SoftBank Group Report

SoftBank Group

ANNUAL REPORT 2024

Disclaimers

This Annual Report provides relevant information about SoftBank Group Corp. ("SBG") and its subsidiaries (including together with SBG, the "Company") and its affiliates (together with the Company, the "Group") and does not constitute or form any solicitation of investment including any offer to buy or subscribe for any securities in any jurisdiction.

This Annual Report contains forward-looking statements, beliefs or opinions regarding the Group, such as statements about the Group's future business, future position and results of operations, including estimates, forecasts, targets and plans for the Group. Without limitation, forward-looking statements often include the words such as "targets," "plans," "believes," "hopes," "continues," "expects," "aims," "intends," "will," "may," "should," "would," "could," "anticipates," "estimates," "projects" or words or terms of similar substance or the negative thereof. Any forward-looking statements in this Annual Report are based on the current assumptions and beliefs of the Group in light of the information currently available to it as of the date hereof. Such forward-looking statements do not represent any guarantee by any member of the Group or its management of future performance and involve known and unknown risks, uncertainties and other factors, including but not limited to, the success of the Group's business model; the Group's ability to procure funding and the effect of its funding arrangements; key person risks relating to the management team of SBG; risks relating to and affecting the Group's investment activities; risks relating to SB Fund (defined as below), its investments, investors and investees; risks relating to SoftBank Corp. and the success of its business; risks relating to law, regulation and regulatory regimes; risks relating to intellectual property; litigation; and other factors, any of which may cause the Group's actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by such forward-looking statements. For more information on these and other factors which may affect the Group's results, performance, achievements or financial position, see "Risk Factors" on SBG's website at https://group.softbank/en/ir/investors/management_policy/risk_factor. None of the Group nor its management gives any assurances that the expectations expressed in these forward-looking statements will turn out to be correct, and actual results, performance, achievements or financial position could materially differ from expectations. Persons viewing this Annual Report should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update any of the forward-looking statements contained in this Annual Report or any other forward-looking statements the Company may make. Past performance is not an indicator of future results, and the results of the Group in this Annual Report may not be indicative of, and are not an estimate, forecast or projection of, the Group's future results.

The Company does not guarantee the accuracy or completeness of information in this Annual Report regarding companies (including, but not limited to, those in which SB Funds have invested) other than the Group which has been quoted from public and other sources.

Regarding Trademarks

Names of companies, products and services that appear in this Annual Report are trademarks or registered trademarks of their respective companies. "Co., Ltd.," "Ltd.," "Corporation" and "Inc." have been omitted from company names except in certain circumstances.

Important Notice – Trading of SBG Common Stock, Disclaimer Regarding Unsponsored American Depository Receipts

SBG encourages anyone interested in buying or selling its common stock to do so on the Tokyo Stock Exchange, which is where its common stock is listed and primarily trades. SBG's disclosures are not intended to facilitate trades in, and should not be relied on for decisions to trade, unsponsored American Depository Receipts ("ADRs"). SBG has not and does not participate in, support, encourage or otherwise consent to the creation of any unsponsored ADR programs or the issuance or trading of any ADRs issued thereunder in respect of its common stock. SBG does not represent to any ADR holder, bank or depositary institution, nor should any such person or entity form the belief, that (i) SBG has any reporting obligations within the meaning of the U.S. Securities Exchange Act of 1934 ("Exchange Act") or (ii) SBG's website will contain on an ongoing basis all information necessary for SBG to maintain an exemption from registering its common stock under the Exchange Act pursuant to Rule 12g3-2(b) thereunder. To the maximum extent permitted by applicable law, SBG and the Group disclaim any responsibility or liability to ADR holders, banks, depositary institutions, or any other entities or individuals in connection with any unsponsored ADRs representing its common stock.

The above disclaimers apply with equal force to the securities of any of the Group which are or may in the future be the subject of unsponsored ADR programs, such as SoftBank Corp. or LY Corporation.

Notice Regarding Fund Information Contained in This Annual Report

This Annual Report is furnished to you for informational purposes and is not, and may not be relied on in any manner as, legal, tax, investment, accounting or other advice or as an offer to sell or a solicitation of an offer to buy limited partnership or comparable limited liability equity interests in any fund managed by a subsidiary of SBG, including SB Global Advisers Limited ("SBGA"), SB Investment Advisers (UK) Limited ("SBIA") and any of their respective affiliates thereof (collectively, the "SB Fund Managers" and each an "SB Fund Manager") (such funds together with, as the context may require, any parallel fund, feeder fund, co-investment vehicle or alternative investment vehicle collectively, the "SB Funds" and each an "SB Fund"). For the avoidance of doubt, the SB Funds include, among other funds, SoftBank Vision Fund L.P. (together with, as the context may require, any parallel fund, feeder fund, co-investment vehicle or alternative investment vehicle, the "Vision Fund I"), which are managed by SBIA and its affiliates; SoftBank Vision Fund II-2 L.P. (together with, as the context may require, any parallel fund, feeder fund, co-investment vehicle or alternative investment vehicle, the "Vision Fund II"), which are managed by SBGA and its affiliates; and SBLA Latin America Fund LLC (together with, as the context may require, any parallel fund, feeder fund, co-investment vehicle or alternative investment vehicle, the "SoftBank Latin America Fund"), which are managed by SBGA and its affiliates.

None of the SB Funds (including the Vision Fund I , Vision Fund II and SoftBank Latin America Fund), the SB Fund Managers, any successor or future fund managed by an SB Fund Manager, SBG or their respective affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein should be relied upon as a promise or representation as to past or future performance of the SB Funds or any other entity referenced in this presentation, or future performance of any successor or the future fund managed by an SB Fund Manager.

Information relating to the performance of the SB Funds or any other entity referenced in this Annual Report has been included for background purposes only and should not be considered an indication of the future performance of the relevant SB Fund, any other entity referenced in this Annual Report or any future fund managed by an SB Fund Manager. References to any specific investments of an SB Fund, to the extent included therein, are presented to illustrate the relevant SB Fund Manager's investment process and operating philosophy only and should not be construed as a recommendation of any particular investment or security. The performance of individual investments of an SB Fund may vary, and the performance of the selected transactions is not necessarily indicative of the performance of all of the applicable prior investments. The specific investments identified and described in this Annual Report do not represent all of the investments made by the relevant SB Fund Manager, and no assumption should be made that investments identified and discussed therein were or will be profitable.

