidated damages relating to non-payment defaults) in respect of such Indebtedness to the holders thereof;

(6) recourse to the Company or any Note Guarantor or any Sponsor pursuant to or in respect of an equity contribution undertaking or similar arrangement providing for the injection of capital or similar support by the Company or such Note Guarantor or Sponsor to facilitate the achievement of designated milestones (or contingent upon the failure to achieve such milestones) with respect to the tangible assets in respect of which the Project Finance Indebtedness is incurred; *provided* that such undertaking or arrangement (i) does not expressly provide for legal recourse to the Company or such Note Guarantor or Sponsor beyond seeking specific performance or damages in respect of obligations of the Company or such Note Guarantor or Sponsor to make such equity contribution or for gross negligence, willful misconduct or fraud by the Company or such Note Guarantor or similar cause on the Company or such Note Guarantor or Sponsor's side, and (ii) does not expressly obligate the Company or such Note Guarantor or Sponsor to make or procure direct payments of principal or interest (or pay liquidated damages relating to non-payment defaults) in respect of such Indebtedness to the holders thereof; and/or

(7) recourse under any guarantee and/or indemnity of such Indebtedness for completion of construction or development of an asset; *provided* that in any case the guarantee and/or indemnity is or is intended to be released or discharged if completion of the relevant construction or development occurs in accordance with the terms governing such Indebtedness and/or the guarantee and/or indemnity and/or any agreement relating thereto; *provided* that such guarantee and/or indemnity (i) does not expressly provide for legal recourse to the Company or such Note Guarantor beyond seeking specific performance or damages in respect of obligations of the Company or such Note Guarantor to complete construction or development of the relevant assets or for gross negligence, willful misconduct or fraud by the Company or such Note Guarantor or similar cause on the Company or such Note Guarantor's side, and (ii) does not expressly obligate the Company or such Note Guarantor to make or procure direct payments of principal or interest (or pay liquidated damages relating to non-payment defaults) in respect of such Indebtedness to the holders thereof.

"*Rating Category*" means:

(1) with respect to S&P or Fitch, any of the following categories: AAA, AA, A, BBB, BB, B, CCC, CC, C and D (or equivalent successor categories); and

(2) with respect to any other Ratings Agency, the equivalent rating categories adopted by such Ratings Agency.

"*Rating Date*" means the date that is 60 days prior to the earlier of (i) a Change of Control or (ii) public announcement of the Change of Control or the intention effect a Change of Control.

"*Ratings Agency*" means an entity registered as a "nationally recognized statistical rating organization" (registered as such pursuant to Rule 17g-1 of the U.S. Exchange Act) making a rating on the Notes publicly available at the request of the Company (as certified by an officer's certificate); *provided* that the Company shall use its reasonable efforts to cause at least one of Fitch, and S&P to make a rating on the Notes publicly available at all times.

"*Ratings Decline*" means the occurrence, during the period commencing on the date of the first public announcement of the Change of Control or the intention to effect a Change of Control and ending 90 days after the occurrence of the Change of Control, of any of the events listed below:

(1) in the event the Notes have an Investment Grade Rating from at least two Ratings Agencies on the Rating Date, the rating of the Notes by any such Rating Agency shall be below an Investment Grade Rating; or

(2) in the event the Notes do not have an Investment Grade Rating from at least two Rating Agencies on the Rating Date, the rating of the Notes by any Rating Agency with a rating below Investment Grade Rating shall be decreased by one or more gradations. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories (including + or – or 1, 2, and 3, as applicable, based on the relevant Ratings Agency's credit rating scale) will be taken into account.

"*Reference Treasury Dealer*" means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in The City of New York, selected by the Company in good faith.

"*Reference Treasury Dealer Quotations*" means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by the Company, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third New York business day preceding such redemption date.

"*Relevant Indebtedness*" means any present or future Indebtedness of the Company, any of the Note Guarantors or any other person in the form of, or represented by:

(1) bonds, notes, debentures or other securities, which are for the time being, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market; or

(2) loans in respect of borrowed money.

"*S&P*" means Standard & Poor's Financial Services LLC, a division of the McGraw-Hill Financial, or any successor to the rating business thereof.

"*Special Taxation Measures Act*" means the Act on Special Measures Concerning Taxation of Japan, Act No. 26 of 1957, as amended.

"*Specially-Related Person*" means a person who has a special relationship with the Company as described in Article 6, paragraph (4) of the Special Measures Taxation Act.

"*Stated Maturity*" means, with respect to any instalment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness as of the first date it was incurred in compliance with the terms of the Indenture, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof);

(2) any partnership or limited-liability company of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity; and

(3) any entity otherwise treated as a consolidated entity of that Person in accordance with GAAP.

"*Successor Entity*" means, with respect to any Person, its successor by merger or consolidation, as determined in accordance with the provision of the covenant described under "*—Certain Covenants—Merger or Consolidation*."

"*Tax*" means any tax, duty, levy, impost, assessment or other governmental charge (including penalties and interest related thereto), and any amounts paid pursuant to FATCA.

"*Treasury Rate*" means, with respect to any redemption date for Dollar Notes of any series, (i) the yield, under the heading which represents the average for immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three (3) months before or after the Stated Maturity for such Note being redeemed, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the applicable Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third New York business day immediately preceding the redemption date.

"*U.S. Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"*U.S. Government Obligations*" means direct obligations of, or obligations guaranteed by, the United States of America, and the payment for which the United States pledges its full faith and credit.

"*U.S. Securities Act*" means the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the Commission thereunder.

"*U.S. Trust Indenture Act*" means the U.S. Trust Indenture Act of 1939, as amended, or any successor statute.

"*Voting Stock*" of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

BOOK-ENTRY, DELIVERY AND FORM

Each series of Notes sold to non-U.S. persons in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act will initially be represented by global notes in registered form without interest coupons attached (the "*Global Notes*"). The Global Notes representing the Dollar Notes (the "*Dollar Global Notes*") and the Global Notes representing the Euro Notes (the "*Euro Global Notes*") will be deposited, on the Issue Date, with a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes (the "*Book-Entry Interests*") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants.

Notwithstanding anything to the contrary herein and in the Indenture, in considering the interests of holders while the Global Notes are held on behalf of, or registered in the name of any nominee for, a clearing system, the Trustee may have regard to any certificate, report or any other information provided by the clearing systems or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Notes and may consider such interests as if such accountholders were the holders of the Notes represented by the Global Notes. The Trustee may call for any certificate or other document to be issued by the clearing systems as to the principal amount of Notes evidenced by the Global Notes standing to the account of any accountholders. Any such certificate or other document issued by the clearing systems shall be conclusive and binding for all purposes. The Trustee shall not be liable to any holder, the Company or any other person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by the relevant clearing system and subsequently found to be forged or not authentic or not to be correct.

The Dollar Notes will be issued in registered, global form in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof and the Euro Notes will be issued in registered, global form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

The Book-Entry Interests will not be held in definitive form. Instead, Euroclear or Clearstream, as applicable, will credit on their respective book-entry registration and transfer systems a participant's account with the interest beneficially owned by such participant. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, owners of interest in the Global Notes will not have the Notes registered in their names, will not receive physical delivery of the Notes in certificated form and will not be considered the registered owners or "holder" of the Notes under the Indenture for any purpose.

So long as the Notes are held in global form, the common depository for Euroclear or Clearstream, as applicable (or their respective nominees), will be considered the holder of Global Notes for all purposes under the Indenture. As such, participants must rely on the procedures of Euroclear or Clearstream, as applicable, and indirect participants must rely on the procedures of Euroclear or Clearstream, as applicable, and the participants through which they own Book-Entry Interests in order to exercise any rights of holders under the Indenture.

Beneficial interests in the Global Notes may not be exchanged for Definitive Registered Notes except in the limited circumstances described below. See "—Exchange of Global Notes for Definitive Registered Notes." Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of Notes in certificated form.

The Notes will bear the legend described under "*Notice to Investors*."

Exchange of Global Notes for Definitive Registered Notes

Under the terms of the Indenture, owners of Book-Entry Interests will receive definitive notes in registered form (the "*Definitive Registered Notes*"):

(1) if Euroclear or Clearstream notifies the Company that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed within 120 days; or

(2) if the owner of a Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an Event of Default under the Indenture.

Upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (2), Euroclear and Clearstream's procedures require that the Company issue or cause to be issued Notes in definitive registered form to all owners of Book-Entry Interests and not only to the owner who made the initial request.

In such an event described in clauses (1) and (2), the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear, Clearstream or the Company, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Indenture, unless that legend is not required by the Indenture or applicable law.

Exchange of Certificated Notes for Global Notes

Certificated Notes may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "*Notice to Investors*."

Redemption of the Global Notes

In the event any Global Note, or any portion thereof, is redeemed, Euroclear or Clearstream, as applicable, will distribute the amount received by it in respect of the Global Note so redeemed to the holders of the Book-Entry Interests in such Global Note from the amount received by it in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear or Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). The Company understands that under existing practices of Euroclear and Clearstream if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts and reduce their Book-Entry Interests on a proportionate basis (with adjustments to prevent fractions) or on such other basis as they deem fair and appropriate; *provided* that no Book-Entry Interest of less than €100,000 (in the case of the Euro Global Notes) or $200,000 (in the case of the Dollar Global Notes) principal amount at maturity, or less, may be redeemed in part.

Payments on Global Notes

Payments of amounts owing in respect of the Global Notes (including principal, premium, interest, additional interest and Additional Amounts) will be made by the Company to the paying agent. The paying agent will, in turn, make such payments to the common depositary for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their respective procedures.

Under the terms of the Indenture governing the Notes, the Company, the Trustee and the Agents (as defined in the Indenture) will treat the registered holder of the Global Notes (for example, Euroclear or Clearstream (or their respective nominees)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, neither the Company, the Trustee nor any Agent nor any of their respective agents has or will have any responsibility or liability for:

- any aspects of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest;
- payments made by Euroclear, Clearstream or any participant or indirect participant, or for maintaining, supervising or reviewing the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a Book-Entry Interest; or
- Euroclear, Clearstream or any participant or indirect participant.

Payments by participants to owners of Book-Entry Interests held through participants are the responsibility of such participants, as is now the case with securities held for the accounts of subscribers registered in "street name."

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of (including Additional Amounts), the Global Notes will be paid to holders of interests to such Notes (the "*Euroclear/ Clearstream Holders*") through Euroclear and/or Clearstream in U.S. dollars with respect to the Dollar Notes or in euro with respect to the Euro Notes.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised the Company that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Global Notes.

Clearance, Transfer and Settlement under the Book-Entry System

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable.

Transfers between participants in Euroclear and/or Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. The Global Notes will bear a legend to the effect set forth in "*Notice to Investors*." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfer discussed in "*Notice to Investors*."

Although Euroclear or Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Company, the Trustee or the Agents will have any responsibility for the performance by Euroclear or Clearstream or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in U.S. dollars and euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to debt securities in global registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear/Clearstream Holders on the Business Day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests that trade through participants of Euroclear or Clearstream will settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Notes through Euroclear or Clearstream on days when those systems are open for business.

MATERIAL JAPANESE TAXATION CONSIDERATIONS

The following discussion summarizes certain Japanese tax consequences to prospective holders arising from the purchase, ownership and disposition of the Notes. The summary does not purport to be a comprehensive description of all potential Japanese tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and is not intended as tax advice to any particular investor. This summary does not describe any tax consequences arising under the laws of any state, locality or other taxing jurisdiction other than Japan or any Japanese consequences other than Japanese tax consequences.

Prospective holders of the Notes should consult their own tax advisors as the Japanese or other tax consequences of the purchase, ownership and disposition of the Notes, including, in particular, the application of the tax considerations discussed below to their particular situations, as well as the application of any state, local, foreign or other tax laws.

The following description is a summary of Japanese tax consequences (limited to national taxes) to holders of the Notes, principally relating to such holders that are individual non-residents of Japan or non-Japanese corporations, having no permanent establishment in Japan, and applicable to interest and the Redemption Gains (as defined below) with respect to Notes that we will issue outside Japan, as well as to certain aspects of capital gains, inheritance and gift taxes. It does not address the tax treatment of the original issue discount of the Notes bearing no interest that fall under "discounted bonds" as prescribed by the Special Taxation Measures Act or any Notes on which interest is calculated based on any indices, including the amount of our profits or assets or those of any specially-related person of ours (as defined below).

The statements regarding Japanese tax laws set out below are based on the laws in force and as interpreted by the Japanese taxation authorities as at the date hereof and are subject to changes in the applicable Japanese laws or tax treaties, conventions or agreements or in the interpretation thereof after such date. Prospective investors should note that the following description of Japanese taxation is not exhaustive.

Representation upon Initial Distribution

By subscribing for Notes, an investor will be deemed to have represented that it is a "gross recipient," *i.e.*, (1) a beneficial owner that is, for Japanese tax purposes, neither an individual resident of Japan or a Japanese corporation, nor an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with us as described in Article 6, Paragraph 4 of the Special Taxation Measures Act, or a specially-related person of ours, (2) a Japanese financial institution or financial instruments business operator as designated in Article 3-2-2, Paragraph 29 of the Cabinet Order (Cabinet Order No. 43 of 1957, as amended) relating to the Special Taxation Measures Act that will hold the Notes for its own proprietary account or (3) an individual resident of Japan or a Japanese corporation whose receipt of interest on the Notes will be made through a payment-handling agent in Japan as defined in Article 2-2, Paragraph 2 of the Cabinet Order. The Notes are not as part of the initial distribution by the Initial Purchasers at any time to be directly or indirectly offered or sold in Japan or to, or for the benefit of, any person other than a gross recipient, except as specifically permitted under the Special Taxation Measures Act.

Interest and Redemption Gains

Interest payments on the Notes will be subject to Japanese withholding tax unless the holder establishes that the Note is held by or for the account of a holder that is (1) for Japanese tax purposes, neither (a) an individual resident of Japan or a Japanese corporation, nor (b) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of ours, and in compliance with certain requirements for tax exemption under the Special Taxation Measures Act, or (2) a Japanese designated financial institution or financial instruments business operator as described in Article 6, Paragraph 11 of the Special Taxation Measures Act which complies with the requirement for tax exemption under that Paragraph.

Interest payments on the Notes to an individual resident of Japan, to a Japanese corporation not described in item (2) of the preceding paragraph, to an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of ours, or to an individual non-resident of Japan or a non-Japanese corporation that in either case is not a specially-related person of ours and does not comply with the requirements described in item (1) of the preceding paragraph will be subject to deduction in respect of Japanese income tax at a rate of 15.315% of the amount specified in subparagraphs (a) or (b) below, as applicable:

(a) if interest is paid to an individual resident of Japan, to a Japanese corporation, or to an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of ours (except as provided in subparagraph (b) below), the amount of such interest; or

(b) if interest is paid to a public corporation, a financial institution, a financial instruments business operator or certain other entities through a Japanese payment-handling agent, as provided in Article 3-3, Paragraph 6 of the Special Taxation Measures Act in compliance with the requirement for tax exemption under that paragraph, the amount of such interest *minus* the amount accrued during the period held, without any cessation, by such entities as provided in the Cabinet Order relating to the said Paragraph 6.

A legend containing a statement to the same effect as set forth in the preceding paragraphs will be printed on the relevant Notes or global Note, as applicable, in compliance with the requirements of the Special Taxation Measures Act and regulations thereunder.

If the recipient of interest on the Notes is a holder that is an individual non-resident of Japan or a non-Japanese corporation, having no permanent establishment in Japan, or having a permanent establishment in Japan but the receipt of the interest on the Notes is not attributable to the business thereof carried on in Japan through such permanent establishment, that in either case is not a specially-related person of ours, no Japanese income tax or corporation tax will be payable with respect to such interest whether by way of withholding or otherwise, if such recipient complies with certain requirements, *inter alia*:

(x) if the relevant Notes are held through a participant in an international clearing organization, such as Euroclear and Clearstream or through a financial intermediary, in each case, as prescribed by the Special Taxation Measures Act (each such participant or financial intermediary being referred to as a "Participant"), the requirement to provide certain information prescribed by the Special Taxation Measures Act to enable the Participant to establish that the recipient is exempt from the requirement for Japanese tax to be withheld or deducted, and to advise the Participant if the holder of the Notes ceases to be so exempted (including the case where the holder became a specially-related person of ours); and

(y) if the relevant Notes are not held through a Participant, the requirement to submit to the relevant paying agent that makes payment of interest on the Notes a written application for tax exemption (*hikazei tekiyo shinkokusho*) or certain information to be stated in such written application in an electronic form, together with certain documentary evidence, at or prior to each time interest is received.

If a recipient of interest on the Notes is an individual non-resident of Japan or a non-Japanese corporation, having no permanent establishment in Japan, which is subject to Japanese withholding tax due to its status as a specially-related person of ours or for any other reason, (1) the rate of withholding tax may be reduced, generally to 10%, under the applicable tax treaty, convention or agreement, and (2) if such recipient is not subject to Japanese tax under the applicable tax treaty, convention or agreement due to its status as a financial institution in the relevant country, such as the United States and the United Kingdom, or for any other reason, no Japanese income tax or corporation tax will be payable with respect to such interest whether by way of withholding or otherwise; *provided* that, in either case (1) or (2) above, such recipient shall submit required documents and information (if any) to the relevant tax authority.

If the recipient of any difference between the acquisition cost of the New Notes and the redemption price of the Notes as referred to in Article 41-13, Paragraph 3 and Article 67-17, Paragraph 3 of the Special Taxation Measures Act (the "Redemption Gains") is a holder that is an individual non-resident of Japan or a non-Japanese corporation, having no permanent establishment in Japan, that in either case is not a specially-related person of ours, no income tax or corporation tax will be withheld with respect to such Redemption Gains.

Capital Gains, Inheritance and Gift Taxes

Gains derived from the sale of the Notes, whether within or outside Japan, by a holder that is an individual non-resident of Japan or a non-Japanese corporation, having no permanent establishment in Japan, will be, in general, not subject to Japanese income or corporation tax.

Japanese inheritance and gift taxes at progressive rates may be payable by an individual who has acquired the Notes as a legatee, heir or donee, even if the individual is not a Japanese resident.

No stamp, issue, registration or similar taxes or duties will, under present Japanese law, be payable by holders of the Notes in connection with the issue of the Notes outside Japan.

PLAN OF DISTRIBUTION

Subject to the terms and conditions of a purchase agreement to be dated as of the date of pricing of the Notes, the Company has agreed to sell to each Initial Purchaser, and each of the Initial Purchasers has agreed, severally and not jointly, to purchase from us the Notes at the initial offering price set forth on the cover page of this offering memorandum *minus* discounts and commissions.

The purchase agreement provides that the obligations of the several Initial Purchasers to purchase the Notes are subject to certain conditions precedent and that the Initial Purchasers will purchase all of the Notes if any of the Notes are purchased. The purchase agreement also provides that if an Initial Purchaser defaults, the purchase commitments of the non-defaulting Initial Purchasers may be increased or this offering may be terminated.

The Company has agreed to indemnify the Initial Purchasers against some specified types of liabilities, including liabilities under the U.S. Securities Act, and to contribute to payments the Initial Purchasers may be required to make in respect of any of these liabilities. The Company has also agreed to reimburse the Initial Purchasers for certain expenses incidental to the sale of the Notes.

The Initial Purchasers are offering the Notes, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the Notes, and other conditions contained in the purchase agreement, such as the receipt by the Initial Purchasers of certain legal opinions and officers' certificates confirming, among other things, the lack of any legal restriction or injunction with respect to the consummation of the offering of the Notes. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part. After the initial offering, the Initial Purchasers may change the offering price and other selling terms.

No Sale of Similar Securities

The Company has agreed that during the period from the date hereof through and including the date that is 45 days after the date the Notes are issued, without the prior written consent of Deutsche Bank AG, London Branch, the Company will not offer, sell, contract to sell or otherwise dispose of any bonds which are denominated in a currency other than Japanese Yen and issued by the Company other than the Notes.

New Issue of Notes

The Notes are a new issue of securities with no established trading market. The Initial Purchasers may make a market in the Notes after completion of this offering, but will not be obligated to do so and may discontinue any market-making activities at any time without notice. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected.

Approval in-principle has been received for the listing of the Notes on the SGX-ST. However, there can be no assurance that such listing will be obtained or maintained.

Delivery, Payment and Settlement

The Company expects that delivery of the Notes will be made against payment therefore on or about the date specified on the cover page of this offering memorandum, which will be the sixth business day following the date of pricing of the Notes (this settlement cycle being referred to as "T+6").

Stabilization

In connection with this offering, the Initial Purchasers may purchase and sell the Notes in the open market. These transactions may include short sales, purchases to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the Initial Purchasers of a greater principal amount of Notes than they are required to purchase in this offering. The Initial Purchasers may close out any short position by purchasing Notes in the open market. A short position is more likely to be created if the Initial Purchasers are concerned that there may be downward pressure on the price of the Notes in the open market prior to the completion of this offering.

Stabilizing transactions consist of various bids for or purchases of the Notes made by the Initial Purchasers in the open market prior to the completion of this offering. The Initial Purchasers may impose a penalty bid. This occurs when a particular Initial Purchaser repays to the other Initial Purchasers a portion of the underwriting discount received by it because the other Initial Purchasers have repurchased the Notes sold by or for the account of that Initial Purchaser in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions may have the effect of preventing or slowing a decline in the market price of the Notes. Additionally, these purchases, along with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market. These transactions may be effected in the over-the-counter market or otherwise.

Other Relationships

Some of the Initial Purchasers and their affiliates have from time to time performed, and may in the future perform, various investment banking, financial advisory, commercial banking, agency and trustee and other commercial services for us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these services. Certain Initial Purchasers and their respective affiliates are lenders under certain of our margin loan agreements, and have made loans to certain of our affiliates and have entered into various hedging arrangements with us or our affiliates.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. Certain of the Initial Purchasers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Initial Purchaser in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Company, a CMI or its group companies would be considered under the SFC Code as having an Association with the Company, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Company or any CMI (including its group companies) and inform the relevant Initial Purchaser accordingly. CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this offering memorandum.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Company. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Initial Purchasers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to:

- for Deutsche Bank: pj-djinni-db@list.db.com
- for Barclays: barclayssfcomnibusorders-debt@barclays.com
- for BNP PARIBAS: dl.asia.syndicate@asia.bnpparibas.com
- for J.P. Morgan: investor.info.hk.oc.bond.deals@jpmorgan.com
- for Standard Chartered: SCBCapitalMarketsNotice@sc.com

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Company, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Initial Purchaser may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Initial Purchaser with such evidence within the timeline requested.

MiFID II Product Governance / Professional Investors and ECPs Only Target Market

Solely for the purposes of the product approval process of each manufacturer, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties ("ECPs") and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to ECPs and professional clients are appropriate. The target market and distribution channel(s) may vary in relation to sales outside the EEA in light of local regulatory regimes in force in the relevant jurisdiction. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR Product Governance / Professional Investors and ECPs Only Target Market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Selling Restrictions

General

No action has been or will be taken by us or the Initial Purchasers that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this offering memorandum or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Persons into whose possession this offering memorandum comes are required to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver the Notes or have in their possession or distribute this offering memorandum or any other offering material relating to the Notes.

United States

The Notes have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The offering of the Notes are not being made to any U.S. person (as defined in Regulation S) or within the United States, other than pursuant to offshore transactions with non-U.S. persons conducted in accordance with Regulation S. Accordingly, the Notes are only being offered and sold to non-U.S. persons outside the United States or certain dealers or other professional fiduciaries in the United States acting only on a discretionary basis for the benefit or account of non-U.S. persons located outside the United States in each case, in offshore transactions conducted in reliance on Regulation S under the Securities Act.

European Economic Area

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a "qualified investor" as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

For the purposes of this section, the expression an "offer of notes to the public" in relation to any Notes in any EU Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that EU Member State by any measure implementing the Prospectus Regulation in that EU Member State.

United Kingdom

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the "UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU)

2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Bahrain

This offering memorandum does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This offering memorandum and related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this offering memorandum or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to 'accredited investors', as such term is defined by the CBB.

The CBB has not reviewed, approved or registered this offering memorandum or any related offering documents and it has not in any way considered the merits of the Notes to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this offering memorandum and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this offering memorandum. No offer of securities will be made to the public in the Kingdom of Bahrain and this offering memorandum must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

Hong Kong

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding up and Miscellaneous provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding up and Miscellaneous provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Italy

No action has been or will be taken which could allow an offering to the public in the Republic of Italy within the meaning of Article 1(1)(t) of the Italian Financial Act and, in particular, the offering of the Notes has not been submitted to the clearance of CONSOB (the Italian securities exchange commission), pursuant to Italian securities legislation and will not be subject to review or clearance by CONSOB. Accordingly, the Notes may not be offered, sold or delivered, directly or indirectly, in the Republic of Italy, and neither this offering memorandum nor any other offering memorandum, prospectus, form of application, advertisement, other offering material or other documentation relating to the Notes may be issued, distributed or published in the Republic of Italy, either on the primary or on the secondary market, except: (a) to qualified investors (*investitori qualificati*) as defined by Article 2, paragraph (e) of the Prospectus Regulation; and (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of the Italian Financial Act, and implementing CONSOB regulations, including Regulation 20307, Article 34-*ter*, first paragraph, letter (b) of Issuer Regulation and any other applicable laws and regulations.

The Notes may not be offered, sold or delivered and neither this Offering Memorandum nor any other material relating to the Notes, may be distributed or made available in the Republic of Italy unless such offer, sale or delivery of Notes or distribution or availability of copies of this Offering Memorandum or any other offering material or other documentation relating to the Notes in the Republic of Italy is made in compliance with the selling restrictions above and must be made as follows: (a) by *soggetti abilitati* (including investment firms, banks or financial intermediaries, as defined by Article 1, Paragraph 1(r) of the Italian Financial Act), permitted to conduct such activities in the Republic of Italy in accordance, as applicable, with the Italian Banking Act as subsequently integrated and amended, the Italian Financial Act, the Issuer Regulation, CONSOB Regulation No. 20307 of February 15, 2018, as amended and any other applicable laws and regulations; and (b) in compliance with all relevant Italian securities, tax and exchange control and other applicable laws and regulations and any other applicable requirements or limitations which may be imposed from time to time by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or other competent Italian authority.

France

This offering memorandum has not been prepared and is not being distributed in the context of a public offering of financial securities in France (*offre au public de titres financiers*) within the meaning of Article L. 411 1 of the French Code *monétaire et financier* and Title I of Book II of the AMF. Consequently, the Notes may not be, directly or indirectly, offered or sold to the public in France, and neither this offering memorandum nor any offering or marketing materials relating to the Notes may be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in France.

The Notes may only be offered or sold in France to qualified investors (*investisseurs qualifiés*) acting for their own account and/or to providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*), all as defined in and in accordance with Articles L. 411 1, L. 411 2, D. 411 1, D. 744 1, D. 754 1 and D. 764 1 of the French Code *monétaire et financier* and applicable regulations thereunder.

Prospective investors are informed that:

(a) this offering memorandum has not been and will not be submitted for clearance to the AMF;

(b) in compliance with Articles L. 411 2, D. 411 1, D. 744 1, D. 754 1 and D. 764 1 of the French Code *monétaire et financier*, any qualified investors subscribing for the Notes should be acting for their own account; and

(c) the direct and indirect distribution or sale to the public of the Notes acquired by them may only be made in compliance with Articles L. 411 1, L. 411 2, L. 412 1 and L. 621 8 through L. 621 8 3 of the French Code *monétaire et financier*.

Belgium

This offering memorandum relates to a private placement of the Notes and does not constitute an offer or solicitation to the public in Belgium to subscribe for or acquire the Notes. This offering of the Notes has not been and will not be notified to, and this offering memorandum has not been, and will not be, approved by the Belgian Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des Services et Marchés Financiers*) pursuant to the Belgian laws and regulations applicable to the public offering of investment instruments. Accordingly, this offering of the Notes, as well as any other materials relating to the offering may not be advertised, the Notes may not be offered or sold, and this offering memorandum or any other information circular, brochure or similar document may not be distributed, directly or indirectly, (i) to any person located and/or resident in Belgium other than a "qualified investor" within the meaning of Article 10 of the Belgian Act of June 16, 2006 on the public offering of investment instruments and the admission of investment instruments to trading on a regulated market (the "Prospectus Act") or (ii) to any person qualifying as a consumer (*consument/ consommateur*) within the meaning of Book VI of the Belgian Code of Economic Law (*Wetboek economisch recht/Code de droit economique*) of February 28, 2013, as amended from time to time. This offering memorandum has been issued to the intended recipient for personal use only and exclusively for the purpose of the offer. Therefore it may not be used for any other purpose, nor passed on to any other person in Belgium. Any resale of the Notes in Belgium may only be made in accordance with the Prospectus Act and other applicable laws.

Norway

This offering memorandum has not been and will not be filed with or approved by the Norwegian Financial Supervisory Authority (Nw. *Finanstilsynet*), the Oslo Stock Exchange (Nw. *Oslo børs*) or any other regulatory authority in Norway. The Notes have not been offered or sold and may not be offered, sold or delivered, directly or indirectly, in Norway, unless in compliance with Chapter 7 of the Norwegian Securities Trading Act of June 29, 2007 No. 75 (Nw. *verdipapirhandelloven*) and secondary regulations issued pursuant thereto, as amended or replaced from time to time (the "Securities Trading Act"). Accordingly, this offering memorandum may not be made available nor may the Notes otherwise be marketed and offered for sale in Norway other than in circumstances that are deemed not to be a marketing of an offer to the public in Norway in accordance with the Securities Trading Act.

The Notes may not be issued in Norway unless the requirement in the Norwegian Registration of Financial Instruments Act of March 15, 2019 No. 6 (Nw. *verdipapirsentralloven*) the ("CSD Act") are complied with, including, but not limited to, the requirement to register such Notes with a central securities depository which is properly authorized or recognized by the Norwegian Financial Supervisory Authority as being entitled to register such notes pursuant to the CSD Act and Regulation (EU) No 909/2014 (CSDR).

Saudi Arabia

This offering memorandum may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offers of Securities Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representations as to the accuracy or completeness of this offering memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this offering memorandum. Prospective purchasers of the Notes should conduct their own due diligence on the accuracy of the information relating to the Notes. If a prospective purchaser does not understand the contents of this offering memorandum, he or she should consult an authorized financial advisor.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act and are subject to the Special Taxation Measures Act. The Notes (i) will not, directly or indirectly, be offered or sold, in Japan or to any person resident in Japan for Japanese securities law purposes (including any corporation or other entity organized under the laws of Japan), except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines of Japan; and (ii) will not, as part of its initial distribution, directly or indirectly be offered or sold to, or for the benefit of, any person other than a gross recipient or to others for re-offering or re-sale, directly or indirectly, to, or for the benefit of, any person other than a gross recipient. A "gross recipient" for this purpose is (i) a beneficial owner that is, for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Company as described in Article 6, paragraph 4 of the Special Taxation Measures Act, (ii) a Japanese financial institution or financial instruments business operator as, designated in Article 3-2-2 paragraph 29 of the Cabinet Order relating to the Special Taxation Measures Act (Cabinet Order No. 43 of 1957, as amended) that will hold Notes for its own proprietary account or (iii) an individual resident of Japan or a Japanese corporation whose receipt of interest on the Notes will be made through a payment-handling agent in Japan as defined in Article 2-2 paragraph 2 of the Cabinet Order.

Singapore

This offering memorandum has not been and will not be registered as a prospectus with the MAS. Accordingly, this offering memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

(i) to an institutional investor (as defined in Section 4A of the SFA (as defined below)) pursuant to Section 274 of the SFA; or

(ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to, and in accordance with, the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Switzerland

This offering memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the

FinSA and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to the FinSA, and neither this offering memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

The Notes are not intended to be offered, sold, marketed or otherwise made available to and shall not be offered, sold, marketed or otherwise made available to any private client in Switzerland other than in the context of a portfolio management agreement within the meaning of Article 58(2) FinSA and Article 83 of the Swiss Financial Services Ordinance. No key information document within the meaning of Article 58 FinSA has been prepared with respect to the Notes.

Qatar

Any Notes issued in connection with this offering memorandum will not be offered, sold or delivered, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Offering Memorandum has not been and will not be reviewed or approved by, or registered with, the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority in accordance with their regulations or any other regulations in the State of Qatar. The Notes are not and will not be traded on the Qatar Stock Exchange. The Notes and interests therein will not be offered to investors domiciled or resident in the State of Qatar and do not constitute debt financing in the State of Qatar under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of Qatar.

Australia

This offering memorandum does not constitute an offer of or an invitation to purchase or subscribe for the Notes in Australia, and the Notes may not be offered, sold or delivered in or to any resident of Australia except in accordance with applicable law. Neither this offering memorandum nor any other prospectus or disclosure document (as defined in the Australian Corporations Act) in relation to the Notes has been or will be lodged with the ASIC or the ASX and the Notes may not be offered for sale, nor may applications for the issue, sale, purchase or subscription of any Notes be invited, in, to or from Australia (including an offer or invitation which is received by a person in Australia) and neither this offering memorandum nor any advertisement or other offering material relating to the Notes may be distributed or published in Australia unless in each case:

i. (A) the aggregate consideration payable by each offeree or invitee for the Notes is at least AU$500,000 (or its equivalent in other currencies) (disregarding moneys lent by the offeror or its associates); or (B) the offer otherwise does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Australian Corporations Act;

ii. the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G or 761 GA of the Australian Corporations Act;

iii. the offer, invitation or distribution complies with all applicable Australian laws, regulations and directives relating to the offer, invitation, sale and resale of the Notes; and

iv. such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

Other Jurisdictions

The distribution of this offering memorandum may be restricted by law in certain jurisdictions. Persons into whose possession this offering memorandum (or any part hereof) comes are required by us and the Initial Purchasers to inform themselves about, and to observe, any such restrictions.

The Notes may be sold only to purchasers in the provinces of Canada purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

NOTICE TO INVESTORS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Notes offered hereby.

The Notes have not been and will not be registered under the U.S. Securities Act or the securities laws of any other jurisdiction and may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons (as such terms are defined under the U.S. Securities Act). The Notes are being offered by this offering memorandum only outside the United States in offshore transactions in reliance upon Regulation S under the U.S. Securities Act to persons other than U.S. persons as defined in Rule 902 under the U.S. Securities Act and other than retail investors in: (a) the European Economic Area, defined as a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "EU MiFID II") or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (b) the United Kingdom, defined as a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Each purchaser of the Notes, by its acceptance of this offering memorandum, will be deemed to have acknowledged, represented to, and agreed with us and the Initial Purchasers as follows:

(1) The purchaser understands and acknowledges that the Notes have not been registered under the U.S. Securities Act or any other applicable securities law, the Notes are being offered for resale in offshore transactions not requiring registration under the U.S. Securities Act or any other securities laws in reliance on Regulation S under the U.S. Securities Act, and none of the Notes may be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any other applicable securities laws, pursuant to an exemption from such laws or in a transaction not subject to such laws, and in each case, in compliance with the conditions for transfer set forth in paragraphs (3), (4) and (5) below.

(2) The purchaser is not a U.S. person (and is not purchasing for the account or benefit of a U.S. person) within the meaning of Regulation S under the U.S. Securities Act and is purchasing Notes in an offshore transaction in accordance with Regulation S.

(3) The purchaser is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the U.S. Securities Act or the securities laws of any other jurisdiction, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be, at all times, within its or their control and subject to its or their ability to resell such Notes pursuant to Regulation S or any exemption from registration available under the U.S. Securities Act.

(4) The purchaser agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes and each subsequent holder of the Notes, by its acceptance of the Notes, to offer, sell or otherwise transfer such Notes prior to the end of the resale restriction periods described below only (a) to the Company or any subsidiary thereof, (b) pursuant to a registration statement which has been declared effective under the U.S. Securities Act, (c) pursuant to offers and sales to non-U.S. persons that occur in offshore transactions outside the United States in reliance on Regulation S under the U.S. Securities Act or (d) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and in compliance with any applicable state securities laws and any other applicable local laws and regulations. The purchaser will, and each subsequent purchaser is required to, notify any subsequent purchaser of the Notes from the purchaser or it of the resale restrictions referred to in the legend below. The foregoing restrictions on resale will apply from the closing date until the date that is 40 days after the later of the commencement of this offering and the Issue Date and will not apply after the applicable resale restriction period ends. Each purchaser acknowledges that we and the Trustee reserve the right prior to any offer, sale or other transfer pursuant to clauses (c) and (d) prior to the end of the applicable

resale restriction period to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to us and the Trustee.

(5) The purchaser understands that the Notes will be represented by Dollar Global Notes or Euro Global Notes, as applicable, and that transfers of such Notes are restricted as described in this section and in the section entitled "Book-Entry, Delivery and Form."

(6) The purchaser acknowledges that each certificate representing a Note will contain a legend substantially to the following effect:

> THE SECURITY EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), AND HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THE SECURITY EVIDENCED HEREBY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.
>
> THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN "OFFSHORE TRANSACTION" IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT, AND (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE ISSUE DATE HEREOF, ONLY (A) TO THE COMPANY OR SUBSIDIARIES THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) PURSUANT TO OFFERS AND SALES THAT OCCUR IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT, OR (D) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSES (C) OR (D) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (III) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.
>
> THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE.

If you purchase Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these Notes as well as to holders of these Notes.

(7) You acknowledge that until 40 days after the commencement of the offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act. The purchaser acknowledges that the Trustee will not be required to accept for registration of transfer of any Notes acquired by them, except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set forth herein have been complied with.

(8) The purchaser agrees that it will deliver to each person to whom it transfers Notes notice of any restrictions on the transfer of such securities.

(9) The purchaser acknowledges that the Company, the Initial Purchasers, the Transfer Agent and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements and agrees that if any of the acknowledgments, representations, warranties and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify us, the Initial Purchasers and the Transfer Agent. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such investor account.

(10) The purchaser understands that no action has been taken in any jurisdiction (including the United States) by the Company or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to the Company or the Notes in any jurisdiction where action for the purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set forth herein.

(11) The purchaser acknowledges that none of the Company or the Initial Purchasers, nor any person representing any of them, has made any representation to such purchaser with respect to us or the offer or sale of any of the Notes, other than the information contained in this offering memorandum, which offering memorandum has been delivered to such purchaser and upon which such purchaser is relying in making its investment decision with respect to the Notes.

(12) The purchaser acknowledges that neither the Initial Purchasers nor any person representing the initial purchasers make any representation or warranty as to the accuracy or completeness of this offering memorandum. The purchaser has had access to such financial and other information concerning us and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.

(13) You are not a "retail investor" in: (a) the European Economic Area, defined as a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (b) the United Kingdom, defined as a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

LEGAL MATTERS

Certain legal matters in connection with the offering of the Notes will be passed upon for us by Morrison & Foerster LLP, with respect to matters of English, U.S. federal and New York state law, and by Mori Hamada & Matsumoto, with respect to certain matters of Japanese law, and for the Initial Purchasers by Latham & Watkins (London) LLP, with respect to matters of U.S. federal and New York state law, and by Latham & Watkins Gaikokuho Joint Enterprise, with respect to matters of Japanese law.

INDEPENDENT AUDITOR

The consolidated financial statements of the Company and its subsidiaries as of and for the fiscal year ended March 31, 2024, with the corresponding figures presented as comparative information as of and for the fiscal year ended March 31, 2023, included in this offering memorandum, have been audited by Deloitte Touche Tohmatsu LLC, independent auditor as stated in its report appearing herein.

INDEX TO FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of SoftBank Group Corp.:

<Audit of Consolidated Financial Statements>

Opinion

We have audited the consolidated financial statements of SoftBank Group Corp. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as of March 31, 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in "(3) Presentation currency and unit of currency" under "Note 2. Basis of preparation of consolidated financial statements" to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

The reasonableness of the valuation of the investments from SVF (FVTPL) classified as Level 3

(1) Key Audit Matter Description

The Company holds its investments primarily through SoftBank Vision Fund L.P. and its alternative investment vehicles and SoftBank Vision Fund II-2 L.P. and SBLA Latin America Fund LLC ("SVF"). The recorded investments from SVF (FVTPL) were ¥11,014,487 million in the consolidated statement of financial position as of March 31, 2024, and were quantitatively material in the consolidated financial statements. Also, the account includes ¥7,840,631 million of Level 3 investments, whose fair values were measured using unobservable inputs as discussed in "Note 29. Fair value of financial instruments." The enterprise values to calculate the fair values of the investments from SVF (FVTPL) classified as Level 3 are calculated primarily based on the recent transactions method, the discounted cash flow method and the market comparable company multiple method. Calculations are determined utilizing one or more of these methods for each security.

For each valuation method, the following significant assumptions, which are subject to a high degree of management judgment, and the occurrence of the following events, are highly sensitive:

- Business plan and capital cost that are used in the discounted cash flow method
- Selection of peer companies as the basis for revenue multiples used for a market comparable company multiple method
- The subsequent events that provide additional evidence to fair value at the end of the reporting period
- Weighted average ratio when more than one valuation methods described above are used

The calculated enterprise value is allocated to the equity value of each type of stock according to the capital structure of the investee to calculate the fair value. With the main consideration of shareholder's rights and their preferred rights, the option pricing method is used to determine the allocation ratio. In addition, the allocation ratio is determined by considering the possibility that the preferred stock will be converted into common stock through an initial public offering and other events. The estimates that are associated with high uncertainty in the future, such as a possibility of an initial public offering, significantly affect the allocation ratio.

Based on the above, we determined that the reasonableness of the valuation of the investments from SVF (FVTPL) classified as Level 3 is a key audit matter.

(2) How the Key Audit Matter Was Addressed in the Audit

We performed the following primary procedures to evaluate the reasonableness of the estimates related to valuation of the investments from SVF (FVTPL) classified as Level 3 by instructing the component auditors:

- We tested the reasonableness of the selection of valuation methods utilized by performing inquires of management, evaluating the consistency of the valuation methods previously utilized and evaluating the appropriateness of changes in such methods, if any.
- For the investments from SVF (FVTPL) classified as Level 3 where the discounted cash flow method is utilized, we primarily performed retrospective reviews of performance against plan in order to evaluate the reasonableness of the business plan. We evaluated the reasonableness of the capital cost used in the valuation with the assistance of our valuation specialists.
- For the investments from SVF (FVTPL) classified as Level 3 where the market comparable company multiple method is utilized, we evaluated the reasonableness of management's selection of peer companies, which serves as the basis for the revenue multiples selected by management, with the assistance of our valuation specialists.
- We performed inquiries of management, inspected publicly available information to identify if there are any new funding rounds or other events, and evaluated whether or not these events should be considered in estimating the fair value of the relevant investment at the end of the reporting period.
- In case the calculated enterprise value needs to be allocated to each class of shares, we verified whether the allocation is calculated based on the preferred-subordinate relationship defined in the contract, articles of incorporation and other information, performed inquires of management and inspected related documents regarding the estimate of the possibility of an initial public offering.