The performance of an SB Fund in this Annual Report is based on unrealized valuations of portfolio investments. Valuations of unrealized investments are based on assumptions and factors (including, for example, as of the date of the valuation, average multiples of comparable companies, and other considerations) that the relevant SB Fund Manager believes are reasonable under the circumstances relating to each particular investment. However, there can be no assurance that unrealized investments will be realized at the valuations indicated in this Annual Report or used to calculate the returns contained therein, and transaction costs connected with such realizations remain unknown and, therefore, are not factored into such calculations. Estimates of unrealized value are subject to numerous variables that change over time. The actual realized returns on the relevant SB Fund's unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the relevant SB Fund Manager's valuations are based.

Past performance is not necessarily indicative of future results. The performance of an SB Fund or any future fund managed by an SB Fund Manager may be materially lower than the performance information presented in this Annual Report. There can be no assurance that each SB Fund or any future fund managed by the relevant SB Fund Manager will achieve comparable results as those presented therein.

Third-party logos and vendor information included in this Annual Report are provided for illustrative purposes only. Inclusion of such logos does not imply affiliation with or endorsement by such firms or businesses. There is no guarantee that an SB Fund Manager, an SB Fund's portfolio companies, any future portfolio companies of a future fund managed by an SB Fund Manager or SBG will work with any of the firms or businesses whose logos are included in this Annual Report in the future.

SBGA and SBIA manage separate and independent operations and processes from each other and those of SBG in the management of Vision Fund I, Vision Fund II and SoftBank Latin America Fund, respectively. Any SB Funds managed by SBGA or SBIA are solely managed by SBGA or SBIA respectively.

Adoption of IFRSs
The Company has prepared the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) from the three-month period ended June 30, 2013 (the first quarter of the fiscal year ended March 31, 2014). The date of transition to IFRS was April 1, 2012. The financial data for the year ended March 31, 2013, has also been presented based on IFRS.

Definition of Terms
"Fiscal 2023" refers to the fiscal year ended March 31, 2024, and other fiscal years are referred to in a corresponding manner in this Annual Report. "FYE" denotes the fiscal year-end. For example, "FYE2023" denotes March 31, 2024, the last day of fiscal 2023.

Notice Regarding PFIC Status
See "IR Disclaimers" on our website for details.

Company Names
Company names and abbreviations used in this Annual Report, unless otherwise stated or interpreted differently in the context, are as follows.

Company names and abbreviations	Definition
SoftBank Group Corp. or SBG	SoftBank Group Corp. (stand-alone basis)
The Company	SoftBank Group Corp. and its subsidiaries
The Group	SoftBank Group Corp., its subsidiaries and associates
SB Northstar or asset management subsidiaries	SB Northstar LP
SoftBank Vision Fund 1 or SVF1	SoftBank Vision Fund L.P. and its alternative investment vehicles
SoftBank Vision Fund 2 or SVF2	SoftBank Vision Fund II-2 L.P.
SoftBank Latin America Funds or LatAm Funds	SBLA Latin America Fund LLC
SoftBank Vision Funds or SVF	SVF1, SVF2, and LatAm Funds
SBIA	SB Investment Advisers (UK) Limited
SBGA	SB Global Advisers Limited
Arm	Arm Holdings plc or Arm Limited*
Alibaba	Alibaba Group Holding Limited
SoftBank	SoftBank Corp.
Sprint	Sprint Corporation
T-Mobile	T-Mobile US, Inc. after merging with Sprint

* 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.

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For consolidated financial statements and notes, see "Financial Report 2024" on our website.

Our Unchanging 志 *Kokorozashi* (Mission)

Information Revolution —Happiness for Everyone

Information Revolution—Happiness for everyone

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

Just what is happiness?

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

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

Kaientai banner

SoftBank brand symbol

SoftBank Group

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

Imagine a group of visionaries who share the same unshakable spirit (*kokorozashi*). They act with one mind to achieve their ideals, braving all dangers to usher in a new era amid upheaval. The Group draws inspiration from one such group—the Kaientai, an enterprising shipping company founded in 1865 by the visionary Sakamoto Ryoma. Supplied with the best intelligence and possessing abundant knowledge and wisdom, the Kaientai and its founder rejected age-worn feudalistic values in favor of free thinking and bold action. In this way, they led a revolution that resulted in the modernization of Japan. Our corporate logo derives from the Kaientai's flag. It represents our admiration for and belief in the Kaientai's single-minded pursuit of their vision, which imagined a Japan 100 years into the future. The Group is a fleet of similar visionaries. Our vessels fly the banner of the 21st-century Kaientai, symbolizing our own single-minded pursuit of a vision: Information Revolution—Happiness for everyone.

Our Vision for a Better World

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

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

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

SBG accelerates the Information Revolution through the responsible use of AI. In this way we are helping to realize the world we have always envisioned since our founding.

Autonomous driving for safer roads

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

Remote learning for educational equality

Imagine a world where all children can access a better education regardless of where they were born and raised, a world where remote learning programs are available everywhere, offering quality education to all.

Using AI to prevent disease

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

An enriched life for all

Imagine a world of seamless commerce where business transactions defy borders, a world of universal connectivity where all can access financial services, entertainment, and all manner of other services and content.

Technological solutions to environmental issues

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

More creativity at work

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

A Business Model with Three Capital Inputs

SBG is a Strategic Investment Holding Company Driving the Information Revolution

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

Business Model

SBG = A strategic investment holding company

SBG provides capital to companies around the world that show excellent potential for AI-driven growth, contributing to the Information Revolution and a more connected, empowered, and joyful world for all.

Such companies have innovative ideas for truly world-changing goods and services. These ideas can solve social issues and make people happier.

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

Cluster of No. 1 Strategy

Our strategy is to build a strategically synergized ecosystem of companies. The strategy envisages this group as a symbiotic ecosystem of companies with industry-shaping technologies and business models.

In this ecosystem, we work with visionary entrepreneurs who pioneer new industries. Although we help these business leaders in their decision-making, we respect their autonomy and do not find it necessary to hold a majority stake in their companies. However, we do encourage them to identify with our core philosophy and vision and to work with us in unlocking synergistic growth.

Under this strategy, we have developed an ecosystem of entrepreneurial leaders in AI. These include subsidiaries and Group companies such as Arm, companies in which SBG invests directly with a view to creating value over the longer term, and over 400 portfolio companies within SoftBank Vision Funds and other funds.

Three capital inputs that deliver sustainable growth

When a company invests capital into business activities, the resulting value is expected to exceed the initial capital commitment. The company will then reinvest that capital for an even higher return. When this cycle occurs on an ever-greater scale, capital will keep accumulating, generating sustainable growth.

We have three key sources of capital: an ecosystem of portfolio companies, financial capital, and human capital. This capital is both an input and an output. In implementing our business model, we "input" capital, and this capital is then "output" back to us in an amount larger than the initial input.

We aim for sustainable growth by perpetuating and accumulating our three capital inputs.

1. Ecosystem of portfolio companies

This input is the ecosystem of portfolio companies we have developed. The ecosystem includes subsidiaries such as Arm, companies in which SBG invests directly, and over 400 portfolio companies within SoftBank Vision Funds and other funds. Members of this ecosystem pursue growth independently, but in doing so, they produce a stream of innovation and unleash synergies that enable the growth of the entire ecosystem.

2. Financial capital

This input refers to the financial assets that fund our investments. We aim to grow our financial assets over the medium- to long-term, gaining high returns on investments and then reinvesting the profits. Our key performance measure for the growth of our financial capital is our Net Asset Value (NAV).* Our NAV has grown over the medium- to long-term in line with our investments and other activities. We aim to grow it even larger.

3. Human capital

This input is our talent. It includes our investment professionals who identify attractive investment opportunities, as well as finance and accounting staff, legal and compliance experts, and many other employees who support our activities. Our human capital grows as our diverse pool of employees pursue their own professional development while increasingly aligning themselves with our unique company culture, which emphasizes decisiveness and dedication.

*NAV = Equity value of holdings – Net debt

See page 20 for details of NAV.

Evolving Ahead of the Times Under Our Unchanging 志 *Kokorozashi*

—Our history

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

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

'80s

1981
Founded as a distributor of packaged software for PCs

SOFT BANK

1982
Launched a publishing business

PC Software

'90s

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

YAHOO! JAPAN

1996
Launched *Yahoo! JAPAN*

The Internet

'00s

2000
Invested in Alibaba

2001
Launched *Yahoo! BB* broadband service

JAPAN TELECOM

2004
Acquired JAPAN TELECOM and entered fixed-line telecommunications

Broadband

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

Mobile

'10s

2010
Announced SoftBank's Next 30-Year Vision

2013
Acquired U.S.-based carrier Sprint

2016
Acquired U.K. chip designer Arm

2017
Launched SVF1

2018
SoftBank listed on the First Section of the Tokyo Stock Exchange

’20s

2020
Sprint and T-Mobile merged

2023
Arm listed on the Nasdaq Global Select Market*

AI

Photo: Nasdaq, Inc.

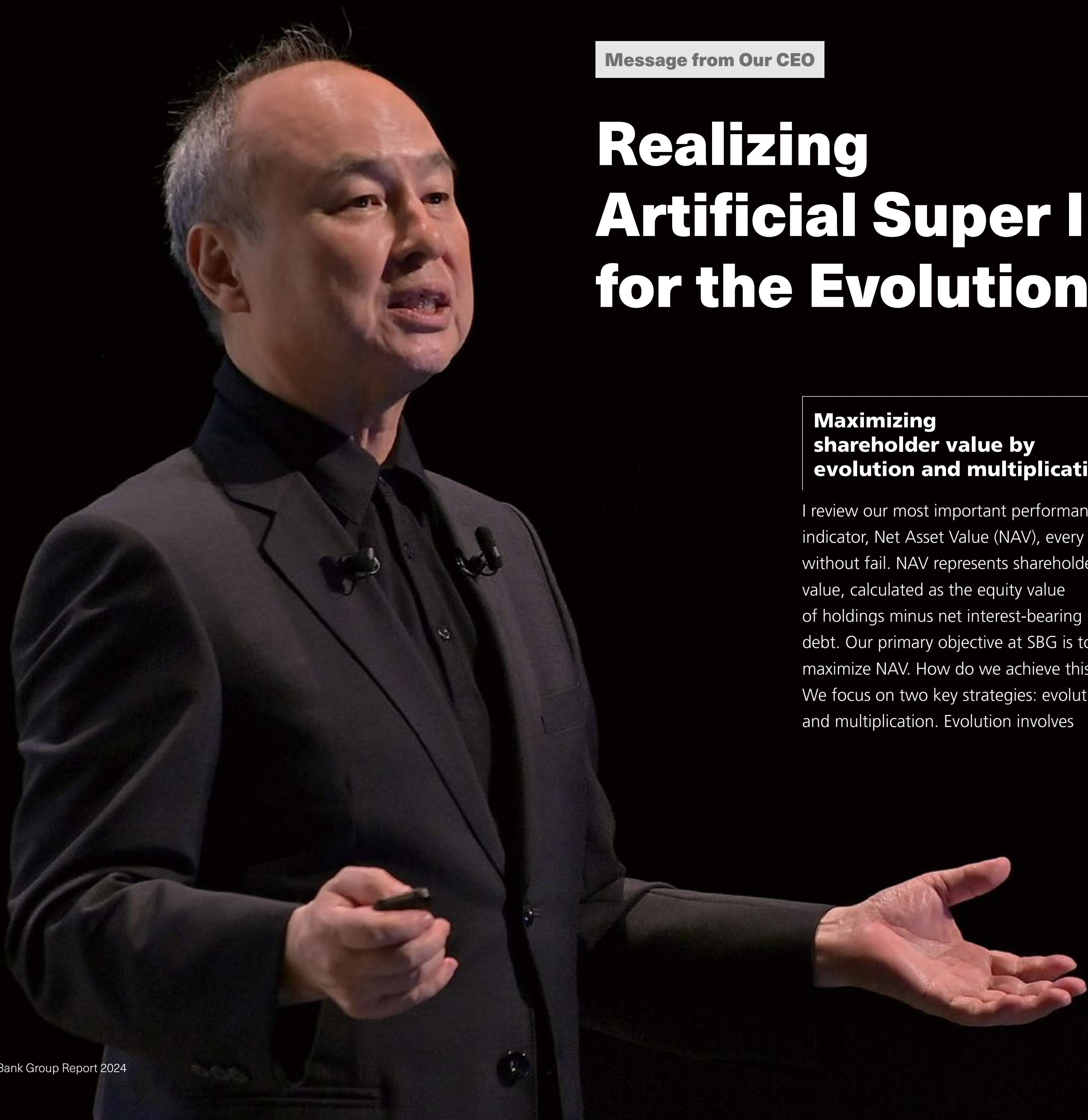
SoftBank's Next 30-Year Vision: A Story of Value Creation

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

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

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


Ecosystem of portfolio companies
Build an ecosystem of companies with industry-shaping technologies and business models
Financial capital
A diverse funding toolbox
Human capital
Professionalism and a unique company culture
Core philosophy
Information Revolution
—Happiness for everyone
Vision
To become the world's most essential corporate group
Strategy
Strategic synergy group
The world in 30 years
Technological innovations
More happiness, less sadness
Financial outcomes
Continued growth in Net Asset Value (NAV)
Managing global risks
The next 300 years for future generations and for the planet



Message from Our CEO

Realizing Artificial Super Intelligence (ASI) for the Evolution of Humanity

Maximizing shareholder value by evolution and multiplication

I review our most important performance indicator, Net Asset Value (NAV), every day without fail. NAV represents shareholder value, calculated as the equity value of holdings minus net interest-bearing debt. Our primary objective at SBG is to maximize NAV. How do we achieve this? We focus on two key strategies: evolution and multiplication. Evolution involves continuously refining our business model to offer something unique. Multiplication refers to leveraging our sales capability to effectively market and distribute this unique value.