- For the investments from SVF (FVTPL) classified as Level 3 where more than one valuation methods are utilized, we evaluated the reasonableness of the weighted average ratio of more than one valuation methods, including consistency among the weighted average ratio previously used and the condition of investee, as well as the appropriateness of changes in the ratio, if any.
- With the assistance of our valuation specialists, we evaluated whether the fair value calculated by management deviated materially from the estimate of valuation assessed by us.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRS Accounting Standards and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with IFRS Accounting Standards, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Fee-Related Information>

Fees for audit and other services for the year ended March 31, 2024, which were charged by us and our network firms to SoftBank Group Corp. and its subsidiaries were ¥10,977 million and ¥215 million, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

/s/Deloitte Touche Tohmatsu LLC
Tokyo, Japan
June 21, 2024

Consolidated Financial Statements

a. **Consolidated Statement of Financial Position**

	Notes	(Millions of yen) As of March 31, 2023	(Millions of yen) As of March 31, 2024	(Thousands of U.S. dollars) As of March 31, 2024
ASSETS				
Current assets				
Cash and cash equivalents	8	¥ 6,925,153	¥ 6,186,874	$ 40,861,726
Trade and other receivables	9,28	2,594,736	2,868,767	18,947,011
Derivative financial assets	28	249,414	852,350	5,629,417
Other financial assets	10,28	371,313	777,996	5,138,340
Inventories	11	163,781	161,863	1,069,038
Other current assets	12	282,085	550,984	3,639,020
Subtotal		10,586,482	11,398,834	75,284,552
Assets classified as held for sale	13	—	42,559	281,084
Total current assets		10,586,482	11,441,393	75,565,636
Non-current assets				
Property, plant and equipment	14	1,781,142	1,895,289	12,517,595
Right-of-use assets	15	858,577	746,903	4,932,983
Goodwill	16	5,199,480	5,709,874	37,711,340
Intangible assets	16	2,409,641	2,448,840	16,173,568
Costs to obtain contracts		332,856	317,650	2,097,946
Investments accounted for using the equity method	19	730,440	839,208	5,542,619
Investments from SVF (FVTPL)	28	10,489,722	11,014,487	72,746,100
Investment securities	28	7,706,501	9,061,972	59,850,551
Derivative financial assets	28	1,170,845	385,528	2,546,252
Other financial assets	10,28	2,303,620	2,424,282	16,011,373
Deferred tax assets	21	210,823	245,954	1,624,424
Other non-current assets	12	156,239	192,863	1,273,781
Total non-current assets		33,349,886	35,282,850	233,028,532
Total assets		¥43,936,368	¥46,724,243	$308,594,168

	Notes	(Millions of yen) As of March 31, 2023	(Millions of yen) As of March 31, 2024	(Thousands of U.S. dollars) As of March 31, 2024
LIABILITIES AND EQUITY				
Current liabilities				
Interest-bearing debt	22,28	¥ 5,129,047	¥ 8,271,143	$ 54,627,455
Lease liabilities	17,28	184,105	149,801	989,373
Deposits for banking business	23,28	1,472,260	1,643,155	10,852,355
Trade and other payables	24,28	2,416,872	2,710,529	17,901,915
Derivative financial liabilities	28	82,612	195,090	1,288,488
Other financial liabilities	25,28	180,191	31,801	210,032
Income taxes payable		367,367	163,226	1,078,040
Provisions	27	72,350	44,704	295,251
Other current liabilities	26	675,920	801,285	5,292,155
Subtotal		10,580,724	14,010,734	92,535,064
Liabilities directly relating to assets classified as held for sale	13	—	9,561	63,146
Total current liabilities		10,580,724	14,020,295	92,598,210
Non-current liabilities				
Interest-bearing debt	22,28	14,349,147	12,296,381	81,212,476
Lease liabilities	17,28	652,892	644,706	4,258,015
Third-party interests in SVF	7,28	4,499,369	4,694,503	31,005,237
Derivative financial liabilities	28	899,351	41,238	272,360
Other financial liabilities	25,28	58,545	57,017	376,574
Provisions	27	163,627	167,902	1,108,923
Deferred tax liabilities	21	1,828,557	1,253,039	8,275,801
Other non-current liabilities	26	254,941	311,993	2,060,583
Total non-current liabilities		22,706,429	19,466,779	128,569,969
Total liabilities		33,287,153	33,487,074	221,168,179
Equity				
Equity attributable to owners of the parent				
Common stock	33	238,772	238,772	1,576,990
Capital surplus	33	2,652,790	3,326,093	21,967,459
Other equity instruments	33	414,055	193,199	1,275,999
Retained earnings	33	2,006,238	1,632,966	10,785,060
Treasury stock	33	(38,791)	(22,725)	(150,089)
Accumulated other comprehensive income	33	3,756,785	5,793,820	38,265,769
Total equity attributable to owners of the parent		9,029,849	11,162,125	73,721,188
Non-controlling interests	18,33	1,619,366	2,075,044	13,704,801
Total equity		10,649,215	13,237,169	87,425,989
Total liabilities and equity		¥43,936,368	¥46,724,243	$308,594,168

b. Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

Consolidated Statement of Profit or Loss

	Notes	(Millions of yen) Fiscal year ended March 31, 2023	(Millions of yen) Fiscal year ended March 31, 2024	(Thousands of U.S. dollars) Fiscal year ended March 31, 2024
Net sales	36	¥ 6,570,439	¥ 6,756,500	$ 44,623,869
Cost of sales	37	(3,242,397)	(3,214,108)	(21,227,845)
Gross profit		3,328,042	3,542,392	23,396,024
Gain on investments				
Gain (loss) on investments at Investment Business of Holding Companies	38	4,560,500	(459,045)	(3,031,801)
Loss on investments at SoftBank Vision Funds	7	(5,322,265)	(167,290)	(1,104,881)
Gain (loss) on other investments		(73,294)	66,985	442,408
Total gain on investments		(835,059)	(559,350)	(3,694,274)
Selling, general and administrative expenses	37	(2,695,328)	(2,982,383)	(19,697,398)
Finance cost	39	(555,902)	(556,004)	(3,672,175)
Foreign exchange loss		(772,270)	(703,122)	(4,643,828)
Loss on equity method investments		(96,677)	(38,641)	(255,208)
Derivative gain (excluding gain (loss) on investments)	40	54,256	1,502,326	9,922,238
Change in third-party interests in SVF	7	1,127,949	(390,137)	(2,576,692)
Other gain (loss)	41	(24,138)	242,720	1,603,065
Income before income tax		(469,127)	57,801	381,752
Income taxes	21	(320,674)	151,416	1,000,039
Net income		¥ (789,801)	¥ 209,217	$ 1,381,791
Net income attributable to				
Owners of the parent		¥ (970,144)	¥ (227,646)	$ (1,503,507)
Non-controlling interests	18	180,343	436,863	2,885,298
Net income		¥ (789,801)	¥ 209,217	$ 1,381,791

		(Yen) Fiscal year ended March 31, 2023	(Yen) Fiscal year ended March 31, 2024	(U.S. dollars) Fiscal year ended March 31, 2024
Earnings per share				
Basic earnings per share	43	¥ (652.37)	¥ (170.99)	$ (1.13)
Diluted earnings per share	43	¥ (662.41)	¥ (174.20)	$ (1.15)

Consolidated Statement of Comprehensive Income

	Notes	(Millions of yen) Fiscal year ended March 31, 2023	(Millions of yen) Fiscal year ended March 31, 2024	(Thousands of U.S. dollars) Fiscal year ended March 31, 2024
Net income		¥ (789,801)	¥ 209,217	$ 1,381,791
Other comprehensive income, net of tax				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plan	42	3,240	(308)	(2,034)
Equity financial assets at FVTOCI	42	6,194	10,777	71,178
Share of other comprehensive income of associates	42	356	326	2,152
Total items that will not be reclassified to profit or loss		9,790	10,795	71,296
Items that may be reclassified subsequently to profit or loss				
Debt financial assets at FVTOCI	42	(598)	(286)	(1,889)
Cash flow hedges	42	(72,791)	24,007	158,556
Exchange differences on translating foreign operations	42	1,221,249	2,000,916	13,215,218
Share of other comprehensive income of associates	42	100,291	(3,208)	(21,188)
Total items that may be reclassified subsequently to profit or loss		1,248,151	2,021,429	13,350,697
Total other comprehensive income, net of tax		1,257,941	2,032,224	13,421,993
Total comprehensive income		¥ 468,140	¥2,241,441	$14,803,784
Total comprehensive income attributable to				
Owners of the parent		¥ 293,116	¥1,809,984	$11,954,191
Non-controlling interests		175,024	431,457	2,849,593
Total comprehensive income		¥ 468,140	¥2,241,441	$14,803,784

c. **Consolidated Statement of Changes in Equity**

For the fiscal year ended March 31, 2023

		(Millions of yen)						
		Equity attributable to owners of the parent						
	Notes	**Common stock**	**Capital surplus**	**Other equity instruments**	**Retained earnings**	**Treasury stock**	**Accumulated other comprehensive income**	**Total**
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	34	—	—	—	(70,327)	—	—	(70,327)
Distribution to owners of other equity instruments	33	—	—	—	(36,680)	—	—	(36,680)
Redemption and cancellation of other equity instruments	33	—	—	(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	33	—	—	—	(798)	(1,044,755)	—	(1,045,553)
Retirement of treasury stock	33	—	—	—	(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

	Notes	Non-controlling interests	Total equity
		(Millions of yen)	
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	34	(288,175)	(358,502)
Distribution to owners of other equity instruments	33	—	(36,680)
Redemption and cancellation of other equity instruments	33	—	(104,597)
Transfer of accumulated other comprehensive income to retained earnings		—	—
Purchase and disposal of treasury stock	33	—	(1,045,553)
Retirement of treasury stock	33	—	—
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						
	Notes	**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	34	—	—	—	(64,433)	—	—	(64,433)
Distribution to owners of other equity instruments	33	—	—	—	(25,624)	—	—	(25,624)
Redemption and cancellation of other equity instruments	33	—	(740)	(220,856)	(56,164)	—	—	(277,760)
Transfer of accumulated other comprehensive income to retained earnings		—	—	—	595	—	(595)	—
Purchase and disposal of treasury stock	33	—	740	—	—	16,066	—	16,806
Changes from loss of control		—	—	—	—	—	—	—
Changes in interests in subsidiaries	33	—	678,056	—	—	—	—	678,056
Issuance of other equity instruments in subsidiaries	33	—	—	—	—	—	—	—
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

	Notes	Non-controlling interests	Total equity
		(Millions of yen)	
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	34	(288,296)	(352,729)
Distribution to owners of other equity instruments	33	—	(25,624)
Redemption and cancellation of other equity instruments	33	—	(277,760)
Transfer of accumulated other comprehensive income to retained earnings		—	—
Purchase and disposal of treasury stock	33	—	16,806
Changes from loss of control		(5,359)	(5,359)
Changes in interests in subsidiaries	33	81,038	759,094
Issuance of other equity instruments in subsidiaries	33	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

		(Thousands of U.S. dollars)						
		Equity attributable to owners of the parent						
	Notes	Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Accumulated other comprehensive income	Total
As of April 1, 2023		$1,576,990	$17,520,573	$ 2,734,661	$13,250,366	$(256,199)	$24,812,001	$59,638,392
Comprehensive income								
Net income		—	—	—	(1,503,507)	—	—	(1,503,507)
Other comprehensive income		—	—	—	—	—	13,457,698	13,457,698
Total comprehensive income		—	—	—	(1,503,507)	—	13,457,698	11,954,191
Transactions with owners and other transactions								
Cash dividends	34	—	—	—	(425,553)	—	—	(425,553)
Distribution to owners of other equity instruments	33	—	—	—	(169,236)	—	—	(169,236)
Redemption and cancellation of other equity instruments	33	—	(4,887)	(1,458,662)	(370,940)	—	—	(1,834,489)
Transfer of accumulated other comprehensive income to retained earnings		—	—	—	3,930	—	(3,930)	—
Purchase and disposal of treasury stock	33	—	4,887	—	—	106,110	—	110,997
Changes from loss of control		—	—	—	—	—	—	—
Changes in interests in subsidiaries	33	—	4,478,277	—	—	—	—	4,478,277
Issuance of other equity instruments in subsidiaries	33	—	—	—	—	—	—	—
Changes in interests in associates' capital surplus		—	(601)	—	—	—	—	(601)
Share-based payment transactions		—	(25,315)	—	—	—	—	(25,315)
Other		—	(5,475)	—	—	—	—	(5,475)
Total transactions with owners and other transactions		—	4,446,886	(1,458,662)	(961,799)	106,110	(3,930)	2,128,605
As of March 31, 2024		$1,576,990	$21,967,459	$ 1,275,999	$10,785,060	$(150,089)	$38,265,769	$73,721,188

	Notes	(Thousands of U.S. dollars) Non-controlling interests	Total equity
As of April 1, 2023		$10,695,239	$70,333,631
Comprehensive income			
Net income		2,885,298	1,381,791
Other comprehensive income		(35,705)	13,421,993
Total comprehensive income		2,849,593	14,803,784
Transactions with owners and other transactions			
Cash dividends	34	(1,904,075)	(2,329,628)
Distribution to owners of other equity instruments	33	—	(169,236)
Redemption and cancellation of other equity instruments	33	—	(1,834,489)
Transfer of accumulated other comprehensive income to retained earnings		—	—
Purchase and disposal of treasury stock	33	—	110,997
Changes from loss of control		(35,394)	(35,394)
Changes in interests in subsidiaries	33	535,222	5,013,499
Issuance of other equity instruments in subsidiaries	33	792,550	792,550
Changes in interests in associates' capital surplus		—	(601)
Share-based payment transactions		752,704	727,389
Other		18,962	13,487
Total transactions with owners and other transactions		159,969	2,288,574
As of March 31, 2024		$13,704,801	$87,425,989

d. Consolidated Statement of Cash Flows

	Notes	(Millions of yen) Fiscal year ended March 31, 2023	(Millions of yen) Fiscal year ended March 31, 2024	(Thousands of U.S. dollars) Fiscal year ended March 31, 2024
Cash flows from operating activities				
Net income		¥ (789,801)	¥ 209,217	$ 1,381,791
Depreciation and amortization		893,488	858,620	5,670,828
(Gain) loss on investments at Investment Business of Holding Companies		(4,638,430)	449,817	2,970,854
Loss on investments at SoftBank Vision Funds		5,322,265	167,290	1,104,881
Finance cost		555,902	556,004	3,672,175
Foreign exchange loss		772,270	703,122	4,643,828
Loss on equity method investments		96,677	38,641	255,208
Derivative gain (excluding (gain) loss on investments)		(54,256)	(1,502,326)	(9,922,238)
Change in third-party interests in SVF		(1,127,949)	390,137	2,576,692
Loss (gain) on other investments and other loss (gain)		97,432	(309,705)	(2,045,473)
Income taxes		320,674	(151,416)	(1,000,039)
Decrease (increase) in investments from asset management subsidiaries		152,514	(230,986)	(1,525,566)
Increase/decrease in derivative financial assets and derivative financial liabilities in asset management subsidiaries		49,067	(248)	(1,638)
Decrease (increase) in restricted cash in asset management subsidiaries		138,915	(3,082)	(20,355)
(Decrease) increase in borrowed securities in asset management subsidiaries		(131,796)	2,816	18,599
Increase in trade and other receivables		(517,155)	(476,511)	(3,147,157)
(Increase) decrease in inventories		(18,929)	5,436	35,903
Increase in trade and other payables		439,566	325,731	2,151,318
Other		13,152	209,107	1,381,063
Subtotal		1,573,606	1,241,664	8,200,674
Interest and dividends received		111,740	256,083	1,691,321
Interest paid		(418,163)	(430,422)	(2,842,758)
Income taxes paid	44	(638,160)	(885,617)	(5,849,131)
Income taxes refunded	44	112,269	68,839	454,653
Net cash provided by operating activities		741,292	250,547	1,654,759

	Notes	(Millions of yen) Fiscal year ended March 31, 2023	(Millions of yen) Fiscal year ended March 31, 2024	(Thousands of U.S. dollars) Fiscal year ended March 31, 2024
Cash flows from investing activities				
Payments for acquisition of investments		(313,413)	(800,925)	(5,289,776)
Proceeds from sales/redemption of investments	44	619,775	219,668	1,450,816
Payments for acquisition of investments by SVF		(456,351)	(212,045)	(1,400,469)
Proceeds from sales of investments by SVF		833,180	922,020	6,089,558
Payments for acquisition of investments by asset management subsidiaries		—	(76,877)	(507,741)
Payments for acquisition of control over subsidiaries	44	(14,854)	(104,484)	(690,073)
Proceeds from loss of control over subsidiaries		6,998	96,755	639,026
Purchase of property, plant and equipment, and intangible assets	44	(633,765)	(622,612)	(4,112,093)
Payments for loan receivables		(14,932)	(313,686)	(2,071,765)
Collection of loan receivables		94,020	107,481	709,867
Proceeds from withdrawal of trust accounts in SPACs	44	323,666	—	—
Payments into time deposits		(162,691)	(148,657)	(981,818)
Proceeds from withdrawal of time deposits		152,610	77,954	514,854
Other		113,335	13,947	92,114
Net cash provided by (used in) investing activities		547,578	(841,461)	(5,557,500)

	Notes	(Millions of yen) Fiscal year ended March 31, 2023	(Millions of yen) Fiscal year ended March 31, 2024	(Thousands of U.S. dollars) Fiscal year ended March 31, 2024
Cash flows from financing activities				
(Repayment of) proceeds in short-term interest-bearing debt, net	22	(73,371)	182,874	1,207,807
Proceeds from interest-bearing debt	22	9,176,112	5,914,090	39,060,102
Repayment of interest-bearing debt	22	(6,294,991)	(5,889,186)	(38,895,621)
Repayment of lease liabilities		(266,423)	(211,231)	(1,395,093)
Contributions into SVF from third-party investors		17,857	—	—
Distribution/repayment from SVF to third-party investors	7	(544,242)	(783,522)	(5,174,837)
Redemption of non-controlling interests subject to possible redemption	44	(319,401)	—	—
Proceeds from the partial sales of shares of subsidiaries to non-controlling interests	44	724	747,565	4,937,356
Purchase of shares of subsidiaries from non-controlling interests	44	(5,181)	(112,009)	(739,773)
Redemption of other equity instruments	44	(104,597)	(277,760)	(1,834,489)
Distribution to owners of other equity instruments		(36,680)	(25,624)	(169,236)
Proceeds from the issuance of other equity instruments in subsidiaries	44	—	120,000	792,550
Purchase of treasury stock		(1,055,436)	(8)	(53)
Cash dividends paid		(70,241)	(64,356)	(425,045)
Cash dividends paid to non-controlling interests	18	(288,452)	(288,119)	(1,902,906)
Other		55,839	81,064	535,394
Net cash provided by (used in) financing activities		191,517	(606,222)	(4,003,844)
Effect of exchange rate changes on cash and cash equivalents		275,765	491,868	3,248,583
Decrease in cash and cash equivalents relating to transfer of assets classified as held for sale		—	(33,011)	(218,024)
Increase (decrease) in cash and cash equivalents		1,756,152	(738,279)	(4,876,026)
Cash and cash equivalents at the beginning of the year	8	5,169,001	6,925,153	45,737,752
Cash and cash equivalents at the end of the year	8	¥ 6,925,153	¥ 6,186,874	$ 40,861,726

Notes to Consolidated Financial Statements

1. Reporting entity

SoftBank Group Corp. is a corporation domiciled in Japan. The registered address of SoftBank Group Corp.'s head office is disclosed on our website (https://group.softbank/en/). These consolidated financial statements are composed of SoftBank Group Corp. and its subsidiaries (the "Company"). The Company engages in various businesses in the information industry, with its core business being in the Investment Business of Holding Companies segment, the SoftBank Vision Funds segment, the SoftBank segment, and the Arm segment. The details are described in "(1) Description of reportable segments" under "Note 6. Segment information."

2. Basis of preparation of consolidated financial statements

(1) Compliance with IFRS Accounting Standards
The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("IFRS").

(2) Basis of measurement
These consolidated financial statements have been prepared on the historical cost basis, except for certain items, such as financial instruments, that are measured at fair value as described in "Note 3. Material accounting policies."

(3) Presentation currency and unit of currency
These consolidated financial statements have been presented in Japanese yen, which is the currency of the primary economic environment of SoftBank Group Corp. ("functional currency"), and yen amounts are rounded to the nearest million.

The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside of Japan and have been made at a rate of ¥151.41 to $1, the approximate rate of exchange at March 31, 2024. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

(4) 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.

(5) New standards and interpretations not yet adopted by the Company

New standards and interpretations that are newly established or amended before the approval date of the consolidated financial statements and not yet adopted by the Company may have the following potential impacts. The impacts on the consolidated financial statements of the Company due to the adoption are currently under review.

Standard/interpretation		Mandatory adoption (From the year beginning)	To be adopted by the Company	Outline of the new standards
IAS 1	Presentation in the financial statements	January 1, 2024	From the fiscal year ending March 31, 2025	The main amendments are as follows: • Clarifying the classification of liabilities into current liabilities or non-current liabilities • Amendment to require the disclosure of information on non-current liabilities with covenants
IFRS 18	Presentation and disclosure in the financial statements	January 1, 2027	From the fiscal year ending March 31, 2028	The IFRS 18 replaces the previous IAS1 and the main amendments are as follows: • Amendment to require the classification of income and expenses into either operating, investing, or financing categories and the presentation of two subtotals, “Operating profit or loss” and “Profit or loss before financing and income taxes and profit or loss” under the statement of profit or loss • Amendment to the grouping of useful information for the financial statements, including the introduction of the principles of aggregation and disaggregation of information under the statement of profit or loss • Amendment to require the disclosure of information on all indicators that meet the definition of management-defined performance measures (MPMs)

There are no other new standards and interpretations that are newly established or amended before the approval date of the consolidated financial statements and have significant impacts on the consolidated financial statements of the Company.

(6) Definition of company names and abbreviations used in the financial report

Company names and abbreviations, 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.

Company names / Abbreviations	Definition
SVF2 LLC	SVF II Investment Holdings LLC
LatAm Funds	SBLA Latin America Fund LLC
SLA LLC	SLA Holdco II LLC
SVF	SVF1, SVF2, and LatAm Funds
SBIA	SB Investment Advisers (UK) Limited
SBGA	SB Global Advisers Limited
Arm	Arm Holdings plc or Arm Limited*
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

* 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.

3. Material accounting policies

Accounting policies the Company has adopted have been applied consistently to all periods presented in these consolidated financial statements.

Please refer to "(20) Material accounting policies for the SoftBank Vision Funds segment" for details of the SoftBank Vision Funds segment.

(1) Basis of consolidation

a. Subsidiaries

A subsidiary is an entity that is controlled by SoftBank Group Corp.

The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Please refer to "a. Consolidation of SVF1, SVF2, and LatAm Funds by the Company" under "(20) Material accounting policies for the SoftBank Vision Funds segment" for details of SVF1, SVF2, and LatAm Funds.

The subsidiaries' financial statements are consolidated from the date when control is acquired ("acquisition date") until the date when the control is lost.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Company.

Non-controlling interests consist of those interests at the acquisition date and any adjustments for subsequent changes in those interests.

Total comprehensive income of subsidiaries is generally attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intragroup balances and transactions and unrealized gains and losses arising from intragroup transactions are eliminated on consolidation.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the parent.

When SoftBank Group Corp. loses control of a subsidiary, a gain or loss is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the net carrying amount of the assets (including goodwill), liabilities, and non-controlling interests of the subsidiary when control is lost.

Any amounts previously recognized in accumulated other comprehensive income in relation to the former subsidiaries are reclassified to profit or loss.

b. Associates and joint ventures

An associate is an entity over which SoftBank Group Corp. has significant influence in the financial and operating policy decisions, but does not have control or joint control.

A joint venture is an investment which parties including SoftBank Group Corp. have joint control based on the contractual arrangement that requires unanimous consent related to significant decisions of the business activities and have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for using the equity method or accounted for using FVTPL.

(a) Investments accounted for using the equity method

Investments in associates and joint ventures are accounted for using the equity method and are initially recognized at cost. The investment is adjusted thereafter to recognize the Company's interest in profit or loss and other comprehensive income from the date of acquisition to the date of loss of significant influence.

When the losses of an associate and a joint venture exceed the Company's interest in the associate and the joint venture, long-term interests that, in substance, form a part of the net investment in the company are decreased to zero, and no additional loss is recognized except when the Company incurs legal or constructive obligations to or makes payments on behalf of the associate and the joint venture.

Unrealized gains or losses on intercompany transactions with associates and joint ventures are added to or deducted from the carrying amount of the investments only to the extent of the Company's interests in the associates and the joint ventures.

Any excess in the cost of acquisition of an associate and a joint venture over the Company's interest of the net fair value of the identifiable assets and liabilities recognized at the date of acquisition is recognized as goodwill and included within the carrying amount of the investments in associates and joint ventures.

Because goodwill is not separately recognized, it is not tested for impairment separately. Instead, the entire carrying amount of the investments in associates and joint ventures, including goodwill, is tested for impairment as a single asset whenever objective evidence indicates that the investment may be impaired.

(b) Investments accounted for using FVTPL

Among the investments in associates and joint ventures, investments directly made by SVF1, SVF2, and LatAm Funds, and investments made by SoftBank Group Corp. or its subsidiaries based on the premise of transferring to SVF1, SVF2, and LatAm Funds, and preferred stock investments whose feature is substantively different from common stock, are not accounted for using the equity method. These investments are classified as financial assets measured at fair value through profit or loss ("financial assets at FVTPL"). For the Company's accounting policy for the financial assets at FVTPL, please refer to "(4) Financial instruments." Also, please refer to "(b) Investments in associates and joint ventures" in "b. Portfolio company investments made by SVF1, SVF2, and LatAm Funds" under "(20) Material accounting policies for the SoftBank Vision Funds segment" for details of SVF1, SVF2, and LatAm Funds.

(2) Business combinations

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

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

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

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

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

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

Amounts arising from changes in the value of interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized using the same accounting treatment as the Company disposes the interests.

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

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

(3) Foreign currency translation

a. Transactions denominated in foreign currencies

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

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

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

b. Foreign operations

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

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

The exchange rates used in the translation are described in "Note 32. Foreign currency exchange rates."

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

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

(4) Financial instruments

a. Financial instruments

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

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

b. Non-derivative financial assets

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

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

(a) Financial assets measured at amortized cost

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

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

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

(b) Debt financial assets at FVTOCI

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

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

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

(c) Equity financial assets at FVTOCI

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

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

(d) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL, if they are classified as neither financial assets at amortized cost, debt financial assets at FVTOCI, nor equity financial assets at FVTOCI. Please refer to "(20) Material accounting policies for the SoftBank Vision Funds segment" for the details of "Investments from SVF (FVTPL)" in the consolidated statement of financial position. Neither financial assets are designated as measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

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

(e) Impairment of financial assets

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

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

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

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

(f) Derecognition of financial assets

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

c. Non-derivative financial liabilities

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

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

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

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

d. Derivatives and hedge accounting

(a) Derivatives

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

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

(b) Hedge accounting

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

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

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

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

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

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

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

(c) Embedded derivatives

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

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

e. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset, and the net amounts are presented in the consolidated statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(5) Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits and short-term investments with maturities of three months or less that are readily convertible to cash and subject to insignificant risk of change in value.

(6) Inventories

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

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

(7) Property, plant and equipment

Property, plant and equipment are measured on a historical cost basis, less accumulated depreciation and accumulated impairment losses. Historical cost includes costs directly attributable to the acquisition of the asset and the initial estimated costs related to disassembly, retirement and site restoration.

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

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

Buildings and structures	
Buildings	20 - 50 years
Structures	4 - 50 years
Building fixtures	3 - 22 years
Telecommunications equipment	
Wireless equipment, switching equipment, and other network equipment	5 - 15 years
Towers	10 - 42 years
Other	5 - 30 years
Furniture, fixtures and equipment	
Leased mobile devices	2 - 3 years
Other	2 - 20 years

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

(8) Goodwill

Please refer to "(2) Business combinations" for the measurement of goodwill at initial recognition. Goodwill is measured at cost less accumulated impairment losses.

Goodwill is not amortized, and is tested for impairment when there is an indication of impairment in cash-generating units or groups of cash-generating units to which goodwill has been allocated, and annually, regardless of any indication of impairment. Impairment is described in "(11) Impairment of property, plant and equipment, right-of-use assets, intangible assets and goodwill."

The Company's policy for goodwill arising from the acquisition of an associate is described in "(1) Basis of consolidation."

(9) Intangible assets

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

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

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

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

Software	5 - 10 years
Customer relationships	8 - 25 years
Technologies	8 - 20 years
Spectrum-related costs	18 years
Management contracts	6 - 10 years
Other	2 - 25 years

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

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

Intangible assets with indefinite useful lives are as follows:
• Trademarks (with indefinite useful lives)

The intangible assets with indefinite useful lives and the intangible assets that are not yet available for use are not amortized. The impairment of these assets is described in "(11) Impairment of property, plant and equipment, right-of-use assets, intangible assets and goodwill."

In addition, the Company does not apply IFRS 16 "Leases" to leases of intangible assets.

(10) Leases

a. Overall

(a) Identifying a lease

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

i. The use of the identified asset is specified in a contract and the lessor does not have the right to substitute the asset.

ii. Throughout the period of use, the lessee has the right to obtain substantially all of the economic benefits from the use of the identified asset.

iii. The lessee has the right to direct the use of the identified asset. Where the relevant decisions about how and for what purpose the asset is used are predetermined, the lessee is deemed to have the right to direct the use of the identified asset if:
   • the lessee has the right to operate the asset; or
   • the lessee designed the asset in a way that predetermines how and for what purpose the asset will be used.

(b) Lease term

The lease term is determined as the non-cancellable period of a lease, together with both:
• periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
• periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

b. Lessee

(a) Separating components of a contract

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

(b) Lease transactions of intangible assets

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

(c) Right-of-use asset

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

After the initial measurement, the right-of-use asset is depreciated on a straight-line basis: (a) over the estimated useful life if the transfer of ownership of the underlying asset is certain; or (b) over the shorter of the lease term or the estimated useful life of the leased asset if the transfer of ownership is not certain. The estimated useful life of the right-of-use asset is determined by the same method applied to property, plant and equipment. Further, if the right-of-use asset is impaired, an impairment loss is deducted from the carrying amount of the right-of-use asset. The details of lease terms by asset classes for right-of-use assets held for leases are described in “Note 15. Right-of-use assets.”

(d) Lease liability

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

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

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

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

c. Lessor

(a) Separating components of a contract

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

(b) Classification of leases

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

(c) Sublease classification

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

(d) Recognition and measurement

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

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

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

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

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

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

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

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

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

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

b. Impairment of goodwill

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

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

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

(12) Provisions

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

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

The Company mainly recognizes asset retirement obligations, asbestos claims liabilities, and provisions for loss on contract as provisions.

Asbestos claims liabilities are recognized because Fortress acquired and consolidated an entity that holds asbestos claims liabilities and related insurance assets. For the asbestos claims liabilities, the subsidiary estimates future costs for the cases filed alleging injury as a result of exposure to asbestos, and records amounts as deemed necessary.

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

(13) Treasury stock

When the Company acquires its own equity share capital ("treasury stock"), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity. No gain or loss is recognized on the purchase, sale, or cancellation of the treasury stock. The difference between the carrying amount and the consideration on sale is recognized as capital surplus.

(14) Assets or disposal groups classified as held for sale

Assets or disposal groups, whose recoveries are expected principally through sale transactions rather than continuing use, are classified as held for sale when it is highly probable that the sale will be completed within one year, are available for immediate sale in their present condition, and management commits to a plan to sell.

The Company, when committed to a sale plan involving loss of control of a subsidiary, classifies assets and liabilities of the subsidiary as held for sale when the above criteria are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale.

Assets classified as held for sale are measured at the lower of the carrying amounts and fair values less costs to sell and depreciation of property, plant and equipment and amortization of intangible assets are not conducted after the classification.

(15) Share-based payments

The Company grants stock options and adopts restricted stock unit plans and restricted stock compensation plans, as equity-settled share-based compensation, and cash-settled share-based compensation.

Equity-settled share-based compensation is measured at fair value on the grant date. The fair value of stock options is calculated using models such as the Black-Scholes model, and the fair value of restricted stock units and restricted stocks is calculated using the share price on the grant date.

The fair value determined on the grant date is expensed over the vesting period, based on the estimated stock options or restricted stock units that will eventually vest, with a corresponding increase in equity.

The Company regularly reviews the assumptions made and revises estimates of the number of stock options or restricted stock units that are expected to vest, when necessary.

Restricted stock units are vested on the grant date and accordingly the fair value of restricted stock units on the grant date is expensed in a lump sum.

Cash-settled share-based compensation is accounted for as liabilities and is measured initially at the fair value of the award. The fair value of the liabilities is remeasured on each closing date and the settlement date, and changes in fair values are recognized in profit or loss.

(16) Revenue

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

SoftBank segment

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

a. Consumer business

(a) Mobile services and sales of mobile devices

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

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

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

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

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

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

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

i. Indirect sales

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

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

ii. Direct sales

For direct sales, the total amount of transaction prices is allocated to sales of mobile devices and mobile service revenue based on the ratio of their stand-alone selling prices, as the revenues from the sales of mobile devices and mobile services, including related fees, are considered to be one transaction. Discounts on mobile communications charges related to mobile service revenue are deducted from the total transaction prices.

In addition, if the amount of revenue recognized at the time of sales of mobile devices exceeds the amount of consideration received from the subscribers, the difference is recognized as contract assets and subsequently transferred to trade receivables when the claim is determined as a result of the provision of mobile services. If the amount of revenue recognized at the time of sales of mobile devices is less than the amount of consideration received from the subscribers, the difference is recognized as contract liabilities, which is then reversed when the mobile services are provided, and is recognized as revenue.

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

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

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

(b) Broadband services

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

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

(c) Electricity services

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

b. Enterprise business

(a) Mobile services and mobile device rental services

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

(b) Fixed-line communications services

Revenues from fixed-line communications services mainly consist of voice telecommunications service fees and data transmission service fees. Revenues from fixed-line communications services are recognized when services are provided to subscribers, based on fixed monthly charges and the fees charged for usage of the network.

(c) Business solution and others

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

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

c. Distribution business

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

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

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

d. Media&EC business

(a) Media business

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

i. Search advertising

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

ii. Account advertising

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

iii. Display advertising

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

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

iv. Others

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

(b) Commerce business

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

i. Sales of goods by the ASKUL Group

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

ii. ZOZOTOWN

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

iii. Yahoo! auction

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

e. Financial business

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

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

Arm segment

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

a. License and other revenue

(a) Intellectual Property license

Arm generally licenses IP under non-exclusive license agreements that provide usage rights for specific applications for a finite or perpetual term. These licenses are made available electronically to address the customer-specific business requirements. These arrangements generally have distinct performance obligations that consist of transferring the licensed IPs, version extensions of architecture IP or releases of IPs, and support services. Support services consist of a stand-ready obligation to provide technical support, patches, and bug fixes over the support term. Revenue allocated to the IP license is recognized at a point in time upon the delivery or beginning of license term, whichever is later. Revenue allocated to distinct version extensions of architecture IP or releases of IP, excluding when-and-if-available minor updates over the support term, are recognized at a point in time upon the delivery or beginning of license term, whichever is later.

Certain license agreements provide customers with the right to access a library of current and future IPs on an unlimited basis over the contractual period depending on the terms of the applicable contract. These licensing arrangements of the customer and the extent of use in any given period does not diminish the remaining performance obligation. The contract consideration related to these arrangements is recognized ratably over the term of the contract in line with when the control of the performance obligations is transferred.

(b) Software sales, including development systems

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

(c) Professional services

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

(d) Support and maintenance

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

b. Royalty revenue

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

(17) Costs to obtain contracts

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

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

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

(18) Income tax

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

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

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

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

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

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

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

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

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

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

(19) Earnings per share

Basic earnings per share is calculated by dividing net income attributable to owners of the parent by the weighted-average number of ordinary shares (after adjusting for treasury stocks) outstanding for the period.

Diluted earnings per share assumes full conversion of the issued potential stocks having a dilutive effect, with an adjustment for net income attributable to owners of the parent and the weighted-average number of ordinary shares (after adjusting for treasury stocks) outstanding for the period.

(20) Material accounting policies for the SoftBank Vision Funds segment

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

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

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

As of March 31, 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.

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

(a) Investments in subsidiaries

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

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

(b) Investments in associates and joint ventures

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

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

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

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

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

Third-Party Investor in SVF2 and LatAm Funds is entitled to make full or partial payments of its investments and related adjustments at any point in time, at its discretion, from the date it became an investor in SVF2 LLC or SLA LLC to the end of company life of SVF2 LLC or SLA LLC, and as of March 31, 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.

4. Changes in accounting policies

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 (except for the notes to the consolidated financial statements) for the fiscal year ended March 31, 2023 and 2024, due to the adoption of the IAS 12 (Amendments) "Income Taxes."

As a result of the adoption of the amended standard retrospectively, the Company recognized the same amount of deferred tax assets and deferred tax liabilities for assets and liabilities arising from a single transaction, which were restated in "(3) Movement of deferred tax assets and deferred tax liabilities" under "Note 21. Income taxes" for the fiscal year ended March 31, 2023.

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

5. Significant judgments and estimates

In preparing consolidated financial statements under IFRS, management makes judgments, estimates, and assumptions that affect the application of accounting policies and carrying amounts of assets, liabilities, revenue, and expenses. These estimates and underlying assumptions are based on management's best judgments, through their evaluation of various factors that were considered reasonable as of the period-end, based on historical experience and by collecting available information. By the nature of its estimates or assumptions, however, actual results in the future may differ from those projected estimates or assumptions.

Estimates and underlying assumptions are continuously reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised as well as in the future periods. Significant judgments, estimates and assumptions that affect the amounts recognized in the Company's consolidated financial statements are as follows:

- significant judgments of whether an entity is controlled by the Company in determining the scope of consolidation ((1) and (20) in "Note 3. Material accounting policies" and "Note 18. Major subsidiaries");
- significant judgments for the determination of the scope and accounting treatment of associates ((1) and (20) in "Note 3. Material accounting policies" and "Note 19. Investments accounted for using the equity method");
- estimates for impairment of investments accounted for using the equity method ((1) in "Note 3. Material accounting policies" and "Note 41. Other gain (loss)");
- fair value measurement of financial assets at FVTPL, debt financial assets at FVTOCI, and equity financial assets at FVTOCI ((4) and (20) in "Note 3. Material accounting policies," "Note 7. SoftBank Vision Funds business," (2) in "Note 29. Fair value of financial instruments," and "Note 38. Gain on investments");
- estimates for impairment of financial assets measured at amortized cost ((4) in "Note 3. Material accounting policies," and "Note 41. Other gain (loss)");
- fair value measurement of derivatives (including embedded derivatives) ((4) in "Note 3. Material accounting policies" and (2) in "Note 29. Fair value of financial instruments");
- estimates for residual value and useful life of property, plant and equipment, right-of-use assets, and intangible assets ((7), (9), and (10) in "Note 3. Material accounting policies");
- estimates for impairment of property, plant and equipment, right-of-use assets, intangible assets and goodwill ((11) in "Note 3. Material accounting policies," "Note 16. Goodwill and intangible assets," and "Note 41. Other gain (loss)");
- judgments and estimates for accounting treatment of contracts including leases ((10) in "Note 3. Material accounting policies," "Note 15. Right-of-use assets," and "Note 17. Leases");

- judgments and estimates for recognition and measurement on provisions ((12) in "Note 3. Material accounting policies" and "Note 27. Provisions");
- judgments and estimates for salability relating to classification as held for sale ((14) in "Note 3. Material accounting policies" and "Note 13. Disposal group classified as held for sale");
- judgments for timing of revenue recognition related to indirect sales of mobile devices ((16) in "Note 3. Material accounting policies" and "Note 36. Net sales");
- judgments for "contractual period" in the mobile services and whether or not if "material right" is included in the contracts ((16) in "Note 3. Material accounting policies" and "Note 36. Net sales");
- estimates for amortization period of costs to obtain contracts ((17) in "Note 3. Material accounting policies");
- assessment of recoverability of deferred tax assets ((18) in "Note 3. Material accounting policies" and "Note 21. Income taxes");
- significant judgments for recognition related to deferred tax liabilities ((18) in "Note 3. Material accounting policies" and "Note 21. Income taxes");
- estimates for measurement of contribution from Third-party interests to SVF ((20) in "Note 3. Material accounting policies" and (2) in "Note 7. SoftBank Vision Funds business"); and
- recognition of liabilities and expenses related to contingencies ("Note 46. Contingency").

6. 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.

* 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 "*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 7. 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

	(Thousands of U.S. dollars)			
	Reportable segments			
	Investment Business of Holding Companies	SoftBank Vision Funds*	SoftBank	Arm
Net sales				
Customers	$ —	$ —	$40,164,342	$ 3,064,692
Intersegment	—	—	16,928	—
Total	$ —	$ —	$40,181,270	$ 3,064,692
Segment income	(644,119)	846,569	5,515,329	(219,371)
Depreciation and amortization	(20,329)	(15,204)	(4,879,215)	(612,899)
Gain (loss) on investments	(3,031,801)	4,783,971	44,012	6,433
Finance cost	(3,129,324)	(490,866)	(420,751)	(9,947)
Foreign exchange gain (loss)	(4,645,915)	(3,467)	(9,201)	20,468
Income (loss) on equity method investments	12,575	—	(149,230)	667
Derivative gain (excluding gain (loss) on investments)	9,906,974	—	14,425	839

	Total	Other	Reconciliations	Consolidated
Net sales				
Customers	$43,229,034	$1,394,835	$ —	$44,623,869
Intersegment	16,928	91,269	(108,197)	—

	Total	Other	Reconciliations	Consolidated
Total	$43,245,962	$1,486,104	$ (108,197)	$44,623,869
Segment income	5,498,408	339,529	(5,456,185)	381,752
Depreciation and amortization	(5,527,647)	(143,181)	—	(5,670,828)
Gain (loss) on investments	1,802,615	368,384	(5,865,273)	(3,694,274)
Finance cost	(4,050,888)	(108,448)	487,161	(3,672,175)
Foreign exchange gain (loss)	(4,638,115)	(5,713)	—	(4,643,828)
Income (loss) on equity method investments	(135,988)	(114,676)	(4,544)	(255,208)
Derivative gain (excluding gain (loss) on investments)	9,922,238	—	—	9,922,238

* 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 7. SoftBank Vision Funds business."

(3) Geographical information

a. Net sales to external customers

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Japan	¥5,844,627	¥5,964,709	$39,394,419
Other	725,812	791,791	5,229,450
Total	¥6,570,439	¥6,756,500	$44,623,869

Sales are categorized based on the location of external customers.

b. Non-current assets (excluding financial assets and deferred tax assets)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Japan	¥ 6,895,410	¥ 6,812,263	$44,992,160
U.K.	3,683,752	4,098,218	27,067,023
Other	158,773	400,938	2,648,030
Total	¥10,737,935	¥11,311,419	$74,707,213

7. 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)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	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	$ 6,501,612
Unrealized loss on valuation of investments			
Change in valuation for the fiscal year*3	(4,978,591)	(189,604)	(1,252,256)
Reclassified to realized gain (loss) recorded in the past fiscal years*2,4	(288,679)	44,769	295,681
Interest and dividend income from investments	1,512	21,668	143,108
Derivative gain (loss) on investments	14,537	(7,337)	(48,458)
Effect of foreign exchange translation*2,5	(125,853)	(157,644)	(1,041,173)
Subtotal	(5,298,458)	696,261	4,598,514
Gain on other investments	18,964	28,080	185,457
Total gain (loss) on investments at SoftBank Vision Funds	(5,279,494)	724,341	4,783,971
Selling, general and administrative expenses	(65,999)	(84,986)	(561,297)
Finance cost (interest expenses)	(81,181)	(74,322)	(490,866)
Derivative gain (excluding gain (loss) on investments)	907	—	—
Change in third-party interests in SVF	1,127,949	(390,137)	(2,576,692)
Other loss*6	(10,473)	(46,717)	(308,547)
Segment income arising from the SoftBank Vision Funds business (income before income tax)	¥(4,308,291)	¥ 128,179	$ 846,569

*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 ($7,093,580 thousand) of the realized gain, ¥189,817 million ($1,253,662 thousand) of the unrealized loss on valuation (reclassified to realized gain recorded in the past fiscal years), and ¥(76,902) million ($(507,906) thousand) 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 ($594,426 thousand) (for the fiscal year ended March 31, 2023: ¥84,962 million of the unrealized gain (net) on valuation) 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 ($33,564 thousand) (for the fiscal year ended March 31, 2023: ¥38,116 million of the unrealized loss on valuation) 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 ($277,868 thousand) (for the fiscal year ended March 31, 2023: ¥37,780 million). The details are described in "*7" under "Note 41. 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 "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under " Note 45. Related party transactions." 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*1	585,828		—	—
As of March 31, 2024*2	¥4,680,417			

	(Thousands of U.S. dollars)			
			(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	$29,527,224			
Changes in third-party interests	2,690,668		(2,690,668)	—
Attributable to investors entitled to fixed distribution		1,069,275		
Attributable to investors entitled to performance-based distribution		1,621,393		
Distribution/repayment to Third-Party Investors	(5,174,837)		—	(5,174,837)
Exchange differences on translating third-party interests*1	3,869,150		—	—
As of March 31, 2024*2	$30,912,205			

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

*2 Of third-party interests as of March 31, 2024, the amount attributable to investors entitled to fixed distribution is ¥2,015,272 million ($13,310,032 thousand) and of this amount, the amount of unpaid fixed distributions is not recorded.

(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 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 "(a) Transactions between SVF2 and related parties" in "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under "Note 45. Related party transactions."

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

	(Thousands of U.S. dollars)
	Receivables from Third-Party Investor in SVF2
As of April 1, 2023	$2,541,906
Increase in receivables from accrued premiums charged to Third-Party Investor	79,017
Exchange differences on receivables	344,080
As of March 31, 2024	$2,965,003

(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		

		(Thousands of U.S. dollars)	
		(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	$ 189,235		
Changes in third-party interests	(113,976)	113,976	—
Exchange differences on translating third-party interests and others*	17,773	—	—
As of March 31, 2024	$ 93,032		

* 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 "(b) Transactions between LatAm Funds and related parties" in "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under "Note 45. Related party transactions."

	(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

	(Thousands of U.S. dollars)
	Receivables from Third-Party Investor in LatAm Funds
As of April 1, 2023	$598,415
Increase in receivables from accrued premiums charged to Third-Party Investor	18,486
Exchange differences on receivables and others	78,416
As of March 31, 2024	$695,317

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.

8. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Cash and demand deposits*	¥5,332,098	¥4,634,901	$30,611,591
Time deposits (maturities of less than three months)	1,327,882	860,122	5,680,748
MMF	264,755	691,462	4,566,819
Other	418	389	2,568
Total	¥6,925,153	¥6,186,874	$40,861,726

* A subsidiary operating a banking business is obliged to deposit certain amounts, which are determined by a fixed ratio against the deposits it receives ("the legal reserve requirement"), in the Bank of Japan in accordance with the Act on Reserve Requirement System in Japan. As of March 31, 2024, cash and cash equivalents include deposits at the Bank of Japan of ¥231,807 million ($1,530,989 thousand) (as of March 31, 2023: ¥344,767 million), which are more than the legal reserve requirement.

9. Trade and other receivables

The components of trade and other receivables are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Trade receivables	¥1,794,491	¥1,998,569	$13,199,716
Installment receivables*	375,919	406,260	2,683,178
Deposits	198,386	272,867	1,802,173
Deposits for banking business	200,253	185,024	1,222,006
Other	37,461	33,796	223,209
Allowance for doubtful accounts	(11,774)	(27,749)	(183,271)
Total	¥2,594,736	¥2,868,767	$18,947,011

* Installment receivables represent receivables arising from the Company's advance payments to dealers on behalf of its customers who chose to purchase mobile devices by installments in indirect sales. The amounts are charged to customers together with telecommunications service fees over the periods of installment payments.

The period of installment payments for the receivables above is mainly within 24 – 48 months. As such, the amounts due within a year after the period end date are included in "Trade and other receivables," and those after one year are included in "Other financial assets (non-current)."

10. Other financial assets

The components of other financial assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Current			
Investments from asset management subsidiaries	¥ 23,634	¥ 283,369	$ 1,871,534
Time deposits (maturities of more than three months)	100,923	187,342	1,237,316
Trading securities	54,303	99,686	658,385
Marketable securities	79,389	63,646	420,355
Restricted cash	44,369	11,175	73,806
Other	86,720	152,746	1,008,824
Allowance for doubtful accounts	(18,025)	(19,968)	(131,880)
Total	¥ 371,313	¥ 777,996	$ 5,138,340
Non-current			
Deposits for banking business	671,169	771,488	5,095,357
Receivables from MgmtCo*1	475,476	554,209	3,660,320
Installment receivables*2	457,752	486,979	3,216,294
Loans in credit card business	167,939	237,635	1,569,480
Loan receivables	384,655	133,155	879,433
Investments from asset management subsidiaries	55,602	64,310	424,741
Other	277,649	306,418	2,023,763
Allowance for doubtful accounts	(186,622)	(129,912)	(858,015)
Total	¥2,303,620	¥2,424,282	$16,011,373

*1 Receivables from MgmtCo is outstanding balance of the receivables in relation to the Equity Acquisition Amount and accrued premiums from MgmtCo as a Third-Party Investor of SVF2 and LatAm Funds. The receivables of SVF2 and LatAm Funds as of March 31, 2024 are ¥448,931 million ($2,965,003 thousand) and ¥105,278 million ($695,317 thousand) (as of March 31, 2023: ¥384,870 million and ¥90,606 million), respectively. The details of receivables are described in "(2) Third-party interests in SVF" under "Note 7. SoftBank Vision Funds business" and in "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under "Note 45. Related party transactions."

*2 Installment receivables are described in "Note 9. Trade and other receivables."