Throughout our 43-year history since its foundation in 1981, SBG has experienced cycles of evolution and multiplication. Our journey can be divided into six distinct stages. The first stage involved our original business of distributing packaged software for PCs and founding Yahoo Japan Corporation in 1996, in anticipation of the forthcoming age of computers. In the second stage, we transitioned from the age of computers to the age of mobile internet, launching the *Yahoo! BB* broadband service in 2001 and acquiring Vodafone K.K. in 2006 to enter the mobile market. In 2008, we became the sole carrier in Japan to offer the iPhone, significantly expanding our number of subscribed customers.
The third stage marked our entry into the U.S. telecommunications market with the

acquisition of Sprint in 2013. After the merger, the company became T-Mobile and has become the world's largest telecom company by market capitalization*1 and we are proud to be a major shareholder. The fourth stage involved our collaboration with Alibaba. Partnering with its founder Jack Ma, we brought internet services that were already widespread in the U.S. and Japan to China, fostering a new round of evolution and multiplication. The fifth stage took shape with SoftBank Vision Funds, launched in 2017, which anticipated the significant rise of artificial intelligence (AI).

We are now in the sixth stage, powered, above all, by Arm, which was acquired in 2016. With Arm's share price surging since its public listing in September 2023 our NAV doubled from ¥14 trillion at the end of March 2023 to ¥28 trillion at the end of March 2024, reaching ¥34 trillion (pro forma) on June 20, 2024 (see Figure 1). SBG acquired Arm in September 2016 for ¥3.3 trillion, giving Arm shareholders a premium of around 40%,*2 which was criticized at the time for being excessive. However, Arm's performance has generated returns of ¥24.6 trillion to date for SBG shareholders, representing a multiple on invested capital (MOIC) of 10x (see Figure 2). The achievement came after a challenging period. In connection with the acquisition,

Figure 1: Shareholder value (NAV)

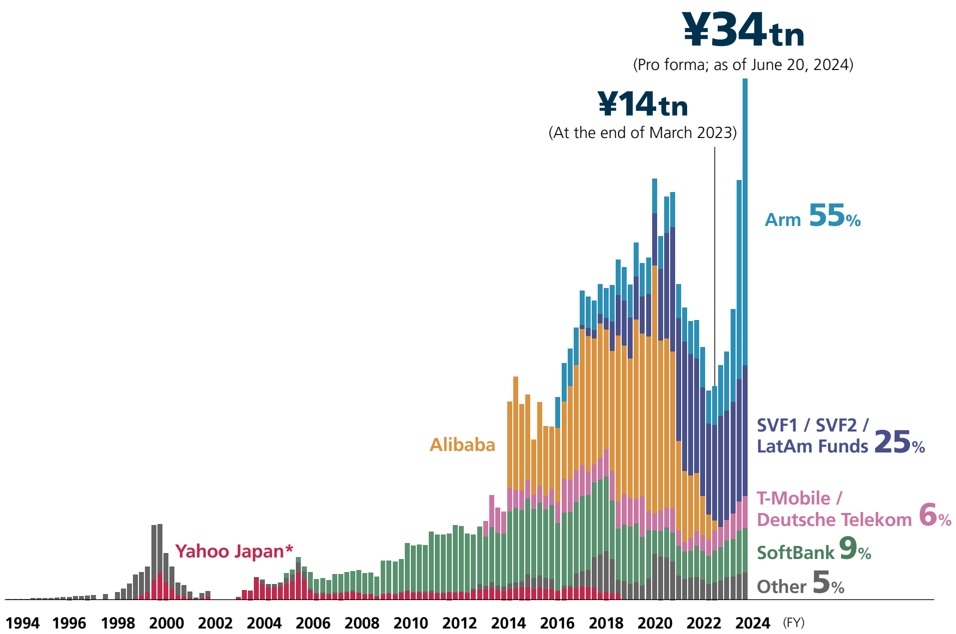


Figure 2: Results of investment in Arm

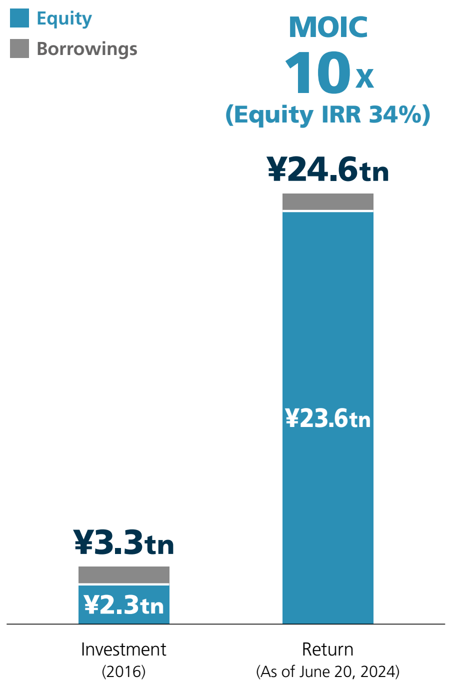


Figure 1: Notes
1. NAV data for each quarter-end and as of June 20, 2024. The NAV data are the Company's estimates based on the information available to it, and the accuracy or completeness of the information is not guaranteed as the figures are not audited. NAV trends are not a guarantee of future figures and are not indicative of the price of SBG's common shares or any securities held by the Company and should not form the basis of investment decisions. The figures are based on data before considering taxes unless otherwise stated.
2. Share price: closing price as of June 20, 2024
3. Shareholder value (NAV) for each investment is allocated based on the proportionate share of holding equity value for each time period.
*Yahoo Japan Corporation (currently LY Corporation) became a subsidiary of SoftBank in June 2019.

Figure 2: Notes
1. Converted to Japanese yen using the exchange rate on each transaction date or valuation date
2. Equity: Return net of borrowings
3. Multiple of invested capital (MOIC): Calculated based on the investment and return on equity value (before tax)
4. Equity IRR: Calculated based on the investment and return on equity value from initial investment to June 20, 2024 (before tax)
5. Investment: Excludes related expenses and does not reflect the impact of intra-group transactions between SBG and SVF.
6. Return (¥24.6tn) = Amount realized from the offering of Arm shares, net of related costs + Equity value of holdings as of June 20, 2024 (calculated by multiplying the number of shares held by SBG by the closing share price) + Shares of Treasure Data and Acetone Limited (an intermediate holding company that owns approximately 48% of the equity interest in Arm China) received by SBG and SVF1 from Arm as dividends in kind + Non-refundable advance payment received from NVIDIA as part of the sale consideration when the sale agreement for Arm shares was signed with NVIDIA in September 2020
7. Borrowings: Amount of funds raised in JPY in September 2016 for the acquisition

we announced plans to double the number of engineers at Arm. This significant increase in personnel initially led to a sharp decline in profits and raised concerns among many stakeholders, as revenue did not immediately increase. However, the increased investment in engineers enabled significant expansions from smartphones into new end markets, including PCs, cloud computing, automobiles, and the Internet of Things (IoT). Ultimately, these strategic investments solidified Arm's position as a cornerstone in the AI industry.

What a journey it has been, and how the time has flown. The process of evolution and multiplication involves a succession of challenges. While we have made missteps along the way, we have persevered and increased our shareholder value to ¥34 trillion.

*1 As of March 31, 2024
*2 The acquisition price of 1,700 pence per Arm share represents a premium of approximately 43.0% to the closing price of 1,189 pence per Arm share on the last business day prior to the announcement of recommended acquisition of Arm (July 15, 2016), and approximately 41.1% to the all-time high closing price of 1,205 pence per Arm share on March 16, 2015, etc.

Our mission: Evolution of humanity

While evolution and multiplication are vital for business growth, it is the concept of evolution that holds particular importance for the future of humanity. Back in the autumn of 2022, I experienced a crisis of confidence, and I was filled with self-doubt. However, today, I am more energized than ever because I realized our ultimate mission: the evolution of humanity. What greater cause could there be? This mission will be accomplished through the realization of artificial super intelligence (ASI)—AI that is ten thousand times more intelligent than human wisdom. Ever since, I have been grappling daily with the challenge of realizing ASI. It feels like solving an intricate set of simultaneous equations.

It has been 200,000 years since the birth of humans. Unlike other species, we invented tools and technologies that drove progress. Until now, the evolution of humanity has been driven by our own hands. Every now and then, geniuses such as Leonardo da Vinci and Albert Einstein emerged, sparking new ways of thinking and driving the evolution of humanity. Currently, leading tech companies are working to develop artificial general intelligence (AGI)—a form of AI with generalized intelligence that enables it to autonomously perform a wide range of learning and problem-solving tasks. In less than ten years, AGI will be realized and drive the accelerated evolution of humanity. However, AGI will only be as great as any human genius. Moreover, as long as AGI operates within the norms and boundaries of humans, it will bring no dramatic changes in our way of life or in society's rules and systems.

ASI is completely different. ASI will be the culmination of a network of AGI models stimulating each other to rapidly accelerate their evolution. While expert opinions may vary, my view is that ASI will be ten thousand times more intelligent than humans and realized in about ten years. The realization of ASI, which will far surpass human wisdom, will mark a turning point in human history. All conventional wisdom will be overturned. In the 200,000-year history of our species, the next ten years will be a critical juncture.

Arm provides the foundational technology for ASI

ASI transcends the digital world. One day, ASI-powered smart robots will perform all kinds of physical tasks on our behalf, including manufacturing, transportation, construction, and housework. In anticipation of the coming age of ASI, we are investing in various robotics projects. In 2024, we invested in Wayve, a UK-based company working on autonomous driving technology—robot driving, we might say. Their goal is to build an autonomous driving system that is trained on data and does not rely on hardware, high-resolution maps, or manually programmed rules. This technology, capable of adapting to unfamiliar situations and environments, could be scaled to different vehicle types and new locations.

Arm provides the foundational technology for ASI. Arm is at the forefront of high-performance cloud servers and network edges for smartphones, cars, and robots. Shipments of Arm-based chips continue to grow, with approximately 287 billion shipped to date.*3 With its outstanding design prowess, Arm has created processor technology that combines high compute performance with low power consumption. Arm's proven expertise leaves no doubt that they will lead the creation of ASI in both cloud and edge environments.

At one point, we agreed to sell Arm to NVIDIA. While the deal did not ultimately go ahead due to regulatory issues, had it done so, we would now be a major shareholder of NVIDIA, which recently became the world's most valuable company by market capitalization.*4 Nevertheless, if given the opportunity today to buy either Arm or NVIDIA, I would choose Arm in a heartbeat—such is my faith in Arm's future potential.

*3 As of December 31, 2023
*4 As of June 18, 2024

Message from Our CEO

Driving innovation in chips, data centers, and robotics with partners

As great as Arm is, no single company can realize ASI on its own. In recent years, in addition to NVIDIA, which is rapidly growing as a chipmaker for generative AI, hyperscalers (large-scale cloud providers) such as Amazon Web Services, Alibaba, Microsoft, and Google have been developing Arm-based chips one after another. Similarly, SBG plans to collaborate with various companies to realize the AI chips necessary for ASI. ASI will also require AI data centers and AI robotics. Increasing power generation will also be essential. I say this because power shortages could prove to be the biggest bottleneck given the likelihood that the advancement of AI will lead to surges in power demand among data centers.

Critically, while all of the SoftBank Group will be working as one to achieve this goal, we will not be acting alone. In both technological and financial aspects, we will seek to collaborate with partners who share our aspirations. We will take a dynamic approach, accepting that the journey will not be entirely smooth. We will never skimp on risk management. We remain committed to our benchmark for financial health, which is to keep Loan to Value (LTV: adjusted net interest-bearing debt divided by the equity value of holdings)*5 below 25% during normal market conditions.

*5 See page 21 for details of LTV.

Our core business remains unchanged: Information Revolution—Happiness for everyone

Once ASI is realized, we will see dramatic changes in our lifestyles, and in social rules and systems. This may raise some fundamental questions—what does it mean to work? What does it mean to be human? What does it mean to be happy? Just as the ancient Greek philosophers did, we should be asking probing questions. We should be questioning for what purpose we seek to create ASI.