11. Inventories

The components of inventories are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Merchandise and finished products	¥144,459	¥140,436	$ 927,521
Other	19,322	21,427	141,517
Total	¥163,781	¥161,863	$1,069,038

Write-downs of inventories recognized as an expense during the fiscal year are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Write-downs of inventories	¥19,368	¥21,496	$141,972

12. Other current assets and other non-current assets

The components of other current assets and other non-current assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Current			
Tax receivable*	¥104,020	¥212,188	$1,401,413
Prepaid expense	95,996	104,057	687,253
Contract assets	30,955	74,223	490,212
Other	51,114	160,516	1,060,142
Total	¥282,085	¥550,984	$3,639,020
Non-current			
Long-term prepaid expense	104,943	103,566	684,010
Other	51,296	89,297	589,771
Total	¥156,239	¥192,863	$1,273,781

* Tax receivable as of March 31, 2024 includes the withholding income tax of ¥50,928 million ($336,358 thousand) (as of March 31, 2023: ¥57,434 million) related to dividends within the group companies.

13. 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 ($169,203 thousand) and ¥4,965 million ($32,792 thousand), respectively.

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

14. Property, plant and equipment

(1) Changes in property, plant and equipment

Changes in property, plant and equipment at historical cost, are as follows:

	(Millions of yen)							
Historical cost	**Buildings and structures**	**Telecommunications equipment**	**Machinery and equipment**	**Furniture, fixtures, and equipment**	**Land**	**Construction in progress**	**Other**	**Total**
As of April 1, 2022	¥ 312,251	¥ 2,722,069	¥ 217,919	¥ 572,307	¥ 72,386	¥ 245,018	¥ 42,361	¥ 4,184,311
Purchases	13,779	42,194	10,389	52,252	50	245,577	9,484	373,725
Loss of control	(61)	—	(256,407)	(957)	(4,216)	(10,064)	(1,348)	(273,053)
Disposals	(3,400)	(223,213)	(5,375)	(29,190)	—	(14,087)	(1,114)	(276,379)
Transfer of accounts	32,029	672,058	71,493	58,888	2,088	(319,727)	1,585	518,414
Exchange differences	587	40	25,813	2,198	539	5,296	2,226	36,699
Other	7,665	12,229	(1,822)	711	(172)	349	1,385	20,345
As of March 31, 2023	362,850	3,225,377	62,010	656,209	70,675	152,362	54,579	4,584,062
Purchases	18,597	38,131	9,521	43,660	26	201,942	5,304	317,181
Disposals	(4,921)	(117,028)	(2,413)	(64,016)	(34)	(2,986)	(9,525)	(200,923)
Transfer of accounts	17,510	645,277	881	58,705	10	(221,255)	1,429	502,557
Exchange differences	1,388	105	6,221	4,752	71	687	5,079	18,303
Other	(574)	4,729	(1,681)	(689)	—	(999)	1,199	1,985
As of March 31, 2024	¥ 394,850	¥ 3,796,591	¥ 74,539	¥ 698,621	¥ 70,748	¥ 129,751	¥ 58,065	¥ 5,223,165

	(Thousands of U.S. dollars)							
Historical cost	**Buildings and structures**	**Telecommunications equipment**	**Machinery and equipment**	**Furniture, fixtures, and equipment**	**Land**	**Construction in progress**	**Other**	**Total**
As of March 31, 2023	$2,396,473	$21,302,272	$ 409,550	$4,333,987	$466,779	$ 1,006,287	$360,471	$30,275,819
Purchases	122,825	251,839	62,882	288,357	172	1,333,744	35,031	2,094,850
Disposals	(32,501)	(772,921)	(15,937)	(422,799)	(225)	(19,721)	(62,909)	(1,327,013)
Transfer of accounts	115,646	4,261,787	5,819	387,722	66	(1,461,297)	9,438	3,319,181
Exchange differences	9,168	693	41,087	31,385	469	4,537	33,545	120,884
Other	(3,791)	31,233	(11,102)	(4,551)	—	(6,598)	7,918	13,109
As of March 31, 2024	$2,607,820	$25,074,903	$ 492,299	$4,614,101	$467,261	$ 856,952	$383,494	$34,496,830

Changes in the accumulated depreciation and impairment losses of property, plant and equipment are as follows:

	(Millions of yen)							
Accumulated depreciation and impairment losses	**Buildings and structures**	**Telecommunications equipment**	**Machinery and equipment**	**Furniture, fixtures, and equipment**	**Land**	**Construction in progress**	**Other**	**Total**
As of April 1, 2022	¥ (134,026)	¥ (1,767,703)	¥ (37,054)	¥ (380,406)	¥ (6)	¥(373)	¥ (21,994)	¥ (2,341,562)
Depreciation	(19,374)	(202,045)	(10,020)	(86,274)	—	—	(7,488)	(325,201)
Impairment loss	(5)	—	—	(42)	—	—	(10)	(57)
Loss of control	56	—	5,417	955	—	—	1,133	7,561
Disposals	3,269	221,133	5,371	28,336	—	285	1,021	259,415
Transfer of accounts	(15,986)	(395,333)	6	15,740	—	2	—	(395,571)
Exchange differences	(50)	(27)	(2,146)	(1,304)	—	—	(899)	(4,426)
Other	(310)	(14)	(302)	(1,826)	—	84	(711)	(3,079)
As of March 31, 2023	(166,426)	(2,143,989)	(38,728)	(424,821)	(6)	(2)	(28,948)	(2,802,920)
Depreciation	(21,722)	(200,165)	(8,795)	(95,836)	—	—	(6,721)	(333,239)
Impairment loss	(1,410)	(1,409)	(153)	(410)	—	(36)	(609)	(4,027)
Disposals	4,774	115,778	2,405	63,560	—	—	9,310	195,827
Transfer of accounts	(4,852)	(397,398)	(114)	31,245	—	32	(46)	(371,133)
Exchange differences	(141)	(79)	(4,121)	(3,138)	—	—	(2,817)	(10,296)
Other	522	(221)	(529)	(1,634)	—	—	(226)	(2,088)
As of March 31, 2024	¥ (189,255)	¥ (2,627,483)	¥ (50,035)	¥ (431,034)	¥ (6)	¥ (6)	¥ (30,057)	¥ (3,327,876)

Accumulated depreciation and impairment losses	(Thousands of U.S. dollars) Buildings and structures	Telecommunications equipment	Machinery and equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of March 31, 2023	$(1,099,174)	$(14,160,155)	$(255,782)	$(2,805,766)	$(40)	$ (13)	$(191,189)	$(18,512,119)
Depreciation	(143,466)	(1,322,006)	(58,087)	(632,957)	—	—	(44,389)	(2,200,905)
Impairment loss	(9,312)	(9,306)	(1,011)	(2,708)	—	(238)	(4,022)	(26,597)
Disposals	31,529	764,666	15,884	419,788	—	—	61,488	1,293,355
Transfer of accounts	(32,045)	(2,624,648)	(753)	206,360	—	211	(304)	(2,451,179)
Exchange differences	(931)	(522)	(27,217)	(20,725)	—	—	(18,605)	(68,000)
Other	3,448	(1,460)	(3,494)	(10,792)	—	—	(1,492)	(13,790)
As of March 31, 2024	$(1,249,951)	$(17,353,431)	$(330,460)	$(2,846,800)	$(40)	$ (40)	$(198,513)	$(21,979,235)

The components of the carrying amounts of property, plant and equipment are as follows:

Carrying amounts	(Millions of yen) Buildings and structures	Telecommunications equipment	Machinery and equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of March 31, 2023	¥ 196,424	¥1,081,388	¥ 23,282	¥ 231,388	¥ 70,669	¥152,360	¥ 25,631	¥ 1,781,142
As of March 31, 2024	¥ 205,595	¥1,169,108	¥ 24,504	¥ 267,587	¥ 70,742	¥129,745	¥ 28,008	¥ 1,895,289

Carrying amounts	(Thousands of U.S. dollars) Buildings and structures	Telecommunications equipment	Machinery and equipment	Furniture, fixtures, and equipment	Land	Construction in progress	Other	Total
As of March 31, 2024	$1,357,869	$7,721,472	$161,839	$1,767,301	$467,221	$856,912	$184,981	$12,517,595

The amount of "Transfer of accounts" includes the following amount transferred from "Right-of-use assets" due to termination of lease contracts as lessee and transfer of ownership of these assets to the Company.

Historical cost	(Millions of yen) Fiscal year ended March 31, 2023	(Millions of yen) Fiscal year ended March 31, 2024	(Thousands of U.S. dollars) Fiscal year ended March 31, 2024
Buildings and structures	¥ 20,735	¥ 9,260	$ 61,158
Telecommunications equipment	463,455	475,600	3,141,140
Machinery and equipment	—	11	73
Furniture, fixtures, and equipment	3,364	1,039	6,862
Total	¥ 487,554	¥ 485,910	$ 3,209,233

Accumulated depreciation and impairment losses	(Millions of yen) Fiscal year ended March 31, 2023	(Millions of yen) Fiscal year ended March 31, 2024	(Thousands of U.S. dollars) Fiscal year ended March 31, 2024
Buildings and structures	¥ (15,979)	¥ (4,900)	$ (32,362)
Telecommunications equipment	(394,992)	(397,330)	(2,624,199)
Machinery and equipment	—	(7)	(46)
Furniture, fixtures, and equipment	(3,313)	(982)	(6,487)
Total	¥(414,284)	¥(403,219)	$(2,663,094)

Impairment loss is included in "Other gain (loss)" in the consolidated statement of profit or loss.

The amount of property, plant and equipment pledged as collateral for interest-bearing debt or other is described in "(5) Assets pledged as collateral" under "Note 22. Interest-bearing debt."

Property, plant and equipment with restrictions on rights are described in "(6) Assets with restrictions on rights" under "Note 22. Interest-bearing debt."

(2) Assets subject to operating leases as lessor included in property, plant and equipment Of property, plant and equipment, assets subject to operating leases as lessor are primarily leased mobile devices. Changes in "Furniture, fixtures, and equipment" including leased mobile devices, which includes the assets subject to operating leases as lessor, are as follows:

	(Millions of yen)	(Thousands of U.S. dollars)
Historical cost	**Furniture, fixtures, and equipment**	
As of April 1, 2022	¥ 222,243	$ —
Purchases	88	—
Disposals	(14,407)	—
Transfer of accounts	29,636	—
Exchange differences	5	—
Other	(391)	—
As of March 31, 2023	237,174	1,566,436
Purchases	131	865
Disposals	(26,646)	(175,985)
Transfer of accounts	18,600	122,845
Exchange differences	4	26
Other	7,061	46,635
As of March 31, 2024	¥ 236,324	$ 1,560,822

	(Millions of yen)	(Thousands of U.S. dollars)
Accumulated depreciation and impairment losses	**Furniture, fixtures, and equipment**	
As of April 1, 2022	¥(164,738)	$ —
Depreciation	(35,106)	—
Disposals	13,858	—
Transfer of accounts	18,887	—
Exchange differences	(11)	—
Other	382	—
As of March 31, 2023	(166,728)	(1,101,169)
Depreciation	(41,592)	(274,698)
Disposals	25,475	168,252
Transfer of accounts	32,338	213,579
Exchange differences	(14)	(92)
Other	(5,129)	(33,875)
As of March 31, 2024	¥(155,650)	$(1,028,003)

	(Millions of yen)	(Thousands of U.S. dollars)
Carrying amount	**Furniture, fixtures, and equipment**	
As of March 31, 2023	¥ 70,446	$ —
As of March 31, 2024	¥ 80,674	$ 532,819

15. Right-of-use assets

The components of the carrying amounts of right-of-use assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
Carrying amounts	**As of March 31, 2023**	**As of March 31, 2024**	**As of March 31, 2024**
Telecommunications equipment	¥244,987	¥172,889	$1,141,860
Real estate for telecommunications business	277,868	248,457	1,640,955
Offices, warehouses and other properties	320,296	321,135	2,120,963
Other	15,426	4,422	29,205
Total	¥858,577	¥746,903	$4,932,983

Right-of-use assets increased by ¥204,929 million ($1,353,471 thousand) for the fiscal year ended March 31, 2024 (for the fiscal year ended March 31, 2023: ¥269,615 million).

The components of depreciation of right-of-use assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
Depreciation	**As of March 31, 2023**	**As of March 31, 2024**	**As of March 31, 2024**
Telecommunications equipment	¥ (94,578)	¥ (56,370)	$ (372,300)
Real estate for telecommunications business	(52,393)	(54,117)	(357,420)
Offices, warehouses and other properties	(64,520)	(65,092)	(429,906)
Other	(2,883)	(2,006)	(13,249)
Total	¥(214,374)	¥(177,585)	$(1,172,875)

The Company enters into lease transactions for telecommunications equipment, real estate for the telecommunications business and offices, warehouses and other properties mainly to facilitate efficient use of cash.

Many of the lease contracts include an option to terminate or extend the lease in order to enhance operational flexibility. Most of these options can be exercised by the Company without consent from the other party after a certain prior notice period. In determining the lease term, all relevant facts and circumstances that create an economic incentive not to exercise the option to extend or terminate the lease are considered. In addition, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in the facts and circumstances that may affect this assessment.

Telecommunications equipment

The Company's telecommunications equipment leases consist of telecommunications machinery and equipment and transmission facilities that are used for the telecommunications business. Most of these lease contracts include an option to terminate or extend the lease. The lease term of these lease transactions are mainly 5 years or 10 years. The Company may extend the lease of transmission facilities beyond the initial lease term as needed to provide telecommunication services in a stable manner. In such a case, the lease term is generally expected to be extended by the same period as the initial term of the contract. Right-of-use assets classified as "Telecommunications equipment" are mainly comprised of those classified as "Telecommunications equipment" in property, plant and equipment.

Real estate for the telecommunications business

Leases of real estate for the telecommunications business entered into by the Company consist of land to place towers or pillars for the placement of cell site equipment, spaces for buildings and structures for the placement of cell site equipment, and land, buildings, and partial spaces for the placement of telecommunications equipment. Most of these lease contracts include an option to terminate or extend the lease. The lease terms for the leases of land and spaces of buildings and structures for the placement of cell site equipment are mainly 10 years to 20 years. The lease terms for other leases are mainly 3 years to 28 years. The Company may extend the lease beyond the initial lease term as needed to provide telecommunication services in a stable manner. In such a case, the lease term is generally expected to be extended by the same period as the initial term of the contract. The right-of-use assets classified as “Real estate for the telecommunications business” are mainly comprised of those classified as “Buildings and structures” or “Land” in property, plant and equipment.

Offices, warehouses and other properties

Leases of offices, warehouses and other properties entered into by the Company mainly consist of real estate for offices, warehouses and real estate for stores. Most of these leases include an option to extend the lease that can be exercised by the Company without consent from the other party. The lease terms of these leases are mainly 2 years to 25 years for offices, 1 years to 15 years for warehouses, and 2 years to 3 years for stores. The Company may extend the lease beyond the initial lease term as needed to continue its business. The right-of-use assets classified as “Offices, warehouses and other properties” are mainly comprised of those classified as “Buildings and structures” or “Land” in property, plant and equipment.

Other

As of March 31, 2023, other leases entered into by the Company mainly consist of equipment for solar power generation. The right-of-use assets classified as “Other” are mainly comprised of “Furniture, fixtures, and equipment” and “Other” that are classified as property, plant and equipment.

16. Goodwill and intangible assets

(1) Changes in goodwill and intangible assets

Changes in goodwill and intangible assets at historical cost are as follows:

	(Millions of yen)					
		Intangible assets with indefinite useful lives		Intangible assets with finite useful lives		
Historical cost	**Goodwill**	**Trademarks**	**Other**	**Customer relationships**	**Software**	**Technologies**
As of April 1, 2022	¥4,916,317	¥538,661	¥ 1,255	¥780,851	¥1,872,913	¥600,982
Purchases	—	—	—	—	78,405	—
Internal development	—	—	—	—	5,053	—
Business combinations	38,172	—	—	8,013	3,475	—
Loss of control	(1,053)	—	—	—	(1,028)	—
Disposals	—	—	—	189	(57,529)	—
Transfer of accounts	—	—	(33)	—	160,680	—
Exchange differences	265,867	—	2	14,936	3,413	54,739
Other	—	—	(1,224)	(1,650)	11,675	—
As of March 31, 2023	5,219,303	538,661	—	802,339	2,077,057	655,721
Purchases	—	—	—	—	66,403	2,940
Internal development	—	—	—	—	6,332	—
Business combinations	92,657	10,762	—	21,934	2,194	18,325
Loss of control	(2,698)	—	—	—	(6,362)	—
Disposals	—	—	—	—	(66,647)	—
Transfer of accounts	—	—	—	—	181,453	—
Exchange differences	429,237	442	—	24,164	6,842	88,699
Other	(6,047)	—	—	8,028	(331)	—
As of March 31, 2024	¥5,732,452	¥549,865	¥ —	¥856,465	¥2,266,941	¥765,685

Historical cost	Intangible assets with finite useful lives: Spectrum-related costs	Management contracts	Other	Total
As of April 1, 2022	¥204,852	¥138,484	¥ 186,435	¥4,324,433
Purchases	5,522	—	142,655	226,582
Internal development	—	—	33,885	38,938
Business combinations	—	—	321	11,809
Loss of control	—	—	(10,360)	(11,388)
Disposals	—	—	(4,380)	(61,720)
Transfer of accounts	333	—	(163,371)	(2,391)
Exchange differences	—	12,605	2,843	88,538
Other	—	—	(2,487)	6,314
As of March 31, 2023	210,707	151,089	185,541	4,621,115
Purchases	—	8,799	130,057	208,199
Internal development	—	—	46,680	53,012
Business combinations	—	—	8,850	62,065
Loss of control	—	—	(105)	(6,467)
Disposals	—	—	(8,934)	(75,581)
Transfer of accounts	6,075	—	(190,766)	(3,238)
Exchange differences	—	20,058	3,494	143,699
Other	—	—	1,529	9,226
As of March 31, 2024	¥216,782	¥179,946	¥ 176,346	¥5,012,030

(Thousands of U.S. dollars)

Historical cost	Goodwill	Intangible assets with indefinite useful lives: Trademarks	Other	Intangible assets with finite useful lives: Customer relationships	Software	Technologies
As of March 31, 2023	$34,471,323	$3,557,632	$—	$5,299,115	$13,718,097	$4,330,764
Purchases	—	—	—	—	438,564	19,417
Internal development	—	—	—	—	41,820	—
Business combinations	611,961	71,079	—	144,865	14,490	121,030
Loss of control	(17,819)	—	—	—	(42,018)	—
Disposals	—	—	—	—	(440,176)	—
Transfer of accounts	—	—	—	—	1,198,422	—
Exchange differences	2,834,932	2,918	—	159,593	45,189	585,820
Other	(39,939)	—	—	53,022	(2,186)	—
As of March 31, 2024	$37,860,458	$3,631,629	$—	$5,656,595	$14,972,202	$5,057,031

Historical cost	Intangible assets with finite useful lives: Spectrum-related costs	Management contracts	Other	Total
As of March 31, 2023	$1,391,632	$ 997,880	$ 1,225,420	$30,520,540
Purchases	—	58,114	858,972	1,375,067
Internal development	—	—	308,302	350,122
Business combinations	—	—	58,451	409,915
Loss of control	—	—	(693)	(42,711)
Disposals	—	—	(59,005)	(499,181)
Transfer of accounts	40,123	—	(1,259,930)	(21,385)
Exchange differences	—	132,474	23,076	949,070
Other	—	—	10,098	60,934
As of March 31, 2024	$1,431,755	$1,188,468	$ 1,164,691	$33,102,371

Changes in the accumulated amortization and impairment losses of goodwill and intangible assets are as follows:

Accumulated amortization and impairment losses	Goodwill	Trademarks	Customer relationships	Software	Technologies
	(Millions of yen)				
		Intangible assets with indefinite useful lives	Intangible assets with finite useful lives		
As of April 1, 2022	¥(18,404)	¥—	¥(152,272)	¥(1,283,169)	¥(243,262)
Amortization	—	—	(45,539)	(206,486)	(46,629)
Impairment loss	(635)	—	—	(1,002)	—
Loss of control	—	—	—	1,019	—
Disposals	—	—	(189)	56,765	—
Exchange differences	(784)	—	(6,233)	(1,531)	(21,490)
Other	—	—	1,149	(10,210)	(9)
As of March 31, 2023	(19,823)	—	(203,084)	(1,444,614)	(311,390)
Amortization	—	—	(48,234)	(218,835)	(51,191)
Impairment loss	(1,496)	—	—	(2,089)	—
Loss of control	—	—	—	6,023	—
Disposals	—	—	—	66,485	—
Exchange differences	(1,259)	—	(12,897)	(3,869)	(44,137)
Other	—	—	—	(2,648)	—
As of March 31, 2024	¥(22,578)	¥—	¥(264,215)	¥(1,599,547)	¥(406,718)

Accumulated amortization and impairment losses	Spectrum-related cost	Management contracts	Other	Total
	Intangible assets with finite useful lives			
As of April 1, 2022	¥(62,555)	¥(110,281)	¥(45,314)	¥(1,896,853)
Amortization	(11,811)	(12,642)	(5,831)	(328,938)
Impairment loss	—	—	(111)	(1,113)
Loss of control	—	—	8,766	9,785
Disposals	—	—	(1,549)	55,027
Exchange differences	—	(10,216)	(1,377)	(40,847)
Other	—	—	535	(8,535)
As of March 31, 2023	(74,366)	(133,139)	(44,881)	(2,211,474)
Amortization	(12,175)	(5,385)	(6,295)	(342,115)
Impairment loss	—	—	(281)	(2,370)
Loss of control	—	—	54	6,077
Disposals	—	—	3,911	70,396
Exchange differences	—	(17,562)	(2,360)	(80,825)
Other	—	(518)	287	(2,879)
As of March 31, 2024	¥(86,541)	¥(156,604)	¥(49,565)	¥(2,563,190)

Accumulated amortization and impairment losses	Goodwill	Trademarks	Customer relationships	Software	Technologies
	(Thousands of U.S. dollars)				
		Intangible assets with indefinite useful lives	Intangible assets with finite useful lives		
As of March 31, 2023	$(130,923)	$—	$(1,341,285)	$ (9,541,074)	$(2,056,601)
Amortization	—	—	(318,565)	(1,445,314)	(338,095)
Impairment loss	(9,880)	—	—	(13,797)	—
Loss of control	—	—	—	39,779	—
Disposals	—	—	—	439,106	—
Exchange differences	(8,315)	—	(85,180)	(25,553)	(291,507)
Other	—	—	—	(17,490)	—
As of March 31, 2024	$(149,118)	$—	$(1,745,030)	$(10,564,343)	$(2,686,203)

Accumulated amortization and impairment losses	Spectrum-related costs	Management contracts	Other	Total
	Intangible assets with finite useful lives			
As of March 31, 2023	$(491,156)	$ (879,328)	$(296,420)	$(14,605,864)
Amortization	(80,411)	(35,565)	(41,576)	(2,259,526)
Impairment loss	—	—	(1,856)	(15,653)
Loss of control	—	—	357	40,136
Disposals	—	—	25,831	464,937
Exchange differences	—	(115,990)	(15,587)	(533,817)
Other	—	(3,421)	1,895	(19,016)
As of March 31, 2024	$(571,567)	$(1,034,304)	$(327,356)	$(16,928,803)

The carrying amounts of goodwill and intangible assets are as follows:

		(Millions of yen)					
		Intangible assets with indefinite useful lives	Intangible assets with finite useful lives				
Carrying amounts	Goodwill	Trademarks	Customer relationships	Software	Technologies	Spectrum-related costs	Management contracts
As of March 31, 2023	¥5,199,480	¥538,661	¥599,255	¥632,443	¥344,331	¥136,341	¥17,950
As of March 31, 2024	¥5,709,874	¥549,865	¥592,250	¥667,394	¥358,967	¥130,241	¥23,342

	(Millions of yen)	
Carrying amounts	Intangible assets with finite useful lives	Total
	Other	
As of March 31, 2023	¥140,660	¥2,409,641
As of March 31, 2024	¥126,781	¥2,448,840

		(Thousands of U.S. dollars)					
		Intangible assets with indefinite useful lives	Intangible assets with finite useful lives				
Carrying amounts	Goodwill	Trademarks	Customer relationships	Software	Technologies	Spectrum-related costs	Management contracts
As of March 31, 2024	$37,711,340	$3,631,629	$3,911,565	$4,407,859	$2,370,828	$860,188	$154,164

	(Thousands of U.S. dollars)	
Carrying amounts	Intangible assets with finite useful lives	Total
	Other	
As of March 31, 2024	$837,335	$16,173,568

The Company determined that trademarks, such as “Yahoo!” and “Yahoo! JAPAN” in Japan, “ZOZO” and “LINE” brands, have indefinite useful lives as they can be legally utilized indefinitely as long as the business continues and management’s current plans are to offer services under these trademarks in the foreseeable future.

Customer relationships reflect the excessive earning capacity in the future expected from the existing customers of the acquiree at the time of the business combinations.

Technologies reflect the excessive earning capacity in the future expected from technologies of the acquiree that had been already developed, or was already well-advanced in development, at the time of the business combinations.

Spectrum-related costs are the amounts incurred by SoftBank Corp. in connection with the costs for the spectrums assigned to SoftBank Corp. based on the Radio Act. These spectrum-related costs include the costs arising from the migration of pre-existing users to other spectrums by the termination campaign.

Amortization is included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statement of profit or loss.

Impairment losses are mainly included in “Other gain (loss)” in the consolidated statement of profit or loss.

The carrying amount of internally generated intangible assets related to software included in intangible assets is ¥106,429 million ($702,919 thousand) as of March 31, 2024 (as of March 31, 2023: ¥98,179 million).

The Company has not applied IFRS 16 “Leases” to leases of intangible assets. Therefore, since finance lease assets arising from lease transactions of software are recognized as intangible assets. The intangible assets with restrictions on rights arising from these transactions are described in “b. Assets under lease contracts for intangible assets” in “(6) Assets with restrictions on rights” under “Note 22. Interest-bearing debt.”

Research and development costs included in "Cost of sales" and "Selling, general and administrative expenses" are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Research and development costs	¥319,484	¥439,971	$2,905,825

(2) Goodwill and intangible assets with indefinite useful lives allocated to cash-generating units or cash-generating unit groups Goodwill acquired as a part of business combinations is allocated to cash-generating units or cash-generating unit groups that are expected to benefit from the synergies arising from business combinations. Amounts of goodwill and intangible assets with indefinite useful lives allocated to cash-generating units or cash-generating unit groups are as follows:

Goodwill

		(Millions of yen)		(Thousands of U.S. dollars)
Cash-generating units or Cash-generating unit groups	Reportable segments	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
SoftBank*1	SoftBank	¥ 943,901	¥1,004,137	$ 6,631,907
LY*2		15,382	15,382	101,592
Media*3		681,267	679,800	4,489,796
Shopping*4		281,831	—	—
ASKUL*4		—	42,501	280,701
ZOZO*4		—	233,866	1,544,588
Ikyu (Restaurant)		6,433	6,433	42,487
Ikyu (Accommodation)		65,611	65,611	433,333
Finance		21,832	21,832	144,191
Other		2,006	2,006	13,249
	Subtotal	2,018,263	2,071,568	13,681,844
Arm	Arm	3,161,725	3,585,050	23,677,762
Other	—	19,492	53,256	351,734
Total		¥5,199,480	¥5,709,874	$37,711,340

Intangible assets with indefinite useful lives

		(Millions of yen)		(Thousands of U.S. dollars)
Cash-generating units or Cash-generating unit groups	Reportable segments	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
LY*2	SoftBank	¥169,575	¥169,575	$1,119,972
Media		160,116	160,116	1,057,500
Shopping*4		198,850	—	—
ASKUL*4		—	20,130	132,950
ZOZO*4		—	178,720	1,180,371
Ikyu (Accommodation)		10,120	10,120	66,838
	Subtotal	538,661	538,661	3,557,631
Other	—	—	11,204	73,998
Total		¥538,661	¥549,865	$3,631,629

*1 "SoftBank" comprises SoftBank Corp. and others.

*2 Goodwill is allocated to "LY" because the benefits are expected to be realized from LY Corporation and its group companies as a whole, and not from individual cash-generating units in the SoftBank segment. In addition, the cash-generating unit group of "Yahoo" has been renamed to "LY" for the fiscal year ended March 31, 2024.

*3 The cash-generating unit group of "Media" mainly consists of the cash-generating unit of "Marketing solution" under LY Corporation and the one of "Media" under LY group. Synergies arising from the business combination affect the entire cash-generating unit groups. As the goodwill cannot be allocated to them reasonably and coherent basis, it is allocated to the cash-generating unit group of "Media."

*4 The cash-generating unit groups were revised and split into "ASKUL" and "ZOZO" from the previous "Shopping" for the fiscal year ended March 31, 2024.

(3) Measurement method for recoverable amounts of goodwill and intangible assets

The recoverable amount of each cash-generating unit or cash-generating unit group is measured as follows:

For the fiscal year ended March 31, 2023
Value in use: LY, Media, Shopping, Ikyu (Restaurant), Ikyu (Accommodation)
Fair value less disposal cost: SoftBank, Finance, Arm

For the fiscal year ended March 31, 2024
Value in use: LY, Media, Ikyu (Restaurant), Ikyu (Accommodation)
Fair value less disposal cost: SoftBank, ASKUL, ZOZO, Finance, Arm

a. Measurement method for recoverable amounts of goodwill in "Arm"

(a) For the fiscal year ended March 31, 2023

For "Arm," the fair value for the impairment test for goodwill of "Arm" as of March 31, 2023 is calculated by discounting the cash flows which are estimated based on the business plans for the next three years while taking into account the future cash flows that market participants would expect to receive in accordance with their assumptions discounted to the present value using a post-tax discount rate of 12.01%. The cash flows from after three years are assumed on the basis of the growth rate of 24.9% on the 4th year, 21.2% on the 5th year, 17.4% on the 6th year, 13.8% on the 7th year, 10.6% on the 8th year, 9.1% on the 9th year, 7.2% on the 10th year, and 4.7% on the 11th year. The cash flows from the 12th year onward are assumed to increase on the basis of the growth rate of 2.0%. Fair value is classified into level 3 as its fair value is measured using unobservable inputs.

(b) For the fiscal year ended March 31, 2024

For "Arm," the fair value less disposal cost for the impairment test for goodwill of "Arm" as of March 31, 2024 is measured based on active market prices.

b. Measurement method for recoverable amounts of goodwill and intangible assets other than in "Arm"

Value in use is assessed by discounting to the present value of the estimated cash flows over the next five years based on the financial budget approved by the management, which reflects past experience and external information, using the pre-tax discount rate of 8.2%-11.7% of the cash-generating unit or cash-generating unit group (for the fiscal year ended March 31, 2023: 4.8%-12.0%). The cash flows from after five years are assumed to increase on the basis of the growth rate of 1.5% (for the fiscal year ended March 31, 2023: 0.9%).

For "SoftBank," "ASKUL," and "ZOZO," the fair value less disposal cost is measured based on active market prices. For "Finance," the fair value less disposal cost is measured based on the discounted cash flow method.

The measurement of the terminal value under the discounted cash flow method is calculated by referring to EV/EBITDA multiples of comparable companies and the future cash flows are calculated by discounting the estimated cash flows to the present value based on the business plans approved by the management and growth rates. Business plans are generally limited to 10 years and reflect the management's assessment of future trends in the industry and historical data, and are prepared based on the external and internal information. The pre-tax discount rate and EV/EBITDA multiple used for the fiscal year ended March 31, 2024 were 22.4% and x10.0 (for the fiscal year ended March 31, 2023: 26.7% and x13.2), respectively. The fair value hierarchy is categorized as level 3 in accordance with the significant inputs used in the measurement.

As a result of an annual impairment test of goodwill and intangible assets with indefinite useful lives for cash-generating units or cash-generating unit groups, significant impairment loss was not recognized.

Other than the above, the Company determined that for cash-generating units or cash-generating unit groups to which the goodwill and intangible assets with indefinite useful lives are allocated, the recoverable amount is unlikely to fall below the carrying amount, even if major assumptions used in the impairment test change to a reasonably foreseeable extent.

17. Leases

(As lessee)

(1) Right-of-use assets

The details of the components of the carrying amounts of the right-of-use assets by class of underlying asset, the components of depreciation by asset class, and the increase in the right-of-use assets, are described in "Note 15. Right-of-use assets."

(2) Lease liabilities

The details of the outstanding balance by year of maturity of lease liabilities are described in "(b) Analysis of financial liabilities by maturities" in "(2) Financial risk management c. Liquidity risk" under "Note 28. Financial instruments."

The balance of the lease liabilities as of March 31, 2024 is ¥794,507 million ($5,247,388 thousand) (as of March 31, 2023: ¥836,997 million). The weighted average interest rate for the lease liabilities as of March 31, 2024 is 1.86 % (as of March 31, 2023: 1.73 %) and their due dates range from April 2024 to October 2053 (as of March 31, 2023: from April 2023 to November 2052).

The details of interest expense on lease liabilities are described in "Note 39. Finance cost."

(3) Total cash outflow

The details of total cash outflow for leases are described in "(12) Cash outflows related to lease" under "Note 44. Supplemental information to the consolidated statement of cash flows."

(As lessor)

The Company provides device rental services to corporate customers in Japan. Since device leases are provided on the condition that subscribers maintain telecommunication services with the Company, the amount of revenue from these transactions is allocated between the amount to be received for leases and other elements based on the fair value of device leases and telecommunication services.

At the end of the lease term, the Company sells leased devices to entities providing trade-in service. To manage residual asset risk associated with devices, the trade-in prices are obtained from multiple entities and monitored on a regular basis.

(1) Finance leases

The components of revenue from finance leases recognized are as follows:

	(Millions of yen)	(Millions of yen)	(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Selling profit or loss, net	¥(48)	¥(1,256)	$(8,295)
Finance income on the net investment in the lease	93	67	443
Total	¥ 45	¥(1,189)	$(7,852)

Of this amount, revenue from subleases recognized is ¥888 million ($5,865 thousand) for the fiscal year ended March 31, 2024 (for the fiscal year ended March 31, 2023: ¥965 million).

The maturity analysis for the undiscounted total lease payments and the uncollected amount of net lease investments at the end of the fiscal year is as follows:

As of March 31, 2023

	(Millions of yen)			
	Undiscounted total lease payments	Unearned finance income relating to the lease payments receivable	Discounted unguaranteed residual value	Uncollected amount of net lease investments
Within 1 year	¥13,190	¥ (65)	¥—	¥13,125
1 to 2 years	7,592	(31)	—	7,561
2 to 3 years	3,173	(14)	—	3,159
3 to 4 years	459	(6)	—	453
4 to 5 years	76	(5)	—	71
Over 5 years	23	(7)	—	16
Total	¥24,513	¥(128)	¥—	¥24,385

As of March 31, 2024

	(Millions of yen)			
	Undiscounted total lease payments	Unearned finance income relating to the lease payments receivable	Discounted unguaranteed residual value	Uncollected amount of net lease investments
Within 1 year	¥12,733	¥ (75)	¥—	¥12,658
1 to 2 years	8,156	(53)	—	8,103
2 to 3 years	4,139	(40)	—	4,099
3 to 4 years	637	(28)	—	609
4 to 5 years	255	(24)	—	231
Over 5 years	70	(28)	—	42
Total	¥25,990	¥(248)	¥—	¥25,742

	(Thousands of U.S. dollars)			
	Undiscounted total lease payments	Unearned finance income relating to the lease payments receivable	Discounted unguaranteed residual value	Uncollected amount of net lease investments
Within 1 year	$ 84,096	$ (495)	$—	$ 83,601
1 to 2 years	53,867	(350)	—	53,517
2 to 3 years	27,336	(264)	—	27,072
3 to 4 years	4,207	(185)	—	4,022
4 to 5 years	1,684	(159)	—	1,525
Over 5 years	462	(185)	—	277
Total	$171,652	$(1,638)	$—	$170,014

(2) Operating leases

Analysis of maturities for operating leases is as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Within 1 year	¥30,819	¥29,941	$197,748
1 to 2 years	16,815	19,417	128,241
2 to 3 years	8,044	9,334	61,647
3 to 4 years	878	999	6,598
4 to 5 years	642	704	4,650
Over 5 years	2,198	2,018	13,328
Total	¥59,396	¥62,413	$412,212

Lease income (excluding income relating to variable lease payments that do not depend on an index or a rate) from operating leases for the fiscal year ended March 31, 2024 is ¥61,049 million ($403,203 thousand) (for the fiscal year ended March 31, 2023: ¥59,728 million). Of this amount, income from subleases is ¥5,039 million ($33,280 thousand) (for the fiscal year ended March 31, 2023: ¥8,452 million).

Changes in historical cost, changes in accumulated depreciation and impairment losses, and the carrying amounts of property, plant and equipment underlying operating leases are described in "(2) Assets subject to operating leases as lessor included in property, plant and equipment" under "Note 14. Property, plant and equipment."

18. Major subsidiaries

(1) Organizational structure

The Company's major subsidiaries are as follows:

Major subsidiaries as of March 31, 2024

Company Name	Reportable segments	Location	Ownership percentage of voting rights (%) As of March 31, 2023	Ownership percentage of voting rights (%) As of March 31, 2024
SoftBank Group Overseas GK	Investment Business of Holding Companies	Tokyo	100	100
SoftBank Group Capital Limited	Investment Business of Holding Companies	U.K.	100	100
SoftBank Group Japan Corporation	Investment Business of Holding Companies	Tokyo	100	100
Delaware Project 1 L.L.C.	Investment Business of Holding Companies	U.S.	66.7	66.7
Delaware Project 2 L.L.C.	Investment Business of Holding Companies	U.S.	66.7	66.7
Delaware Project 3 L.L.C.	Investment Business of Holding Companies	U.S.	66.7	66.7
SB Northstar LP*1	Investment Business of Holding Companies	Cayman	—	—
SB Group US, Inc.	Investment Business of Holding Companies	U.S.	100	100
Shiodome Project 17 GK	Investment Business of Holding Companies	Tokyo	100	100
SB Pan Pacific Corporation	Investment Business of Holding Companies	Micronesia	100	100
STARFISH I PTE. LTD.	Investment Business of Holding Companies	Singapore	100	100
Hayate Corporation	Investment Business of Holding Companies	Micronesia	100	100
SB Investment Advisers (UK) Limited	SoftBank Vision Funds	U.K.	100	100
SB Global Advisers Limited	SoftBank Vision Funds	U.K.	100	100
SoftBank Vision Fund L.P.*1	SoftBank Vision Funds	Bailiwick of Jersey	—	—
SoftBank Vision Fund (AIV M1) L.P.*1	SoftBank Vision Funds	U.S.	—	—
SoftBank Vision Fund (AIV M2) L.P.*1	SoftBank Vision Funds	U.S.	—	—
SoftBank Vision Fund (AIV M3) L.P.*1	SoftBank Vision Funds	U.S.	—	—
SoftBank Vision Fund II-2 L.P.*1	SoftBank Vision Funds	Bailiwick of Jersey	—	—
SBLA Latin America Fund LLC	SoftBank Vision Funds	U.S.	100	100
SoftBank Corp.*2	SoftBank	Tokyo	40.5	40.7
A Holdings Corporation*3	SoftBank	Tokyo	50.0	50.0
LY Corporation*4	SoftBank	Tokyo	64.5	64.4

Company Name	Reportable segments	Location	Ownership percentage of voting rights (%) As of March 31, 2023	As of March 31, 2024
PayPay Corporation	SoftBank	Tokyo	100	100
LINE SOUTHEAST ASIA CORP.PTE.LTD.	SoftBank	Singapore	100	100
ZOZO, Inc.	SoftBank	Chiba	51.0	51.5
PayPay Bank Corporation*5	SoftBank	Tokyo	46.6	46.6
ASKUL Corporation*6	SoftBank	Tokyo	45.0	45.0
Arm Holdings plc*7	Arm	U.K.	100	88.7
ARM PIPD Holdings One, LLC	Arm	U.S.	100	100
ARM PIPD Holdings Two, LLC	Arm	U.S.	100	100
Fortress Investment Group LLC*8	—	U.S.	100	100
Fukuoka SoftBank HAWKS Corp.	—	Fukuoka	100	100
SoftBank Robotics Group Corp.	—	Tokyo	87.8	87.8
Balyo SA	—	France	—	73.5

*1 Limited partnerships are deemed as structured entities and the voting rights are not described.

*2 The Company does not own a majority of SoftBank Corp.'s voting rights. However, the Company has determined that it has substantial control over SoftBank Corp. and included it in the scope of consolidation, considering the fact that the Company holds 40.7% of the voting rights of SoftBank Corp., the dispersion of voting rights in SoftBank Corp. and the voting patterns exercised in SoftBank Corp.'s past shareholders meetings.

*3 The Company does not own a majority of A Holdings Corporation's voting rights. However, the Company has determined that it has substantial control over A Holdings Corporation and included it in the scope of consolidation, considering the fact that the Company holds 50.0% of the voting rights of A Holdings Corporation and appoints the majority of the members of A Holdings Corporation's Board of Directors.

*4. As of October 1, 2023, Z Holdings Corporation completed an intragroup reorganization, which included a merger primarily involving the three companies, Z Holdings Corporation itself, LINE Corporation, and Yahoo Japan Corporation, and changed its trade name to LY Corporation.

*5 The Company does not own a majority of PayPay Bank Corporation's voting rights. However, the Company has determined that it has substantial control over PayPay Bank Corporation and included it in the scope of consolidation, considering the fact that the Company holds 46.6% of the voting rights of PayPay Bank Corporation and directors from the Company constitute the majority of the members of PayPay Bank Corporation's Board of Directors.

*6 The Company does not own a majority of ASKUL Corporation's voting rights. However, the Company has determined that it has substantial control over ASKUL Corporation and included it in the scope of consolidation, considering the fact that the Company holds 45.0% of the voting rights of ASKUL Corporation, the dispersion of voting rights in ASKUL Corporation and the voting patterns exercised in ASKUL Corporation's past shareholders meetings.

*7 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.

*8 On May 14, 2024, the Company sold all of its interests in Fortress through a subsidiary of the Company to a subsidiary of Mubadala Investment Company PJSC. As a result, Fortress is excluded from the consolidation of the Company.

(2) Summarized consolidated financial information and other information on subsidiaries with material non-controlling interests

a. SoftBank Corp. (SoftBank Corp. and its group companies)

(a) General information

	As of March 31, 2023	As of March 31, 2024
Ownership ratio of the non-controlling interests (%)	59.5	59.3

	(Millions of yen) As of March 31, 2023	As of March 31, 2024	(Thousands of U.S. dollars) As of March 31, 2024
Accumulated amount attributable to the non-controlling interests of subsidiary group	¥1,943,804	¥2,208,965	$14,589,294

	(Millions of yen) Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	(Thousands of U.S. dollars) Fiscal year ended March 31, 2024
Net income allocated to the non-controlling interests of subsidiary group	¥239,463	¥417,136	$2,755,010

The Series 1 Bond-Type Class Shares ("Bond-Type Class Shares") issued by SoftBank Corp. on November 1, 2023 are not included in the calculation of the ownership ratio as 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 ($792,550 thousand) of the amount paid is recorded as "Non-controlling interests."

For the calculation of net income allocated to the non-controlling interests, the amount of accumulated unpaid dividends was all allocated to non-controlling interests from the amount of net income in SoftBank Corp. and the net income allocated to the non-controlling interests is calculated by multiplying the remaining amount based on the ownership ratio.

The details of Bond-Type Class Shares are described in "(7) Non-controlling interests" under "Note 33. Equity."

(b) Summarized consolidated financial information

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Current assets	¥4,948,095	¥ 5,268,029	$34,793,138
Non-current assets	9,754,035	10,272,026	67,842,455
Current liabilities	6,372,638	7,085,286	46,795,364
Non-current liabilities	4,626,476	4,500,973	29,727,053
Equity	3,703,016	3,953,796	26,113,176

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Net sales	¥5,911,999	¥6,084,002	$40,182,300
Net income	654,125	590,265	3,898,455
Comprehensive income	844,222	622,183	4,109,260

Dividends paid to non-controlling interests by SoftBank Corp. for the fiscal year ended March 31, 2024 are ¥242,074 million ($1,598,798 thousand) (for the fiscal year ended March 31, 2023: ¥240,881 million).

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Net cash provided by operating activities	¥1,155,750	¥1,239,689	$ 8,187,629
Net cash used in investing activities	(154,773)	(927,607)	(6,126,458)
Net cash used in financing activities	(495,260)	(357,098)	(2,358,484)
Effect of exchange rate changes on cash and cash equivalents	6,658	11,733	77,492
Decrease in cash and cash equivalents relating to transfer of assets classified as held for sale	—	(33,011)	(218,024)
Increase (decrease) in cash and cash equivalents	¥ 512,375	¥ (66,294)	$ (437,845)

b. Delaware Project 1 L.L.C., Delaware Project 2 L.L.C., and Delaware Project 3 L.L.C.

Delaware Project 1 L.L.C., Delaware Project 2 L.L.C., and Delaware Project 3 L.L.C. ("Delaware subsidiaries") made investments in SB Northstar, the asset management subsidiary of the Company, and the ownership ratio from Delaware subsidiaries to SB Northstar is 100%. Investment amounts and ownership ratio from non-controlling interests to each Delaware subsidiaries and investment amounts and ownership ratio from each Delaware subsidiaries to SB Northstar are the same. Financial figures of each Delaware subsidiaries are combined and presented as (b) Summarized consolidated financial information. The financial figures are different from the amounts recorded in the consolidated financial statements of the Company and the financial figures of SB Northstar as these figures are affected by borrowing from SoftBank Group Corp., interest expenses, and other items.

In addition, non-controlling interests in Delaware subsidiaries are from Son Wealth Management Inc (an entity of which Masayoshi Son, Chairman & CEO of SoftBank Group Corp., holds more than one-half of the voting rights).

(a) General information

	As of March 31, 2023	As of March 31, 2024
Ownership ratio of the non-controlling interests (%)	33.3	33.3

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Accumulated amount attributable to the non-controlling interests of subsidiary group	¥(399,190)	¥(409,390)	$(2,703,850)

		(Millions of yen)	(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Net income (loss) allocated to the non-controlling interests of subsidiary group	¥(55,491)	¥39,695	$262,169

(b) Summarized consolidated financial information

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Current assets	¥ 553	¥ 601	$ 3,969
Non-current assets	97,764	1,146,338	7,571,085
Current liabilities	—	2,373,235	15,674,229
Non-current liabilities	1,294,008	—	—
Equity	(1,195,691)	(1,226,296)	(8,099,175)

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Net sales	¥ —	¥ —	$ —
Net income (loss)	(166,459)	119,085	786,507
Comprehensive income	(166,459)	119,085	786,507

No dividends were paid to non-controlling interests by Delaware subsidiaries for the fiscal year ended March 31, 2023 and 2024.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Net cash provided by (used in) operating activities	¥ 8	¥ (25)	$ (165)
Net cash provided by (used in) investing activities	120,127	(1,079,805)	(7,131,662)
Net cash (used in) provided by financing activities	(119,740)	1,079,805	7,131,662
Effect of exchange rate changes on cash and cash equivalents	(23)	73	482
Increase in cash and cash equivalent	¥ 372	¥ 48	$ 317

19. Investments accounted for using the equity method

(1) Summarized consolidated financial information and other information on the material associates
As of March 31, 2023 and 2024, there are no material associates, individually.