Last year, I lost my father to cancer. Grief-stricken, I wept day in and day out. On top of that, my mother suffered a stroke. I do not want anyone to suffer from such diseases. It could be difficult to provide a solution to these conditions with AGI as it simply substitutes human intelligence. However, ASI, with ten thousand times the human wisdom, could surely find ways to prevent such sorrows. Why settle for simply deploying autonomous driving on behalf of human drivers? ASI could reduce traffic accidents to a ten-thousandth of today's level. ASI could save us from the anguish and despair of the earthquake and pandemics that have afflicted our species for 200,000 years.

Some people say that SBG changes its core business too often, but in reality, our core business has remained unchanged all these years. Everything we do is inspired by our corporate philosophy, Information Revolution—Happiness for everyone. All that has changed is the means to achieve this end. As technology evolves, so too must our methods. ASI is the latest means by which we fulfill our mission to drive the evolution of humanity forward. I want to thank our shareholders for their faith in our vision, and I ask for your continued trust and support in the years ahead.

June 21, 2024
Representative Director,
Corporate Officer, Chairman & CEO
Masayoshi Son

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Message from Our CFO

We Will Maintain Our Active Investment Approach to Further Grow NAV

Yoshimitsu Goto
Board Director, Corporate Officer,
Senior Vice President, CFO & CISO
Head of Finance Unit, Head of Administration Unit

Fiscal 2023 in review

Throughout its history of over 40 years, SBG has consistently adapted its core business to the changing times. Our current focus is on our investment business. Our value as an investment company is best measured by our Net Asset Value (NAV). At the end of March 2024, our NAV had grown to ¥27.8 trillion, almost double the value at the end of the previous fiscal year. This remarkable value creation was largely driven by Arm, which went public in September 2023 and remains central to our strategy in the emerging AI era. We would like our stakeholders to look forward to our ongoing evolution with Arm, as we continue to enhance corporate value.

See page 20 for details of NAV.

Avoiding change is our greatest risk

We have consistently evolved our business over time while remaining true to our founding philosophy: Information Revolution—Happiness for everyone. As a leader in the cutting-edge technology field, avoiding change is our greatest risk. From our founding to our public offering in 1994 (over-the-counter market), when we were listed, our main business was software wholesaling. Since then, our core business has undergone significant changes while growing steadily. Today, the Information Revolution means something very different than it did 40 years ago when Mr. Son (Masayoshi Son, Representative Director, Corporate Officer, Chairman & CEO) founded the company. Back around 2000, when everyone was just starting to get their own communication devices, we foresaw the inevitable AI revolution and predicted that it would be unprecedented in scale. With considerable confidence in this belief, we have made our decisions accordingly. SBG is essentially a revolutionary force in the field of information and communication. Therefore, our most important risk mitigation strategy is continuous transformation. Change makes us stronger and enhances our value, while stagnation poses a risk. This mindset has brought us to where we are today.

Supporting Arm's successful IPO

The process leading to the IPO

Looking back at fiscal 2023, Arm's IPO on the Nasdaq Global Select Market in September 2023 was undoubtedly the highlight. Amid the economic uncertainty caused by the COVID-19 pandemic in 2020, we made the strategic decision to prioritize a defensive strategy by monetizing ¥4.5 trillion worth of assets. This decision ultimately led to the successful monetization of ¥5.6 trillion in just six months. These assets were all highly valuable, but we believed it was necessary to proceed with the monetization in order to safeguard our future.

Arm was also part of this monetization plan. Considering the future potential of Arm and our overall AI strategy, we originally planned to sell Arm shares to NVIDIA in a stock and cash transaction. Although the deal ultimately did not receive regulatory approval and did not go through, we still believe that our decision at that uncertain time was the right one. Now, a few years later, the fact that the deal did not go through has turned out to be a significant benefit, as it ultimately preserved a valuable asset for SBG.

NVIDIA is a company with significant growth potential, but even for them, Arm has become an indispensable part of their strategy. Having Arm, which is positioned at the top of the semiconductor supply chain, as a core part of our portfolio will accelerate our AI strategy. If the NVIDIA deal had gone through, the increase in NVIDIA's share price would have boosted our NAV beyond its current level. However, looking out 20 years, I believe the value of having Arm in our portfolio might well surpass the potential gains from the NVIDIA deal. We feel that this has become a strong tailwind for us.

Steady rise in Arm's share price since the IPO

Arm priced its IPO price at $51 per ADS, which I believe is a reasonable level. While the valuation of a company naturally incorporates its future value, I question the inclusion of uncertainty factors in potential future outcomes, as this can lead to overvaluation. Therefore, I believe that the IPO price reasonably reflected the value of Arm's strategies that are likely to be realized in the future. Investors have various expectations for Arm's future, and as the largest shareholder, we are in the best position to understand and appreciate these expectations.

Prior to Arm's IPO, SoftBank Vision Fund 1, which held 24.99% of Arm's shares, proposed that SBG purchase these shares. Although some stakeholders questioned the agreed acquisition price of approximately ¥2.3 trillion that was ultimately about 20% higher than Arm's IPO price, we considered the price reasonable, as we believe in Arm's future growth potential more than anyone and agreed to the deal. As we expected, Arm's value has steadily increased since the IPO, and we believe that those who were initially skeptical are now pleased with our decision. Meanwhile, the deal was also successful from SoftBank Vision Fund 1's perspective, as it sold its shares at a higher price than the IPO price.

Creating a new ecosystem with Arm

As a public traded company, Arm will detail its own future growth strategies and ambitions. We are confident that the world's leading companies will increasingly leverage AI to advance in their respective fields. As Mr. Son has stated, "AI will redefine all industries." In this evolving landscape, Arm, with its dominant market share in key AI chip designs, will continue to see the expanded shipments of Arm-based chips and grow as a company. By collaborating with other Group companies, we can generate synergies that will lead to the creation of new businesses, industries, and ecosystems. Arm is at the heart of this transformation, and we aim to continue to be a hub that connects Arm to businesses and industries around the world, while also leading the way in changing lifestyles through the Information Revolution. I personally look forward to growing together with Arm and delivering for our stakeholders by enhancing investment performance.