(2) Aggregated information on investment in immaterial associates and joint ventures

The aggregated information of immaterial investments accounted for using the equity method (total amount of the Company's interests), is as follows:

In addition, for the three-month period ended September 30, 2022, a part of prepaid forward contracts was settled by Alibaba shares based on the board resolution in August 2022. As a result, the Company lost significant influence over Alibaba via voting rights and Alibaba ceased to be an equity method associate of the Company. Aggregated information for the fiscal year ended March 31, 2023 does not include the financial figures related to Alibaba.

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Carrying amount of the interests			
Associates	¥669,499	¥787,708	$5,202,483
Joint ventures	60,941	51,500	340,136
Total	¥730,440	¥839,208	$5,542,619

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Net income (loss)			
Associates	¥(47,101)	¥(26,640)	$(175,946)
Joint ventures	(24,182)	(12,001)	(79,262)
Total	¥(71,283)	¥(38,641)	$(255,208)
Other comprehensive income, net of tax			
Associates	(351)	(2,597)	(17,153)
Joint ventures	267	(285)	(1,883)
Total	¥ (84)	¥ (2,882)	$ (19,036)
Total comprehensive income			
Associates	(47,452)	(29,237)	(193,099)
Joint ventures	(23,915)	(12,286)	(81,145)
Total	¥(71,367)	¥(41,523)	$(274,244)

20. Structured entities

(1) Consolidated structured entities

The Company owns investment funds which are structured entities consolidated by the Company. These funds are structured as venture funds in the form of partnerships and limited partnerships for investment, and designed so that the voting rights or similar rights are not determinant in evaluating control. The Company evaluated that it controls the operation of those structured entities.

The details for major consolidated structured entities are described in "*1" in "(1) Organizational structure" under "Note 18. Major subsidiaries."

In addition, please refer to "a. Consolidation of SVF1, SVF2, and LatAm Funds by the Company" in "(20) Material accounting policies for the SoftBank Vision Funds segment" under "Note 3. Material accounting policies" for the following entities that comprise the SVF1 and SVF2 business.

Company Name	Location
SoftBank Vision Fund L.P.	Bailiwick of Jersey
SoftBank Vision Fund (AIV M1) L.P.	U.S.
SoftBank Vision Fund (AIV M2) L.P.	U.S.
SoftBank Vision Fund (AIV M3) L.P.	U.S.
SoftBank Vision Fund II-2 L.P.	Bailiwick of Jersey

The Company is engaged in investment commitment contracts with certain consolidated structured entities.

The Company has not provided, nor intends to provide, any significant financial support or other significant support to the consolidated structured entities without contractual obligation.

(2) Unconsolidated structured entities

The Company owns investment funds, which are structured entities that are not consolidated by the Company. These funds are structured as venture funds in the form of partnerships, limited partnerships for investment and investment trusts, and designed so that the voting rights or similar rights are not determinant in evaluating control. Third parties control the operation of these structured entities. The funds are financed by the subscription by its partners.

The scale of the structured entities which are not consolidated, the carrying amount of the investment in the entities by the Company, and the potential maximum loss exposure to the Company are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Total assets of the unconsolidated structured entities (aggregate amount)	¥3,988,392	¥3,963,596	$26,177,901
The maximum loss exposure to the Company			
The carrying amount of the investment recognized by the Company	651,058	692,340	4,572,618
Commitment contracts related to additional investment	83,735	93,410	616,934
Total	¥ 734,793	¥ 785,750	$ 5,189,552

The investments recognized by the Company are included in "Investments accounted for using the equity method," "Investments from SVF (FVTPL)," or "Investment securities" in the consolidated statement of financial position. The Company did not recognize any liabilities related to unconsolidated structured entities.

The potential maximum loss exposure incurred from the involvement with the structured entities is limited to the total of the carrying amount of the Company's investment and commitment regarding additional investment.

The Company's maximum loss exposure represents the potential maximum loss amount, and does not indicate any estimated loss amount by being involved with structured entities.

The Company has not provided, nor intends to provide, any financial support or other significant support to the unconsolidated structured entities above without contractual obligation.

21. Income taxes

(1) Tax expenses

The components of income tax expenses are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Current tax expenses	¥(800,779)	¥(429,070)	$(2,833,829)
Deferred tax expenses	480,105	580,486	3,833,868
Total	¥(320,674)	¥ 151,416	$ 1,000,039

Current tax expenses include benefit arising from tax loss, tax credit and certain temporary differences in the previous years that were previously unrecognized. The reduction of current tax expense for the fiscal year ended March 31, 2024 was ¥252,684 million ($1,668,873 thousand) (for the fiscal year ended March 31, 2023: ¥537,341 million).

Deferred tax expenses include the amount of deferred tax expenses arising from write-off of deferred tax assets or reversal of the write-off of deferred tax assets recorded in the previous years. As a result, the decrease in deferred tax expenses for the fiscal year ended March 31, 2024 was ¥86,757 million ($572,994 thousand) (for the fiscal year ended March 31, 2023: ¥423,933 million).

(2) Reconciliation of the statutory effective tax rate and actual tax rate

The reconciliation of the statutory effective tax rate and actual tax rate is as follows. The actual tax rate represents the ratio of income tax expenses to income before income tax.

	(Unit: %)	
	Fiscal year ended March 31, 2023	**Fiscal year ended March 31, 2024**
Statutory effective tax rate*	31.5	31.5
Aggregation of income earned by controlled foreign companies	8.9	(309.8)
Effect from profit or loss that does not impact taxable gain or loss	(307.1)	249.8
Effect from evaluating recoverability of deferred tax assets	146.4	(114.7)
Foreign tax credit	7.1	(95.4)
Income and loss on equity method investments	26.9	63.6
Taxation at foreign locations	(3.8)	(46.8)
US research and development tax credits	0.7	(21.2)
Effect from dilution gain or loss from changes in equity interest	0.4	(14.3)
Effect from gain or loss relating to loss of control over subsidiaries	0.6	(11.3)
Difference of tax rate adopted by subsidiaries	7.8	2.6
Distribution from SVF	8.4	3.9
Other	3.8	0.1
Actual tax rate	(68.4)	(262.0)

* The Company is subject to corporate taxes, residence taxes and deductible enterprise taxes. The statutory effective tax rate for the fiscal year ended March 31, 2024 based on these taxes is 31.5% (for the fiscal year ended March 31, 2023: 31.5%), except for foreign subsidiaries which are subject to income taxes at their respective locations.

(3) Movement of deferred tax assets and deferred tax liabilities

The movement of deferred tax assets and deferred tax liabilities is as follows:

For the fiscal year ended March 31, 2023

	(Millions of yen)							
	As of April 1, 2022	**Effect of changes in accounting policies due to adoption of new standards*1**	**As of April 1, 2022 (after adjustments)**	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**Exchange differences**	**Other**	**As of March 31, 2023**
Deferred tax assets								
Property, plant, equipment and intangible assets	¥ 77,560	¥ —	¥ 77,560	¥ 9,246	¥ —	¥ 390	¥ 50	¥ 87,246
Lease liabilities	9,045	183,714	192,759	19,577	—	166	(3,649)	208,853
Accrued expenses and other liabilities	120,302	146	120,448	7,929	(30)	323	(733)	127,937
Net operating loss carryforwards and tax credit carryforwards*2	89,690	—	89,690	521,501	(1)	4,038	(1,470)	613,758
Investment securities	6,889	—	6,889	8,783	—	25	4	15,701
Derivative financial liabilities	—	—	—	60,392	—	—	—	60,392
Unrealized gain	68,128	—	68,128	(11,141)	—	—	(2)	56,985
Share-based compensation	3,526	—	3,526	6,266	—	264	—	10,056
Allowance for doubtful accounts	20,281	—	20,281	734	—	—	2	21,017
Other	63,207	(354)	62,853	16,012	(1,514)	1,840	7,851	87,042
Total	458,628	183,506	642,134	639,299	(1,545)	7,046	2,053	1,288,987
Deferred tax liabilities								
Customer relationships	(183,220)	—	(183,220)	12,578	—	(2,093)	(2,772)	(175,507)
Trademarks	(117,077)	—	(117,077)	(5,247)	—	(43)	—	(122,367)
Technologies	(114,282)	—	(114,282)	9,561	—	(10,543)	—	(115,264)
Right-of-use assets	(4,637)	(183,572)	(188,209)	(19,827)	—	(178)	2,920	(205,294)
Temporary difference associated with investment in subsidiaries, associates and joint ventures*3	(1,671,258)	—	(1,671,258)	1,457,582	192,710	(3,302)	(5,827)	(30,095)
Investment securities*3	(464,235)	—	(464,235)	(1,402,671)	2,978	(7,079)	(151)	(1,871,158)
Derivative financial assets	(2,912)	—	(2,912)	(203,239)	—	(135)	557	(205,729)
Contract assets and costs to obtain contracts	(106,644)	—	(106,644)	640	—	—	—	(106,004)
Other	(67,142)	66	(67,076)	(8,571)	1,943	(278)	(1,321)	(75,303)
Total	(2,731,407)	(183,506)	(2,914,913)	(159,194)	197,631	(23,651)	(6,594)	(2,906,721)
Net	¥(2,272,779)	¥ —	¥(2,272,779)	¥ 480,105	¥196,086	¥(16,605)	¥(4,541)	¥(1,617,734)

*1. As a result of the adoption of the IAS 12 "Income Taxes" (Amendments in May 2021), the cumulative effect of retrospective adjustments is recognized as adjustments to the balance as of April 1, 2022 and restated accordingly. The details of the amendments are described in " Note 4. Changes in accounting policies."

*2. The Company recognizes deferred tax assets of ¥29,484 million as of March 31, 2023 at entities that recorded a loss in either the fiscal year ended March 31, 2022 or 2023. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be utilized.

*3. As a result of the exclusion of Alibaba from associates, deferred tax liabilities decreased by ¥1,607,135 million under "Temporary difference associated with investment in subsidiaries, associates and joint ventures," as an extinguishment of temporary difference associated with investment in Alibaba, and deferred tax liabilities for investment in Alibaba increased by ¥1,457,576 million under "Investment securities."

For the fiscal year ended March 31, 2024

	(Millions of yen)						
	As of April 1, 2023	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**Recognized in equity**	**Exchange differences**	**Other**	**As of March 31, 2024**
Deferred tax assets							
Property, plant, equipment and intangible assets	¥ 87,246	¥ 17,761	¥ —	¥ —	¥ 771	¥(2,736)	¥ 103,042
Lease liabilities	208,853	6,526	—	—	328	258	215,965
Accrued expenses and other liabilities	127,937	41,673	202	—	2,066	415	172,293
Net operating loss carryforwards and tax credit carryforwards*1,2	613,758	(43,905)	—	24,215	7,047	4,870	605,985
Investment securities	15,701	94,513	—	—	77	(117)	110,174
Derivative financial liabilities	60,392	(60,392)	—	—	—	—	—
Unrealized gain	56,985	(11,066)	—	—	—	—	45,919
Share-based compensation*2	10,056	19,203	—	22,985	2,290	56	54,590
Allowance for doubtful accounts	21,017	10,134	—	—	2	19	31,172
Other	87,042	(5,733)	(236)	—	3,686	(39)	84,720
Total	1,288,987	68,714	(34)	47,200	16,267	2,726	1,423,860
Deferred tax liabilities							
Customer relationships	(175,507)	13,983	—	—	(2,805)	(6,607)	(170,936)
Trademarks	(122,367)	(5,077)	—	—	(113)	(2,759)	(130,316)
Technologies	(115,264)	13,743	—	—	(14,957)	(6,000)	(122,478)
Right-of-use assets	(205,294)	(9,077)	—	—	(319)	4,561	(210,129)
Temporary difference associated with investment in subsidiaries, associates and joint ventures	(30,095)	(7,858)	332	—	(484)	(185)	(38,290)
Investment securities	(1,871,158)	584,613	(359)	—	(10,182)	2,203	(1,294,883)
Derivative financial assets	(205,729)	(85,334)	—	—	(344)	—	(291,407)
Contract assets and costs to obtain contracts	(106,004)	6,743	—	—	—	—	(99,261)
Other	(75,303)	36	(32)	—	(668)	2,722	(73,245)
Total	(2,906,721)	511,772	(59)	—	(29,872)	(6,065)	(2,430,945)
Net	¥(1,617,734)	¥580,486	¥ (93)	¥47,200	¥(13,605)	¥(3,339)	¥(1,007,085)

	(Thousands of U.S. dollars)						
	As of April 1, 2023	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in equity	Exchange differences	Other	As of March 31, 2024
Deferred tax assets							
Property, plant, equipment and intangible assets	$ 576,223	$ 117,304	$ —	$ —	$ 5,092	$(18,070)	$ 680,549
Lease liabilities	1,379,387	43,101	—	—	2,166	1,705	1,426,359
Accrued expenses and other liabilities	844,971	275,233	1,334	—	13,645	2,741	1,137,924
Net operating loss carryforwards and tax credit carryforwards*1,2	4,053,616	(289,974)	—	159,930	46,543	32,164	4,002,279
Investment securities	103,699	624,218	—	—	509	(773)	727,653
Derivative financial liabilities	398,864	(398,864)	—	—	—	—	—
Unrealized gain	376,362	(73,086)	—	—	—	—	303,276
Share-based compensation*2	66,416	126,828	—	151,806	15,124	370	360,544
Allowance for doubtful accounts	138,809	66,931	—	—	13	125	205,878
Other	574,876	(37,864)	(1,558)	—	24,345	(258)	559,541
Total	8,513,223	453,827	(224)	311,736	107,437	18,004	9,404,003
Deferred tax liabilities							
Customer relationships	(1,159,151)	92,352	—	—	(18,526)	(43,636)	(1,128,961)
Trademarks	(808,184)	(33,531)	—	—	(746)	(18,222)	(860,683)
Technologies	(761,271)	90,767	—	—	(98,785)	(39,627)	(808,916)
Right-of-use assets	(1,355,881)	(59,950)	—	—	(2,107)	30,124	(1,387,814)
Temporary difference associated with investment in subsidiaries, associates and joint ventures	(198,765)	(51,899)	2,193	—	(3,197)	(1,222)	(252,890)
Investment securities	(12,358,219)	3,861,125	(2,371)	—	(67,248)	14,550	(8,552,163)
Derivative financial assets	(1,358,754)	(563,596)	—	—	(2,272)	—	(1,924,622)
Contract assets and costs to obtain contracts	(700,112)	44,535	—	—	—	(1)	(655,578)
Other	(497,345)	238	(210)	—	(4,411)	17,975	(483,753)
Total	(19,197,682)	3,380,041	(388)	—	(197,292)	(40,059)	(16,055,380)
Net	$(10,684,459)	$3,833,868	$ (612)	$311,736	$ (89,855)	$(22,055)	$ (6,651,377)

*1. The Company recognizes deferred tax assets of ¥105,632 million ($697,655 thousand) as of March 31, 2024 at entities that recorded a loss in either the fiscal year ended March 31, 2023 or 2024. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be utilized.

*2. Changes in "Recognized in equity" under "Net operating loss carryforwards and tax credit carryforwards" and "Share-based compensation" are the recognized amount of deferred tax assets associated with the restricted stock unit plans of Arm. The details of the restricted stock unit plans of Arm are described in "(2) Restricted stock unit plan" under "Note 35. Share-based payment transactions."

Deferred tax assets and liabilities recorded in the consolidated statement of financial position are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Deferred tax assets	¥ 210,823	¥ 245,954	$ 1,624,424
Deferred tax liabilities	(1,828,557)	(1,253,039)	(8,275,801)
Net	¥(1,617,734)	¥(1,007,085)	$(6,651,377)

(4) Deductible temporary differences, net operating loss carryforwards and tax credit carryforwards for which no deferred tax assets have been recognized

Deductible temporary differences, net operating loss carryforwards, and tax credit carryforwards for which no deferred tax assets have been recognized are as follows. The amounts below are on a tax basis.

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	**As of March 31, 2024**	**As of March 31, 2024**
Deductible temporary differences	¥521,979	¥519,588	$3,431,663
Net operating loss carryforwards	341,916	365,009	2,410,732
Tax credit carryforwards	5,886	18,150	119,873
Total	¥869,781	¥902,747	$5,962,268

Expiration schedule of net operating loss carryforwards and tax credit carryforwards for which no deferred tax assets have been recognized is as follows. For deductible temporary differences as of March 31, 2024, the deductible temporary difference of ¥62,666 million ($413,883 thousand) (on a tax basis) is set to expire in the 5th year and thereafter (as of March 31, 2023: The deductible temporary difference of ¥3,102 million (on a tax basis) is set to expire in the 5th year). Other than the above, there is no deductible temporary difference with an expiry date.

	(Millions of yen)		(Thousands of U.S. dollars)
Net operating loss carryforwards (tax basis)	**As of March 31, 2023**	**As of March 31, 2024**	**As of March 31, 2024**
1st year	¥ 409	¥ 3,902	$ 25,771
2nd year	3,562	2,696	17,806
3rd year	2,589	3,484	23,010
4th year	10,079	671	4,432
5th year and thereafter and no expiry date	325,277	354,256	2,339,713
Total	¥341,916	¥365,009	$2,410,732

	(Millions of yen)		(Thousands of U.S. dollars)
Tax credit carryforwards (tax basis)	**As of March 31, 2023**	**As of March 31, 2024**	**As of March 31, 2024**
1st year	¥ —	¥ —	$ —
2nd year	—	—	—
3rd year	—	7,678	50,710
4th year	—	—	—
5th year and thereafter and no expiry date	5,886	10,472	69,163
Total	¥5,886	¥18,150	$119,873

In addition to the above, total future deductible temporary differences (before multiplying by the tax rate) for which no deferred tax assets have been recognized that are related to the investment in subsidiaries, associates and joint ventures as of March 31, 2024 are ¥7,128,039 million ($47,077,729 thousand) (as of March 31, 2023: ¥7,158,046 million).

(5) Future taxable temporary differences for which no deferred tax liabilities have been recognized that are related to the investment in subsidiaries

Total future taxable temporary differences (before multiplying by the tax rate) for which no deferred tax liabilities have been recognized that are related to the investment in subsidiaries as of March 31, 2024 are ¥7,410,759 million ($48,944,977 thousand) (as of March 31, 2023: ¥4,965,331 million).

(6) Impact of global minimum taxation

The legal frameworks related to the Pillar Two model rules published by the Organization for Economic Co-operation and Development (OECD), have been enacted or substantially enacted in some of the countries and regions where the Company operates. In the reforms to the Japanese tax system made in

2023, a corporate tax complying with the global minimum tax was newly created, with the tax reform act ("Act for Partial Revision of the Income Tax Act, etc." (Act No. 3 of 2023)) (hereinafter "Revised Corporation Tax Act") enacted on March 28, 2023 that includes the relevant regulations for the global minimum tax. Within the global minimum tax rules in the Revised Corporation Tax Act, an income inclusion rule ("IIR") has been introduced. Applicable from the fiscal year starting on or after April 1, 2024, top-up tax will be imposed on parent companies located in Japan up to the minimum tax rate (15%) of the taxes borne by the subsidiaries, etc. of those parent companies located in Japan.

The Company works with tax experts to investigate the impact, however, it is not possible to reasonably estimate the impact of the global minimum tax rules on the consolidated financial statements at this point.

22. Interest-bearing debt

(1) Components of interest-bearing debt

The components of interest-bearing debt are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)		
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024	Average interest rate (%)*1	Maturity*2
Current					
Short-term borrowings	¥ 900,502	¥ 1,100,158	$ 7,266,085	0.51	—
Commercial paper	283,001	363,501	2,400,773	0.18	—
Current portion of long-term borrowings*3,4	2,955,480	1,787,792	11,807,622	1.37	—
Current portion of corporate bonds*6	653,237	824,791	5,447,401	2.09	—
Current portion of financial liabilities relating to sale of shares by prepaid forward contracts*5	336,730	4,194,733	27,704,465	2.04	—
Current portion of installment payables	97	168	1,109	2.14	—
Total	¥ 5,129,047	¥ 8,271,143	$54,627,455		
Non-current					
Long-term borrowings*3,4	4,164,682	4,698,657	31,032,673	3.65	Apr. 2025- May. 2058
Corporate bonds*6	6,257,455	6,619,839	43,721,280	2.71	Apr. 2025- Apr. 2058
Financial liabilities relating to sale of shares by prepaid forward contracts*5	3,926,873	977,778	6,457,817	3.33	Apr. 2025- May. 2025
Installment payables	137	107	706	2.27	Apr. 2025- Mar. 2027
Total	¥14,349,147	¥12,296,381	$81,212,476		

*1. Average interest rate represents the weighted-average interest rate to the balance as of March 31, 2024.

*2. Maturity represents the maturity of the outstanding balance as of March 31, 2024.

*3. 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 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 which were established for this facility purpose as collateral. This resulted in the current portion of long-term borrowings decreased by ¥1,126,619 million ($7,440,849 thousand).

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 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 ($8,420,210 thousand) 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.

*4. 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 ($3,618,612 thousand) (as of March 31, 2023: ¥770,004 million of current portion of long-term borrowings) of borrowings in SVF2.

*5. 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."

*6. A summary of the issuance conditions of the bonds is as follows:

Company name / Name of bond	Date of issuance	Balance of issue amount*7	As of March 31, 2023 (Millions of yen)*8	As of March 31, 2024 (Millions of yen)*8	As of March 31, 2024 (Thousands of U.S. dollars)*8	Interest rate (%)	Date of maturity
SoftBank Group Corp.							
49th Unsecured Straight Bond	Apr. 20, 2016	¥ — million	19,500 (19,500)	—	—	1.94	Apr. 20, 2023
50th Unsecured Straight Bond	Apr. 20, 2016	¥ 30,000 million	29,954	29,969	197,933	2.48	Apr. 20, 2026
51st Unsecured Straight Bond	Mar. 16, 2017	¥ — million	352,027 (352,027)	—	—	2.03	Mar. 15, 2024
52nd Unsecured Straight Bond	Mar. 8, 2017	¥ — million	47,272 (47,272)	—	—	2.03	Mar. 8, 2024
53rd Unsecured Straight Bond	Jun. 20, 2018	¥410,000 million	408,999	409,857 (409,857)	2,706,935 (2,706,935)	1.57	Jun. 14, 2024
54th Unsecured Straight Bond	Jun. 12, 2018	¥ 40,000 million	39,966	39,995 (39,995)	264,150 (264,150)	1.57	Jun. 12, 2024
55th Unsecured Straight Bond	Apr. 26, 2019	¥500,000 million	497,914	498,957	3,295,403	1.64	Apr. 25, 2025
56th Unsecured Straight Bond	Sep. 20, 2019	¥400,000 million	397,554	398,270	2,630,408	1.38	Sep. 17, 2026
57th Unsecured Straight Bond*9	Sep. 12, 2019	¥ 97,900 million	99,787	97,752	645,611	1.38	Sep. 11, 2026
58th Unsecured Straight Bond	Dec. 16, 2022	¥385,000 million	380,398	381,088	2,516,928	2.84	Dec. 14, 2029
59th Unsecured Straight Bond	Mar. 15, 2024	¥550,000 million	—	543,187	3,587,524	3.04	Mar. 14, 2031
USD-denominated Senior Notes due 2023	Apr. 20, 2018	$ — million	21,920 (21,920)	—	—	5.50	Apr. 20, 2023
USD-denominated Senior Notes due 2024*10	Sep. 19, 2017	$ 781 million	104,277	118,131 (118,131)	780,206 (780,206)	4.75	Sep. 19, 2024
USD-denominated Senior Notes due 2025*10	Jul. 28, 2015	$ 574 million	76,498	86,737	572,862	6.00	Jul. 30, 2025
USD-denominated Senior Notes due 2025*10	Apr. 20, 2018	$ 337 million	45,192	50,886	336,081	6.13	Apr. 20, 2025
USD-denominated Senior Notes due 2025*10	Jul. 6, 2021	$ 449 million	59,708	67,774 (67,774)	447,619 (447,619)	3.13	Jan. 6, 2025
USD-denominated Senior Notes due 2026*10	Jul. 6, 2021	$ 669 million	89,210	100,816	665,848	4.00	Jul. 6, 2026
USD-denominated Senior Notes due 2027*10	Sep. 19, 2017	$ 1,657 million	221,202	249,796	1,649,799	5.13	Sep. 19, 2027
USD-denominated Senior Notes due 2028*10	Apr. 3, 2018	$ 466 million	61,996	70,204	463,668	6.25	Apr. 15, 2028
USD-denominated Senior Notes due 2028*10	Jul. 6, 2021	$ 773 million	106,296	116,262	767,862	4.63	Jul. 6, 2028
USD-denominated Senior Notes due 2031*10	Jul. 6, 2021	$ 1,305 million	178,583	196,018	1,294,617	5.25	Jul. 6, 2031
Euro-denominated Senior Notes due 2023	Apr. 20, 2018	€ — million	92,531 (92,531)	—	—	4.00	Apr. 20, 2023
Euro-denominated Senior Notes due 2024*10	Jul. 6, 2021	€ 638 million	92,814	104,043 (104,043)	687,161 (687,161)	2.13	Jul. 6, 2024
Euro-denominated Senior Notes due 2025	Jul. 28, 2015	€ 633 million	91,873	103,091	680,873	4.75	Jul. 30, 2025

Company name / Name of bond	Date of issuance	Balance of issue amount[*7]	As of March 31, 2023 (Millions of yen)[*8]	As of March 31, 2024 (Millions of yen)[*8]	As of March 31, 2024 (Thousands of U.S. dollars)[*8]	Interest rate (%)	Date of maturity
Euro-denominated Senior Notes due 2025	Sep. 19, 2017	€ 702 million	101,904	114,344	755,195	3.13	Sep. 19, 2025
Euro-denominated Senior Notes due 2025	Apr. 20, 2018	€ 272 million	39,499	44,331	292,788	4.50	Apr. 20, 2025
Euro-denominated Senior Notes due 2027	Jul. 28, 2015	€ 211 million	30,500	34,218	225,996	5.25	Jul. 30, 2027
Euro-denominated Senior Notes due 2027[*10]	Jul. 6, 2021	€ 437 million	64,360	70,949	468,589	2.88	Jan. 6, 2027
Euro-denominated Senior Notes due 2028[*10]	Apr. 3, 2018	€ 1,054 million	153,258	171,246	1,131,009	5.00	Apr. 15, 2028
Euro-denominated Senior Notes due 2029[*10]	Sep. 19, 2017	€ 575 million	84,466	93,301	616,214	4.00	Sep. 19, 2029
Euro-denominated Senior Notes due 2029[*10]	Jul. 6, 2021	€ 473 million	72,735	76,575	505,746	3.38	Jul. 6, 2029
Euro-denominated Senior Notes due 2032[*10]	Jul. 6, 2021	€ 425 million	64,312	68,721	453,874	3.88	Jul. 6, 2032
3rd Unsecured Subordinated Corporate Bond	Sep. 30, 2021	¥450,000 million	444,761	445,729	2,943,853	2.40	Sep. 29, 2028
4th Unsecured Subordinated Corporate Bond[*9]	Sep. 16, 2021	¥ 30,100 million	49,751	29,978	197,992	2.40	Sep. 15, 2028
5th Unsecured Subordinated Corporate Bond[*9]	Feb. 4, 2022	¥549,000 million	543,108	543,300	3,588,269	2.48	Feb. 2, 2029
2nd Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision)[*11,12,13]	Sep. 16, 2016	¥ — million	15,285	—	—	3.50	Sep. 16, 2043
4th Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision)[*12,14]	Feb. 4, 2021	¥177,000 million	175,598	175,640	1,160,029	3.00	Feb. 4, 2056
5th Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision)[*12,15]	Jun. 21, 2021	¥405,000 million	398,014	398,225	2,630,110	2.75	Jun. 21, 2056
6th Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision)[*12,16]	Apr. 28, 2023	¥222,000 million	—	218,190	1,441,054	4.75	Apr. 26, 2058
Subtotal			5,753,022	6,147,580	40,602,206		
			(533,250)	(739,800)	(4,886,071)		
SoftBank Corp.							
6th Unsecured Straight Bond	Jul. 29, 2020	¥ 70,000 million	70,000	70,000	462,321	0.36	Jul. 29, 2025
8th Unsecured Straight Bond	Dec. 3, 2020	¥ 80,000 million	80,000	80,000	528,367	0.35	Dec. 3, 2025
19th Unsecured Straight Bond	Mar. 10, 2023	¥120,000 million	119,312	119,452	788,931	0.98	Mar. 10, 2028

Company name / Name of bond	Date of issuance	Balance of issue amount*7	As of March 31, 2023 (Millions of yen)*8	As of March 31, 2024 (Millions of yen)*8	As of March 31, 2024 (Thousands of U.S. dollars)*8	Interest rate (%)	Date of maturity
21st Unsecured Straight Bond	Jul. 12, 2023	¥ 60,000 million	—	59,820	395,086	0.82	Jul. 12, 2028
24th Unsecured Straight Bond	Jan. 31, 2024	¥140,000 million	—	139,203	919,378	1.24	Jan. 31, 2031
Other Unsecured Straight Bonds	Mar. 18, 2020 — Jul. 12, 2023	¥360,000 million	309,371 (10,000)	359,305 (10,000)	2,373,059 (66,046)	0.10 — 1.30	Jul. 28, 2023 — Jul 12, 2033
Subtotal			578,683 (10,000)	827,780 (10,000)	5,467,142 (66,046)		
LY Corporation							
11th Unsecured Straight Bond	Jul. 31, 2019	¥ 50,000 million	49,957	49,991 (49,991)	330,170 (330,170)	0.18	Jul. 31, 2024
12th Unsecured Straight Bond	Jul. 31, 2019	¥ 70,000 million	69,890	69,924	461,819	0.37	Jul. 31, 2026
13th Unsecured Straight Bond	Jul. 31, 2019	¥ 50,000 million	49,877	49,896	329,542	0.46	Jul. 31, 2029
15th Unsecured Straight Bond	Jun. 11, 2020	¥ — million	79,987 (79,987)	—	—	0.35	Jun. 9, 2023
16th Unsecured Straight Bond	Jun. 11, 2020	¥ 70,000 million	69,897	69,945	461,958	0.60	Jun. 11, 2025
19th Unsecured Straight Bond	Jul. 28, 2021	¥ 50,000 million	49,888	49,922	329,714	0.35	Jul. 28, 2026
23rd Unsecured Straight Bond	Sep. 28, 2022	¥ 50,000 million	49,746	49,804	328,935	0.76	Sep. 28, 2027
Other Unsecured Straight Bonds	Feb. 28, 2017 — Sep. 15, 2022	¥130,000 million	159,745 (30,000)	129,788 (25,000)	857,195 (165,114)	0.20 — 0.90	Dec. 6, 2023 — Jul. 28, 2031
Subtotal			578,987 (109,987)	469,270 (74,991)	3,099,333 (495,284)		
Total			¥6,910,692 (653,237)	¥7,444,630 (824,791)	$49,168,681 (5,447,401)		

*7. Balance of issue amount is as of March 31, 2024.

*8. Figures in parentheses as of March 31, 2023 and March 31, 2024 represent the current portion.

*9. The 57th Unsecured Straight Bond and the 4th Unsecured Subordinated Corporate Bond were partially redeemed on April 12, 2023 and the 5th Unsecured Subordinated Corporate Bond was partially redeemed on April 28, 2023 before maturity dates, respectively.

*10. SoftBank Group Corp. purchased a portion of the foreign-currency-denominated Senior Notes through the market. Accordingly, the purchases were completed, and as a result, these notes were derecognized as the requirement for the extinguishment was satisfied on the same date.

*11. The 2nd Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision) was redeemed on September 16, 2023, before maturity date.

*12. The interest rate stated above is at the time of issuance. The bond has a step-up coupon provision and its interest rate may increase in the future.

*13. The bond has an early redeemable option at the Company's discretion from September 16, 2023 and at each interest date on or after September 16, 2023.

*14. The bond has an early redeemable option at the Company's discretion from February 4, 2026 and at each interest date on or after February 4, 2026.

*15. The bond has an early redeemable option at the Company's discretion from June 21, 2026 and at each interest date on or after June 21, 2026.

*16. The bond has an early redeemable option at the Company's discretion from April 28, 2028 and at each interest date on or after April 28, 2028.

(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 contracts include 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 by using Alibaba shares"), in addition to the prepaid forward contracts, enter 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 "(b) Price risk" in "a. Market risk" in "(2) Financial risk management" under "Note 28. Financial instruments."

Entities for fund procurement by 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 by using Alibaba shares elect cash settlement, Entities for fund procurement by 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 by 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 by using Alibaba shares.

Entities for fund procurement using Alibaba shares procured $4.4 billion (¥605,627 million) 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 ($2,357,341 thousand) of current portion of financial liabilities relating to sale of shares by prepaid forward contracts, ¥231,618 million ($1,529,740 thousand) of "Derivative financial assets (current)," and ¥125,307 million ($827,601 thousand) 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 ($24,779,552 thousand) of Alibaba shares, which is recognized as "Investment securities" (as of March 31, 2023: ¥4,141,336 million) in the consolidated statement of financial position, as collateral for ¥3,698,847 million ($24,429,344 thousand) of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥977,778 million ($6,457,817 thousand) of financial liabilities relating to sale of shares by prepaid forward contracts (as of March 31, 2023: ¥336,730 million and ¥3,486,934 million, respectively).

(3) Financial covenants

a. Financial covenants on interest-bearing debts of SoftBank Group Corp.

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

- The consolidated statement of financial position of the Company at the end of the fiscal year must not show a net capital deficiency.
- The amount of SoftBank Group Corp.'s net assets in the non-consolidated balance sheet at the end of the fiscal year must be maintained at ¥369,800 million ($2,442,375 thousand) or more.

b. Financial covenants on interest-bearing debts of SoftBank Corp.

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

(a) The amount of SoftBank Corp.'s equity in the consolidated statement of financial position at the end of the fiscal year and at the end of the second quarter must not fall below 75% of SoftBank Corp.'s equity at the end of the previous year and the second quarter.

(b) The amount of SoftBank Corp.'s net assets in the non-consolidated balance sheet at the end of the fiscal year and at the end of the second quarter must not fall below 75% of SoftBank Corp.'s net assets at the same dates during the previous year and the second quarter.

(c) In SoftBank Corp.'s consolidated statement of income, operating income (loss) or net income (loss) must not result in losses for two consecutive years.

(d) In SoftBank Corp.'s non-consolidated statement of income, operating income (loss) or net income (loss) must not result in losses for two consecutive years.

(e) Net leverage ratios*1 of SoftBank Corp. must not exceed certain numbers at the end of the fiscal year and at the end of the second quarter.

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*1. Net leverage ratio:
Net debt*2 / adjusted EBITDA*3

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

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

c. Financial covenants on interest-bearing debts of LY Corporation

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

(a) The amount of LY Corporation's net assets in the non-consolidated balance sheet at the end of each fiscal year from the second quarter ended September 30, 2020 must not fall below 75% of LY Corporation's net assets at the same dates during the previous year.

(b) The amount of LY Corporation's equity in the consolidated statement of financial position at the end of each fiscal year and at the end of the second quarter of each year from the second quarter ended September 30, 2020 must not fall below 75% of LY Corporation's equity at the same dates during the previous year.

(c) The non-consolidated balance sheet of LY Corporation at the end of each fiscal year from the second quarter ended September 30, 2020, must not show a net capital deficiency.

(d) The consolidated statement of financial position of LY Corporation at the end of each fiscal year and at the end of the second quarter of each year from the second quarter ended September 30, 2020 must not show a net capital deficiency.

(e) In LY Corporation's non-consolidated statement of profit or loss, operating income (loss) or net income (loss) at the end of each fiscal year from the fiscal year ended March 31, 2021 must not result in losses for two consecutive years.

(f) In LY Corporation's consolidated statement of profit or loss, operating income (loss) or net income (loss) at the end of each fiscal year from the fiscal year ended March 31, 2021, must not result in losses for two consecutive years.

(g) Net leverage ratios*1 of LY Corporation must not exceed certain respective amounts or numbers at the end of each fiscal year and the end of the second quarter of each year from the second quarter ended September 30, 2020.

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*1. Net leverage ratio:
Net debt*2 / Adjusted EBITDA*3

*2. Net debt:
The total amount of interest-bearing debt shown in the consolidated statement of financial position of LY Corporation after deducting cash and cash equivalents. Interest-bearing debt is adjusted for certain items, such as an exclusion of interest-bearing debt resulting from financing transactions using an asset securitization scheme. Interest-bearing debt and cash and cash equivalents are adjusted not to include those of PayPay Bank Corporation.

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

(4) Borrowings related to equity-securities lending contract

For the fiscal year ended March 31, 2023

The Company entered into a securities lending contract regarding the stocks of a certain subsidiary. As of March 31, 2023, the amount of the cash received as collateral under the contract is recognized as short-term borrowings of ¥20,100 million and included in "Interest-bearing debt (current)."

(5) Assets pledged as collateral

Assets pledged as collateral for liabilities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Cash and cash equivalents	¥ 35	¥ 40	$ 264
Trade and other receivables	14,367	33,613	222,000
Other financial assets (current)	1,308	3,100	20,474
Property, plant and equipment	4,768	4,572	30,196
Investments accounted for using the equity method	1,306	—	—
Investments from SVF (FVTPL)*1,2	1,323,436	—	—
Investment securities*3,4,5	5,382,849	5,210,271	34,411,670
Other financial assets (non-current)	6,818	4,682	30,923
Other non-current assets	200	—	—
Assets classified as held for sale	—	86	568
Total	¥6,735,087	¥5,256,364	$34,716,095

Liabilities related to these assets pledged as collateral are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Interest-bearing debt			
Current portion of long-term borrowings*1,2,4	¥ 139,496	¥ 83,259	$ 549,891
Current portion of financial liabilities relating to sale of shares by prepaid forward contracts*3,5	336,730	4,131,011	27,283,607
Long-term borrowings*1,4	1,052,351	500,581	3,306,129
Financial liabilities relating to sale of shares by prepaid forward contracts*3,5	3,863,151	977,778	6,457,817
Trade and other payables	426	1,837	12,133
Other current liabilities	399	498	3,289
Liabilities directly relating to assets classified as held for sale	—	86	568
Total	¥5,392,553	¥5,695,050	$37,613,434

*1. SVF1 made borrowings by using listed shares, Arm shares, a wholly-owned subsidiary of the Company, and others held by SVF1 as collateral. For the fiscal year ended March 31, 2024, SVF1 repaid all of its borrowings of $4.1 billion before the maturity date and the collateral was released. The borrowings are recorded for ¥547,156 million as "Long-term borrowings," ¥5,526 million as "Current portion of long-term borrowings" and the listed shares held by SVF1 that were pledged as collateral are recorded for ¥946,893 million as "Investments from SVF (FVTPL)" in the consolidated statement of financial position as of March 31, 2023.

*2. SVF2 made borrowings by using listed shares held by SVF2 as collateral. For the fiscal year ended March 31, 2024, SVF2 repaid all of its borrowings of $1.0 billion before the maturity date and the collateral was released. The borrowings are recorded for ¥133,530 million as "Current portion of long-term borrowings" and the listed shares held by SVF2 that were pledged as collateral are recorded for ¥376,543 million as "Investments from SVF (FVTPL)" in the consolidated statement of financial position as of March 31, 2023.

*3. As of March 31, 2024, ¥3,751,872 million ($24,779,552 thousand) of Alibaba shares (as of March 31, 2023: ¥4,141,336 million) (the carrying amount on a consolidation basis) is pledged as collateral for ¥3,698,847 million ($24,429,344 thousand) of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥977,778 million ($6,457,817 thousand) of financial liabilities relating to sale of shares by prepaid forward contracts (as of March 31, 2023: ¥336,730 million and ¥3,486,934 million, respectively). The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts."

*4. As of March 31, 2024, ¥828,036 million ($5,468,833 thousand) (as of March 31, 2023: ¥729,483 million) of Deutsche Telekom AG (“Deutsche Telekom”) shares held by a wholly-owned subsidiary of the Company is pledged as collateral for ¥82,819 million ($546,985 thousand) of current portion of long-term borrowings and ¥414,097 million ($2,734,938 thousand) of long-term borrowings by collar transactions using Deutsche Telekom shares (as of March 31, 2023: ¥441,326 of long-term borrowings).

*5. As of March 31, 2024, ¥612,886 million ($4,047,857 thousand) (as of March 31, 2023: ¥479,644 million) of T-Mobile shares held by a wholly-owned subsidiary of the Company is pledged as collateral for ¥432,165 million ($2,854,270 thousand) of current portion of financial liabilities relating to the sale of shares by prepaid forward contracts (as of March 31, 2023: ¥376,217 million of financial liabilities relating to the sale of shares by prepaid forward contracts).

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

a. SVF2
As of March 31, 2024, mainly the equity interests of subsidiaries of SVF2 are pledged as collateral for ¥547,894 million ($3,618,612 thousand) of long-term borrowings (as of March 31, 2023: ¥636,474 million of current portion of long-term borrowings). The facility agreement for the long-term borrowings includes a margin call provision and a mandatory prepayment clause, which may be triggered under certain circumstances such as a significant decrease in the fair value of investments SVF2 holds. The creditors would be able to enforce security and dispose of the equity interests of subsidiaries of SVF2 if the margin call clause or the mandatory prepayment clause were triggered and SVF2 did not pay the relevant amounts to creditors when due. The long-term borrowings are limited-recourse debts.

In September 2023, the maturity date for the borrowings was extended from December 2023 to December 2025, and the borrowings were transferred from current portion of long-term borrowings to long-term borrowings.

b. Arm
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 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 which were established for this facility purpose as collateral.

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 Kronos I (UK) Limited and all of Kronos I (UK) Limited’s assets except for certain assets specified in the agreement as collaterals. The primary asset held by Kronos I (UK) Limited as of March 31, 2023 is a restricted cash of ¥44,055 million and there are no significant assets held by Kronos I (UK) Limited as of March 31, 2024. The details of the facility loans are described in “*3” under “(1) Components of interest-bearing debt.”

c. Fortress
As of March 31, 2024, based on a term loan agreement of $0.8 billion (as of March 31, 2023: $0.7 billion) which was entered into to finance the acquisition of Fortress, the equity interests of Fortress and four wholly-owned subsidiaries within the acquisition structure are pledged as collateral.

d. T-Mobile
The Company had the right to acquire 48,751,557 shares of T-Mobile for no additional consideration if certain conditions are met due to the merger transaction with Sprint and T-Mobile US, Inc. The conditions were met and the Company acquired 48,751,557 shares of T-Mobile for no additional consideration. The details are described in “*4” in “(b) Price risk iii. Option contracts” in “(2) Financial risk management a. Market risk” under “Note. 28 Financial instruments.” The Company has pledged 18,000,000 shares of T-Mobile acquired through the transaction (as of March 31, 2024: ¥444,837 million ($2,937,963 thousand) included in “Investment securities” in the consolidated statement of financial position) as collateral to secure certain of the Company’s indemnity obligations undertaken in connection with the merger transaction above until April 1, 2025.

e. SoftBank Corp.
As of March 31, 2024, a wholly-owned subsidiary of the Company procures funds using the shares of SoftBank Corp. as collateral.

906,289,633 shares out of 1,914,858,070 shares of SoftBank Corp. held by the Company are pledged as collateral for ¥498,781 million ($3,294,241 thousand) of current portion of long-term borrowings of a wholly-owned subsidiary of the Company (as of March 31, 2023: ¥497,416 million of long-term borrowings). The borrowings include a cash collateral clause and an early settlement clause and an early settlement may be elected by the creditors under certain circumstances such as a significant decrease in the fair value of pledged SoftBank Corp. shares. The creditors would be able to dispose of the asset pledged as collateral in the event where the early settlement is demanded and the wholly-owned subsidiary of the Company does not repay the borrowings, accordingly. The borrowings are non-recourse debts, and therefore, SoftBank Group Corp. will not be responsible for the borrowings.

47,000,000 shares out of 1,914,858,070 shares of SoftBank Corp. held by the Company are pledged as collateral for ¥63,722 million ($420,857 thousand) of financial liabilities relating to the sale of shares by prepaid forward contracts by using SoftBank Corp. shares (as of March 31, 2023: ¥63,722 million). The Company has the option to settle the sale of shares by prepaid forward contracts by delivering cash, SoftBank Corp. shares, or a combination of both cash and SoftBank Corp. shares. The Company granted the right of use to the creditors with respect to SoftBank Corp. shares that are collateralized in accordance with the sale of shares by prepaid forward contracts. However, the collateral can be released by cash settlement at the discretion of the Company. Therefore, SoftBank Corp. continues to be a consolidated subsidiary of the Company.

f. Other
As of March 31, 2024, ¥186,848 million ($1,234,053 thousand) (as of March 31, 2023: ¥97,265 million) of "Investment securities" is pledged as collateral for financing and exchange settlement by a subsidiary operating banking business. Also, "Other financial assets (non-current)" include ¥90,200 million ($595,733 thousand) (as of March 31, 2023: ¥125,200 million) of margin deposits with central counterparties in the consolidated statement of financial position.

(6) Assets with restrictions on rights

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

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Property, plant and equipment	¥731,125	¥815,955	$5,389,043

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

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Interest-bearing debt			
Current portion of long-term borrowings	¥206,823	¥227,348	$1,501,539
Long-term borrowings	420,145	398,757	2,633,624
Total	¥626,968	¥626,105	$4,135,163

b. Assets under lease contracts for intangible assets
Assets that are restricted from being transferred, subleased or pledged as collateral by the Company because they are acquired under lease contracts for the intangible assets are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Intangible assets	¥354,452	¥335,676	$2,217,000

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

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Interest-bearing debt			
Current portion of long-term borrowings	¥114,956	¥108,110	$ 714,022
Long-term borrowings	199,600	176,537	1,165,953
Total	¥314,556	¥284,647	$1,879,975

(7) 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)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Net increase in short-term borrowings	¥ 58,429	¥161,874	$1,069,110
Net (decrease) increase in commercial paper	(131,800)	21,000	138,697
Total	¥ (73,371)	¥182,874	$1,207,807

(8) 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)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Proceeds from borrowings	¥3,778,352	¥4,276,463	$28,244,258
Proceeds from issuance of corporate bonds	565,000	1,032,000	6,815,930
Proceeds from procurement by prepaid forward contracts using shares*	4,832,760	605,627	3,999,914
Total	¥9,176,112	¥5,914,090	$39,060,102

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

(9) 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)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Repayment of borrowings	¥(5,534,321)	¥(5,183,435)	$(34,234,430)
Redemption of corporate bonds	(755,911)	(700,618)	(4,627,290)
Repayment for settlement of prepaid forward contracts using shares	(4,759)	(5,133)	(33,901)
Total	¥(6,294,991)	¥(5,889,186)	$(38,895,621)

23. Deposits for banking business

The components of deposits for a banking business are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Ordinary deposits	¥1,363,844	¥1,542,742	$10,189,169
Time deposits	108,416	100,413	663,186
Total	¥1,472,260	¥1,643,155	$10,852,355

24. Trade and other payables

The components of trade and other payables are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Trade payables	¥1,810,333	¥1,970,363	$13,013,427
Other	606,539	740,166	4,888,488
Total	¥2,416,872	¥2,710,529	$17,901,915

25. Other financial liabilities

The components of other financial liabilities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Current			
Allowance for financial guarantee contract losses*	¥152,365	¥ —	$ —
Other	27,826	31,801	210,032
Total	¥180,191	¥31,801	$210,032
Non-current			
Long-term time deposits	15,689	14,368	94,895
Long-term guarantee deposited	8,745	7,723	51,007
Other	34,111	34,926	230,672
Total	¥ 58,545	¥57,017	$376,574

Note:

* Allowance for financial guarantee contract losses related to a credit facility for WeWork provided by financial institutions in SVF2. For the fiscal year ended March 31, 2024, the allowance was fully allocated to the loan receivable acquired by fulfillment of the credit facility. The details are described in "*7" under "Note 41. Other gain (loss)."

26. Other current liabilities and other non-current liabilities

The components of other current liabilities and other non-current liabilities are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Current			
Short-term accrued employee benefits	¥238,028	¥301,475	$1,991,117
Contract liabilities	164,250	171,368	1,131,814
Withholding income tax*	94,858	133,335	880,622
Consumption tax payable and other	58,846	70,549	465,947
Accrued interest expenses	46,673	56,423	372,650
Other	73,265	68,135	450,005
Total	¥675,920	¥801,285	$5,292,155

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Non-current			
Contract liabilities	171,648	192,987	1,274,599
Defined benefit liabilities	35,046	39,828	263,047
Long-term accrued employee benefits	26,638	34,299	226,531
Other	21,609	44,879	296,406
Total	¥254,941	¥311,993	$2,060,583

* Withholding income tax as of March 31, 2024 mainly consists of employee related payroll taxes and payables primarily related to vested RSU to be paid in the subsequent quarter. Withholding income tax as of March 31, 2023 includes the amount of ¥83,953 million, which is related to dividends within the group companies.

27. Provisions

The changes in the provisions are as follows:

	(Millions of yen)				
	Asset retirement obligations	Asbestos claims liabilities	Provision for loss on contract	Other	Total
As of April 1, 2023	¥ 97,570	¥72,957	¥ 44,127	¥ 21,323	¥235,977
Recognition of provisions	4,081	—	38,642	7,280	50,003
Interest due to passage of time	163	2,018	—	1,204	3,385
Used	(22,825)	(7,336)	(12,734)	(1,065)	(43,960)
Reversal of provisions*1	—	—	—	(27,003)	(27,003)
Change in estimate*2	4,734	(1,980)	(16,478)	—	(13,724)
Exchange differences	283	9,346	—	442	10,071
Other	(2,264)	—	—	121	(2,143)
As of March 31, 2024	¥ 81,742	¥75,005	¥ 53,557	¥ 2,302	¥212,606
Current liabilities	¥ 14,581	¥10,361	¥ 17,703	¥ 2,059	¥ 44,704
Non-current liabilities	67,161	64,644	35,854	243	167,902
Total	¥ 81,742	¥75,005	¥ 53,557	¥ 2,302	¥212,606

	(Thousands of U.S. dollars)				
	Asset retirement obligations	Asbestos claims liabilities	Provision for loss on contract	Other	Total
As of April 1, 2023	$ 644,409	$481,851	$ 291,440	$ 140,830	$1,558,530
Recognition of provisions	26,953	—	255,215	48,081	330,249
Interest due to passage of time	1,077	13,328	—	7,952	22,357
Used	(150,750)	(48,451)	(84,103)	(7,034)	(290,338)
Reversal of provisions*1	—	—	—	(178,344)	(178,344)
Change in estimate*2	31,266	(13,077)	(108,830)	—	(90,641)
Exchange differences	1,869	61,726	—	2,920	66,515
Other	(14,952)	—	—	798	(14,154)
As of March 31, 2024	$ 539,872	$495,377	$ 353,722	$ 15,203	$1,404,174
Current liabilities	$ 96,301	$ 68,430	$ 116,921	$ 13,599	$ 295,251
Non-current liabilities	443,571	426,947	236,801	1,604	1,108,923
Total	$ 539,872	$495,377	$ 353,722	$ 15,203	$1,404,174

*1 The reversal of "Other" provision is primarily due to the reversal of the provision which had been recorded for expected losses relating to the litigation with Japan Post Information Technology Co., Ltd. The details are described in "b. Litigation in which SoftBank Corp. is involved as a Party" in "(3) Litigation" under "Note 46. Contingency."

*2 Regarding the change in estimate of "Provision for loss on contract," SoftBank Corp. reviewed the exercise rate and the period of trade-in program, as well as the expected sales price of devices based on past performance.

Asset retirement obligations

Asset retirement obligations are recognized by the reasonably estimated amount required for the removal of equipment, such as part of base stations, certain offices (including the head office), data centers, and network centers. The estimate of the amount for the removal of equipment and the timing of the payment is based on the current business plans and assumptions and is subject to change depending on revised future assumptions.

Asbestos claims liabilities

Fortress acquired and consolidated an entity that holds asbestos claims liabilities and related insurance assets. The subsidiary is named as a defendant in cases filed alleging injury or death as a result of exposure to asbestos. The subsidiary estimates the settlement or indemnity costs for the cases and recognizes asbestos claims liabilities. The estimation of the indemnity costs and payment terms are based on the recent historical factors, such as the number of new mesothelioma claims filed, the average settlement costs for mesothelioma claims, and the aggregate defense costs incurred. Therefore, the estimation may fluctuate from changes in the factors.

Provision for loss on contract

In mobile services, provision for loss on contract is recognized by estimating the losses based on forecasts of the exercise rate and period of trade-in programs in order to prepare for losses resulting from the difference between the sales price of devices received from customers and residual installment receivables from customers. The sales price of the devices and the amount of the residual installment receivables may fluctuate due to changes in the market environment and other factors.

28. Financial instruments

(1) Capital management

Our policy is to realize and maintain optimum capital composition to maintain mid- and long-term sustainable growth and maximize our corporate value.

Major indicators used for our capital management are as follows:

- Equity capital
- Equity capital ratio

* Equity capital is the amount of “Equity attributable to owners of the parent.” Equity capital ratio is calculated by dividing “Equity attributable to owners of the parent” by “Total liabilities and equity.”

Equity capital and the equity capital ratio are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	**As of March 31, 2024**	**As of March 31, 2024**
Equity capital	¥9,029,849	¥11,162,125	$73,721,188
Equity capital ratio (%)	20.6	23.9	23.9

The Company is not subject to regulatory capital requirements imposed by outside institutions other than general capital requirements under the Companies Act of Japan and other laws. The details regarding the financial covenants related to interest-bearing debt are described in “(3) Financial covenants” under “Note 22. Interest-bearing debt.”

(2) Financial risk management

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

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

a. Market risk

(a) Foreign exchange risk

The Company is engaged in international businesses through investments, financial contributions and the establishment of joint ventures. At investment business, the Company holds a large number of investments which includes investments denominated in foreign currencies, mainly through foreign subsidiaries. Also, the Company undertakes transactions denominated in foreign currencies with foreign parties and through lending to and borrowing from foreign subsidiaries. Consequently, there is foreign exchange risk that arises from changes in currency rates mainly in the U.S. dollars, Chinese yuan, Indian rupee and Euro currencies.

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

i. Foreign exchange sensitivity analysis

Exposure to foreign exchange risk on financial instruments for SoftBank Group Corp. and its subsidiaries whose functional currency is Japanese yen is as follows:

U.S. dollars (Functional currency: Japanese yen)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Net exposure affecting income before income tax [in asset (liability) position]	¥252,697	¥(1,087,827)	$(7,184,644)
Net exposure affecting other comprehensive income [in asset position]	15,023	54,054	357,004

Euro currencies (Functional currency: Japanese yen)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Net exposure affecting income before income tax [in liability position]	¥(240,852)	¥(145,303)	$(959,666)
Net exposure affecting other comprehensive income [in asset position]	2,763	3,217	21,247

Other than the table presented above, primary exposures to foreign exchange risk on subsidiaries whose functional currency is not Japanese yen are as follows:

Chinese Yuan (Functional currency: U.S. dollars)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Net exposure affecting income before income tax [in asset position]	¥1,314,842	¥1,513,671	$9,997,167

Indian Rupee (Functional currency: U.S. dollars)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Net exposure affecting income before income tax [in asset position]	¥530,481	¥748,690	$4,944,786

Euro currencies (Functional currency: U.S. dollars)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Net exposure affecting income before income tax [in asset position]	¥545,989	¥658,286	$4,347,705
Net exposure affecting other comprehensive income [in asset position]	3,125	4,226	27,911

Norwegian Krone (Functional currency: U.S. dollars)

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Net exposure affecting income before income tax [in asset position]	¥312,261	¥307,278	$2,029,443

Net exposure affecting income before income tax comprises the foreign exchange risk exposures from monetary financial instruments denominated in a foreign currency (including those used in internal transactions) whose exchange differences are recognized in profit or loss and the foreign exchange risk exposures from derivatives related to forecast transactions.

Net exposure affecting other comprehensive income comprises the foreign exchange risk exposures from available-for-sale financial assets whose exchange differences are recognized in other comprehensive income and the foreign exchange risk exposures from derivatives (cash flow hedge) related to forecasted transactions.

The table below presents the effect of a 1% appreciation of the Japanese yen on income before income tax and other comprehensive income (before tax effect) regarding the financial instruments with the above foreign exchange risk exposure, assuming that all other factors remain constant. The analysis does not include the effect of translating assets and liabilities of foreign operations into the presentation currency, which is detailed in "(3) Foreign exchange sensitivity analysis for exchange differences on translating foreign operations" under "Note 32. Foreign currency exchange rates."

U.S. dollars

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Increase (decrease) in income before income tax	¥(2,527)	¥10,878	$71,845
Decrease in other comprehensive income before tax effect	(150)	(541)	(3,573)

Euro currencies

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Increase in income before income tax	¥2,409	¥1,453	$9,596
Decrease in other comprehensive income before tax effect	(28)	(32)	(211)

The table below presents the effect of a 1% U.S. dollar's appreciation against the Chinese Yuan on income before income tax:

Chinese Yuan

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Decrease in income before income tax	¥(13,148)	¥(15,137)	$(99,974)

The table below presents the effect of a 1% U.S. dollar's appreciation against the Indian Rupee on income before income tax:

Indian Rupee

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Decrease in income before income tax	¥(5,305)	¥(7,487)	$(49,449)

The table below presents the effect of a 1% U.S. dollar's appreciation against the Euro currencies on income before income tax and other comprehensive income (before tax effect):

Euro currencies

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Decrease in income before income tax	¥(5,460)	¥(6,583)	$(43,478)
Decrease in other comprehensive income before tax effect	(31)	(42)	(277)

The table below presents the effect of a 1% U.S. dollar's appreciation against the Norwegian Krone on income before income tax:

Norwegian Krone

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Decrease in income before income tax	¥(3,123)	¥(3,073)	$(20,296)

ii. Foreign currency exchange contracts

Foreign currency forward contracts, and foreign currency swap contracts are entered into, to reduce exposure to foreign exchange risk on the amount to be paid or received in certain transactions denominated in foreign currencies.

The details of foreign currency exchange contracts are as follows.

Foreign currency exchange contracts to which hedge accounting is applied

As of March 31, 2023

	(Millions of yen)				
	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value)		Changes in the fair value of hedging instruments used for recognition of the ineffective portion of hedging instruments	Average rate
		Assets	Liabilities		
Forward contracts					
Buy - U.S. dollars (Functional Currency: Yen)	¥ 1,935 (—)	¥ 15	¥ (16)	¥ (1)	¥130.16 per $1
Buy - Great Britain pound (Functional Currency: U.S. dollars)	54,921 (—)	1,311	(68)	1,243	$0.83 per £1
Currency swap contracts					
Receipt in U.S. dollars / payment in yen	444,932 (427,265)	67,846	—	22,286	¥111.63 per $1
Receipt in Euro currencies/ payment in yen	542,504 (458,375)	10,985	(6,628)	2,350	¥132.51 per €1
Total	¥ 1,044,292 (885,640)	¥80,157	¥(6,712)	¥25,878	

As of March 31, 2024

	(Millions of yen)				
	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value)		Changes in the fair value of hedging instruments used for recognition of the ineffective portion of hedging instruments	Average rate
		Assets	Liabilities		
Forward contracts					
Buy - U.S. dollars (Functional Currency: Yen)	¥ 3,299 (—)	¥ 78	¥ —	¥ 79	¥139.87 per $1
Buy - Great Britain pound (Functional Currency: U.S. dollars)	139,133 (—)	597	(574)	(1,220)	$0.79 per £1
Currency swap contracts Receipt in U.S. dollars / payment in yen	566,980 (424,263)	149,571	—	81,725	¥119.22 per $1
Receipt in Euro currencies/ payment in yen	613,776 (519,544)	89,967	—	85,610	¥138.81 per €1
Total	¥ 1,323,188 (943,807)	¥240,213	¥(574)	¥166,194	

	(Thousands of U.S. dollars)			
	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value)		Changes in the fair value of hedging instruments used for recognition of the ineffective portion of hedging instruments
		Assets	Liabilities	
Forward contracts				
Buy - U.S. dollars (Functional Currency: Yen)	$ 21,788 (—)	$ 515	$ —	$ 522
Buy - Great Britain pound (Functional Currency: U.S. dollars)	918,916 (—)	3,943	(3,791)	(8,058)
Currency swap contracts				
Receipt in U.S. dollars / payment in yen	3,744,667 (2,802,080)	987,854	—	539,760
Receipt in Euro currencies/ payment in yen	4,053,735 (3,431,372)	594,195	—	565,418
Total	$ 8,739,106 (6,233,452)	$1,586,507	$(3,791)	$1,097,642

The carrying amounts of the derivative instruments designated as hedging instruments are recorded as “Derivative financial assets” and “Derivative financial liabilities” in the consolidated statement of financial position. The outstanding balance of those maturing in more than one year are classified as non-current assets and non-current liabilities.

The above foreign currency exchange contracts are designated as cash flow hedges. At the inception of the hedging relationship, the appropriate hedge ratio of the hedging relationship is determined based on the quantity of the hedged items and the quantity of the hedging instruments, basically in the ratio of one to one.

For the purpose of hedge effectiveness assessment, the Company conducts the qualitative assessments as to whether the significant conditions of hedged items and hedging instruments are met or closely matched, or the quantitative assessments as to whether the changes in values of the hedged items and hedging instruments offset each other against the same risk. The Company confirms if there is an economic relationship between the hedged items and hedging instruments through them. Any ineffective portion of the hedge has no significance in amounts. The change in values of hedged items used as a basis to recognize the ineffective portion are similar to the changes in fair value of hedging instruments.

Changes in the accumulated other comprehensive income after tax related to the derivatives designated as hedging instruments are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Forward contracts			
Balance at the beginning of the period	¥ —	¥ 1,023	$ 6,756
Amount incurred	1,023	(2,233)	(14,748)
Reclassification adjustments*1	—	1,142	7,543
Balance at the end of the period*2	1,023	(68)	(449)
Currency swap contracts			
Balance at the beginning of the period	4,659	(69,861)	(461,403)
Amount incurred	26,650	148,190	978,733
Reclassification adjustments*1	(101,170)	(123,206)	(813,724)
Balance at the end of the period*2	(69,861)	(44,877)	(296,394)
Total	¥ (68,838)	¥ (44,945)	$(296,843)

*1. Reclassification adjustments are the amounts of accumulated other comprehensive income transferred to profit or loss relating to the hedged item when the hedged item affects profit or loss, and are recorded as "Foreign exchange loss" and "Other gain (loss)" in the consolidated statement of profit or loss. For the fiscal year ended March 31, 2024, the amount of ¥1,488 million ($9,828 thousand) (for the fiscal year ended March 31, 2023: ¥1,773 million) transferred from cash flow hedges, which arise from the discontinued hedging relationships, to profit or loss is included in reclassification adjustments. The hedging accounting is discontinued when a forecasted transaction is no longer expected to occur, although hedge accounting has been applied.

*2. As of March 31, 2024, accumulated other comprehensive income after tax includes ¥2,323 million ($15,342 thousand) (as of March 31, 2023: ¥3,811 million) related to discontinued hedging accounting.

Foreign currency exchange contracts to which hedge accounting is not applied

	(Millions of yen)						(Thousands of U.S. dollars)		
	As of March 31, 2023			As of March 31, 2024			As of March 31, 2024		
	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value)		Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value)		Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value)	
		Assets	Liabilities		Assets	Liabilities		Assets	Liabilities
Foreign currency forward contracts	¥348,910 (50,693)	¥3,222	¥ (689)	¥128,021 (70,160)	¥2,787	¥ (4)	$ 845,525 (463,378)	$18,407	$ (26)
Currency swap contracts	101,443 (40,692)	1,746	(1,585)	75,099 (1,659)	1,247	(299)	495,998 (10,957)	8,236	(1,975)
Foreign exchange margin transactions*	354,597 (—)	4,614	(1,330)	51,218 (—)	2,317	(976)	338,274 (—)	15,303	(6,446)
Total	¥804,950 (91,385)	¥9,582	¥(3,604)	¥254,338 (71,819)	¥6,351	¥(1,279)	$1,679,797 (474,335)	$41,946	$(8,447)

* Contract amounts include contract amounts related to transactions with customers and contract amounts for cover transactions with financial institutions to mitigate related risks.

(b) Price risk

As part of the business strategy, the Company holds securities traded in active markets, including listed stock, and is exposed to market price fluctuation risk.

The Company manages this risk by continuously monitoring the financial condition of security issuers and stock market fluctuations.

i. Price sensitivity analysis for securities

The tables below present the effect of a 10% decrease in market price regarding the securities traded in active markets (excluding securities subject to insignificant risk of change in value such as MMF) on income before income tax and other comprehensive income before tax effect, assuming that all other factors remain constant.

(i) Securities held for sale

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Decrease in income before income tax	¥(2,363)	¥(1,852)	$(12,231)

(ii) Other securities

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Decrease in income before income tax	¥(988,841)	¥(1,056,722)	$(6,979,209)
Decrease in other comprehensive income before tax effect	(2,787)	(2,666)	(17,608)

ii. Price sensitivity analysis for derivative instruments (excluding contracts classified within level 3 of the fair value hierarchy)

The Company entered into prepaid forward contracts which are settled by Alibaba shares held by the Company. The contracts include collar transactions where a cap and a floor are set for the number of shares settled, floor transactions where a floor is set for the number of shares settled and forward transactions where the number of shares settled is fixed. Also, the Company entered into call spread contracts associated with the prepaid forward contracts which are settled by Alibaba shares. The collar transactions, the floor transactions, the forward transactions and the call spread contracts are classified as a derivative instrument and their fair values are affected by the price of Alibaba shares. Derivative gain and loss, which occurs depending on fluctuation of the price of Alibaba shares, are recognized through profit or loss.

Fair values of the collar transactions, the floor transactions, the forward transactions and the call spread transactions are composed of intrinsic value and time value. As of March 31, 2024, the effect of a 10% increase and a 10% decrease in the price of Alibaba shares on income before income tax due to fluctuation of intrinsic value are a loss of ¥372,789 million ($2,462,116 thousand) (as of March 31, 2023: ¥397,717 million) and a gain of ¥373,124 million ($2,464,329 thousand) (as of March 31, 2023: ¥400,792 million), respectively, assuming that all other factors remain constant.

The details of the prepaid forward contracts and the call spread contracts are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 22. Interest-bearing debt."

iii. Option contracts

The details of option contracts are as follows:

Option contracts to which hedge accounting is not applied

	(Millions of yen)				(Thousands of U.S. dollars)	
	As of March 31, 2023		As of March 31, 2024		As of March 31, 2024	
	Carrying amount (fair value)		Carrying amount (fair value)		Carrying amount (fair value)	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Prepaid forward contracts using Alibaba shares*1	¥ 397,127	¥ —	¥394,972	¥ —	$2,608,626	$ —
Call spread contracts relating to prepaid forward contracts using Alibaba shares*1	590	—	1	—	7	—
Short call option for T-Mobile shares to Deutsche Telekom	—	(55,056)	—	(70,699)	—	(466,937)
Prepaid forward contracts using T-Mobile shares*2	—	(25,485)	—	(28,257)	—	(186,626)
Long call option	13,383	—	49,416	—	326,371	—
Short call option	—	(25,186)	—	(12,966)	—	(85,635)
Contingent value rights relating to sale of T-Mobile shares*3	67,308	—	—	—	—	—
Contingent consideration relating to acquisition of T-Mobile shares*4	833,770	—	—	—	—	—
Others	18,264	(1,283)	31,441	(20,340)	207,655	(134,337)
Total	¥1,330,442	¥(107,010)	¥475,830	¥(132,262)	$3,142,659	$(873,535)

*1 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 22. Interest bearing debt."

*2 The prepaid forward contracts using T-Mobile shares are settled by reference to the market price of the T-Mobile shares at the valuation dates prior to the settlement dates. They are collar contracts which a cap and a floor are set for the price of shares settled.

*3 Contingent value rights were received in relation to the disposal of T-Mobile shares in a private placement through a trust. The rights were vested on June 1, 2023 and the Company received 3,566,400 T-Mobile shares.

*4 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 ($7,957,229 thousand), and ¥2,275,827 million ($15,030,890 thousand) in total of those and other existing T-Mobile shares was included in "Investment securities" in the consolidated statement of financial position.

iv. Forward contracts

The details of forward contracts are as follows:

Forward contracts to which hedge accounting is not applied

	(Millions of yen)				(Thousands of U.S. dollars)	
	As of March 31, 2023		As of March 31, 2024		As of March 31, 2024	
	Carrying amount (fair value)		Carrying amount (fair value)		Carrying amount (fair value)	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Prepaid forward contracts using Alibaba shares*	¥ —	¥(805,039)	¥514,848	¥(54,688)	$3,400,357	$(361,191)
Other	1	—	—	—	—	—
Total	¥ 1	¥(805,039)	¥514,848	¥(54,688)	$3,400,357	$(361,191)

* The details of prepaid forward contracts using Alibaba shares are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 22. Interest-bearing debt."

v. Collar contracts using shares

The details of collar contracts using shares are as follows:

Collar contracts using shares to which hedge accounting is not applied

	(Millions of yen)				(Thousands of U.S. dollars)	
	As of March 31, 2023		As of March 31, 2024		As of March 31, 2024	
	Carrying amount (fair value)		Carrying amount (fair value)		Carrying amount (fair value)	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Collar contracts using Deutsche Telekom shares	¥—	¥(57,350)	¥—	¥(46,837)	$—	$(309,339)

(c) Interest rate risk

The Company raises funds through issuing interest-bearing debt. Certain interest-bearing debt is issued with floating interest rates and is exposed to interest rate risk.

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

i. Interest rate sensitivity analysis

The table below presents the effect of a 1% increase in interest rates regarding the floating interest rate debt on "Income before income tax" in the consolidated statement of profit or loss, assuming that all other factors are constant. The analysis does not include floating interest rate debt whose interests are fixed by interest rate swaps and other derivative transactions.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Decrease in income before income tax	¥(44,398)	¥(37,529)	$(247,863)

ii. Interest rate contracts

The details of interest rate contracts are as follows:

Interest rate contracts to which hedge accounting is applied

	(Millions of yen)				
	As of March 31, 2023				
	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value)		Changes in the fair value of hedging instruments used for recognition of the ineffective portion of hedging instruments	Average rate
		Assets	Liabilities		
Interest rate swap	¥ 844,500	¥100	¥(2,241)	¥1,190	1.75%
Receipt in floating rate/ Payment in fixed rate	(715,000)				

	(Millions of yen)				
	As of March 31, 2024				
	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value)		Changes in the fair value of hedging instruments used for recognition of the ineffective portion of hedging instruments	Average rate
		Assets	Liabilities		
Interest rate swap	¥ 815,000	¥396	¥(591)	¥1,946	1.72%
Receipt in floating rate/ Payment in fixed rate	(470,000)				

	(Thousands of U.S. dollars)			
	As of March 31, 2024			
	Contract amounts (of which: maturing in more than one year)	Carrying amount (fair value)		Changes in the fair value of hedging instruments used for recognition of the ineffective portion of hedging instruments
		Assets	Liabilities	
Interest rate swap	$ 5,382,736	$2,615	$(3,903)	$12,853
Receipt in floating rate/ Payment in fixed rate	(3,104,154)			

The carrying amounts of the derivative instruments designated as hedging instruments are recorded as "Derivative financial assets" and "Derivative financial liabilities" in the consolidated statement of financial position. The outstanding balance of those maturing in more than one year are classified as non-current assets and non-current liabilities.

The above interest rate contracts are designated as cash flow hedges. At the inception of the hedging relationship, the appropriate hedge ratio of the hedging relationship is determined based on the quantity of the hedged items and the quantity of the hedging instruments, basically in the ratio of one to one.

For the purpose of hedge effectiveness assessment, the Company conducts the qualitative assessments as to whether the significant conditions of hedged items and hedging instruments are met or closely matched, or the quantitative assessments as to whether the changes in values of the hedged items and hedging instruments offset each other against the same risk. The Company confirms if there is an economic relationship between the hedged items and hedging instruments through them. Any ineffective portion of the hedge has no significance in amounts. The change in values of hedged items used as a basis to recognize the ineffective portion are similar to the changes in fair value of hedging instruments.

Changes in the accumulated other comprehensive income after tax related to the derivatives designated as hedging instruments are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Interest rate swap			
Balance at the beginning of the period	¥(2,963)	¥(2,760)	$(18,229)
Amount incurred	(473)	(4,693)	(30,995)
Reclassification adjustments*1	676	4,368	28,849
Balance at the end of the period*2	¥(2,760)	¥(3,085)	$(20,375)

*1 Reclassification adjustments represent amounts of accumulated other comprehensive income transferred to profit or loss when the hedged item affects profit or loss, and are recorded as "Finance cost" in the consolidated statement of profit or loss. For the fiscal years ended March 31, 2023 and 2024, there were no reclassification from cash flow hedges, which arise from the discontinued hedging relationships, to profit or loss. The hedging accounting is discontinued when a forecasted transaction is no longer expected to occur, although hedge accounting has been applied.

*2 As of March 31, 2024, accumulated other comprehensive income after tax includes ¥(2,874) million ($(18,981) thousand) (as of March 31, 2023: none) related to discontinued hedging accounting.

b. Credit risk

In the course of the Company's business, trade and other receivables, contract assets and other financial assets (including deposits, equity securities, bonds, derivatives and others) are exposed to the credit risk of its counterparties.

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

The carrying amount of financial assets, net of impairment, which is presented in the consolidated statement of financial position, the amount of lending commitments and the amount of guaranteed obligations represent the Company's maximum exposure to credit risk on financial assets. The values of collateral held and other credit enhancements are not considered.

For trade receivables and contract assets, the Company measures the lifetime expected credit risk. For receivables, lending commitments and others other than trade receivables and contract assets, the Company measures future expected credit losses in consideration of the assessment of a significant increase of credit risk. The Company determines whether a significant increase of credit risk has been achieved or not based on the change in the risk of default occurrence. In the determination process, past due information, deterioration of operating results, and external credit ratings are considered. For receivables, lending commitments and others other than trade receivables and contract assets, the Company measures the expected credit losses at the amount of the 12-month expected credit losses. However, when there is a significant increase of credit risk after initial recognition, the expected credit losses are measured at the amount of lifetime expected credit losses.

The Company groups financial assets with no individual significance based on the characteristics of credit risk and the type of transactions. The Company then assesses the existence of objective evidence of impairment for each group considering the past default rate and others. The Company measures expected credit losses individually for each receivable as financial assets that have been impaired when the events of default as detailed below have occurred, resulting in estimated negative future cash flows of the financial assets.

- Significant financial difficulty of the issuer or borrower
- Breach of contract, such as a default or delinquency in interest or principal payments
- High possibility of bankruptcy or entering financial reorganization

For credit-impaired financial assets, when it is probable that the Company will not collect the entire amount of or a part of the financial assets, the impairment losses are directly deducted from the carrying amount.

Details of lending commitments and credit guarantees are described in "(1) Lending commitments" and "(2) Credit guarantees" under "Note 46. Contingency."

For the fiscal year ended March 31, 2024, SoftBank Group Corp. received cash and cash equivalents of ¥101,655 million ($671,389 thousand) as collateral under certain derivative contract.

There were no significant financial or non-financial assets acquired as a result of foreclosure of collateral or enforcement of other credit enhancements for the fiscal year ended March 31, 2023.

(a) Carrying amounts of financial assets subject to allowance for doubtful accounts

i. Trade receivables

Exposure to credit risk on contract assets is included in trade receivables. In addition, since trade receivables generated by the credit card business include interest income, the Company measures expected credit losses for those receivables by using the same method for the receivables other than trade receivables. As a result, exposure to credit risk on trade receivables generated by the credit card business is included in the receivables other than trade receivables.

The table below presents an aging analysis of the carrying amounts of trade receivables and allowance for doubtful accounts.

As of March 31, 2023

	(Millions of yen)						
		Past due					
	Before due	Within 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	More than 1 year	Total
Trade receivables	¥1,312,602	¥67,767	¥8,560	¥ 5,514	¥ 6,416	¥11,049	¥1,411,908
Allowance for doubtful accounts	(9,840)	(482)	(790)	(2,089)	(1,282)	(2,603)	(17,086)
Total							¥1,394,822

As of March 31, 2024

	(Millions of yen)						
		Past due					
	Before due	Within 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	More than 1 year	Total
Trade receivables	¥1,470,178	¥44,348	¥10,172	¥ 5,726	¥ 9,948	¥11,978	¥1,552,350
Allowance for doubtful accounts	(8,789)	(939)	(1,948)	(2,822)	(3,233)	(2,806)	(20,537)
Total							¥1,531,813

	(Thousands of U.S. dollars)						
		Past due					
	Before due	Within 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	More than 1 year	Total
Trade receivables	$9,709,914	$292,900	$ 67,182	$ 37,818	$ 65,702	$ 79,110	$10,252,626
Allowance for doubtful accounts	(58,047)	(6,202)	(12,866)	(18,638)	(21,353)	(18,532)	(135,638)
Total							$10,116,988

ii. Financial assets other than trade receivables

The table below presents an aging analysis of financial assets other than trade receivables. The amounts in the analysis are presented at the carrying amount before netting the allowance for doubtful accounts.

As of March 31, 2023

	(Millions of yen)					
	Carrying amounts					
	12 month expected credit losses		Lifetime expected credit losses			
	Before due	Past due	Other than credit-impaired financial assets	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
Other receivables	¥1,203,776	¥35,785	¥ 1,228	¥ 7,944	¥ —	¥1,248,733
Investment securities	285,624	—	—	—	—	285,624
Other financial assets	2,116,614	14,112	125,570	54,334	9,033	2,319,663
Total	¥3,606,014	¥49,897	¥126,798	¥62,278	¥9,033	¥3,854,020

Investment securities are mostly debt financial assets at FVTOCI.

As of March 31, 2024

	(Millions of yen)					
	Carrying amounts					
	12 month expected credit losses		Lifetime expected credit losses			
	Before due	Past due	Other than credit-impaired financial assets	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
Other receivables	¥1,406,518	¥48,617	¥ 2,752	¥ 1,163	¥ —	¥1,459,050
Investment securities	568,651	—	—	—	—	568,651
Other financial assets	2,266,748	21,878	10,014	131,549	8,908	2,439,097
Total	¥4,241,917	¥70,495	¥12,766	¥132,712	¥8,908	¥4,466,798

	(Thousands of U.S. dollars)					
	Carrying amounts					
	12 month expected credit losses		Lifetime expected credit losses			
	Before due	Past due	Other than credit-impaired financial assets	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
Other receivables	$ 9,289,465	$321,095	$18,176	$ 7,681	$ —	$ 9,636,417
Investment securities	3,755,703	—	—	—	—	3,755,703
Other financial assets	14,970,927	144,495	66,138	868,826	58,834	16,109,220
Total	$28,016,095	$465,590	$84,314	$876,507	$58,834	$29,501,340

Investment securities are mostly financial assets at amortized cost.

(b) Changes in allowance for doubtful accounts

Allowance for doubtful accounts related to contract assets is included in trade receivables. In addition, since trade receivables generated by the credit card business includes interest income, the Company measures expected credit losses for those receivables by using the same method for the receivables other than trade receivables. As a result, the allowance for doubtful accounts related to the trade receivables generated by the credit card business is included in the financial assets other than trade receivables.

i. Trade receivables

The table below presents changes in the allowance for doubtful accounts for trade receivables.

For the fiscal year ended March 31, 2023

	(Millions of yen)		
	Allowance for doubtful accounts		
	Lifetime expected credit losses		
	Other than credit-impaired financial assets	Credit-impaired financial assets	Total
Balance at the beginning of the period	¥ 9,861	¥10,175	¥20,036
Provisions	4,488	1,388	5,876
Utilized	(592)	(3,277)	(3,869)
Other	(2,645)	(2,312)	(4,957)
Balance at the end of the period	¥11,112	¥ 5,974	¥17,086

For the fiscal year ended March 31, 2024

	(Millions of yen)		
	Allowance for doubtful accounts		
	Lifetime expected credit losses		
	Other than credit-impaired financial assets	Credit-impaired financial assets	Total
Balance at the beginning of the period	¥11,112	¥ 5,974	¥17,086
Provisions	6,015	7,591	13,606
Utilized	(18)	(5,038)	(5,056)
Other	(5,433)	334	(5,099)
Balance at the end of the period	¥11,676	¥ 8,861	¥20,537

	(Thousands of U.S. dollars)		
	Allowance for doubtful accounts		
	Lifetime expected credit losses		
	Other than credit-impaired financial assets	Credit-impaired financial assets	Total
Balance at the beginning of the period	$ 73,390	$ 39,456	$112,846
Provisions	39,727	50,135	89,862
Utilized	(119)	(33,274)	(33,393)
Other	(35,883)	2,206	(33,677)
Balance at the end of the period	$ 77,115	$ 58,523	$135,638

ii. Financial assets other than trade receivables

The table below presents changes in the allowance for doubtful accounts for financial assets other than trade receivables. The allowance for doubtful accounts is mainly for loans.

For the fiscal year ended March 31, 2023

	(Millions of yen)				
	Allowance for doubtful accounts				
		Lifetime expected credit losses			
	12 month expected credit losses	Other than credit-impaired financial assets	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
Balance at the beginning of the period	¥10,472	¥ 24,759	¥ 48,892	¥10,846	¥ 94,969
Provisions	5,500	*104,393	22,028	—	131,921
Utilized	(124)	(635)	(28,157)	—	(28,916)
Reversal	(395)	(30)	(200)	(1,827)	(2,452)
Other	1,492	(3,960)	6,281	—	3,813
Balance at the end of the period	¥16,945	¥ 124,527	¥ 48,844	¥ 9,019	¥199,335

* For the fiscal year ended March 31, 2023, ¥77,191 million of provision for allowance for doubtful accounts related to unsecured notes issued by WeWork was recorded. The details are described in "*9" under "Note 41. Other gain (loss)."

For the fiscal year ended March 31, 2024

	(Millions of yen)				
	Allowance for doubtful accounts				
		Lifetime expected credit losses			
	12 month expected credit losses	Other than credit-impaired financial assets	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
Balance at the beginning of the period	¥16,945	¥ 124,527	¥ 48,844	¥9,019	¥ 199,335
Provisions	8,196	24,524	22,436	—	55,156
Utilized	(2,865)	(102)	*(109,976)	—	(112,943)
Reversal	(598)	(30)	(237)	(111)	(976)
Other	37	*(143,072)	*161,996	—	18,961
Balance at the end of the period	¥21,715	¥ 5,847	¥ 123,063	¥8,908	¥ 159,533

	(Thousands of U.S. dollars)				
	Allowance for doubtful accounts				
		Lifetime expected credit losses			
	12 month expected credit losses	Other than credit-impaired financial assets	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
Balance at the beginning of the period	$111,915	$ 822,449	$ 322,594	$59,567	$1,316,525
Provisions	54,131	161,971	148,180	—	364,282
Utilized	(18,921)	(674)	*(726,346)	—	(745,941)
Reversal	(3,950)	(198)	(1,565)	(733)	(6,446)
Other	244	*(944,931)	*1,069,917	—	125,230
Balance at the end of the period	$143,419	$ 38,617	$ 812,780	$58,834	$1,053,650

* For the fiscal year ended March 31, 2024, unsecured notes issued by WeWork were exchanged for shares and convertible bonds newly issued by WeWork. Consequently, ¥94,112 million ($621,571 thousand) was reclassified from "Other than credit-impaired financial assets" to "Credit-impaired financial assets" and the recognition of the unsecured notes were discontinued. The details are described in "*7" under "Note 41. Other gain (loss)."

Provisions for and reversal of allowance for doubtful accounts are recorded in "Selling, general and administrative expenses" and "Other gain (loss)" in the consolidated statement of profit or loss.

c. Liquidity risk

In order to prevent and reduce liquidity risk, the Company maintains access to diversified fundraising sources including both indirect financing, such as bank loans and leases, and direct financing, such as the issuance of bonds and commercial paper and securitization, taking market conditions and its current/non-current debt ratios into consideration. As for fund management, the Company invests its funds in short-term deposits, MMF and investment grade bonds.

The Company also continuously monitors its forecasted and actual cash flows and liquid funds.

(a) Commitment lines of credit and other credit facilities

The Company has entered into commitment lines of credit and other credit facilities with various financial institutions to reduce liquidity risk. As of March 31, 2024, the undrawn amounts of the Company's credit facilities are ¥1,534,059 million ($10,131,821 thousand) (as of March 31, 2023: ¥1,165,526 million).

In addition, the asset management subsidiary is engaged in transactions for acquisition of investments using borrowings and has entered into agreements with various financial institutions in order to borrow funds in response to the net position of investments and indebtedness of the asset management subsidiary. As of March 31, 2024, the amounts that could be additionally borrowed were ¥139,689 million ($922,588 thousand) (as of March 31, 2023: ¥11,204 million).

* Certain commitments above contain financial covenants. The details are described in "(3) Financial covenants" under "Note 22. Interest-bearing debt."

(b) Analysis of financial liabilities by maturities

The table below presents the analysis of financial liabilities (including derivatives) by maturities. The receivables and payables arising from derivative transactions are shown on a net basis:

As of March 31, 2023

	(Millions of yen)							
	Carrying amount	**Aggregation of redemption schedule**	**Within 1 year**	**1 year to 2 years**	**2 years to 3 years**	**3 years to 4 years**	**4 years to 5 years**	**More than 5 years**
Non-derivative financial liabilities								
Interest-bearing debt								
Short-term borrowings	¥ 900,502	¥ 900,502	¥ 900,502	¥ —	¥ —	¥ —	¥ —	¥ —
Commercial paper	283,001	283,001	283,001	—	—	—	—	—
Long-term borrowings	7,120,162	7,158,208	2,972,119	1,798,920	1,463,590	388,087	260,616	274,876
Corporate bonds	6,910,692	6,955,860	653,864	792,863	1,076,326	884,739	483,179	3,064,889
Financial liabilities relating to sale of shares by prepaid forward contract	4,263,603	4,408,237	337,622	3,740,546	330,069	—	—	—
Installment payables	234	234	97	99	38	—	—	—
Lease liabilities	836,997	836,997	184,105	117,680	89,762	79,292	66,182	299,976
Deposits for banking business*1	1,487,949	1,487,987	1,472,272	5,466	3,852	944	1,409	4,044
Third-party interests in SVF	4,499,369	4,499,369*2	—	—	—	—	—	4,499,369*3
Trade and other payables	2,416,872	2,416,872	2,403,824	8,323	2,119	1,352	1,022	232
Other financial liabilities	223,047	223,047	180,191	6,254	762	327	292	35,221
Total	¥28,942,428	¥29,170,314	¥9,387,597	¥6,470,151	¥2,966,518	¥1,354,741	¥812,700	¥8,178,607
Derivative financial liabilities*4								
Derivative financial liabilities								
Foreign currency exchange contracts*5	¥ 10,316	¥ 10,339	¥ 1,006	¥ (641)	¥ (710)	¥ (556)	¥ 1,137	¥ 10,103
Option contracts	107,010	107,010	80,242	26,768	—	—	—	—
Interest rate contracts	2,241	1,606	2,064	561	(104)	(297)	(342)	(276)
Swap contracts	805,039	805,039	—	655,132	149,907	—	—	—
Forward contracts	57,350	57,350	—	9,176	40,527	7,647	—	—
Other	7	7	7	—	—	—	—	—
Total	¥ 981,963	¥ 981,351	¥ 83,319	¥ 690,996	¥ 189,620	¥ 6,794	¥ 795	¥ 9,827

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

*2 The amount represents the amounts that would have been distributed to Third-Party Investors in accordance with the limited partnership agreement if SVF1, SVF2, and LatAm Funds had been liquidated as of March 31, 2023.
*3 When disposal of investments becomes relatively certain, the portion of third-party interests in SVF1, SVF2, and LatAm Funds which is available for distributions and repayments will be broken down by corresponding maturity dates.
*4 Only if the contractual maturities are essential for understanding the timing of cash flow, derivative financial liabilities are included in the above chart and disclosed.
*5 Aggregation of redemption schedule and the breakdown by maturity are presented on a discounted cash flow basis for currency swap contracts included in the foreign currency exchange contracts.

As of March 31, 2024

	(Millions of yen)							
	Carrying amount	Aggregation of redemption schedule	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 4 years	4 years to 5 years	More than 5 years
Non-derivative financial liabilities								
Interest-bearing debt								
Short-term borrowings	¥ 1,100,158	¥ 1,100,158	¥ 1,100,158	¥ —	¥ —	¥ —	¥ —	¥ —
Commercial paper	363,501	363,501	363,501	—	—	—	—	—
Long-term borrowings	6,486,449	6,520,112	1,791,173	2,972,054	547,454	454,121	312,407	442,903
Corporate bonds	7,444,630	7,492,240	825,305	1,120,232	930,590	515,298	1,548,815	2,552,000
Financial liabilities relating to sale of shares by prepaid forward contract	5,172,511	5,274,124	4,259,358	1,014,766	—	—	—	—
Installment payables	275	275	168	99	8	—	—	—
Lease liabilities	794,507	794,507	149,801	116,535	96,266	80,476	67,232	284,197
Deposits for banking business*1	1,657,523	1,657,557	1,643,164	4,652	3,060	1,293	1,054	4,334
Third-party interests in SVF	4,694,503	4,694,503*2	—	—	—	—	—	4,694,503*3
Trade and other payables	2,710,529	2,710,529	2,699,089	7,659	2,344	1,128	108	201
Other financial liabilities	74,450	74,450	31,801	9,363	7,451	611	15,529	9,695
Total	¥30,499,036	¥30,681,956	¥12,863,518	¥5,245,360	¥1,587,173	¥1,052,927	¥1,945,145	¥7,987,833
Derivative financial liabilities*4								
Derivative financial liabilities								
Foreign currency exchange contracts*5	¥ 1,853	¥ 1,854	¥ 1,854	¥ —	¥ —	¥ —	¥ —	¥ —
Option contracts	132,262	132,264	130,518	—	1,230	516	—	—
Interest rate contracts	591	191	99	369	—	(59)	(95)	(123)
Forward contracts	54,688	54,688	54,688	—	—	—	—	—
Collar contracts using shares	46,837	46,837	7,807	39,030	—	—	—	—
Other	97	97	97	—	—	—	—	—
Total	¥ 236,328	¥ 235,931	¥ 195,063	¥ 39,399	¥ 1,230	¥ 457	¥ (95)	¥ (123)

	(Thousands of U.S. dollars)							
	Carrying amount	**Aggregation of redemption schedule**	**Within 1 year**	**1 year to 2 years**	**2 years to 3 years**	**3 years to 4 years**	**4 years to 5 years**	**More than 5 years**
Non-derivative financial liabilities								
Interest-bearing debt								
Short-term borrowings	$ 7,266,085	$ 7,266,085	$ 7,266,085	$ —	$ —	$ —	$ —	$ —
Commercial paper	2,400,773	2,400,773	2,400,773	—	—	—	—	—
Long-term borrowings	42,840,295	43,062,625	11,829,952	19,629,179	3,615,706	2,999,280	2,063,318	2,925,190
Corporate bonds	49,168,681	49,483,124	5,450,795	7,398,666	6,146,159	3,403,329	10,229,278	16,854,897
Financial liabilities relating to sale of shares by prepaid forward contract	34,162,282	34,833,393	28,131,286	6,702,107	—	—	—	—
Installment payables	1,815	1,815	1,110	653	52	—	—	—
Lease liabilities	5,247,388	5,247,388	989,373	769,665	635,797	531,510	444,039	1,877,004
Deposits for banking business*1	10,947,250	10,947,474	10,852,414	30,725	20,210	8,540	6,961	28,624
Third-party interests in SVF	31,005,237	31,005,237*2	—	—	—	—	—	31,005,237*3
Trade and other payables	17,901,915	17,901,915	17,826,359	50,584	15,481	7,450	713	1,328
Other financial liabilities	491,711	491,711	210,032	61,839	49,211	4,035	102,563	64,031
Total	$201,433,432	$202,641,540	$84,958,179	$34,643,418	$10,482,616	$6,954,144	$12,846,872	$52,756,311
Derivative financial liabilities*4								
Derivative financial liabilities								
Foreign currency exchange contracts*5	$ 12,238	$ 12,245	$ 12,245	$ —	$ —	$ —	$ —	$ —
Option contracts	873,535	873,548	862,017	—	8,123	3,408	—	—
Interest rate contracts	3,903	1,262	654	2,437	—	(390)	(627)	(812)
Forward contracts	361,191	361,191	361,191	—	—	—	—	—
Collar contracts using shares	309,339	309,339	51,562	257,777	—	—	—	—
Other	642	642	642	—	—	—	—	—
Total	$ 1,560,848	$ 1,558,227	$ 1,288,311	$ 260,214	$ 8,123	$ 3,018	$ (627)	$ (812)

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

*2 The amount represents the amounts that would have been distributed to Third-Party Investors in accordance with the limited partnership agreement if SVF1, SVF2, and LatAm Funds had been liquidated as of March 31, 2024.