AI investment strategies and challenges

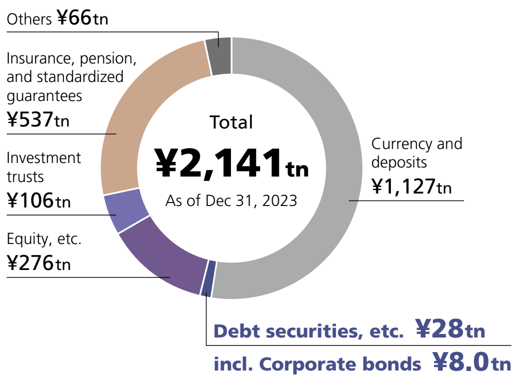
In fiscal 2023, we doubled down on our belief that AI will redefine all industries and sought investment opportunities in areas where AI can significantly enhance people's lives, such as logistics, robotics, and autonomous driving. On the other hand, large corporations like SBG that are leading the AI world, including hyperscalers, now face greater challenges. While generative AI provides a road map for a rapid technological and theoretical growth trajectory, existing data centers are unable to provide the immense computing power required to power the actual services. In addition, we are entering an era that will require an unprecedented amount of electricity, far beyond what is available on a daily basis. To keep the AI revolution moving forward, we are committed to addressing these challenges and believe we are at the starting line of this critical endeavor.

Key indicators

	March 31, 2023	March 31, 2024
NAV (Net Asset Value)	¥14.1tn ($105.8bn)	¥27.8tn ($183.6,bn)
LTV (Loan to Value)	11.0%	8.4%
Cash position*1	¥5.1tn	¥4.7tn

*1 Cash and cash equivalents + Short-term investments recorded as current assets + Undrawn commitment line + Bond investments. On an SBG stand-alone basis. Excludes SB Northstar but includes its cash and cash equivalents and bond investments.

Japan's household financial assets
(Bank of Japan's flow of funds Accounts Statistics)



Review of financial strategies for fiscal 2023

Offense leads to a stronger defense

As an investment company, we are often seen as being all about offense. However, as Mr. Son himself has said, "I'm good at offense, but my greatest strength is retreat." This illustrates that our strength lies in our ability to halt offensive moves in order to strengthen our defense. In fiscal 2023, we shifted from the defense-first approach we adopted in fiscal 2022 to a balanced approach that integrates both offense and defense. As a result of this shift in strategy, our NAV doubled over the year to a record high level, while maintaining strong financial discipline. Although our net interest-bearing debt*2 increased by ¥0.8 trillion to ¥2.6 trillion, our Loan to Value (LTV) improved by 2.6 ppt to 8.4%, and we maintained a consistently safe cash position*1 of ¥4.7 trillion. To enhance our value as an investment company, we need to make investments that boost NAV. Therefore, in fiscal 2023, we invested nearly $4 billion without deteriorating our financial position, maintaining liquidity at a similar level and strengthening our financial security. This was an ideal financial outcome where our commitment to financial security was reinforced by our offensive approach.

*2 Consolidated net interest-bearing debt – Net interest-bearing debt of self-financing entities, etc. – Other adjustments. Bank deposits and cash position at PayPay Bank Corporation are excluded.

See pages 20-21 for details of NAV and LTV.

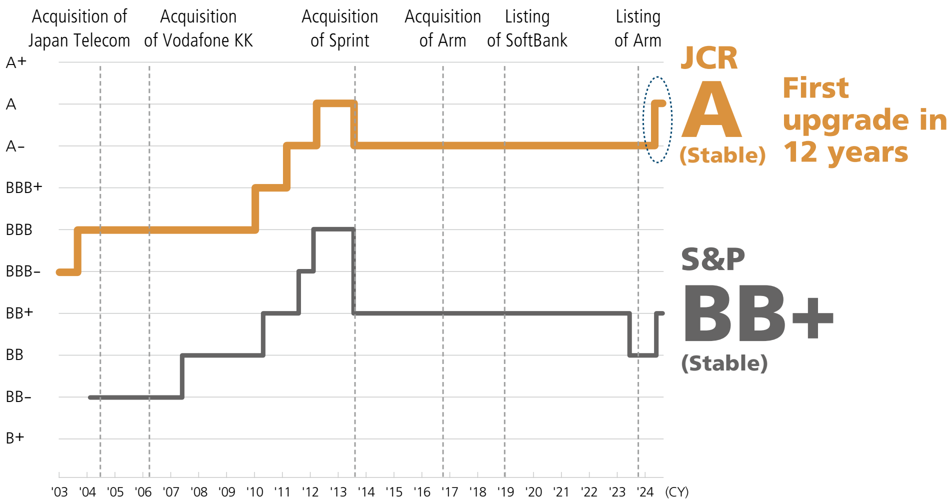
Fundraising on track

In terms of fundraising, we successfully completed bond issuances of ¥550 billion to retail markets in March 2024 and ¥100 billion to wholesale markets in April 2024. Due to strong demand, we issued another ¥550 billion bond to retail markets in June 2024. Currently, about half of Japan's estimated ¥2.1 quadrillion in household financial assets*3 is held in cash and deposits, while less than 20% is invested in riskier assets such as equities and mutual funds. I have long believed that the Japanese market lacks sufficient middle-risk/middle-return products to bridge the gap between cash deposits and risk assets. I also believe that the Japanese bond market is about 20 years behind global markets. For two decades, I have been dedicated to offering products that enhance investment opportunities for Japanese retail investors.

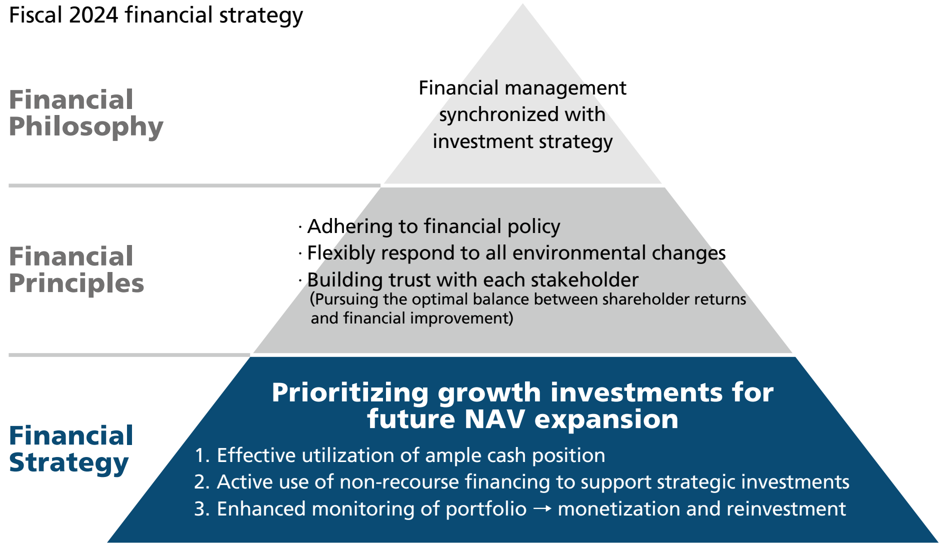
With our bond issue, JCR upgraded our rating by one notch from A- to A (stable) in

Message from Our CFO

Historical credit ratings of SBG (As of the date of the publication of this Annual Report)



Fiscal 2024 financial strategy



April 2024, and S&P upgraded by one notch from BB to BB+ (stable) in May 2024. This was JCR's first upgrade in 12 years, reflecting their recognition of our activities since becoming an investment company and our stable financial management. We have consistently maintained and adhered to our financial policies, and we believe that this disciplined financial management has now been recognized.