*3 When disposal of investments becomes relatively certain, the portion of third-party interests in SVF1, SVF2, and LatAm Funds which is available for distributions and repayments will be broken down by corresponding maturity dates.

*4 Only if the contractual maturities are essential for understanding the timing of cash flow, derivative financial liabilities are included in the above chart and disclosed.

*5 Aggregation of redemption schedule and the breakdown by maturity are presented on a discounted cash flow basis for currency swap contracts included in the foreign currency exchange contracts.

In addition, the Company has lending commitments and credit guarantees, which are detailed in "(1) Lending commitments" and "(2) Credit guarantees" under "Note 46. Contingency."

Average interest rates of the interest-bearing debts and lease liabilities are described in "(1) Components of interest-bearing debt" under "Note 22. Interest-bearing debt" and "Note 17. Leases."

(3) Categories of financial instruments

Components of financial instruments (excluding cash and cash equivalents) by category are as follows:

As of March 31, 2023

	Financial assets at FVTPL	Derivatives designated as hedges	Debt financial assets at FVTOCI	Equity financial assets at FVTOCI	Financial assets at amortized cost	Total
	(Millions of yen)					
Financial assets						
Current assets						
Trade and other receivables	¥ —	¥ —	¥ —	¥ —	¥2,594,736	¥ 2,594,736
Derivative financial assets	235,888	13,526	—	—	—	249,414
Other financial assets	78,892	—	57,935	300	234,186	371,313
Non-current assets						
Investments from SVF (FVTPL)	10,489,722	—	—	—	—	10,489,722
Investment securities	7,244,298	—	219,179	175,215	67,809	7,706,501
Derivative financial assets	1,104,114	66,731	—	—	—	1,170,845
Other financial assets	59,552	—	—	114	2,243,954	2,303,620
Total	¥19,212,466	¥80,257	¥277,114	¥175,629	¥5,140,685	¥24,886,151

	Financial liabilities at FVTPL	Derivatives designated as hedges	Financial liabilities at amortized cost	Lending commitments and financial guarantee contracts	Total
Financial liabilities					
Current liabilities					
Interest-bearing debt	¥ —	¥ —	¥ 5,129,047	¥ —	¥ 5,129,047
Lease liabilities	—	—	184,105	—	184,105
Deposits for banking business	—	—	1,472,260	—	1,472,260
Trade and other payables	—	—	2,416,872	—	2,416,872
Derivative financial liabilities	82,274	338	—	—	82,612
Other financial liabilities	18,694	—	9,116	152,381	180,191
Non-current liabilities					
Interest-bearing debt	—	—	14,349,147	—	14,349,147
Lease liabilities	—	—	652,892	—	652,892
Third-party interests in SVF	—	—	4,499,369	—	4,499,369
Derivative financial liabilities	890,736	8,615	—	—	899,351
Other financial liabilities	5,633	—	52,912	—	58,545
Total	¥997,337	¥8,953	¥28,765,720	¥152,381	¥29,924,391

As of March 31, 2024

(Millions of yen)

	Financial assets at FVTPL	Derivatives designated as hedges	Debt financial assets at FVTOCI	Equity financial assets at FVTOCI	Financial assets at amortized cost	Total
Financial assets						
Current assets						
Trade and other receivables	¥ —	¥ —	¥ —	¥ —	¥2,868,767	¥ 2,868,767
Derivative financial assets	811,867	40,483	—	—	—	852,350
Other financial assets	393,916	—	51,953	300	331,827	777,996
Assets classified as held for sale*	592	—	—	23	4,735	5,350
Non-current assets						
Investments from SVF (FVTPL)	11,014,487	—	—	—	—	11,014,487
Investment securities	8,321,455	—	253,358	171,866	315,293	9,061,972
Derivative financial assets	185,402	200,126	—	—	—	385,528
Other financial assets	64,322	—	—	118	2,359,842	2,424,282
Total	¥20,792,041	¥240,609	¥305,311	¥172,307	¥5,880,464	¥27,390,732

	Financial liabilities at FVTPL	Derivatives designated as hedges	Financial liabilities at amortized cost	Total
Financial liabilities				
Current liabilities				
Interest-bearing debt	¥ —	¥ —	¥ 8,271,143	¥ 8,271,143
Lease liabilities	—	—	149,801	149,801
Deposits for banking business	—	—	1,643,155	1,643,155
Trade and other payables	—	—	2,710,529	2,710,529
Derivative financial liabilities	194,374	716	—	195,090
Other financial liabilities	25,021	—	6,780	31,801
Liabilities directly relating to assets classified as held for sale*	—	—	4,987	4,987
Non-current liabilities				
Interest-bearing debt	—	—	12,296,381	12,296,381
Lease liabilities	—	—	644,706	644,706
Third-party interests in SVF	—	—	4,694,503	4,694,503
Derivative financial liabilities	40,789	449	—	41,238
Other financial liabilities	23,164	—	33,853	57,017
Total	¥283,348	¥1,165	¥30,455,838	¥30,740,351

	(Thousands of U.S. dollars)					
	Financial assets at FVTPL	Derivatives designated as hedges	Debt financial assets at FVTOCI	Equity financial assets at FVTOCI	Financial assets at amortized cost	Total
Financial assets						
Current assets						
Trade and other receivables	$ —	$ —	$ —	$ —	$18,947,011	$ 18,947,011
Derivative financial assets	5,362,044	267,373	—	—	—	5,629,417
Other financial assets	2,601,651	—	343,129	1,981	2,191,579	5,138,340
Assets classified as held for sale*	3,910	—	—	152	31,273	35,335
Non-current assets						
Investments from SVF (FVTPL)	72,746,100	—	—	—	—	72,746,100
Investment securities	54,959,744	—	1,673,324	1,135,104	2,082,379	59,850,551
Derivative financial assets	1,224,503	1,321,749	—	—	—	2,546,252
Other financial assets	424,820	—	—	779	15,585,774	16,011,373
Total	$137,322,772	$1,589,122	$2,016,453	$1,138,016	$38,838,016	$180,904,379

	Financial liabilities at FVTPL	Derivatives designated as hedges	Financial liabilities at amortized cost	Total
Financial liabilities				
Current liabilities				
Interest-bearing debt	$ —	$ —	$ 54,627,455	$ 54,627,455
Lease liabilities	—	—	989,373	989,373
Deposits for banking business	—	—	10,852,355	10,852,355
Trade and other payables	—	—	17,901,915	17,901,915
Derivative financial liabilities	1,283,759	4,729	—	1,288,488
Other financial liabilities	165,253	—	44,779	210,032
Liabilities directly relating to assets classified as held for sale*	—	—	32,937	32,937
Non-current liabilities				
Interest-bearing debt	—	—	81,212,476	81,212,476
Lease liabilities	—	—	4,258,015	4,258,015
Third-party interests in SVF	—	—	31,005,237	31,005,237
Derivative financial liabilities	269,395	2,965	—	272,360
Other financial liabilities	152,989	—	223,585	376,574
Total	$1,871,396	$7,694	$201,148,127	$203,027,217

* Financial assets and financial liabilities included in "Assets classified as held for sale" and "Liabilities directly relating to assets classified as held for sale" under consolidated statement of financial position are represented.

The Company generally classifies equity instruments as "Financial assets at FVTPL." Certain equity instruments are used as business investments to generate business synergies. As a result, for such investments, the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income, not in profit or loss, and classified them as "Equity financial assets at FVTOCI."

Major components and fair values of the equity financial assets at FVTOCI are as follows.

As of March 31, 2023

Names	(Millions of yen) Fair value
Ampere Computing Holdings LLC	¥ 48,488
SNOW Corporation	21,842
Visional, Inc.	14,218
HOPU-ARM Innovation Fund, L.P.	7,426
WORKS MOBILE Corporation	6,756
Other	76,899
Total	¥175,629

As of March 31, 2024

Names	(Millions of yen) Fair value	(Thousands of U.S. dollars) Fair value
Ampere Computing Holdings LLC	¥ 59,024	$ 389,829
Visional, Inc.	17,581	116,115
SNOW Corporation	13,821	91,282
HOPU-ARM Innovation Fund, L.P.	8,224	54,316
Pragmatic Printing Limited	5,499	36,319
Other	68,158	450,155
Total	¥172,307	$1,138,016

The Company derecognizes equity financial assets at FVTOCI, by selling or in other way, when those assets no longer match the Company's investment strategies. The table below presents fair value on the date of derecognition and accumulated gains or losses related to the disposal of equity financial assets at FVTOCI that were derecognized during the year.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Fair value on the date of derecognition	¥7,942	¥14,096	$93,098
Accumulated gains related to the disposal	2,675	433	2,860

When equity financial assets at FVTOCI are derecognized or there is a significant or prolonged decline in fair value below the cost, cumulative gains and losses recognized in other comprehensive income are directly transferred to retained earnings. For the fiscal year ended March 31, 2024, ¥604 million ($3,989 thousand) (For the fiscal year ended March 31, 2023: ¥2,183 million) was transferred from "Accumulated other comprehensive income" to "Retained earnings."

29. Fair value of financial instruments

(1) Categorization by level within the fair value hierarchy

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

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

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

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

Level 3: Fair value is measured using unobservable inputs.

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

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

There were no transfers between Level 1 and Level 2 during the fiscal year ended March 31, 2023 and 2024.

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

As of March 31, 2023

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments from SVF (FVTPL)	¥ 3,373,503	¥ —	¥7,116,219	¥10,489,722
Equity securities (excluding investments from SVF (FVTPL))	6,563,457	—	459,317	7,022,774
Bonds and loans (excluding investments from SVF (FVTPL))	4,804	162,411	83,843	251,058
Derivative financial assets				
Foreign currency exchange contracts	987	88,752	—	89,739
Option contracts	24	472,901	857,517	1,330,442
Interest rate contracts	—	100	—	100
Other	1	—	1	2
Other	57,257	300	504,072	561,629
Total	¥10,000,033	¥724,464	¥9,020,969	¥19,745,466
Financial liabilities				
Derivative financial liabilities				
Foreign currency exchange contracts	¥ 279	¥ 10,037	¥ —	¥ 10,316
Option contracts	—	107,010	—	107,010
Interest rate contracts	—	2,241	—	2,241
Forward contracts	—	805,039	—	805,039
Collar contracts using shares	—	57,350	—	57,350
Other	7	—	—	7
Other	—	—	24,327	24,327
Total	¥ 286	¥981,677	¥ 24,327	¥ 1,006,290

As of March 31, 2024

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments from SVF (FVTPL)	¥ 3,150,898	¥ 22,958	¥7,840,631	¥11,014,487
Equity securities (excluding investments from SVF (FVTPL))	7,449,399	146	518,535	7,968,080
Bonds and loans (excluding investments from SVF (FVTPL))	320,100	147,612	90,017	557,729
Derivative financial assets				
Foreign currency exchange contracts	622	245,942	—	246,564
Option contracts	11	415,943	59,876	475,830
Interest rate contracts	—	396	—	396
Forward contracts	—	514,848	—	514,848
Other	251	—	—	251
Other	111,789	6,491	613,803	732,083
Total	¥11,033,070	¥1,354,336	¥9,122,862	¥21,510,268
Financial liabilities				
Derivative financial liabilities				
Foreign currency exchange contracts	¥ 299	¥ 1,554	¥ —	¥ 1,853
Option contracts	—	124,377	7,885	132,262
Interest rate contracts	—	591	—	591
Forward contracts	—	54,688	—	54,688
Collar contracts using shares	—	46,837	—	46,837
Other	97	—	—	97
Borrowed securities	3,672	—	—	3,672
Other	—	—	44,513	44,513
Total	¥ 4,068	¥ 228,047	¥ 52,398	¥ 284,513

	(Thousands of U.S. dollars)			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments from SVF (FVTPL)	$20,810,369	$ 151,628	$51,784,103	$ 72,746,100
Equity securities (excluding investments from SVF (FVTPL))	49,200,178	964	3,424,708	52,625,850
Bonds and loans (excluding investments from SVF (FVTPL))	2,114,127	974,916	594,525	3,683,568
Derivative financial assets				
Foreign currency exchange contracts	4,108	1,624,345	—	1,628,453
Option contracts	73	2,747,130	395,456	3,142,659
Interest rate contracts	—	2,615	—	2,615
Forward contracts	—	3,400,357	—	3,400,357
Other	1,658	—	—	1,658
Other	738,320	42,870	4,053,913	4,835,103
Total	$72,868,833	$8,944,825	$60,252,705	$142,066,363
Financial liabilities				
Derivative financial liabilities				
Foreign currency exchange contracts	$ 1,975	$ 10,263	$ —	$ 12,238
Option contracts	—	821,458	52,077	873,535
Interest rate contracts	—	3,903	—	3,903
Forward contracts	—	361,191	—	361,191
Collar contracts using shares	—	309,339	—	309,339
Other	642	—	—	642
Borrowed securities	24,252	—	—	24,252
Other	—	—	293,990	293,990
Total	$ 26,869	$1,506,154	$ 346,067	$ 1,879,090

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

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

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

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

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

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

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

b. Derivative financial assets and derivative financial liabilities

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

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

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

a. Valuation techniques and inputs

The following table shows information about the valuation techniques used and the significant unobservable inputs used in the Level 3 fair value measurements.

(a) Investments from SVF (FVTPL)

For Level 3 fair value measurements of investments from SVF (FVTPL), the Company mainly uses the market comparable company multiple method, the discounted cash flow method and price of the recent transactions method. The following table shows the fair value of the investments measured by each valuation technique. When a combination of multiple valuation techniques is applied, aggregated amounts of fair value are presented for each combination of valuation techniques.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fair value		
Valuation techniques	**As of March 31, 2023**	**As of March 31, 2024**	**As of March 31, 2024**
Market comparable companies	¥2,293,491	¥3,746,681	$24,745,268
Discounted cash flow / Market comparable companies	1,686,770	1,821,371	12,029,397
Discounted cash flow	2,308,146	1,014,103	6,697,728
Recent Transactions	526,638	507,215	3,349,944
Other	301,174	751,261	4,961,766
Total	¥7,116,219	¥7,840,631	$51,784,103

The valuation techniques and the inputs are as follows.

		Ranges of unobservable inputs	
Valuation techniques	**Unobservable inputs**	**As of March 31, 2023**	**As of March 31, 2024**
Discounted cash flow	Cost of capital	15.3% – 172.1%	12.0% – 154.5%
	EBITDA multiple *	x6.0 – x36.0	x6.0 – x30.0
	Revenue multiple*	x0.9 – x15.0	x1.0 – x14.0
	Gross profit multiple*	x2.0 – x25.0	x1.6 – x12.0
	Price to earnings ratio*	x20.0 – x40.0	x8.1 – x25.0
	EBIT multiple*	x15.0	—
Market comparable companies	Revenue multiple	x0.3 – x16.4	x0.3 – x15.4
	EBITDA multiple	x7.0 – x20.0	x7.0 – x36.5
	Gross profit multiple	x2.0 – x15.0	x0.8 – x21.1
	Price to earnings ratio	x13.0 – x13.5	x26.5 – x43.4
	Price to sales ratio	x1.0 – x7.0	x0.3 – x5.0

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

(b) Financial instruments including “Investment securities”

For Level 3 fair value measurements of financial instruments, the market comparable company multiple method, the discounted cash flow method, price of the recent transactions method and Monte Carlo method are mainly used. The following table shows information about the major valuation techniques with the significant unobservable inputs used in the fair value measurement.

		Ranges of unobservable inputs	
Valuation techniques	**Unobservable inputs**	**As of March 31, 2023**	**As of March 31, 2024**
Equity securities			
Market comparable companies	Revenue multiple	x0.8 – x14.5	x0.3 – x11.0
Discounted cash flow	Cost of capital	13.2% – 41.7%	9.3% – 53.4%
	Capitalization rate*	5.2% – 10.9%	6.1% – 10.0%
	Revenue multiple*	x3.0 – x4.0	x3.0 – x4.5
	EBITDA multiple*	x12.0 – x20.3	x11.5 – x19.5
Derivative financial assets			
Monte Carlo simulation	Volatility	22.5%	—

* Capitalization rate considering the most recent performance, revenue multiple of market comparable companies and EBITDA multiple of market comparable companies are used for the measurement of the terminal value.

b. Sensitivity Analysis

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

In contrast, the cost of capital and the capitalization rate have a negative correlation with the fair value of financial assets subject to the valuation.

c. Valuation processes

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

The valuations are prepared by the valuation team of SBIA under IFRS 13 "Fair Value Measurement", in accordance with the SBIA Global Valuation Policy and International Private Equity and Venture Capital Valuation Guidelines on a quarterly basis, using the most appropriate valuation techniques and inputs that reflect the nature, characteristics and risks of the financial instruments that are subject to fair value measurement. The valuation team of SBIA may engage external specialists with a high level of knowledge and experience as needed, in determining the fair value of certain complex financial instruments. The valuations are then reviewed by the Valuation and Financial Risk Committee ("VFRC"), established as a committee of SBIA and SBGA. The VFRC reviews the reasonableness of significant inputs and assumptions as well as the valuation results. In addition, the VFRC considers the appropriateness of the choice of valuation methodology. The valuations of the portfolio companies performed by the aforementioned procedures are then reviewed and approved by SBIA's Board of Directors as manager of SVF1 and SBGA's Board of Directors as manager of SVF2 and LatAm Funds with overall responsibility for valuations on a quarterly basis.

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

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

d. Reconciliation of financial instruments categorized as Level 3

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

For the fiscal year ended March 31, 2023

	(Millions of yen)				
Financial assets	**Investments from SVF (FVTPL)**	**Equity securities (excluding investments from SVF (FVTPL))**	**Bonds and loans (excluding investments from SVF (FVTPL))**	**Derivative financial assets**	**Other**
As of April 1, 2022	¥ 9,969,250	¥ 528,635	¥ 186,299	¥633,553	¥ 513,562
Gains or (losses)					
Net income	(3,622,977)	(108,019)	(68,572)	167,984	(45,991)
Other comprehensive income	906,834	30,779	14,516	55,965	28,234
Purchases	395,769	34,705	1,580	—	62,506
Sales	(119,692)	(11,221)	(49,718)	—	(56,378)
Transfers to Level 1 due to listing	(416,823)	(5,986)	—	—	—
Other	3,858	(9,576)	(262)	16	2,139
As of March 31, 2023	¥ 7,116,219	¥ 459,317	¥ 83,843	¥857,518	¥ 504,072
Gains or (losses) recognized in net income on financial instruments held at March 31, 2023	¥(3,610,537)	¥(104,445)	¥(68,811)	¥169,956	¥(46,303)

Financial liabilities	**Derivative financial liabilities**	**Other**
As of April 1, 2022	¥ 29,816	¥ 98,432
(Gains) or losses		
Net income	(740)	(40,310)
Other comprehensive income	5,350	—
Other	(34,426)	(33,795)
As of March 31, 2023	¥ —	¥ 24,327
(Gains) or losses recognized in net income on financial instruments held at March 31, 2023	¥ (750)	¥ (40,310)

For the fiscal year ended March 31, 2024

Financial assets	Investments from SVF (FVTPL)	Equity securities (excluding investments from SVF (FVTPL))	Bonds and loans (excluding investments from SVF (FVTPL))	Derivative financial assets	Other
	(Millions of yen)				
As of April 1, 2023	¥7,116,219	¥459,317	¥ 83,843	¥ 857,518	¥504,072
Gains or (losses)					
Net income	(202,198)	(13,233)	(59,343)	239,971	8,528
Other comprehensive income	939,599	34,311	9,999	41,932	33,391
Purchases	227,160	149,273	122,443	—	65,996
Sales	(156,062)	(70,458)	(29,330)	—	(46,159)
Lending*1	—	—	210,182	—	—
Transfers to Level 1 due to listing	(84,257)	(2,235)	—	—	—
Acquisition of Level 1 listed shares*2	—	—	—	(1,098,435)	—
Transfer to Level 2	—	(11)	—	—	—
Conversion to equity securities	—	40,723	(40,723)	—	—
Other*1	170	(79,152)	(207,054)	18,890	47,975
As of March 31, 2024	¥7,840,631	¥518,535	¥ 90,017	¥ 59,876	¥613,803
Gains or (losses) recognized in net income on financial instruments held at March 31, 2024	¥(265,134)	¥(23,107)	¥(44,499)	¥ 13,098	¥ 7,363

Financial liabilities	Derivative financial liabilities	Other
As of April 1, 2023	¥ —	¥ 24,327
(Gains) or losses		
Net income	7,758	5,257
Other comprehensive income	128	—
Other	(1)	14,929
As of March 31, 2024	¥ 7,885	¥ 44,513
(Gains) or losses recognized in net income on financial instruments held at March 31, 2024	¥ 7,758	¥ 5,257

Financial assets	Investments from SVF (FVTPL)	Equity securities (excluding investments from SVF (FVTPL))	Bonds and loans (excluding investments from SVF (FVTPL))	Derivative financial assets	Other
	(Thousands of U.S. dollars)				
As of April 1, 2023	$46,999,663	$3,033,598	$ 553,748	$ 5,663,549	$3,329,186
Gains or (losses)					
Net income	(1,335,434)	(87,398)	(391,936)	1,584,909	56,324
Other comprehensive income	6,205,660	226,610	66,039	276,943	220,534
Purchases	1,500,297	985,886	808,685	—	435,876
Sales	(1,030,725)	(465,346)	(193,712)	—	(304,861)
Lending*1	—	—	1,388,165	—	—
Transfers to Level 1 due to listing	(556,482)	(14,761)	—	—	—
Acquisition of Level 1 listed shares*2	—	—	—	(7,254,706)	—
Transfer to Level 2	—	(73)	—	—	—
Conversion to equity securities	—	268,958	(268,958)	—	—
Other*1	1,124	(522,766)	(1,367,506)	124,761	316,854
As of March 31, 2024	$51,784,103	$3,424,708	$ 594,525	$ 395,456	$4,053,913
Gains or (losses) recognized in net income on financial instruments held at March 31, 2024	$ (1,751,100)	$ (152,612)	$ (293,897)	$ 86,507	$ 48,630

Financial liabilities	Derivative financial liabilities	Other
As of April 1, 2023	$ —	$ 160,670
(Gains) or losses		
Net income	51,238	34,720
Other comprehensive income	845	—
Other	(6)	98,600
As of March 31, 2024	$ 52,077	$ 293,990
(Gains) or losses recognized in net income on financial instruments held at March 31, 2024	$ 51,238	$ 34,720

*1 The movements of "Bonds and loans (excluding investments from SVF (FVTPL))" primarily relate to loans to WeWork. The allowance for the financial guarantee contract was allocated to loan receivables and it is included in "Other" movement. The details are described in "*7" under "Note 41. Other gain (loss)."

*2 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. The details of the transaction are described in "*4" in "Option contracts to which hedge accounting is not applied" in "iii. Option contracts" in "(b) Price risk" in "a. Market risk" in "(2) Financial risk management" under "Note 28. Financial instruments."

Gains or losses recognized in net income are included in "Gain (loss) on investments at Investment Business of Holding Companies," "Loss on investments at SoftBank Vision Funds," "Gain (loss) on other investments," "Derivative gain (excluding gain (loss) on investments)," and "Other gain (loss)" in the consolidated statement of profit or loss. Gains or losses recognized in other comprehensive income, net of tax, are included in "Equity financial assets at FVTOCI," "Debt financial assets at FVTOCI" and "Exchange differences on translating foreign operations" in the consolidated statement of comprehensive income.

(3) Carrying amounts and fair values of financial instruments

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

As of March 31, 2023

		(Millions of yen)			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Interest-bearing debt					
(Non-current)					
Long-term borrowings	¥4,164,682	¥—	¥3,003,771	¥1,058,013	¥4,061,784
Corporate bonds	6,257,455	—	5,977,812	—	5,977,812

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

As of March 31, 2024

		(Millions of yen)			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Interest-bearing debt					
(Non-current)					
Long-term borrowings	¥4,698,657	¥—	¥1,728,079	¥2,904,635	¥4,632,714
Corporate bonds	6,619,839	—	6,527,054	—	6,527,054

		(Thousands of U.S. dollars)			
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Interest-bearing debt					
(Non-current)					
Long-term borrowings	$31,032,673	$—	$11,413,242	$19,183,905	$30,597,147
Corporate bonds	43,721,280	—	43,108,474	—	43,108,474

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

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

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

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

30. Transfers of financial assets

The Company enters into securitization transactions involving trade and installment receivables.

The major securitization transactions involve the securitization of receivables related to installment receivables recognized from the mobile devices sales business.

For the transactions, the Company transfers receivables to financial institutions and acquires cash and a subordinate interest in the transferred receivables for financing purposes. The receivables sold are not derecognized because the Company retains a subordinate interest in each transaction and substantially retains all the risks and rewards of ownership of the transferred assets. Cash received from transferring the receivables are included in “Interest-bearing debt” under current liabilities and non-current liabilities as borrowings.

The following table presents the carrying amount of financial assets and related liabilities that are transferred but do not meet the derecognition criteria, as well as the fair value where related liabilities have recourse only to the transferred assets:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Carrying amount of transferred assets	¥ 833,976	¥ 891,223	$ 5,886,157
Carrying amount of related liabilities	(802,334)	(866,903)	(5,725,533)

(Fair value of financial assets and financial liabilities where related liabilities have recourse only to the transferred assets)

	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Fair value of transferred assets	¥ 833,976	¥ 891,223	$ 5,886,157
Fair value of related liabilities	(802,022)	(866,169)	(5,720,686)
Net position	¥ 31,954	¥ 25,054	$ 165,471

The difference between transferred assets and related liabilities is mainly the subordinate interest which the Company retains on securitization.

In addition, the Company enters into securitization transactions involving a portion of the monthly lump sum payment receivables included in loans in the card business. However, there are securitization receivables for which the Company bears a credit risk until collection and is obligated to pay retrospectively if a debtor does not pay. Those securitization receivables are not derecognized because they do not meet the derecognition criteria. Cash received from transferring the receivables are included in “Interest-bearing debt” under current liabilities as borrowings.

The carrying amount of the receivables transferred by the method not meeting the derecognition criteria and the related liability as of March 31, 2024 is ¥8,292 million ($54,765 thousand) and ¥200,000 million ($1,320,917 thousand), respectively (as of March 31, 2023, ¥6,169 million and ¥170,000 million, respectively). The liability is settled without significant delay when a debtor pays for receivables transferred, but the Company cannot utilize the receivables transferred until the settlement of the liability or payment from the debtor is completed. The discrepancy between receivables transferred and related liabilities are mainly due to the amount of loan collection in card business.

31. Offsetting financial assets and liabilities

The following table presents the amount of financial assets and liabilities offset in the consolidated statement of financial position, as well as the amount of financial assets and liabilities that are under enforceable master netting agreements or similar contracts, but are presented gross, because they do not meet certain or all criteria of offsetting.

Rights to offset based on the enforceable master netting agreements or similar contracts are enforceable only in certain events such as bankruptcy or obligation default of the counterparty.

As of March 31, 2023

Financial assets	Gross amount of financial assets	Gross amount of financial liabilities offset against financial assets	Net amount of financial assets presented in the consolidated statement of financial position	Amount not offset in the consolidated statement of financial position	Net amount
	(Millions of yen)				
Trade and other receivables	¥190,254	¥(97,420)	¥ 92,834	¥(21,547)	¥ 71,287
Derivative financial assets	82,305	—	82,305	(7,961)	74,344
Total	¥272,559	¥(97,420)	¥175,139	¥(29,508)	¥145,631

Financial liabilities	Gross amount of financial liabilities	Gross amount of financial assets offset against financial liabilities	Net amount of financial liabilities presented in the consolidated statement of financial position	Amount not offset in the consolidated statement of financial position	Net amount
	(Millions of yen)				
Trade and other payables	¥285,707	¥(97,420)	¥188,287	¥(21,053)	¥167,234
Derivative financial liabilities	8,196	—	8,196	(7,979)	217
Other financial liabilities	712	—	712	(476)	236
Total	¥294,615	¥(97,420)	¥197,195	¥(29,508)	¥167,687

As of March 31, 2024

Financial assets	Gross amount of financial assets	Gross amount of financial liabilities offset against financial assets	Net amount of financial assets presented in the consolidated statement of financial position	Amount not offset in the consolidated statement of financial position	Net amount
	(Millions of yen)				
Trade and other receivables	¥228,480	¥(126,821)	¥101,659	¥(19,952)	¥ 81,707
Derivative financial assets	243,770	—	243,770	(1)	243,769
Total	¥472,250	¥(126,821)	¥345,429	¥(19,953)	¥325,476

Financial liabilities	Gross amount of financial liabilities	Gross amount of financial assets offset against financial liabilities	Net amount of financial liabilities presented in the consolidated statement of financial position	Amount not offset in the consolidated statement of financial position	Net amount
	(Millions of yen)				
Trade and other payables	¥929,986	¥(126,821)	¥803,165	¥(19,424)	¥783,741
Derivative financial liabilities	3	—	3	(1)	2
Other financial liabilities	745	—	745	(528)	217
Total	¥930,734	¥(126,821)	¥803,913	¥(19,953)	¥783,960

Financial assets	Gross amount of financial assets	Gross amount of financial liabilities offset against financial assets	Net amount of financial assets presented in the consolidated statement of financial position	Amount not offset in the consolidated statement of financial position	Net amount
	(Thousands of U.S. dollars)				
Trade and other receivables	$1,509,015	$(837,600)	$ 671,415	$(131,775)	$ 539,640
Derivative financial assets	1,609,999	—	1,609,999	(7)	1,609,992
Total	$3,119,014	$(837,600)	$2,281,414	$(131,782)	$2,149,632

	(Thousands of U.S. dollars)				
Financial liabilities	**Gross amount of financial liabilities**	**Gross amount of financial assets offset against financial liabilities**	**Net amount of financial liabilities presented in the consolidated statement of financial position**	**Amount not offset in the consolidated statement of financial position**	**Net amount**
Trade and other payables	$6,142,171	$(837,600)	$5,304,571	$(128,288)	$5,176,283
Derivative financial liabilities	20	—	20	(7)	13
Other financial liabilities	4,920	—	4,920	(3,487)	1,433
Total	$6,147,111	$(837,600)	$5,309,511	$(131,782)	$5,177,729

32. Foreign currency exchange rates

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

(1) Rate at the end of the period

	(Yen)	
	As of March 31, 2023	**As of March 31, 2024**
U.S. dollars	¥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**
U.S. dollars	¥129.04	¥138.68	¥141.16	¥133.26
Chinese yuan*	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**
U.S. dollars	¥138.11	¥145.44	¥147.00	¥147.87

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

(3) Foreign exchange sensitivity analysis for exchange differences on translating foreign operations

The table below presents the effect of a 1% appreciation of the Japanese yen against the U.S. dollars, which is the main foreign currency of the Company, regarding the translation of assets, liabilities, and interests in net assets of foreign operations into the presentation currency, assuming that all other factors are constant.

Impact of exchange differences on translating foreign operations (decrease in equity)

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	**Fiscal year ended March 31, 2024**	**Fiscal year ended March 31, 2024**
U.S. dollars	¥(143,546)	¥(203,979)	$(1,347,196)

33. Equity

(1) Common stock

a. Shares authorized
The number of shares authorized to be issued is as follows:

	(Thousands of shares)	
	As of March 31, 2023	As of March 31, 2024
Ordinary shares	7,200,000	7,200,000

b. Shares issued
Changes in the number of shares issued are as follows:

	(Thousands of shares)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Balance at the beginning of the year	1,722,954	1,469,995
Increase during the year	—	—
Decrease during the year*	(252,959)	—
Balance at the end of the year	1,469,995	1,469,995

Notes:
1 Shares issued by the Company are common stock with no par value.
2 Shares issued have been fully paid.
* For the fiscal year ended March 31, 2023, the decrease was made under the resolutions passed at the Board of Directors meeting held on January 27, 2023. The Company retired its treasury stock of 252,959 thousand shares in total on March 30, 2023.

(2) Capital surplus

Capital surplus of the Company includes additional paid-in capital of SoftBank Group Corp., which is legal capital surplus. Under the Companies Act of Japan (the “Companies Act”), at least 50% of the proceeds upon issuance of equity instruments shall be credited to common stock. The remainder of the proceeds shall be credited to additional paid-in capital. The Companies Act permits, upon approval at the general meeting of shareholders, the transfer of amounts from additional paid-in capital to common stock.

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 ($4,453,933 thousand) equivalent to the gain on sale of Arm shares on a consolidation basis is recorded as “Changes in interests in subsidiaries” under “Capital surplus.”

(3) Other equity instruments

On July 19, 2017, SoftBank Group Corp. issued $2.75 billion of USD-denominated Undated Subordinated Non-Call 6 years Resettable Notes and $1.75 billion of USD-denominated Undated Subordinated Non-Call 10 years Resettable 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 the distribution of residual assets on liquidation.

On October 12, 2022, SoftBank Group Corp. purchased a portion of the above USD-denominated Undated Subordinated Non-Call 6 years Resettable Notes (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 (face value of $2.0 billion) was fully redeemed. The amounts of ¥740 million ($4,887 thousand) and ¥56,164 million ($370,940 thousand) 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 (for the fiscal year ended March 31, 2023: ¥21,776 million reduced from “Retained earnings”), represents the difference between the issue amount and the purchase amount, including foreign exchange effects.

Payments of interest were completed on the interest payment dates, July 19, 2023 and January 19, 2024, and “Retained earnings” decreased by ¥16,708 million ($110,349 thousand) and ¥8,916 million ($58,886 thousand) (for the fiscal year ended March 31, 2023: decreased by ¥19,723 million and ¥15,440 million on July 19, 2022 and January 19, 2023 as payments of interest, and ¥1,517 million on October 12, 2022 as payment of accrued interest on the purchased notes), respectively, as “Distribution to owners of other equity instruments” in the consolidated statement of changes in equity.

In addition, accrued interest, which is not recognized as a distribution to owners of other equity instruments because the payment has not yet been determined, is ¥3,643 million ($24,060 thousand) as of March 31, 2024 (¥6,418 million as of March 31, 2023).

(4) Retained earnings

Retained earnings of the Company include the reserve of SoftBank Group Corp. legally required as legal retained earnings. The Companies Act provides that 10% of the dividend from retained earnings shall be appropriated as legal capital surplus or as legal retained earnings until their aggregate amount equals 25% of common stock. The legal retained earnings may be used to eliminate or reduce a deficit or be transferred to retained earnings upon approval at the general meeting of shareholders.

(5) Treasury stock

The Companies Act provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula.

Changes in treasury stock are as follows:

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

*1 For the fiscal year ended March 31, 2023, due to purchases of treasury stock under the resolutions passed at the Board of Directors meeting held on November 8, 2021 and August 8, 2022, the number of treasury stock increased by 185,701 thousand shares (amount purchased ¥1,055,426 million).

*2 For the fiscal year ended March 31, 2023, the decrease was made mainly under the resolution passed at the Board of Directors meeting held on January 27, 2023. The Company retired its treasury stock of 252,959 thousand shares in total on March 30, 2023. As a result of the transaction, both retained earnings and treasury stock decreased by ¥1,412,374 million.

(6) Accumulated other comprehensive income

The changes in the accumulated other comprehensive income are as follows.

	(Millions of yen)					
	Remeasurements of defined benefit plan	Equity financial assets at FVTOCI	Debt financial assets at FVTOCI	Cash flow hedges	Exchange differences on translating foreign operations	Total
As of April 1, 2022	¥ —	¥46,338	¥ 298	¥ 1,696	¥2,447,826	¥2,496,158
Other comprehensive income (attributable to owners of the parent)	450	(954)	(156)	(73,294)	1,337,214	1,263,260
Transfer to retained earnings	(450)	(2,183)	—	—	—	(2,633)
As of March 31, 2023	¥ —	¥43,201	¥ 142	¥ (71,598)	¥3,785,040	¥3,756,785
Other comprehensive income (attributable to owners of the parent)	(9)	3,828	782	23,568	2,009,461	2,037,630
Transfer to retained earnings	9	(604)	—	—	—	(595)
As of March 31, 2024	¥ —	¥46,425	¥ 924	¥(48,030)	¥5,794,501	¥5,793,820

	(Thousands of U.S. dollars)					
	Remeasurements of defined benefit plan	Equity financial assets at FVTOCI	Debt financial assets at FVTOCI	Cash flow hedges	Exchange differences on translating foreign operations	Total
As of March 31, 2023	$ —	$285,325	$ 938	$ (472,875)	$24,998,613	$24,812,001
Other comprehensive income (attributable to owners of the parent)	(59)	25,282	5,165	155,657	13,271,653	13,457,698
Transfer to retained earnings	59	(3,989)	—	—	—	(3,930)
As of March 31, 2024	$ —	$306,618	$6,103	$(317,218)	$38,270,266	$38,265,769

The above amount is presented net of the tax effect. The amount of income taxes on each item in other comprehensive income is described in "Note 42. Other comprehensive income."

(7) Non-controlling interests

SoftBank Corp. issued ¥120,000 million ($792,550 thousand) 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 ($792,550 thousand) 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.

34. Dividends

In accordance with the Companies Act, SoftBank Group Corp. has prescribed in its articles of incorporation that semiannual interim dividends may be paid once a year upon resolution by the Board of Directors.

Dividends paid are as follows:

For the fiscal year ended March 31, 2023

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Shareholders' meeting held on June 24, 2022	Common stock	¥22	¥36,229	March 31, 2022	June 27, 2022
Board of directors' meeting held on October 28, 2022	Common stock	22	34,098	September 30, 2022	December 9, 2022

For the fiscal year ended March 31, 2024

Resolution	Class of shares	Dividends per share (Yen)	Dividends per share (U.S. dollars)	Total dividends (Millions of yen)	Total dividends (Thousands of U.S. dollars)	Record date	Effective date
Shareholders' meeting held on June 21, 2023	Common stocks	¥22	$0.15	¥32,187	$212,582	March 31, 2023	June 22, 2023
Board of Directors' meeting held on October 27, 2023	Common stocks	22	0.15	32,246	212,971	September 30, 2023	December 8, 2023

Dividends which will become effective during the fiscal year ending March 31, 2025 are as follows:

Resolution	Class of shares	Dividends per share (Yen)	Dividends per share (U.S. dollars)	Total dividends (Millions of yen)	Total dividends (Thousands of U.S. dollars)	Record date	Effective date
Shareholders' meeting held on June 21, 2024	Common stocks	¥22	$0.15	¥32,250	$212,998	March 31, 2024	June 24, 2024

35. Share-based payment transactions

The Company grants stock options, restricted stock unit plans, restricted stock compensation plans and others as share-based payment awards.

Share-based payment awards are granted to the Company's directors and employees based on the terms resolved at the Company's shareholders' meeting or Board of Directors' meeting.

Share-based payment awards are accounted for as equity-settled share-based payments or cash-settled share-based payments. Expense and liability amounts recognized from share-based payment awards are as follows:

Expenses arising from share-based payments

	(Millions of yen) Fiscal year ended March 31, 2023	(Millions of yen) Fiscal year ended March 31, 2024	(Thousands of U.S. dollars) Fiscal year ended March 31, 2024
Equity-settled	¥43,886	¥121,647	$803,428
Cash-settled	30,983	15,551	102,708
Total	¥74,869	¥137,198	$906,136

Liabilities arising from share-based payments

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Liability arising from share-based payment	¥42,931	¥18,779	$124,027
Liability vested in the above	28,007	3,619	23,902

(1) Stock option plan

a. Details of the stock option plan

The Company grants stock options as equity-settled share-based payments. The details of the Company's stock option plan for the years ended March 31, 2023 and 2024 are as follows:

(a) SoftBank Group Corp.

SoftBank Group Corp. grants stock options to its directors and employees. Shares granted by the exercise of stock options are those issued by SoftBank Group Corp.

The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. The amounts of "Stock options" for each fiscal year are recorded after adjustments of the share split.

Year issued / Name	Grant date	Due date for exercise
2016 July Stock Acquisition Rights*1	July 28, 2016	July 31, 2022
2017 February Stock Acquisition Rights*1	February 27, 2017	February 28, 2023
2017 July Stock Acquisition Rights*1	July 28, 2017	July 31, 2023
2018 August Stock Acquisition Rights*2	August 31, 2018	August 31, 2025
2019 July Stock Acquisition Rights*3	August 13, 2019	August 31, 2025
2019 November Stock Acquisition Rights*4	December 23, 2019	December 31, 2026
2020 August Stock Acquisition Rights*4	August 28, 2020	August 31, 2027
2021 August Stock Acquisition Rights*4	August 27, 2021	August 31, 2028
2022 August Stock Acquisition Rights*4	August 29, 2022	August 31, 2029
2023 August Stock Acquisition Rights*4	August 29, 2023	August 31, 2030

*1 Vesting condition

Stock options vest when the service period requirements are met, and the vesting period is approximately 2 years.

Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

*2 Vesting condition

Stock options vest when the service period requirements are met, and the vesting period is 3 years.

The amount of the stock acquisition rights exercisable by an entitled person is limited as prescribed in "i" through "iv" below when the number of shares granted by the stock acquisition rights initially allotted is over 400. Fractional points, if any, of the exercisable stock acquisition rights are rounded down.

i. from September 1, 2021 through August 31, 2022: 25% of the allocated amount of stock acquisition rights

ii. from September 1, 2022 through August 31, 2023: 50% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "i" above

iii. from September 1, 2023 through August 31, 2024: 75% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "i" and "ii" above

iv. from September 1, 2024 through August 31, 2025: 100% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "i" through "iii" above

Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

*3 Vesting condition

Stock options vest when the service period requirements are met, and the vesting period is approximately 2 years.

The amount of the stock acquisition rights exercisable by an entitled person is limited as prescribed in "i" through "iv" below when the number of shares granted by the stock acquisition rights initially allotted is over 800. Fractional points, if any, of the exercisable stock acquisition rights are rounded down.

i. from September 1, 2021 through August 31, 2022: 25% of the allocated amount of stock acquisition rights

ii. from September 1, 2022 through August 31, 2023: 50% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "i" above

iii. from September 1, 2023 through August 31, 2024: 75% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "i" and "ii" above

iv. from September 1, 2024 through August 31, 2025: 100% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "i" through "iii" above

Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

*4 Vesting condition

Stock options vest when the service period requirements are met, and the vesting period is approximately 3 years.

Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

(b) SoftBank Corp.

SoftBank Corp. grants stock options to directors and employees of SoftBank Corp. or its subsidiaries. Shares granted by the exercise of stock options are those issued by SoftBank Corp.

Year issued / Name	Grant date	Due date for exercise
2018 March Stock Acquisition Rights*1	March 30, 2018	March 31, 2025
2020 July Stock Acquisition Rights*2	July 31, 2020	July 31, 2027
2021 January Stock Acquisition Rights*3	January 22, 2021	March 31, 2028
2021 July Stock Acquisition Rights Item (i)*4	July 20, 2021	March 31, 2028
2021 July Stock Acquisition Rights Item (ii)*5	July 20, 2021	July 31, 2028
2022 July Stock Acquisition Rights*6	July 20, 2022	July 31, 2029
2023 July Stock Acquisition Rights*7	July 20, 2023	July 31, 2030

*1 Vesting condition

In case the common stock of SoftBank Corp. is newly listed by March 31, 2020 on the financial instruments market established by the financial instruments exchange, an entitled person is able to exercise these rights.

Also, the number of these rights which an entitled person is able to exercise is as follows:

i. Where the total number of shares granted by the stock acquisition rights initially allotted is from 3,000 to less than 12,000 shares, the number of the stock acquisition rights which an entitled person is able to exercise is limited to the following number during the following period.
   a. up to 30% of the total allotted rights are exercisable from April 1, 2020 to March 31, 2021.
   b. up to 60% of the total allotted rights including the rights exercised during the period of "a" are exercisable from April 1, 2021 to March 31, 2022.
   c. up to 100% of the total allotted rights including the rights exercised during the period of "a" and "b" are exercisable from April 1, 2022 to March 31, 2025.

ii. Where the total number of shares granted by the stock acquisition rights initially allotted is 12,000 or more shares, the number of the stock acquisition rights which an entitled person is able to exercise is limited to the following number during the following period.
   a. up to 20% of the total allotted rights are exercisable from April 1, 2020 to March 31, 2021.
   b. up to 40% of the total allotted rights including the rights exercised during the period of "a" are exercisable from April 1, 2021 to March 31, 2022.
   c. up to 60% of the total allotted rights including the rights exercised during the period of "a" and "b" are exercisable from April 1, 2022 to March 31, 2023.
   d. up to 80% of the total allotted rights including the rights exercised during the period of "a", "b", and "c" are exercisable from April 1, 2023 to March 31, 2024.
   e. up to 100% of the total allotted rights including the rights exercised during the period of "a", "b", "c", and "d" are exercisable from April 1, 2024 to March 31, 2025.

When an eligible person (director, employee or executive officer of SoftBank Corp. or its subsidiaries) retires, the unexercised acquisition rights are forfeited. However, this shall not apply in the case of a good cause, such as resignation due to expiration of the term or mandatory retirement.

*2 Vesting condition

Stock options vest when the service period requirements are met, and the vesting period is approximately 2 years.

When an eligible person (director, employee or executive officer of SoftBank Corp. or its subsidiaries) retires, the unexercised acquisition rights are forfeited. However, this shall not apply in the case of a good cause, such as resignation due to expiration of the term or mandatory retirement.

*3 Vesting condition

The number of these rights which an entitled person is able to exercise is as follows:

i. where the total number of shares granted by the stock acquisition rights initially allotted is from 3,000 to less than 12,000 shares, the number of the stock acquisition rights which an entitled person is able to exercise is limited to the following number during the following period.
   a. up to 30% of the total allotted rights are exercisable from April 1, 2023 to March 31, 2024.

b. up to 60% of the total allotted rights including the rights exercised during the period of "a" are exercisable from April 1, 2024 to March 31, 2025.
c. up to 100% of the total allotted rights including the rights exercised during the period of "a" and "b" are exercisable from April 1, 2025 to March 31, 2028.

ii. where the total number of shares granted by the stock acquisition rights initially allotted is 12,000 or more shares, the number of the stock acquisition rights which an entitled person is able to exercise is limited to the following number during the following period. Fractional points, if any, of the exercisable stock acquisition rights are rounded down.
a. up to 20% of the total allotted rights are exercisable from April 1, 2023 to March 31, 2024.
b. up to 40% of the total allotted rights including the rights exercised during the period of "a" are exercisable from April 1, 2024 to March 31, 2025.
c. up to 60% of the total allotted rights including the rights exercised during the period of "a" and "b" are exercisable from April 1, 2025 to March 31, 2026.
d. up to 80% of the total allotted rights including the rights exercised during the period of "a", "b", and "c" are exercisable from April 1, 2026 to March 31, 2027.
e. up to 100% of the total allotted rights including the rights exercised during the period of "a", "b", "c", and "d" are exercisable from April 1, 2027 to March 31, 2028.

When an eligible person (director, employee or executive officer of SoftBank Corp. or its subsidiaries) retires, the unexercised acquisition rights are forfeited. However, this shall not apply in the case of a good cause, such as resignation due to expiration of the term or mandatory retirement.

*4 Vesting condition
The number of these rights which an entitled person is able to exercise during the following periods "i" through "v" is as follows:

i. up to 20% of the total allotted rights are exercisable from April 1, 2023 to March 31, 2024.
ii. up to 40% of the total allotted rights including the rights exercised during the period of "i" are exercisable from April 1, 2024 to March 31, 2025.
iii. up to 60% of the total allotted rights including the rights exercised during the period of "i" and "ii" are exercisable from April 1, 2025 to March 31, 2026.
iv. up to 80% of the total allotted rights including the rights exercised during the period of "i", "ii", and "iii" are exercisable from April 1, 2026 to March 31, 2027.
v. up to 100% of the total allotted rights including the rights exercised during the period of "i", "ii", "iii", and "iv" are exercisable from April 1, 2027 to March 31, 2028.

When an eligible person (director, employee or executive officer of SoftBank Corp. or its subsidiaries) retires, the unexercised acquisition rights are forfeited. However, this shall not apply in the case of a good cause, such as resignation due to expiration of the term or mandatory retirement.

*5 Vesting condition
Stock options vest when the service period requirements are met, and the vesting period is approximately 2 years through July 31, 2023.
When an eligible person (director, employee or executive officer of SoftBank Corp. or its subsidiaries) retires, the unexercised acquisition rights are forfeited. However, this shall not apply in the case of a good cause, such as resignation due to expiration of the term or mandatory retirement.

*6 Vesting condition
Stock options vest when the service period requirements are met, and the vesting period is approximately 2 years through July 31, 2024.
When an eligible person (director, employee or executive officer of SoftBank Corp. or its subsidiaries) retires, the unexercised acquisition rights are forfeited. However, this shall not apply in the case of a good cause, such as resignation due to expiration of the term or mandatory retirement.

*7 Vesting condition
Stock options vest when the service period requirements are met, and the vesting period is approximately 2 years through July 31, 2025.
When an eligible person (director, employee or executive officer of SoftBank Corp. or its subsidiaries) retires, the unexercised acquisition rights are forfeited. However, this shall not apply in the case of a good cause, such as resignation due to expiration of the term or mandatory retirement.

(c) LY Corporation

LY Corporation grants stock options to directors and employees of LY Corporation and its group companies. Shares granted by the exercise of stock options are those issued by LY Corporation.

Year issued / Name	Grant date	Due date for exercise
2012 1st *1	May 16, 2012	May 2, 2022
2020 LINE 22nd *2,3	March 1, 2021	From July 29, 2022 through July 8, 2029
2020 LINE 24th *2,4	March 1, 2021	From July 29, 2022 through July 8, 2029
2020 LINE 25th *2,4	March 1, 2021	From July 29, 2022 through July 8, 2029
2020 LINE 26th *2,5	March 1, 2021	From November 5, 2023 through November 5, 2030
2020 LINE 28th *6	March 30, 2021	From November 5, 2023 through November 5, 2030
2021 LINE 29th *7	November 10, 2021	From November 11, 2024 through October 24, 2031
2022 Z Holdings 1st *8	August 18, 2022	From August 19, 2025 through August 3, 2032

*1 Vesting condition

Share options mainly vest in stages beginning after two years from the grant date.

One-half of the total granted shares vests after two years from the grant date, and one-fourth vests per year for the subsequent two years.

Vesting requires continuous service from the grant date to the vesting date. When the holder of vested share options retires, those vested share options are forfeited.

*2 Stock acquisition rights to be provided for LY Corporation's participants

Based on the capital alliance contract stipulated under the LY Corporation group's governance control after business integration entered into on December 23, 2019, LY Corporation granted alternative stock options to directors and employees of LY Corporation and its group companies substituted for the stock options which A Holdings Corporation (formerly LINE Corporation) was granting to directors and employees of A Holdings Corporation and its group companies.

*3 Vesting condition

An entitled person must hold the position of director of LY Corporation or its affiliated companies at the time of exercising the rights. However, this shall not apply in cases where the person retires from office due to expiration of the term of office, or the Board of Directors of LY Corporation deems that there is a justifiable reason. If stock price of LY Corporation's common stock meets the following "i" to "iii", the number of shares of stock acquisition rights specified in "i", "ii", and "iii" is exercisable.

i. At any of July 29, 2022 through July 29, 2025, including 10 days before the last business day (excluding the day of unclosing transaction of LY Corporation's common stock. Same as the following "i" to "iii"), if the average of closing price of LY Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds ¥640 ("Basic Stock Price"); up to 20% of the total allotted rights is exercisable

ii. At any of July 29, 2023 through July 29, 2026, including 10 days before the last business day, if the average of closing price of LY Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds Basic Stock Price; up to 30% of the total allotted rights is exercisable

iii. At any of July 29, 2024 through July 29, 2027, including 10 days before the last business day, if the average of closing price of LY Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds Basic Stock Price; up to 50% of the total allotted rights is exercisable

Regardless of the exercise period (from July 29, 2022 to July 8, 2029. If the last day of the exercise period conflicts with a holiday of LY Corporation, its last business day shall be the last day of the exercise period), the holder of stock acquisition rights is able to exercise the stock acquisition rights during the period specified in "a", "b" and "c" (including the first day and the last day), to the extent the number specified in "a", "b" and "c", deducting the number of stock acquisition rights already exercised. In this case, if a fraction of less than one unit arises from the number of exercisable stock acquisition rights calculated based on such ratio, only the number of stock acquisition rights rounded down to the nearest whole number can be exercised.

a. up to 20% of the total allotted rights, exercisable from July 29, 2022 to July 8, 2029

b. up to 50% of the total allotted rights, exercisable from July 29, 2023 to July 8, 2029

c. up to 100% of the total allotted rights, exercisable from July 29, 2024 to July 8, 2029

*4 Vesting condition

An entitled person must hold the position of director, auditor, executive officer, corporate officer or be an employee of LY Corporation or its affiliated companies at the time of exercising the rights. However, this shall not apply in cases where the person retires from office due to expiration of the term of office, or the Board of Directors of LY Corporation deems that there is a justifiable reason. Regardless of the exercise period (from July 29, 2022 to July 8, 2029. If the last day of the exercise period conflicts with a holiday of LY Corporation, its last business day shall be the last day of the exercise period), the holder of stock acquisition rights is able to exercise the stock acquisition rights during the period specified in “i”, “ii” and “iii” (including the first day and the last day), to the extent the number specified in “i”, “ii” and “iii”, deducting the number of stock acquisition rights already exercised. In this case, if a fraction of less than one unit arises from the number of exercisable stock acquisition rights calculated based on such ratio, only the number of stock acquisition rights rounded down to the nearest whole number can be exercised.

i. up to 20% of the total allotted rights, exercisable from July 29, 2022 to July 8, 2029
ii. up to 50% of the total allotted rights, exercisable from July 29, 2023 to July 8, 2029
iii. up to 100% of the total allotted rights, exercisable from July 29, 2024 to July 8, 2029

*5 Vesting condition

An entitled person must hold the position of director of LY Corporation or its affiliated companies at the time of exercising the rights. However, this shall not apply in cases where the person retires from office due to expiration of the term of office, or the Board of Directors of LY Corporation deems that there is a justifiable reason. If stock price of LY Corporation’s common stock meets the following “i” to “iii”, the number of shares of stock acquisition rights specified in “i”, “ii”, and “iii” is exercisable.

i. At any of November 5, 2023 through November 5, 2026, including 10 days before the last business day (excluding the day of unclosing transaction of LY Corporation’s common stock. Same as the following “i” to “iii”), if the average of closing price of LY Corporation’s common stock ordinary transaction on the Tokyo Stock Exchange exceeds ¥640 (“Basic Stock Price”); up to 20% of the total allotted rights is exercisable
ii. At any of November 5, 2024 through November 5, 2027, including 10 days before the last business day, if the average of closing price of LY Corporation’s common stock ordinary transaction on the Tokyo Stock Exchange exceeds Basic Stock Price; up to 30% of the total allotted rights is exercisable
iii. At any of November 5, 2025 through November 5, 2028, including 10 days before the last business day, if the average of closing price of LY Corporation’s common stock ordinary transaction on the Tokyo Stock Exchange exceeds Basic Stock Price; up to 50% of the total allotted rights is exercisable

Regardless of the exercise period (from November 5, 2023 to November 5, 2030. If the last day of the exercise period conflicts with a holiday of LY Corporation, its last business day shall be the last day of the exercise period), the holder of stock acquisition rights is able to exercise the stock acquisition rights during the period specified in “a”, “b” and “c” (including the first day and the last day), to the extent the number specified in “a”, “b” and “c”, deducting the number of stock acquisition rights already exercised. In this case, if a fraction of less than one unit arises from the number of exercisable stock acquisition rights calculated based on such ratio, only the number of stock acquisition rights rounded down to the nearest whole number can be exercised.

a. up to 20% of the total allotted rights, exercisable from November 5, 2023 to November 5, 2030
b. up to 50% of the total allotted rights, exercisable from November 5, 2024 to November 5, 2030
c. up to 100% of the total allotted rights, exercisable from November 5, 2025 to November 5, 2030

*6 Vesting condition

An entitled person must hold the position of director, auditor, executive officer, corporate officer or be an employee of LY Corporation or its affiliated companies at the time of exercising the rights. However, this shall not apply in cases where the person retires from office due to expiration of the term of office, or the Board of Directors of LY Corporation deems that there is a justifiable reason. Regardless of the exercise period (from November 5, 2023 to November 5, 2030. If the last day of the exercise period conflicts with a holiday of LY Corporation, its last business day shall be the last day of the exercise period), the holder of stock acquisition rights is able to exercise the stock acquisition rights during the period specified in “i”, “ii” and “iii” (including the first day and the last day), to the extent the number specified in “i”, “ii” and “iii”, deducting the number of stock acquisition rights already exercised. In this case, if a fraction of less than one unit arises from the number of exercisable stock acquisition rights calculated based on such ratio, only the number of stock acquisition rights rounded down to the nearest whole number can be exercised.

i. up to 20% of the total allotted rights, exercisable from November 5, 2023 to November 5, 2030
ii. up to 50% of the total allotted rights, exercisable from November 5, 2024 to November 5, 2030
iii. up to 100% of the total allotted rights, exercisable from November 5, 2025 to November 5, 2030

*7 Vesting condition

An entitled person must hold the position of director, auditor, executive officer, corporate officer or be an employee of LY Corporation or its affiliated companies at the time of exercising the rights. However, this shall not apply in cases where the person retires from office due to expiration of the term of office, or the Board of Directors of LY Corporation deems that there is a justifiable reason. If stock price of LY Corporation’s common stock meets the following “i” to “iii”, the number of shares of stock acquisition rights specified in “i”, “ii”, and “iii” is exercisable.

i. At any of November 11, 2024 through November 11, 2027, including 10 days before the last business day (excluding the day of unclosing transaction of LY Corporation’s common stock. Same as the following “i” to “iii”), if the average of closing price of LY Corporation’s common stock ordinary transaction on the Tokyo Stock Exchange exceeds ¥640 (“Basic Stock Price”); up to 20% of the total allotted rights is exercisable
ii. At any of November 11, 2025 through November 11, 2028, including 10 days before the last business day, if the average of closing price of LY Corporation’s common stock ordinary transaction on the Tokyo Stock Exchange exceeds Basic Stock Price; up to 30% of the total allotted rights is exercisable
iii. At any of November 11, 2026 through November 11, 2029, including 10 days before the last business day, if the average of closing price of LY Corporation’s common stock ordinary transaction on the Tokyo Stock Exchange exceeds Basic Stock Price; up to 50% of the total allotted rights is exercisable

Regardless of the exercise period (from November 11, 2024 to October 24, 2031. If the last day of the exercise period conflicts with a holiday of LY Corporation, its last business day shall be the last day of the exercise period), the holder of stock acquisition rights is able to exercise the stock acquisition rights during the period specified in “a”, “b” and “c” (including the first day and the last day), to the extent the number specified in “a”, “b” and “c”, deducting the number of stock acquisition rights already exercised. In this case, if a fraction of less than one unit arises from the number of exercisable stock acquisition rights calculated based on such ratio, only the number of stock acquisition rights rounded down to the nearest whole number can be exercised.

a. up to 20% of the total allotted rights, exercisable from November 11, 2024 to October 24, 2031
b. up to 50% of the total allotted rights, exercisable from November 11, 2025 to October 24, 2031
c. up to 100% of the total allotted rights, exercisable from November 11, 2026 to October 24, 2031

*8 Vesting condition
An entitled person must hold a position of director, auditor, executive officer, or corporate executive officers, or be an employee of LY Corporation or its affiliated companies at the time of exercising the rights. However, this shall not apply in the case of a good cause, such as expiration of the term. Other conditions for the exercise of stock acquisition rights shall be as specified in the “Stock Acquisition Rights Allotment Agreement,” which LY Corporation enters into with an entitled person.

b. Fair value of stock options granted during the period

Weighted-average fair value and fair value measurement at the measurement date of the stock options granted during the period are as follows:

(a) SoftBank Group Corp.

For the fiscal year ended March 31, 2024, the weighted-average fair value at the measurement date of the stock options granted during the period is ¥6,472 ($42.74) (for the fiscal year ended March 31, 2023: ¥5,365).

Fair value is measured as follows:

	Fiscal year ended March 31, 2023
Year issued / Name	**2022 August Stock Acquisition Rights**
Valuation method used	**Black-Scholes model (Yen)**
Key inputs and assumptions:	
Weighted-average stock price	¥ 5,496
Weighted-average exercise price	¥ 1
Volatility of stock price*	50.82%
Estimated residual period	3 years
Estimated dividend	¥44/per share
Risk-free interest rate	(0.08%)

	Fiscal year ended March 31, 2024	
Year issued / Name	**2023 August Stock Acquisition Rights**	
Valuation method used	**Black-Scholes model**	
	(Yen)	**(USD)**
Key inputs and assumptions:		
Weighted-average stock price	¥ 6,604	$ 43.62
Weighted-average exercise price	¥ 1	$ 0.01
Volatility of stock price*	39.12%	
Estimated residual period	3 years	
Estimated dividend	¥44/per share	$0.29/per share
Risk-free interest rate	0.08%	

* Volatility of the stock price is calculated based on the performance of the stock price for the most recent period depending on the period to maturity.

(b) SoftBank Corp.

For the fiscal year ended March 31, 2024, the weighted-average fair value at the measurement date of the stock options granted during the period is ¥1,375 ($9.08) (for the fiscal year ended March 31, 2023: ¥1,387).

Fair value is measured as follows:

Year issued / Name	Fiscal year ended March 31, 2023 2022 July Stock Acquisition Rights
Valuation method used	Black-Scholes model
	(Yen)
Key inputs and assumptions:	
Weighted-average stock price	¥ 1,551
Weighted-average exercise price	¥ 1
Volatility of stock price*	15.44%
Estimated residual period	2 years
Estimated dividend	¥86/per share
Risk-free interest rate	(0.08%)

Year issued / Name	Fiscal year ended March 31, 2024 2023 July Stock Acquisition Rights	
Valuation method used	Black-Scholes model	
	(Yen)	(USD)
Key inputs and assumptions:		
Weighted-average stock price	¥ 1,539	$ 10.16
Weighted-average exercise price	¥ 1	$ 0.01
Volatility of stock price*	13.14%	
Estimated residual period	2 years	
Estimated dividend	¥86/per share	$0.57/per share
Risk-free interest rate	(0.04%)	

* Volatility of the stock price is calculated based on the performance of the stock price for the most recent period depending on the period to maturity.

(c) LY Corporation

For the fiscal year ended March 31, 2023, the weighted-average fair value at the measurement date of the stock options granted during the period is ¥158. For the fiscal year ended March 31, 2024, there are no stock options granted during the period.

Fair value is measured as follows:

Year issued / Name	Fiscal year ended March 31, 2023 2022 Z Holdings 1st
Valuation method used	Binomial model (Yen)
Key inputs and assumptions:	
Stock price	¥ 440.4
Exercise price	¥ 454
Volatility of stock price*	35.43%
Duration to maturity	9.97 years
Estimated dividend yield	1.26%
Risk-free interest rate	0.181%

* Volatility of the stock price is calculated based on the performance of the stock price for the most recent period depending on the period to maturity.

c. Changes in stock options during the period and the condition of stock options at the period end

Changes in stock options during the period and the condition of stock options at the period end are as follows:

(a) SoftBank Group Corp.

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		
	Number of shares	Weighted-average exercise price (Yen)	Number of shares	Weighted-average exercise price (Yen)	Weighted-average exercise price (USD)
Beginning balance—Unexercised	6,559,600	¥3,428	4,602,800	¥3,360	$22.19
Granted	126,400	1	160,200	1	0.01
Forfeited	(46,300)	2,493	(32,100)	598	3.95
Exercised	(1,959,700)	3,402	(2,878,900)	4,093	27.03
Matured	(77,200)	3,080	(764,800)	4,791	31.64
Ending balance—Unexercised	4,602,800	¥3,360	1,087,200	¥ 1	$ 0.01
Ending balance—Exercisable	3,493,600	¥4,427	334,800	¥ 1	$ 0.01

The unexercised options as of March 31, 2024 are as follows:

Range of exercise price (Yen)	Range of exercise price (USD)	Number of shares	Weighted-average exercise price (Yen)	Weighted-average exercise price (USD)	Weighted-average remaining contract period (year)
¥1	$0.01	1,087,200	¥1	$0.01	3.1

(b) SoftBank Corp.

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		
	Number of shares	Weighted-average exercise price (Yen)	Number of Shares	Weighted-average exercise price (Yen)	Weighted-average exercise price (USD)
Beginning balance—Unexercised	183,743,400	¥1,082	158,387,600	¥1,143	$7.55
Granted	547,400	1	492,000	1	0.01
Forfeited	(3,077,700)	1,246	(2,199,500)	1,261	8.33
Exercised	(22,825,500)	614	(31,908,800)	942	6.22
Ending balance—Unexercised	158,387,600	¥1,143	124,771,300	¥1,188	$7.85
Ending balance—Exercisable	25,058,600	¥ 621	46,791,300	¥1,070	$7.07

The unexercised options as of March 31, 2024 are as follows:

Range of exercise price (Yen)	Range of exercise price (USD)	Number of shares	Weighted-average exercise price (Yen)	Weighted-average exercise price (USD)	Weighted-average remaining contract period (year)
¥1	$0.01	1,227,100	¥ 1	$0.01	5.5
623	4.11	29,532,000	623	4.11	1.0
1,366	9.02	83,512,200	1,366	9.02	4.0
1,497	9.89	10,500,000	1,497	9.89	4.0
Total		124,771,300	¥1,188	$7.85	3.3

(c) LY Corporation

	Fiscal year ended March 31, 2023		Fiscal year ended March 31, 2024		
	Number of shares	Weighted-average exercise price (Yen)	Number of shares	Weighted-average exercise price (Yen)	(USD)
Beginning balance—Unexercised	220,003,100	¥448	224,138,375	¥452	$2.99
Granted	13,605,400	454	—	—	—
Forfeited	(7,950,050)	386	(37,072,650)	605	4.00
Exercised	(1,509,475)	298	(3,567,300)	299	1.97
Matured	(10,600)	254	—	—	—
Ending balance—Unexercised	224,138,375	¥452	183,498,425	¥424	$2.80
Ending balance—Exercisable	10,327,075	¥298	32,605,075	¥686	$4.53

The unexercised options as of March 31, 2024 are as follows:

Range of exercise price (Yen)	Range of exercise price (USD)	Number of shares	Weighted-average exercise price (Yen)	Weighted-average exercise price (USD)	Weighted-average remaining contract period (year)
¥201-¥300	$1.33-$1.98	86,196,825	¥298	$1.97	5.3
401-500	2.65-3.30	78,689,600	477	3.15	6.9
701-800	4.63-5.28	18,612,000	783	5.17	7.6
Total		183,498,425	¥424	$2.80	6.2

d. Stock options exercised during the period

Weighted-average stock prices at exercise for those stock options exercised during the period are as follows:

(a) SoftBank Group Corp.

Fiscal year ended March 31, 2023

Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise (Yen)
2016—July Stock Acquisition Rights	637,600	¥5,483
2017—February Stock Acquisition Rights	44,800	6,010
2017—July Stock Acquisition Rights	940,200	5,941
2018—August Stock Acquisition Rights	245,600	5,797
2019—July Stock Acquisition Rights	56,000	5,720
2019—November Stock Acquisition Rights	35,500	5,862

Fiscal year ended March 31, 2024

Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise (Yen)	(USD)
2017—July Stock Acquisition Rights	2,459,200	¥6,582	$43.47
2018—August Stock Acquisition Rights	271,600	6,845	45.21
2019—July Stock Acquisition Rights	42,800	6,495	42.90
2019—November Stock Acquisition Rights	6,300	6,189	40.88
2020—August Stock Acquisition Rights	99,000	6,638	43.84

(b) SoftBank Corp.

Fiscal year ended March 31, 2023			Fiscal year ended March 31, 2024			
Year issued / Name	Number of shares exercised	Weighted -average stock price at exercise (Yen)	Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise (Yen)	(USD)
2018 March Stock Acquisition Rights	22,507,000	¥1,500	2018 March Stock Acquisition Rights	17,528,100	¥1,688	$11.15
2020 July Stock Acquisition Rights	318,500	1,514	2020 July Stock Acquisition Rights	40,100	1,602	10.58
			2021 January Stock Acquisition Rights	12,905,600	1,743	11.51
			2021 July Stock Acquisition Rights Item (i)	1,000,000	1,954	12.91
			2021 July Stock Acquisition Rights Item (ii)	435,000	1,659	10.96

(c) LY Corporation

Fiscal year ended March 31, 2023			Fiscal year ended March 31, 2024			
Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise (Yen)	Year issued / Name	Number of shares exercised	Weighted-average stock price at exercise (Yen)	(USD)
2012	9,000	¥515	2012	—	¥ —	$ —
2020	1,500,475	440	2020	3,567,300	426	2.81

(2) Restricted stock unit plan

The Company adopts restricted stock unit (“RSU”) plans where the Company grants shares as compensation on the vesting date if certain conditions are met.
The details of the Company’s RSU plans for the fiscal year ended March 31, 2023 and 2024 are primarily as follows:

Arm
a. The Arm Limited All Employee Plan 2019 (“2019 AEP”)
In December 2019, the 2019 AEP was established to grant RSUs to all employees of Arm and its group companies. Under this plan, it is determined whether to be settled by ordinary shares of Arm or cash dependent on future conditions based on the terms of the plan. The Company considered it to be settled by ordinary shares of Arm on the premise of an IPO and accounted for the compensation plan as an equity-settled share-based payment transaction.

RSUs vest upon the achievement of certain performance thresholds of the enterprise value at the IPO. The fair value of the RSUs is measured using the Monte Carlo option pricing model at the time of grant. The RSUs are forfeited if the employee leaves the Arm Group before the RSUs vest.

The table below identifies award activity under 2019 AEP:

	Awards (Unit)	Weighted average fair value (USD)
Unexercised as of March 31, 2022	13,326,100	$14.36
Granted	198,081	15.71
Cancelled and forfeited	(1,648,383)	18.49
Vested	(419,934)	19.02
Unexercised as of March 31, 2023	11,455,864	$13.64
Granted	2,603	50.20
Cancelled and forfeited	(240,814)	13.84
Vested	(11,217,653)	13.64
Unexercised as of March 31, 2024	—	$ —

b. 2022 Arm Limited RSU Award Plan ("2022 RSU Plan")
In June 2022, the 2022 RSU Plan was established to grant RSUs to all employees of Arm and its group companies ("All Employee Awards") and to grant two types of executive awards to certain of Arm's executive officers ("Executive Awards").

Under All Employee Awards, RSUs were granted as a fixed number of units, and vested RSUs are basically to be settled by ordinary shares of Arm while the 2022 RSU Plan allows for either cash or share settlement of the RSU awards by tranche at the discretion of Arm. The Company accounted for the compensation plan, except for certain units expected to be settled by cash, as an equity-settled share-based payment transaction, and for units expected to be settled by cash are accounted as a cash-settled share-based payment transaction. The fair value of the RSUs accounted as an equity-settled share-based payment transaction is measured by taking into account the lack of marketability to a calculated entity valuation at the time of grant while the fair value of the RSUs accounted as a cash-settled share-based payment transaction is measured at every quarter.

Under Executive Awards, RSUs were granted as a fixed amount of cash or, upon the occurrence of a change in control or an IPO, a variable number of ordinary shares of Arm equal to a fixed amount of cash in November 2022. Executive Awards granted were originally accounted for as cash-settled share-based payment transaction and upon the IPO, each Executive Award was converted into variable number of shares based on the closing ADS price of Arm at the IPO date.
RSUs for All Employee Awards require continuous service through the vesting date, and are subject to graded vesting over time. RSUs for a portion of Executive Awards require a three-year continuous service period and vest over the period, and another portion of Executive Awards is subject to continuous service and satisfaction of certain performance conditions, and vest upon the satisfaction of performance metrics.

The table below identifies award activity under the 2022 RSU Plan:

(Equity-settled)	Awards (Unit)	Weighted average fair value (USD)
Unexercised as of March 31, 2022	—	$ —
Granted	18,011,664	35.58
Cancelled and forfeited	(927,323)	33.66
Reclassification to Cash-settled	(6,306,872)	35.58
Unexercised as of March 31, 2023	10,777,469	$35.74
Granted	17,126,122	43.66
Cancelled and forfeited	(621,895)	43.40
Vested	(6,400,480)	37.52
Executive Awards conversion	2,491,899	51.00
Unexercised as of March 31, 2024	23,373,115	$42.42

(Cash-settled)	Awards (Unit)	Weighted average fair value (USD)
Unexercised as of March 31, 2022	—	$ —
Reclassification from Equity-settled	6,306,872	35.58
Cancelled and forfeited	(454,246)	—
Vested	(5,500,361)	41.50
Unexercised as of March 31, 2023	352,265	$41.50
Granted	8,362	—
Cancelled and forfeited	(9,605)	—
Vested	(351,022)	47.99
Unexercised as of March 31, 2024	—	$ —

c. Omnibus Incentive Plan
In August 2023, the Omnibus Incentive Plan was established to grant incentive awards to employees, executive directors, and non-employees of Arm and its subsidiaries. The types of incentive awards granted under the Omnibus Incentive Plan and vesting conditions applicable to each award are determined by Arm.

For all periods presented, the maximum number of ordinary shares that may be issued under the Omnibus Incentive Plan is equal to the sum of (i)20,500,000 ordinary shares and (ii) an annual increase on April 1 of each year beginning on April 1, 2024 and ending on April 1, 2028, equal to the lesser of (A) 2% of the aggregate number of ordinary shares outstanding on March 31 of the immediately preceding fiscal year and (B) such smaller number of ordinary shares as determined by Arm.

For the fiscal year ended March 31, 2024, Arm granted RSUs and performance stock units ("PSUs") under the Omnibus Incentive Plan to employees, including executives of Arm. The Omnibus Incentive Plan allows for either cash or share settlement of the awards by tranche, if applicable, at the discretion of Arm. At the time of issuance, the Company intended to settle the RSUs and PSUs in shares at the vesting date and such awards are accounted for as equity-settled share-based payment transactions.

The RSUs were granted to existing employees and new hires of Arm and its subsidiaries, require continuous service through the vesting date and are subject to graded vesting over time.

PSUs were awarded to executives of Arm and include a portion that require three-year continuous service period and another portion that is subject to continuous service and satisfaction of certain performance conditions. The time-based portion of the PSUs vest over a three-year period. The PSUs that are subject to continuous service and satisfaction of certain performance conditions vest upon the satisfaction of performance metrics.

The table below identifies award activity under the Omnibus Incentive Plan:

	Awards (Unit)	Weighted average fair value (USD)
Unexercised as of March 31, 2023	—	$ —
Granted	1,957,636	68.17
Cancelled and forfeited	(11,105)	57.01
Vested	(50,784)	71.03
Unexercised as of March 31, 2024	1,895,747	$68.16

(3) Restricted stock compensation plan
The Company adopts restricted stock compensation plans where the Company grants stocks, the transfer of which is restricted.
The details of the Company's restricted stock compensation plans for the fiscal year ended March 31, 2023 and 2024 are primarily as follows:

SoftBank Corp.
SoftBank Corp. adopts a restricted stock compensation plan where SoftBank Corp. grants stocks, the transfer of which is restricted. The fair value of restricted stocks granted is calculated based on the common stock price of SoftBank Corp. on the grant date. The plan is accounted for as equity-settled share-based payment.
The plan is vested on the day when shares of restricted stocks are granted, and the granted shares of restricted stocks shall not be transferred, pledged as collateral or disposed of from the grant day to the day of resignation from the eligible directors of SoftBank Corp.

The details of the plan for the fiscal year ended March 31, 2023 and 2024 are as follows:

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Eligible director(s)	Five directors Four corporate executive officers	Five directors Four corporate executive officers
Number of shares granted	1,421,700	1,117,100
Weighted-average fair value of shares granted	¥1,541	¥1,538 ($10.16)

36. Net sales

(1) Breakdown of net sales

The components of net sales are as follows.

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
SoftBank segment[*1]			
Consumer business			
Service revenues			
Mobile communications	¥1,502,112	¥1,507,678	$ 9,957,585
Broadband	396,745	404,765	2,673,304
Electricity	392,550	261,666	1,728,195
Revenues from sales of goods and others	579,765	635,437	4,196,797
Enterprise business	729,494	762,924	5,038,795
Distribution business	516,188	568,790	3,756,621
Media & EC business[*2]			
Media	665,778	680,078	4,491,632
Commerce	788,800	816,597	5,393,283
Strategy	74,043	84,395	557,394
Other	4,372	5,511	36,398
Financial business	174,135	215,862	1,425,679
Other	129,392	137,580	908,659
Subtotal	5,953,374	6,081,283	40,164,342
Arm segment			
License and other revenue[*3]	140,032	207,749	1,372,096
Royalty revenue	241,714	256,276	1,692,596
Subtotal	381,746	464,025	3,064,692
Other	235,319	211,192	1,394,835
Total	¥6,570,439	¥6,756,500	$44,623,869

The above amount of net sales for the fiscal year ended March 31, 2024 includes ¥197,147 million ($1,302,074 thousand) (for the fiscal year ended March 31, 2023: ¥148,353 million) of revenue arising from other sources than those arising from IFRS 15 “Revenue from Contracts with Customers”, such as lease contracts at Finance business and Enterprise business under the SoftBank segment.

*1 Since the three-month period ended June 30, 2023, name of a service category under the SoftBank segment has been changed from “Yahoo! JAPAN/LINE business” to “Media & EC business.”

*2 For the three-month period ended June 30, 2023, the service categories under “Media & EC business (formerly Yahoo! JAPAN/LINE business)” were changed, and certain services were transferred between “Media” and “Other.” In addition, for the three-month period ended December 31, 2023, following the completion of the intragroup reorganization among Z Holdings Corporation, LINE Corporation, Yahoo Japan Corporation and others, certain service categories under “Media & EC business” were changed. Accordingly, sales under “Media & EC business” for the fiscal year ended March 31, 2023 are reclassified among the categories.

*3 Since the three-month period ended June 30, 2023, “License revenue” and “Other” have been combined into “License and other revenue” under the Arm segment. Sales for the fiscal year ended March 31, 2023 are reclassified accordingly.

(2) Contract balance

The components of contract balances are as follows.

	(Millions of yen)			(Thousands of U.S. dollars)
	As of April 1, 2022	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Receivables arising from contracts with customers	¥1,015,459	¥1,102,918	¥1,137,705	$7,514,068
Contract assets	51,883	50,549	114,884	758,761
Contract liabilities	265,276	335,898	364,354	2,406,406

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

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

For the fiscal year ended March 31, 2024, impairment loss on receivables related to revenue from contracts with customers was ¥14,871 million ($98,217 thousand) (for the fiscal year ended March 31, 2023: ¥6,216 million).

Of the net sales recognized for the fiscal year ended March 31, 2024, ¥136,076 million ($898,725 thousand) was included in the beginning balance of contract liabilities as of that date (for the fiscal year ended March 31, 2023: ¥124,938 million). Also, for the fiscal year ended March 31, 2024, net sales recognized from previously satisfied performance obligations in prior reporting periods was ¥269,561 million ($1,780,338 thousand) (for the fiscal year ended March 31, 2023: ¥230,686 million) which primarily represent royalties earned during the period in the Arm segment.

(3) Transaction price allocated to unsatisfied performance obligations

The aggregate amount of transaction prices allocated to unsatisfied (or partially unsatisfied) performance obligations as of March 31, 2024 is ¥515,619 million ($3,405,449 thousand) (as of March 31, 2023: ¥378,510 million). Of this, the unsatisfied performance obligations of ¥376,167 million ($2,484,426 thousand) as of March 31, 2024 (as of March 31, 2023: ¥227,023 million) arise primarily from license contracts related to Arm’s technology in the Arm segment and of ¥139,449 million ($921,003 thousand) as of March 31, 2024 (as of March 31, 2023: ¥150,980 million) arise primarily from mobile services and mobile device rental services in the SoftBank segment.

Under the Arm segment, the Company has elected to exclude potential future royalty receipts from the disclosure. In certain arrangements, Arm’s right to consideration may not correspond directly with the performance of obligations. Revenue recognition occurs upon delivery or beginning of license term, whichever is later. Accordingly, the analysis between time bands below has been estimated, but the final timing may differ from these estimates. In the absence of sufficient information, where the timing of satisfaction of the remaining performance obligations is dependent on a customer’s action, the transaction price allocated to such performance obligation is included in the outer-year time band unless contract or option expiration aligns with an earlier period or category. In the Arm segment, the Company expects to recognize approximately 28% of remaining performance obligations as revenue over the next 12 months, approximately 14% over the subsequent 13-to 24-month period, and the remainder thereafter.

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

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

37. Cost of sales and selling, general and administrative expenses

The components of cost of sales and selling, general and administrative expenses are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Cost of goods sold	¥(1,765,752)	¥(1,708,728)	$(11,285,437)
Employees benefit cost	(870,743)	(1,114,941)	(7,363,721)
Depreciation and amortization	(893,488)	(858,620)	(5,670,828)
Sales commissions and sales promotion expenses	(465,489)	(461,113)	(3,045,459)
Service outsourcing expenses	(363,876)	(359,262)	(2,372,776)
Amortization of contract acquisition cost and contract performance cost	(247,887)	(255,146)	(1,685,133)
Telecommunications equipment usage fees	(251,752)	(249,243)	(1,646,146)
Other	(1,078,738)	(1,189,438)	(7,855,743)
Total	¥ (5,937,725)	¥(6,196,491)	$(40,925,243)

"Depreciation and amortization" includes disposal of "Property, plant and equipment," "Right-of-use assets," and "Intangible assets" as well as amortization of long-term prepaid expenses which are recorded in "Other non-current assets" in the consolidated statement of financial position.

38. 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)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	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*2	24,842	—	—
Realized loss on investments at asset management subsidiaries	(73,950)	(90,360)	(596,790)
Unrealized gain (loss) on valuation of investments at asset management subsidiaries	(67,122)	12,692	83,825
Derivative loss on investments at asset management subsidiaries	(5,102)	(792)	(5,231)
Realized gain (loss) on investments*3	(237,980)	38,037	251,219
Unrealized loss on valuation of investments*3	(142,380)	(666,967)	(4,405,039)
Derivative gain on investments*4	205,506	226,050	1,492,966
Other	18,435	22,295	147,249
Total	¥4,560,500	¥(459,045)	$(3,031,801)

*1 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 Alibaba ceased to be an equity method associate of the Company for the three-month period ended September 30, 2022. 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.

As a result of the physical settlement under the board resolution in August 2022 and the remeasurement of remaining Alibaba shares, for the three-month period ended September 30, 2022, ¥584,796 million of gain on settlement of prepaid forward contracts using Alibaba shares and ¥3,996,668 million of gain from remeasurement of Alibaba shares were recognized.

In the schedule above, gain on settlement of prepaid forward contracts using Alibaba shares is divided into "Gain relating to settlement of prepaid forward contracts using Alibaba shares" and "Realized gain (loss) on investments," depending on whether a physical settlement is completed before Alibaba ceases to be an equity method associate of the Company or not, and the gain from remeasurement of remaining Alibaba shares is included in "Gain relating to settlement of prepaid forward contracts using Alibaba shares."

Also, before the physical settlement under the board resolution in August 2022, for the six-month period ended September 30, 2022, certain prepaid forward contracts using Alibaba shares were settled by Alibaba shares and ¥132,157 million of gain on settlement of prepaid forward contracts using Alibaba shares was recognized. The gain is included in "Gain relating to settlement of prepaid forward contracts using Alibaba shares."

*2 On April 12, 2022, Deutsche Telekom exercised options to purchase T-Mobile shares granted by the Company to Deutsche Telekom and the Company sold 21,153,145 of T-Mobile shares held by the wholly-owned subsidiary of the Company to Deutsche Telekom. In connection with the exercise, the wholly-owned subsidiary of the Company received $2.40 billion as consideration for the sale of T-Mobile shares. As a result, ¥24,842 million of gain relating to sales of T-Mobile shares was recorded for the fiscal year ended March 31, 2023. Cumulative gains on T-Mobile shares and the options associated with this transaction are ¥22,528 million. Of this, ¥6,012 million of loss was recorded for the fiscal year ended March 31, 2021, and ¥3,698 million of gain was recorded for the fiscal year ended March 31, 2022.

*3 Effects of stock price changes for the remaining Alibaba shares after being remeasured are included in "Realized gain (loss) on investments" or "Unrealized 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 ($308,956 thousand) (for the fiscal year ended March 31, 2023: ¥210,919 million) of realized loss on investments and ¥913,156 million ($6,031,015 thousand) (for the fiscal year ended March 31, 2023: ¥254,356 million) of unrealized loss on valuation of investments were recognized. 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 ($57,070 thousand) of unrealized loss on valuation of investments recognized in the past fiscal year is transferred to a realized loss on investments.

*4 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 ($1,499,320 thousand) 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 (for the fiscal year ended March 31, 2023: ¥189,874 million was recorded for the changes in the fair value of the contingent consideration). The details of the transaction are described in "*4" in "Option contracts to which hedge accounting is not applied" in "iii. Option contracts" in "(b) Price risk" in "a. Market risk" in "(2) Financial risk management" under "Note 28. Financial instruments." In addition, the effects of stock price changes for those T-Mobile shares acquired through the transaction are included in "Unrealized 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 7. SoftBank Vision Funds business."

39. Finance cost

The components of finance cost are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Interest expenses*	¥(555,902)	¥(556,004)	$(3,672,175)

* "Interest expenses" are incurred mainly by financial liabilities measured at amortized cost. For the fiscal year ended March 31, 2024, the amount of lease expenses incurred from lease liabilities which was recorded in "Interest expenses" was ¥ (14,177) million ($ (93,633) thousand) (for the fiscal year ended March 31, 2023: ¥ (13,586) million).

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

For the fiscal year ended March 31, 2024, derivative gain of ¥1,517,350 million ($10,021,465 thousand) (for the fiscal year ended March 31, 2023: derivative gain of ¥24,933 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 22. Interest-bearing debt." The above gain for the fiscal year ended March 31, 2023 includes ¥790,145 million of derivative gain recorded for the three-month period ended September 30, 2022 related to the prepaid forward contracts using Alibaba shares subject to the physical settlement under the board resolution in August 2022. The details of the physical settlement are described in "*1" in "(1) Gain and loss on investments at Investment Business of Holding Companies" under "Note 38. Gain on investments."

41. Other gain (loss)

The components of other gain and loss are as follows:

	(Millions of yen)		(Thousands of U.S. dollar)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Interest income	¥ 114,368	¥207,848	$1,372,749
Gain relating to loss of control over subsidiaries*1	22,872	119,473	789,069
Dilution gain from changes in equity interest*2	84,799	20,300	134,073
Provision for loss relating to litigation*3	(19,176)	19,176	126,649
Gain on redemption of corporate bonds*4	44,063	4,249	28,063
Impairment loss on equity method investments*5,6	(67,162)	(54,196)	(357,942)
Loss relating to credit support for WeWork*7	(142,226)	(42,072)	(277,868)
Loss on derecognition of unsecured notes issued by WeWork*8	—	(21,579)	(142,520)
Provision for allowance for doubtful accounts*9	(110,409)	(5,098)	(33,670)
Gain (loss) on liabilities for short put options over non-controlling interests*10	40,310	(5,257)	(34,720)
Provision for allowance for loan commitment losses*11	(20,444)	—	—
Other	28,867	(124)	(818)
Total	¥ (24,138)	¥242,720	$1,603,065

*1 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.

*2 The amount is primarily related to the dilution gain arising from changes in Alibaba's equity interest held by the Company due to the exercise of stock options in Alibaba, before Alibaba ceased to be an equity method associate.

*3 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 ($126,649 thousand) 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.

*4 The amount is related to foreign-currency-denominated notes purchased by SoftBank Group Corp.

*5 For the fiscal year ended March 31, 2024, ¥22,345 million ($147,579 thousand) (for the fiscal year ended March 31, 2023: ¥31,304 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.

*6 For the fiscal year ended March 31, 2023, ¥22,809 million of impairment loss was recorded as the fair value of WeWork common shares accounted for using the equity method decreased.

*7 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 ($277,868 thousand) 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.

For the fiscal year ended March 31, 2023, ¥142,226 million of provision for allowance for financial guarantee contract losses related to a credit facility for WeWork provided by financial institutions was recorded mainly due to an increase in the credit spread for WeWork's unsecured notes distributed in the market from March 31, 2022. ¥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."

On June 11, 2024, WeWork emerged from Chapter 11 bankruptcy. As a result, WeWork was no longer an associate of the Company as of that date due to a decrease in the percentage of voting rights held by the Company.

*8 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 ($142,520 thousand) of loss was recorded.

*9 For the fiscal year ended March 31, 2023, ¥77,191 million of provision for allowance for doubtful accounts related to unsecured notes issued by WeWork was recorded as the expected credit losses were higher than the amount recorded as of March 31, 2022 due to an increase in the credit spread for WeWork's unsecured notes distributed in the market.

*10 The Company recognizes short put options granted to owners of non-controlling interests in subsidiaries of the Company as financial liabilities at fair value through profit or loss. The amount primarily represents the valuation gain or loss due to the fluctuation of fair value in the financial liabilities related to Fortress.

*11 For the fiscal year ended March 31, 2023, ¥20,444 million of provision for allowance for loan commitment losses related to acquiring senior secured notes to be issued by WeWork was recorded.

42. Other comprehensive income

The table below presents the amount arising during the year, reclassification adjustments to profit or loss and the income tax effect of each item in other comprehensive income.

For the fiscal year ended March 31, 2023

	(Millions of yen)				
	Amount arising during the year	Reclassification adjustments	Before tax effect	Income tax effect	After tax effect
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit plan	¥ 4,088	¥ —	¥ 4,088	¥ (848)	¥ 3,240
Equity financial assets at FVTOCI	4,098	—	4,098	2,096	6,194
Share of other comprehensive income of associates	356	—	356	—	356
Total	8,542	—	8,542	1,248	9,790
Items that may be reclassified subsequently to profit or loss					
Debt financial assets at FVTOCI	(1,491)	629	(862)	264	(598)
Cash flow hedges	25,830	(100,494)	(74,664)	1,873	(72,791)
Exchange differences on translating foreign operations	512,039	497,325	1,009,364	211,885	1,221,249
Share of other comprehensive income of associates	28,416	91,059	119,475	(19,184)	100,291
Total	564,794	488,519	1,053,313	194,838	1,248,151
Total other comprehensive income	¥573,336	¥ 488,519	¥1,061,855	¥196,086	¥1,257,941

For the fiscal year ended March 31, 2024

	(Millions of yen)				
	Amount arising during the year	Reclassification adjustments	Before tax effect	Income tax effect	After tax effect
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit plan	¥ (507)	¥ —	¥ (507)	¥ 199	¥ (308)
Equity financial assets at FVTOCI	11,984	—	11,984	(1,207)	10,777
Share of other comprehensive income of associates	326	—	326	—	326
Total	11,803	—	11,803	(1,008)	10,795
Items that may be reclassified subsequently to profit or loss					
Debt financial assets at FVTOCI	963	(1,361)	(398)	112	(286)
Cash flow hedges	139,709	(116,337)	23,372	635	24,007
Exchange differences on translating foreign operations	1,979,444	21,092	2,000,536	380	2,000,916
Share of other comprehensive income of associates	(3,463)	467	(2,996)	(212)	(3,208)
Total	2,116,653	(96,139)	2,020,514	915	2,021,429
Total other comprehensive income	¥2,128,456	¥ (96,139)	¥2,032,317	¥ (93)	¥2,032,224

	(Thousands of U.S. dollars)				
	Amount arising during the year	Reclassification adjustments	Before tax effect	Income tax effect	After tax effect
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit plan	$ (3,349)	$ —	$ (3,349)	$ 1,315	$ (2,034)
Equity financial assets at FVTOCI	79,150	—	79,150	(7,972)	71,178
Share of other comprehensive income of associates	2,152	—	2,152	—	2,152
Total	77,953	—	77,953	(6,657)	71,296
Items that may be reclassified subsequently to profit or loss					
Debt financial assets at FVTOCI	6,360	(8,989)	(2,629)	740	(1,889)
Cash flow hedges	922,720	(768,358)	154,362	4,194	158,556
Exchange differences on translating foreign operations	13,073,403	139,304	13,212,707	2,511	13,215,218
Share of other comprehensive income of associates	(22,872)	3,084	(19,788)	(1,400)	(21,188)
Total	13,979,611	(634,959)	13,344,652	6,045	13,350,697
Total other comprehensive income	$14,057,564	$(634,959)	$13,422,605	$ (612)	$13,421,993

43. Earnings per share

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

(1) Basic earnings per share

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Net income attributable to ordinary shareholders of the parent			
Net income attributable to owners of the parent	¥ (970,144)	¥ (227,646)	$(1,503,507)
Net income not-attributable to ordinary shareholders of the parent[*1]	(36,113)	(22,849)	(150,908)
Net income used in the calculation of basic earnings per share	¥(1,006,257)	¥ (250,495)	$(1,654,415)
	(Thousands of shares)		
Weighted-average number of ordinary shares	1,542,474	1,464,957	
	(Yen)	(Yen)	(USD)
Basic earnings per share	¥ (652.37)	¥ (170.99)	$ (1.13)

(2) Diluted earnings per share

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Diluted net income attributable to ordinary shareholders of the parent			
Net income used in the calculation of basic earnings per share	¥(1,006,257)	¥ (250,495)	$(1,654,415)
Effect of dilutive securities issued by subsidiaries and associates	(15,500)	(4,706)	(31,081)
Total	¥(1,021,757)	¥ (255,201)	$(1,685,496)
	(Thousands of shares)		
Weighted-average number of ordinary shares used in the calculation of diluted earnings per share			
Weighted-average number of ordinary shares	1,542,474	1,464,957	
Adjustments			
Stock acquisition rights[*2]	—	—	
Total	1,542,474	1,464,957	
	(Yen)	(Yen)	(USD)
Diluted earnings per share	¥ (662.41)	¥ (174.20)	$ (1.15)

*1 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.

*2 For the fiscal year ended March 31, 2023 and 2024, stock acquisition rights are not included in the calculation for "Diluted earnings per share" as it has an antidilutive effect for the calculation.

44. Supplemental information to the consolidated statement of cash flows

(1) Scope of purchase of property, plant and equipment and intangible assets
"Purchase of property, plant and equipment, and intangible assets" includes cash outflows from long-term prepaid expenses that are included in "Other non-current assets" in the consolidated statement of financial position.

(2) Income taxes paid and income taxes refunded

For the fiscal year ended March 31, 2023
Payment of withholding income tax related to dividends within the group companies of ¥109,330 million is included in "Income taxes paid." In addition, refunded withholding income tax related to dividends within the group companies of ¥92,895 million is included in "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 ($949,673 thousand) is included in "Income taxes paid." In addition, refunded withholding income tax related to dividends within the group companies of ¥56,629 million ($374,011 thousand) is included in "Income taxes refunded."

(3) Proceeds from sales/redemption of investments

For the fiscal year ended March 31, 2023
¥309,696 million of proceeds received from sales of T-Mobile shares is included in "Proceeds from sales/redemption of investments."

(4) 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.

(5) Proceeds from withdrawal of trust accounts in SPACs

For the fiscal year ended March 31, 2023
"Proceeds from withdrawal of trust accounts in SPACs" is proceeds from withdrawal of proceeds, received from public market investors and held in trust accounts, in a SPAC sponsored by the Company. The proceeds were withdrawn for redemption to the public market investors when the SPACs ceased all operations.

(6) Redemption of non-controlling interests subject to possible redemption

For the fiscal year ended March 31, 2023
"Redemption of non-controlling interests subject to possible redemption" is the repayment of all the proceeds to the public market investors of the SPACs. The repayment was required because the SPACs sponsored by the Company were unable to complete a merger within 24 months from the date of the initial public offering and ceased all operations.

(7) 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.

(8) 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.

(9) 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.

(10) 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 "(7) Non-controlling interests" under "Note 33. Equity."

(11) Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities are as follows:

For the fiscal year ended March 31, 2023

	(Millions of Yen)				
	Interest-bearing debt	Lease liabilities	Derivatives related to corporate bond	Third-party interests in SVF	Non-controlling interests subject to possible redemption*3
As of April 1, 2022	¥21,457,432	¥ 866,148	¥(47,566)	¥ 5,640,498	¥ 307,144
(a) Changes arising from financing cash flows					
Repayment of short-term interest-bearing debt, net	(73,371)	—	—	—	—
Proceeds from interest-bearing debt	9,176,112	—	—	—	—
Repayment of interest-bearing debt	(6,299,554)	—	4,563	—	—
Repayment of lease liabilities	—	(266,423)	—	—	—
Contributions into SVF from third-party investors	—	—	—	17,857	—
Distribution/repayment from SVF to third-party investors	—	—	—	(544,242)	—
Redemption of non-controlling interests subject to possible redemption	—	—	—	—	(319,401)
Other	—	—	3,374	—	(35,464)
(b) Changes from acquisition or loss of control over subsidiaries and other businesses	(158,534)	(32)	—	—	(2,448)
(c) The effect of changes in foreign exchange rates	1,019,581	5,064	—	513,205	32,380
(d) Changes in fair values	—	—	(32,922)	—	—
(e) Changes in third-party interests in SVF	—	—	—	(1,127,949)	—
(f) Non-cash transactions*1,2	(5,538,147)	270,186	—	—	—
(g) Other changes	(105,325)	(37,946)	347	—	17,789
As of March 31, 2023	¥19,478,194	¥ 836,997	¥(72,204)	¥ 4,499,369	¥ —

*1 The decrease in interest-bearing debt is due to the physical settlement of prepaid forward contracts using Alibaba shares. The details are described in "*1" in "(1) Gain and loss on investments at Investment Business of Holding Companies" under "Note 38. Gain on investments."

*2 The increase in lease liabilities is mainly due to remeasurement of the lease liabilities and the lease transactions executed during the period.

*3 Non-controlling interests subject to possible redemption decreased as SPACs sponsored by the Company ceased operations due to its inability to complete the merger with the operating company within 24 months of its listing, and as a result, the Company redeemed all of its investments to public market investors.

For the fiscal year ended March 31, 2024

	(Millions of Yen)			
	Interest-bearing debt	Lease liabilities	Derivatives related to corporate bond	Third-party interests in SVF
As of April 1, 2023	¥19,478,194	¥ 836,997	¥ (72,204)	¥4,499,369
(a) Changes arising from financing cash flows				
Proceeds in short-term interest-bearing debt, net	182,874	—	—	—
Proceeds from interest-bearing debt	5,914,090	—	—	—
Repayment of interest-bearing debt	(5,903,403)	—	14,217	—
Repayment of lease liabilities	—	(211,231)	—	—
Distribution/repayment from SVF to third-party investors	—	—	—	(783,522)
Other	—	—	7,393	—
(b) Changes from acquisition or loss of control over subsidiaries and other businesses	(3,436)	(15,529)	—	—
(c) The effect of changes in foreign exchange rates	1,182,095	12,432	—	588,519
(d) Changes in fair values	—	—	(189,135)	—
(e) Changes in third-party interests in SVF	—	—	—	390,137
(f) Non-cash transactions[*1,2]	(356,925)	208,517	—	—
(g) Other changes	74,035	(36,679)	191	—
As of March 31, 2024	¥20,567,524	¥ 794,507	¥(239,538)	¥4,694,503

	(Thousands of U.S. dollars)			
	Interest-bearing debt	Lease liabilities	Derivatives related to corporate bond	Third-party interests in SVF
As of April 1, 2023	$128,645,360	$ 5,528,017	$ (476,877)	$29,716,459
(a) Changes arising from financing cash flows				
Proceeds in short-term interest-bearing debt, net	1,207,807	—	—	—
Proceeds from interest-bearing debt	39,060,102	—	—	—
Repayment of interest-bearing debt	(38,989,519)	—	93,898	—
Repayment of lease liabilities	—	(1,395,093)	—	—
Distribution/repayment from SVF to third-party investors	—	—	—	(5,174,837)
Other	—	—	48,828	—
(b) Changes from acquisition or loss of control over subsidiaries and other businesses	(22,693)	(102,563)	—	—
(c) The effect of changes in foreign exchange rates	7,807,245	82,108	—	3,886,923
(d) Changes in fair values	—	—	(1,249,158)	—
(e) Changes in third-party interests in SVF	—	—	—	2,576,692
(f) Non-cash transactions[*1,2]	(2,357,341)	1,377,168	—	—
(g) Other changes	488,970	(242,249)	1,260	—
As of March 31, 2024	$135,839,931	$ 5,247,388	$(1,582,049)	$31,005,237

*1 The decrease in interest-bearing debt is due to the physical settlement of prepaid forward contracts using Alibaba shares. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 22. Interest-bearing debt."

*2 The increase in lease liabilities is mainly due to remeasurement of the lease liabilities and the lease transactions executed during the period.

(12) Cash outflows related to lease

For the fiscal year ended March 31, 2024, the total amount of cash outflows related to lease is ¥224,901 million ($1,485,377 thousand) (for the fiscal year ended March 31, 2023: ¥278,951 million).

(13) Significant non-cash transactions

Significant non-cash transactions (investing and financing transactions that do not require the use of cash and cash equivalents) are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Increase in right-of-use assets related to lease transactions	¥267,680	¥203,323	$1,342,864

In addition to the above, the following non-cash transactions were conducted.

For the fiscal year ended March 31, 2023

a. The physical settlement of prepaid forward contracts using Alibaba shares

Based on the board resolution in August 2022 or the reached settlement date for a portion of prepaid forward contracts, ¥5,538,147 million of financial liabilities relating to sale of shares by prepaid forward contracts, ¥1,874,305 million of derivative financial assets, and ¥13,376 million of derivative financial liabilities, were settled by Alibaba shares. The details are described in "*1" in "(1) Gain and loss on investments at Investment Business of Holding Companies" under "Note 38. Gain on investments."

For the fiscal year ended March 31, 2024

a. The physical settlement of prepaid forward contracts using Alibaba shares

As certain prepaid forward contracts using Alibaba shares matured, ¥356,925 million ($2,357,341 thousand) of financial liabilities relating to sale of shares by prepaid forward contracts and ¥231,618 million ($1,529,740 thousand) 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 22. Interest-bearing debt."

b. Acquisition of T-Mobile shares for no additional consideration as contingent consideration

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 "*4" in "Option contracts to which hedge accounting is not applied" in "iii. Option contracts" in "(b) Price risk" in "a. Market risk" in "(2) Financial risk management" under "Note 28. Financial instruments."

45. Related party transactions

(1) Related party transactions and balances

For the fiscal year ended March 31, 2023, Rajeev Misra resigned from his position as the Corporate Officer, Executive Vice President in SoftBank Group Corp. on August 31, 2022.

After the resignation, he is not a related party of the Company. However, transactions during the term in which he was a related party of the Company and transactions during the term from the resignation date to date when the balances outstanding as of the resignation date were settled, and their balance as of March 31, 2023 are disclosed.

Related party transactions of the Company are as follows:

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.

(a) Transactions between SVF2 and related parties

For the fiscal year ended March 31, 2023

			(Millions of yen)	
			Fiscal year ended March 31, 2023	As of March 31, 2023
Name of the company or individual	Nature of relationship	Nature of transaction	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]	—	
		The premium received on SVF2 LLC's receivables	¥ 11,185*[3]	¥ 384,870*[3,4]
		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]		384,870

Name of the company or individual	Nature of relationship	Nature of transaction	(Thousands of U.S. dollars) Fiscal year ended March 31, 2023 Amount of transaction*[8]	As of March 31, 2023 Balance at period end*[8]
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]	—	
		The premium received on SVF2 LLC's receivables	$82,506*[3]	$2,882,270*[3,4]
		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]		2,882,270

For the fiscal year ended March 31, 2024

Name of the company or individual	Nature of relationship	Nature of transaction	(Millions of yen) Fiscal year ended March 31, 2024 Amount of transaction	As of March 31, 2024 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]	—	
		The premium received on SVF2 LLC's receivables	¥ 11,964*[3]	¥ 448,931*[3,4]
		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

Name of the company or individual	Nature of relationship	Nature of transaction	(Thousands of U.S. dollars) Fiscal year ended March 31, 2024 Amount of transaction*8	As of March 31, 2024 Balance at period end*8
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	—	
		The premium received on SVF2 LLC's receivables	$82,732*3	$2,965,003*3,4
		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		2,965,003

*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 (as of March 31, 2023: 8,897,100 shares). 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 fees and performance-linked management fees to be charged to MgmtCo
The terms of the management fees and performance-linked management fees 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.

*8. The amounts represent the original transaction amounts and the outstanding balances recorded in U.S. dollars, and are not the translations of Japanese yen amounts into U.S. dollar amounts.

(b) Transactions between LatAm Funds and related parties

For the fiscal year ended March 31, 2023

			(Millions of yen)	
			Fiscal year ended March 31, 2023	As of March 31, 2023
Name of the company or individual	Nature of relationship	Nature of transaction	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]	—	
		The premium received on SLA LLC's receivables	¥2,641*[3]	¥90,606*[3,4]
		MgmtCo's Equity interests in SLA LLC*[5,6]	—	28,652
		Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC)*[7]		61,954

			(Thousands of U.S. dollars)	
			Fiscal year ended March 31, 2023	As of March 31, 2023
Name of the company or individual	Nature of relationship	Nature of transaction	Amount of transaction*[8]	Balance at period end*[8]
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]	—	
		The premium received on SLA LLC's receivables	$19,479*[3]	$678,545*[3,4]
		MgmtCo's Equity interests in SLA LLC*[5,6]	—	214,570
		Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC)*[7]		463,975

For the fiscal year ended March 31, 2024

Name of the company or individual	Nature of relationship	Nature of transaction	(Millions of yen) Fiscal year ended March 31, 2024 Amount of transaction	As of March 31, 2024 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]	—	
		The premium received on SLA LLC's receivables	¥2,799*[3]	¥105,278*[3,4]
		MgmtCo's Equity interests in SLA LLC*[5,6]	—	14,086
		Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC)*[7]		91,192

Name of the company or individual	Nature of relationship	Nature of transaction	(Thousands of U.S. dollars) Fiscal year ended March 31, 2024 Amount of transaction*[8]	As of March 31, 2024 Balance at period end*[8]
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]	—	
		The premium received on SLA LLC's receivables	$19,355*[3]	$695,317*[3,4]
		MgmtCo's Equity interests in SLA LLC*[5,6]	—	93,032
		Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC)*[7]		602,285

*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 (as of March 31, 2023: 2,168,500 shares). 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 fees, performance-linked management fees, and performance fees to be charged to MgmtCo
The terms of the management fees, performance-linked management fees, and performance fees 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.

*8. The amounts represent the original transaction amounts and the outstanding balances recorded in U.S. dollars, and are not the translations of Japanese yen amounts into U.S. dollar amounts.

b. Incentive program

The Company provides loans to certain executives of the Company as a part of the incentive program, which was designated for use for the purchase of SoftBank Group Corp. shares.

(a) Incentive program approved in April and July 2018

Regarding the incentive program approved in April and July 2018, the amount of the transactions between the Company and the related parties and the outstanding balance are as follows.

For the fiscal year ended March 31, 2023

			(Millions of yen)	
			Fiscal year ended March 31, 2023	**As of March 31, 2023**
Name of the company or individual	**Nature of relationship**	**Nature of transaction**	**Amount of transaction**	**Balance at period-end**
Yoshimitsu Goto	Director	Collection of loans receivable*1	¥ 5,554	¥ —
		Interest receipt*1	50	—
		Repayment of loans payable*1	900	—
		Interest payment*1	8	—
Ken Miyauchi	Director	Lending of funds*1,3,4	—	5,555
		Interest receipt*1,3,4	80	67
Rajeev Misra	Former Corporate Officer	Collection of loans receivable*2	10,992	—
		Interest receipt*2	187	—

For the fiscal year ended March 31, 2024

			(Millions of yen)	
			Fiscal year ended March 31, 2024	As of March 31, 2024
Name of the company or individual	Nature of relationship	Nature of transaction	Amount of transaction	Balance at period-end
Ken Miyauchi	Director	Collection of loans receivable*1,3,4	¥5,555	¥—
		Interest receipt*1,3,4	30	—

			(Thousands of U.S. dollars)	
			Fiscal year ended March 31, 2024	As of March 31, 2024
Name of the company or individual	Nature of relationship	Nature of transaction	Amount of transaction	Balance at period-end
Ken Miyauchi	Director	Collection of loans receivable*1,3,4	$36,688	$—
		Interest receipt*1,3,4	198	—

*1 The interest rates for the loans are the 1.45% of fixed rate, which was rationally determined in reference to market interest rates and actual interest rates of SoftBank Group Corp. for other borrowings with periods similar to the period of the loans. The maturity date for the loans is May 31, 2023, and the borrowers are required to make a single payment at maturity. However, SoftBank Group Corp. and the borrowers may agree to extend the term of the loan for two additional five-year periods to May 31, 2033, and the borrowers may prepay all or any portion of the loans at any time voluntarily. Additionally, the borrowers may deposit with SoftBank Group Corp. any amount of cash equal to or less than the then-outstanding principal amount of the loans, and SoftBank Group Corp. will account for the deposit as loan payables on the balance sheet. The interest rates for the deposits are the same as the rates for the loans. In May 2023, the maturity date for the loan between the Company and Ken Miyauchi has been extended to May 31, 2028. After the extension of the maturity date, the loan was fully repaid in August 2023.

*2 The interest rate for the loan is 2.94% of the fixed rate, which was rationally determined in reference to market interest rates and actual interest rates of SoftBank Group Corp. for other borrowings with periods similar to the period of the loans. The maturity date for the loans is May 31, 2028, and the borrower is required to make a single payment at maturity. However, SoftBank Group Corp. and the borrower may agree to extend the term of the loan for an additional five-year period to May 31, 2033, and the borrower may prepay all or any portion of the loan at any time voluntarily. Additionally, the borrower may deposit with SoftBank Group Corp. any amount of cash equal to or less than the then-outstanding principal amount of the loan, and SoftBank Group Corp. will account for the deposit as loan payables on the balance sheet. The interest rate for the deposit is the same as the rate for the loan.

*3 The following assets of the borrower are pledged as collateral in the transactions.

- Shares of SoftBank Group Corp. purchased with the funds of loans, and all proceeds of the shares.
- Also, when default occurs, SoftBank Group Corp. is entitled to receive the part of future cash compensation for the borrowers payable by SoftBank Group Corp. and subsidiaries, as repayment of the loan.

*4 Total shortfall calculated by deducting the amount received through fully exercised rights in respect to collateral and rights to receive the part of future cash compensation for the borrowers payable by SoftBank Group Corp. and subsidiaries as repayment of the loan from all amounts that become due and payable by the borrowers is guaranteed by Masayoshi Son, who is Representative Director of SoftBank Group Corp.

(b) Incentive program approved in February 2020

Regarding the incentive program approved in February 2020, the amount of the transactions between the Company and the related parties and the outstanding balance are as follows.

For the fiscal year ended March 31, 2023

			(Millions of yen)	
			Fiscal year ended March 31, 2023	As of March 31, 2023
Name of the company or individual	Nature of relationship	Nature of transaction	Amount of transaction	Balance at period-end
Rajeev Misra (Giantstep Holdings Limited)	Former Corporate Officer and related entities of which he holds more than one-half of the voting rights	Collection of loans receivable*	¥1,066	¥—
		Interest receipt*	0	—

* The interest rate for the loan is 1.93% of the fixed rate, which was rationally determined in reference to market interest rates and actual interest rates of SoftBank Group Corp. for other borrowings with periods similar to the period of the loans. The borrower is required to pay the outstanding principal amount of the loan in a single payment on the seventh anniversary of the funding date. Additionally, the borrower may deposit with SoftBank Group Corp. any amount of cash equal to or less than the then-outstanding principal amount of the loan, and SoftBank Group Corp. will account for the deposit as loan payables on the balance sheet. The interest rate for the deposit is the same as the rate for the loan.

c. Transfer of T-Mobile shares

As a part of the transaction related to transfer of T-Mobile shares, the Company entered into agreements with certain executive for transferring T-Mobile shares and for the loan which was designated for the use for the purchase of T-Mobile shares in June 2020.

Regarding the transactions associated with the transfer of T-Mobile shares, the amount of the transactions between the Company and the related parties and the outstanding balance are as follows.

For the fiscal year ended March 31, 2023

			(Millions of Yen)	
			Fiscal year ended March 31, 2023	**As of March 31, 2023**
Name of the company or individual	**Nature of relationship**	**Nature of transaction**	**Amount of transaction**	**Balance at period-end**
Rajeev Misra (Brightstart Consultants Limited)	Former Corporate Officer and related entity of which he holds more than one-half of the voting rights	Collection of loans receivable*1,2	¥ 59,012 ($475 million)	¥—
		Interest receipt*1,2	325 ($2 million)	—

*1 The borrower is an entity of which the executive holds more than one-half of the voting rights. The repayment of the loan and interest is secured by a first priority pledge of 100% of the borrower's equity interests. The executive guarantees the repayment of the loan and interest to full recourse. Also, the purchaser of T-Mobile shares is the borrower.

*2 The interest rate for the loan is 1.93% of the fixed rate, which was rationally determined in reference to market interest rates and actual interest rates of SoftBank Group Corp. for other borrowings with periods similar to the period of the loans. The maturity dates are July 1, 2024 for the loan made in June 2020 and September 1, 2024 for the loan made in August 2020, and the borrower is required to make a single payment at maturity. Prior to the maturity date the borrower may prepay all or any portion of the outstanding principal amount of the loan, along with any accrued but unpaid interest on such principal amount at any time. Additionally, on April 4, 2022, the Company and Brightstart Consultants Limited, which is a company controlled by Rajeev Misra, entered into an amended agreement regarding the loan interest rate. The amended loan interest rate will be the higher of 1.93% or HMRC Official Rate for each year. Also, on April 5, 2022, the Company loaned $11 million to Brightstart Consultants Limited at the same loan interest rate mentioned above. Additionally, the entire outstanding balance as of March 31, 2022 related to Brightstart Consultants Limited and the entire amount of this additional loan were repaid by June 14, 2022.

d. Other related party transactions

Related party transactions of the Company were as follows:

For the fiscal year ended March 31, 2023

			(Millions of yen)	
			Fiscal year ended March 31, 2023	**As of March 31, 2023**
Name of the company or individual	**Nature of relationship**	**Nature of transaction**	**Amount of transaction**	**Balance at period end**
WeWork	Associate	Receipt of WeWork warrants with exercise price of USD 0.01 per share*1	¥ —	¥ 5,299 ($ 40 million)
		Receipt of WeWork warrants with exercise price of USD 0.02 per share*2	—	525 ($ 4 million)
		Purchase of unsecured notes*3	—	181,826 ($1,362 million)
		Credit support for letter of credit facility*4	—	—
		Purchase of senior secured notes*5	33,315 ($250 million)	32,959 ($ 247 million)
Masayoshi Son (Son Asset Management LLC and 7 other companies)	Representative Director of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Dividend paid from SoftBank Group Corp.	21,871	—
		Dividend paid from SoftBank Corp.	172	—
		Exercise of stock acquisition rights of SoftBank Corp.	498	—
		Payment for equipment usage*6	7	1
		Receipt of guarantees for claims against subsidiaries of the Company*7,8	—	—
Ken Miyauchi	Director	Exercise of stock acquisition rights of SoftBank Corp.	498	—
		Dividend paid from SoftBank Group Corp.	111	—
		Dividend paid from SoftBank Corp.	208	—
AI & Company, Inc. (Yutaka Matsuo)	Related entities of which Director of SoftBank Group Corp. holds more than one-half of the voting rights	Receipt of capital contribution to a subsidiary*9	3	77*10
Rajeev Misra	Former Corporate Officer	Advance payment for temporary expense	69	—
Taizo Son (Son Estate LLC and 6 other companies*11)	Relative of Representative Director of SoftBank Group Corp. and related entities of which the relative holds more than one-half of the voting rights*12	Sale of shares of the Company's subsidiary*13	-	-
		Lending of funds*14	—	—
		Dividend paid from SoftBank Group Corp.	146	—
		Receipt of capital contribution to a subsidiary*15	12	463*10
		Receipt of deposits to a subsidiary*16	—	9

*1 WeWork warrants that are convertible into common shares at an exercise price of $0.01 per share, which the Company received for the fiscal year ended March 31, 2022 as a consideration for conversion of WeWork preferred shares into WeWork common shares of the new company at the time of the merger of WeWork and SPAC (39,133,649 shares) and for the extension of credit support for a letter of credit facility provided by financial institutions (11,923,567 shares).

*2 WeWork warrants that are convertible into common shares at an exercise price of $0.02 per share, which the Company received for the fiscal year ended March 31, 2020 as a consideration for the purchase of unsecured notes issued by WeWork and for the credit support for a letter of credit facility provided by financial institutions.

*3 Balance at period end represents the outstanding balance of unsecured notes which the Company purchased in the consolidated statement of financial position as of March 31, 2023.

*4 SVF2 provides WeWork the credit support for letter of credit facility provided by financial institutions. The details are described in "(2) Credit guarantees" under "Note 46. Contingency."

*5 SVF2 is obliged to purchase up to $0.5 billion in senior secured notes to be issued by WeWork. Amount of transaction represents the amount of senior secured notes which SVF2 purchased for the fiscal year ended March 31, 2023. Balance at period end represents the outstanding balance of senior secured notes in the consolidated statement of financial position as of March 31, 2023. The details are described in "Note 41. Other gain (loss)."

*6 Equipment usage fees are determined based on the ratio of usage.

*7 All indebtedness occurred by November 10, 2020 including indebtedness for or in respect of borrowed money, stock or securities lending, and any other guarantees and indemnities which Delaware subsidiaries, SB Northstar and its subsidiaries ("guaranteed subsidiaries") owe to the Company are guaranteed and indemnified by Masayoshi Son, Son Asset Management LLC and Son Wealth Management Inc. as principal obligor, in proportion to the ownership interest against SB Northstar at the time the relevant guaranteed obligations were incurred. At the time of winding up of SB Northstar, Masayoshi Son, Son Asset Management LLC and Son Wealth Management Inc. indemnify guaranteed obligations not being recoverable for any reason or any failure of guaranteed subsidiaries to perform any of its obligations or liabilities in proportion to the ownership interest against SB Northstar at the time the relevant guaranteed obligations were incurred.
Regarding any indebtedness occurred after November 11, 2020, it will be subject to this guarantee and indemnity agreement, to the extent that Masayoshi Son's prior consent has been obtained.

*8 In the event that Masayoshi Son is unable to perform, on a prolonged or permanent basis, his role with involvement in the investment management decisions of the SB Northstar, the Company has a call option to cause Masayoshi Son, Son Asset Management LLC and Son Wealth Management Inc. to sell all of their interests in the Delaware subsidiaries at the fair market value. If the call option is exercised, SoftBank Group Corp. will discuss the termination of the guarantee and indemnity agreement mentioned above with Masayoshi Son, Son Asset Management LLC and Son Wealth Management Inc.

*9 This represents the received amount of contribution to DEEPCORE TOKYO 1 by AI & Company, Inc. and the terms and conditions of the transaction are determined as same as other limited liability union members.

*10 The balance at period end represents the total investment amount less cumulative investment partnership losses and added cumulative investment partnership gains as of March 31, 2023.

*11 Mr. Taizo Son, relative of Representative Director Masayoshi Son, holds over half of the voting rights of this company.

*12 For the fiscal year ended March 31, 2023, a service agreement was entered into between SBGA and Mr. Taizo Son and he has been a member of the investment committee of SVF2.

*13 The Company and The EDGEof Korea Co., Ltd. ("EDGEof Korea"), which is controlled by Mr. Taizo Son, entered into a definitive agreement to sell all of its 3,600,000 shares in SoftBank Ventures Asia Corp. ("SBVA") to EDGEof Korea for KRW 124,000 million. This transaction is subject to regulatory approvals and the satisfaction of other closing conditions. The transaction price was determined based on negotiation with reference to the corporate valuation by an independent third-party valuation agency. In June 2023, the regulatory approvals and the other closing conditions were satisfied and subsequently the Company sold all of its shares in SBVA to EDGEof Korea.

*14 In April 2023, the Company and EDGEof Korea entered into a loan agreement of KRW 60,760 million which is equivalent to 49% of sales price of shares in SBVA for which the interest rate is equal to the overdraft interest rate prescribed by the Ordinance of the Ministry of Economy and Finance of Korea (as of March 31, 2023: 4.6%) and the maturity date is on the fifth anniversary of the closing date of the agreement. The loan is guaranteed by Mistletoe Singapore Pte. Ltd. and other two entities which are controlled by Mr. Taizo Son, and 49% of SBVA shares held by EDGEof Korea are pledged as collateral for the loan. The voting rights against SBVA are retained by EDGEof Korea.

*15 This represents the received amount of contribution to DEEPCORE TOKYO 1 by Mistletoe Venture Partners, Inc. and the terms and conditions of the transaction are determined as same as other limited liability union members.

*16 This represents the received amount of deposits to PayPay Bank Corporation, a subsidiary of the Company, by GEUDA General Incorporated Association and the terms and conditions of the transactions are determined as same as other depositors.

For the fiscal year ended March 31, 2024

Name of the company or individual	Nature of relationship	Nature of transaction	(Millions of yen) Fiscal year ended March 31, 2024 Amount of transaction	As of March 31, 2024 Balance at period end
ARM Technology (China) Co., Ltd.	Associate	Revenue under the terms of the IP license agreement	¥ 96,060	¥ 44,628
WeWork	Associate	Receipt of WeWork warrants with exercise price of USD 0.01 per share*1	—	—
		Receipt of WeWork warrants with exercise price of USD 0.02 per share*2	—	—
		Receipt of shares and convertible bonds *3	94,122	—
		Purchase/Redemption of the senior secured notes Purchase of the notes *4	7,272	—
		Lending of funds related to credit support for letter of credit facility *5	210,182	—
GreenBox Systems LLC	Joint Venture	Fulfillment of investment commitment*6	0	484,512
Masayoshi Son (Son Asset Management LLC and 9 other companies)	Representative Director of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Dividend paid from SoftBank Group Corp.	21,480	—
		Dividend paid from SoftBank Corp.	241	—
		Payment for equipment usage*7	8	1
		Receipt of guarantees for claims against subsidiaries of the Company*8,9	—	—
	Related entities of which the relative of Representative Director of SoftBank Group Corp. holds more than one-half of the voting rights or has joint control	Income from subleasing of equipments at a subsidiary	105	—
		Payment of outsourcing fees from a subsidiary	11	1
Yoshimitsu Goto	Director	Exercise of stock acquisition rights of SoftBank Group Corp.	479	-
Ken Miyauchi	Director	Dividend paid from SoftBank Corp.	297	—
AI & Company, Inc. (Yutaka Matsuo)	Related entities of which Director of SoftBank Group Corp. holds more than one-half of the voting rights	Receipt of capital contribution to a subsidiary*10	1	86*11
		Distribution from a subsidiary*10	2	—
KOEI TECMO GAMES CO., LTD. (Keiko Erikawa)	Related entities of which Director of SoftBank Group Corp. and the relative hold more than one-half of the voting rights	Fees to content providers*12	232	64
Taizo Son (Son Estate LLC and 7 other companies*13)*20,21	Relative of Representative Director of SoftBank Group Corp. and related entities of which the relative holds more than one-half of the voting rights*14	Sale of shares of the Company's subsidiary*15	13,008	—
		Lending of funds*16	6,374	6,836
		Interest receipt*16	245	251
		Dividend paid from SoftBank Group Corp.	422	—
		Receipt of capital contribution to a subsidiary*17	7	514*11
		Distribution from a subsidiary*17	14	—
		Brand royalty revenue*18	18	19
		Receipt of deposits to a subsidiary*19	—	1

Name of the company or individual	Nature of relationship	Nature of transaction	(Thousands of U.S. dollars)) Fiscal year ended March 31, 2024 Amount of transaction	As of March 31, 2024 Balance at period end
ARM Technology (China) Co., Ltd.	Associate	Revenue under the terms of the IP license agreement	$ 662,645*22	$ 294,748
WeWork	Associate	Receipt of WeWork warrants with exercise price of USD 0.01 per share*1	—	—
		Receipt of WeWork warrants with exercise price of USD 0.02 per share*2	—	—
		Receipt of shares and convertible bonds *3	681,499*22	—
		Purchase/Redemption of the senior secured notes Purchase of the notes *4	50,000*22	—
		Lending of funds related to credit support for letter of credit facility *5	1,430,000*22	—
GreenBox Systems LLC	Joint Venture	Fulfillment of investment commitment *6	0	3,200,000
Masayoshi Son (Son Asset Management LLC and 9 other companies)	Representative Director of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Dividend paid from SoftBank Group Corp.	141,866	—
		Dividend paid from SoftBank Corp.	1,592	—
		Payment for equipment usage*7	53	7
		Receipt of guarantees for claims against subsidiaries of the Company*8,9	—	—
	Related entities of which the relative of Representative Director of SoftBank Group Corp. holds more than one-half of the voting rights or has joint control	Income from subleasing of equipments at a subsidiary	693	—
		Payment of outsourcing fees from a subsidiary	73	7
Yoshimitsu Goto	Director	Exercise of stock acquisition rights of SoftBank Group Corp.	3,164	—
Ken Miyauchi	Director	Dividend paid from SoftBank Corp.	1,962	—
AI & Company, Inc. (Yutaka Matsuo)	Related entities of which Director of SoftBank Group Corp. holds more than one-half of the voting rights	Receipt of capital contribution to a subsidiary*10	7	568*11
		Distribution from a subsidiary*10	13	—
KOEI TECMO GAMES CO., LTD. (Keiko Erikawa)	Related entities of which Director of SoftBank Group Corp. and the relative hold more than one-half of the voting rights	Fees to content providers*12	1,532	423
Taizo Son (Son Estate LLC and 7 other companies*13)*20,21	Relative of Representative Director of SoftBank Group Corp. and related entities of which the relative holds more than one-half of the voting rights*14	Sale of shares of the Company's subsidiary*15	85,912	-
		Lending of funds*16	42,098	45,149
		Interest receipt*16	1,618	1,658
		Dividend paid from SoftBank Group Corp.	2,787	—
		Receipt of capital contribution to a subsidiary*17	46	3,395*11
		Distribution from a subsidiary*17	92	—
		Brand royalty revenue*18	119	125
		Receipt of deposits to a subsidiary*19	—	7

*1 WeWork warrants that are convertible into common shares at an exercise price of $0.01 per share, which the Company received for the fiscal year ended March 31, 2022 as a consideration for conversion of WeWork preferred shares into WeWork common shares of the new company at the time of the merger of WeWork and SPAC (978,340 shares) and for the extension of credit support for a letter of credit facility provided by financial institutions (298,089 shares). The number of shares is the number of shares after the reverse stock split implemented in September 2023. Balance at period end represents the amount recorded in the consolidated statement of financial position as of March 31, 2024 and the amount is recorded at zero.

*2 WeWork warrants that are convertible into common shares at an exercise price of $0.02 per share, which the Company received for the fiscal year ended March 31, 2020 as a consideration for the purchase of unsecured notes issued by WeWork and for the credit support for a letter of credit facility provided by financial institutions. Balance at period end represents the amount recorded in the consolidated statement of financial position as of March 31, 2024 and the amount is recorded at zero.

*3 For the fiscal year ended March 31, 2024, shares and convertible bonds were received in exchange for the unsecured notes. Balance at period end represents the amount recorded in the consolidated statement of financial position as of March 31, 2024 and the amount is recorded at zero.

*4 For the fiscal year ended March 31, 2024, SVF2 purchased additional $0.05 billion of senior secured notes issued by WeWork and $0.3 billion of senior secured notes, which was sum of the above and $0.25 billion purchased previously, were fully redeemed by WeWork. The remaining $0.2 billion of unfunded loan commitment for the senior secured notes was canceled. In addition, SVF2 newly entered into the loan commitment contract with WeWork and SVF2 purchased $0.3 billion of the notes issued by WeWork. Amount of transaction represents the net amount of the notes purchased and redeemed for the fiscal year ended March 31, 2024. Balance at period end represents the amount recorded in the consolidated statement of financial position as of March 31, 2024 and the amount is recorded at zero.

*5 SVF2 provided the loan to WeWork due to execution of the credit support. The details are described in "*7" under "Note 41. Other gain (loss)". Balance at period end represents the amount recorded in the consolidated statement of financial position as of March 31, 2024. The amount is recorded at zero as the allowance was fully allocated to the loan.

*6 In July 2023, GreenBox Systems LLC ("GreenBox") was established by the Company and Symbotic Inc. The Company has entered into an agreement regarding capital commitment of $3.2 billion to fund GreenBox. The amount of transaction represents the amount the Company invested in GreenBox for the fiscal year ended March 31, 2024, and the balance at period end represents the unfunded capital commitment as of March 31, 2024.

*7 Equipment usage fees are determined based on the ratio of usage.

*8 All indebtedness occurred by November 10, 2020 including indebtedness for or in respect of borrowed money, stock or securities lending, and any other guarantees and indemnities which Delaware subsidiaries, SB Northstar and its subsidiaries ("guaranteed subsidiaries") owe to the Company are guaranteed and indemnified by Masayoshi Son, Son Asset Management LLC and Son Wealth Management Inc. as principal obligor, in proportion to the ownership interest against SB Northstar at the time the relevant guaranteed obligations were incurred. At the time of winding up of SB Northstar, Masayoshi Son, Son Asset Management LLC and Son Wealth Management Inc. indemnify guaranteed obligations not being recoverable for any reason or any failure of guaranteed subsidiaries to perform any of its obligations or liabilities in proportion to the ownership interest against SB Northstar at the time the relevant guaranteed obligations were incurred.

Regarding any indebtedness occurred after November 11, 2020, it will be subject to this guarantee and indemnity agreement, to the extent that Masayoshi Son's prior consent has been obtained.

*9 In the event that Masayoshi Son is unable to perform, on a prolonged or permanent basis, his role with involvement in the investment management decisions of the SB Northstar, the Company has a call option to cause Masayoshi Son, Son Asset Management LLC and Son Wealth Management Inc. to sell all of their interests in the Delaware subsidiaries at the fair market value. If the call option is exercised, SoftBank Group Corp. will discuss the termination of the guarantee and indemnity agreement mentioned above with Masayoshi Son, Son Asset Management LLC and Son Wealth Management Inc.

*10 This represents the received amount of contribution to DEEPCORE TOKYO 1 by AI & Company, Inc. and the terms and conditions of the transaction are determined as same as other limited liability union members.

*11 The balance at period end represents the total investment amount less cumulative investment partnership losses and added cumulative investment partnership gains as of March 31, 2024.

*12 Terms and conditions of the transaction was negotiated and determined, considering the market price and contents of the services.

*13 Mr. Taizo Son, relative of Representative Director Masayoshi Son, holds over half of the voting rights of this company.

*14 A service agreement was entered into between SBGA and Mr. Taizo Son in the fiscal year ended March 31, 2023, and he has been a member of the investment committee of SVF2.

*15 The Company sold all of its 3,600,000 shares in SBVA to EDGEof Korea, which is controlled by Mr. Taizo Son, for KRW 124,000 million on June 14, 2023. The transaction price was determined based on negotiation with reference to the corporate valuation by an independent third-party valuation agency.

*16 The Company and EDGEof Korea entered into a loan agreement of KRW 60,760 million which is equivalent to 49% of sales price of shares in SBVA for which the interest rate is equal to the overdraft interest rate prescribed by the Ordinance of the Ministry of Economy and Finance of Korea (as of March 31, 2024: 4.6%) and the maturity date is on the fifth anniversary of the closing date of the agreement. The loan is guaranteed by Mistletoe Singapore Pte. Ltd. and other two entities which are controlled by Mr. Taizo Son, and 49% of SBVA shares held by EDGEof Korea are pledged as collateral for the loan. The voting rights against SBVA are retained by EDGEof Korea.

*17 This represents the received amount of contribution to DEEPCORE TOKYO 1 by Mistletoe Venture Partners, Inc. and the terms and conditions of the transaction are determined as same as other limited liability union members.

*18 It is calculated by a rate applied for SBVA's operating revenue. The rate is determined by a reasonable standard.

*19 This represents the received amount of deposits to PayPay Bank Corporation, a subsidiary of the Company, by GEUDA General Incorporated Association and the terms and conditions of the transactions are determined as same as other depositors.

*20 Other than transactions included in the table above, the Company had entered into limited partnership agreements with SBVA for several funds which are managed by SBVA as a general partner. As a result of the sales transaction of SBVA mentioned above, SBVA became an entity controlled by Mr. Taizo Son and transactions regarding the limited partnership agreements are identified as related party transactions. As of the date of identification, the total commitment amount and unfunded commitment amount of the Company to the funds were ¥29,145 million ($192,491 thousand) and ¥1,031 million ($6,809 thousand), respectively. Also, for the fiscal year ended March 31, 2024, the Company entered into a limited partnership agreement for a fund which is managed by an entity controlled by Mr. Taizo Son as a general partner and changed the limited partnership agreement for an existing fund which is managed by an entity controlled by Mr. Taizo Son as a general partner. As of March 31, 2024, the total commitment amount and unfunded commitment amount of the Company to the funds were ¥38,709 million ($255,657 thousand) and ¥7,023 million ($46,384 thousand), respectively. Under the limited partnership agreements, management fees are to be paid as 0.5%—2.3% of the commitment amounts or funded amounts, and success fees are to be paid as distributions of the amount equivalent to the equity owned at the liquidation or 20%—30% of investment gains which is subject to the achievement of certain IRR.

*21 In addition to the table above, on May 31, 2024, the Company sold certain investment securities to a fund which is managed by an entity controlled by Mr. Taizo Son as a general partner for $20 million. The sales price was determined based on the recent transaction price of the investment securities.

*22 The amounts represent the original contract amounts recorded in U.S. dollars, and are not the translations of Japanese yen amounts into U.S. dollar amounts.

(2) Remuneration for executives

Remuneration for executives is as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2024
Short-term benefits	¥1,495	¥2,929	$19,345
Share-based payments	651	2,415	15,950
Retirement benefits	—	2	13
Total	¥2,146	¥5,346	$35,308

For the fiscal year ended March 31, 2023

Remuneration for major executives represents remuneration for the directors of SoftBank Group Corp. (including external directors) and Rajeev Misra as the Corporate Officer, Executive Vice President.

Rajeev Misra resigned from his position as the Corporate Officer, Executive Vice President at SoftBank Group Corp. on August 31, 2022. He is not an executive of the Company since September 1, 2022.

For the fiscal year ended March 31, 2024

Remuneration for major executives represents remuneration for the directors of SoftBank Group Corp. (including external directors).

Since Kentaro Kawabe resigned from his position as a director at SoftBank Group Corp. on June 21, 2023, the remuneration during his term of office is included in the table above.

46. Contingency

(1) Lending commitments

Lending commitments that the Company is engaged in are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Lending commitments	¥12,270,942	¥13,435,497	$88,735,863
Funded	1,050,583	1,039,913	6,868,192
Unfunded	¥11,220,359	¥12,395,584	$81,867,671

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

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

Expected credit loss that could arise resulting from the execution of the above loan commitments are described in "b. Credit risk" in "(2) Financial risk management" under "Note 28. Financial instruments."

(2) Credit guarantees
Guarantees that the Company provides are as follows:

	(Millions of yen)		(Thousands of U.S. dollars)
	As of March 31, 2023	As of March 31, 2024	As of March 31, 2024
Total amount of financial guarantee contract	¥196,243	¥16,030	$105,871
Guarantee balance	194,625	13,238	87,431

SVF2 provided credit support (financial guarantee contract) for a $1.43 billion letter of credit facility to WeWork by financial institutions. As of March 31, 2023, the total amount of financial guarantee contract and the guarantee balance are ¥190,948 million. For the fiscal year ended March 31, 2024, the financial guarantee contract was terminated as SVF2 fully fulfilled the guarantee. The details are described in "*7" under "Note 41. Other gain (loss)."
As of March 31, 2024, the amount of allowance for financial guarantee contract losses was zero (as of March 31, 2023: ¥152,365 million included in "Other financial liabilities (current)").

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

a. Credit Suisse Litigation

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

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

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

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

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

(b) On April 30, 2015, JPiT filed a lawsuit against SoftBank Corp. and Nomura Research Institute, Ltd. ("NRI") as codefendants. In this lawsuit, JPiT alleges that SoftBank Corp. and NRI delayed performance of the ordered services related to the project for migration to the 5th PNET mentioned in (a) above and alleges that such delay caused damages to JPiT. JPiT made joint and several claims against both SoftBank Corp. and NRI for the alleged damages.

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

On September 9, 2022, the Tokyo District Court rendered a judgment ordering SoftBank Corp. to pay JPiT remuneration for the damages and delay damages. As a result of the judgment, SoftBank Corp. recorded ¥19,716 million of the provisions for loss relating to litigation for the fiscal year ended March 31, 2023.

On September 22, 2022, SoftBank Corp. appealed the judgment to the Tokyo High Court. On March 21, 2024, the Tokyo High Court rendered a judgment ordering JPiT to pay SoftBank Corp. remuneration for the additional services and delay damages, and dismissing all claims against SoftBank Corp. filed by JPiT. As a result of the judgment, for the fiscal year ended March 31, 2024, SoftBank Corp. reversed the full amount of ¥19,176 million ($126,649 thousand) that had been recorded in the provision for loss relating to litigation for the fiscal year ended March 31, 2023.

47. Purchase commitments

The Company has commitments to purchase services and goods of ¥1,516,295 million ($10,014,497 thousand) as of March 31, 2024 (¥992,152 million as of March 31, 2023). Purchase commitments are mainly outstanding contracts related to investments and purchases of telecommunications equipment. As of March 31, 2024, the above mentioned commitments include ¥484,512 million ($3,200,000 thousand) (as of March 31, 2023: none) of investment commitments for joint ventures.

48. Subsequent events

There have been no material subsequent events to date.

49. Approval of consolidated financial statements

The consolidated financial statements have been approved by the Company’s Representative Director, Corporate Officer, Chairman & CEO, Masayoshi Son, on June 21, 2024.

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OFFERING MEMORANDUM

SoftBank Group

SOFTBANK GROUP CORP.

$400,000,000
6¾% Senior Notes due 2029

$500,000,000
7% Senior Notes due 2031

€450,000,000
5⅜% Senior Notes due 2029

€450,000,000
5¾% Senior Notes due 2032

Joint Global Coordinators and Joint Bookrunners

Deutsche Bank **Barclays** **HSBC**

Joint Bookrunner

Goldman Sachs International **BNP PARIBAS** **J.P. Morgan**

Mizuho **Crédit Agricole CIB** **BofA Securities** **Citigroup** **ING**

Co-Managers

NOMURA **SMBC Nikko** **Morgan Stanley** **Natixis**

Société Générale Corporate & Investment Banking **Daiwa Capital Markets Europe** **Standard Chartered Bank**

The date of this offering memorandum is June 27, 2024