*3 Bank of Japan, Flow of Funds Accounts

Financial strategies for fiscal 2024

Financial strategies should not change frequently. The key is to align our financial management with our investment strategy, which is at the heart of our financial philosophy. While we aim to maximize corporate value, we must always adhere to our financial policies. In other words, maintaining a firm financial policy enhances managerial flexibility.

Of course, it is crucial to calmly analyze significantly fluctuating external factors, such as the economic and market conditions, and to create specific action plans. The ongoing and unfortunate conflicts around the world, rising diplomatic tensions, and the numerous elections in various countries and regions in fiscal 2024 will influence the political landscape. Despite these variables, the current market environment suggests that it is the right time to invest. In fiscal 2024, we will prioritize growth investments aimed at increasing our future NAV while maintaining financial stability and continuing an aggressive investment stance.

NAV (Net Asset Value) & LTV (Loan to Value)

Boosting NAV Growth by Investing in the Information Revolution

As of March 31, 2024

NAV hits **near-record highs**

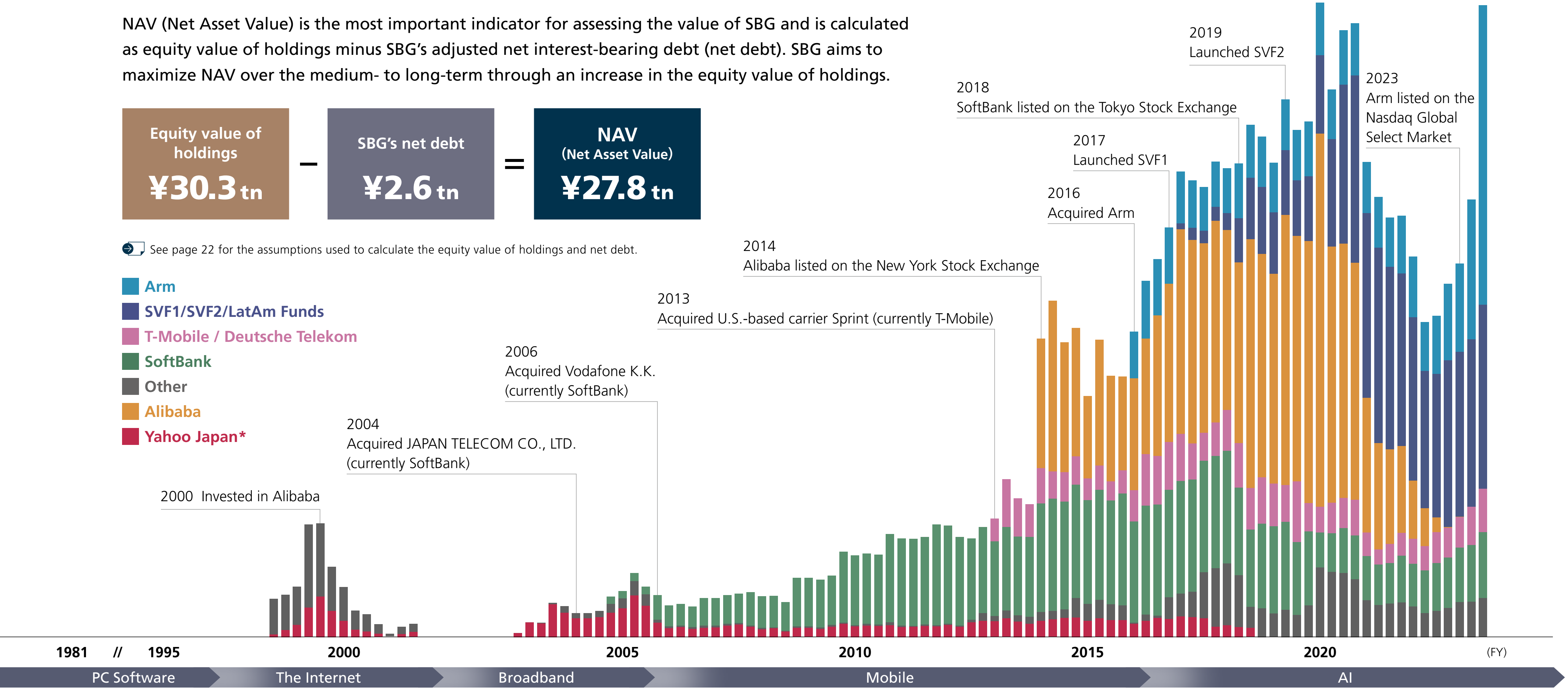
As of March 31, 2024

NAV ¥27.8tn

NAV (Net Asset Value) is the most important indicator for assessing the value of SBG and is calculated as equity value of holdings minus SBG's adjusted net interest-bearing debt (net debt). SBG aims to maximize NAV over the medium- to long-term through an increase in the equity value of holdings.

Equity value of holdings		SBG's net debt		NAV (Net Asset Value)
¥30.3 tn	−	¥2.6 tn	=	¥27.8 tn

See page 22 for the assumptions used to calculate the equity value of holdings and net debt.



Note: NAV data for each quarter-end. The NAV data are the Company estimates based on the information available to it, and the accuracy or completeness of the information is not guaranteed as the figures are not audited. NAV trends are not a guarantee of future figures and are not indicative of the price of SBG's common shares or any securities held by the Company and should not form the basis of investment decisions. The figures are based on data before considering taxes unless otherwise stated. In the calculation of NAV, the equity value of holdings and SBG's net debt each exclude amounts to be settled at maturity or borrowings that are part of asset-backed finance. See page 22 for the assumptions used to calculate the equity value of holdings and net debt.

* Yahoo Japan Corporation (currently LY Corporation) became a subsidiary of SoftBank in June 2019.

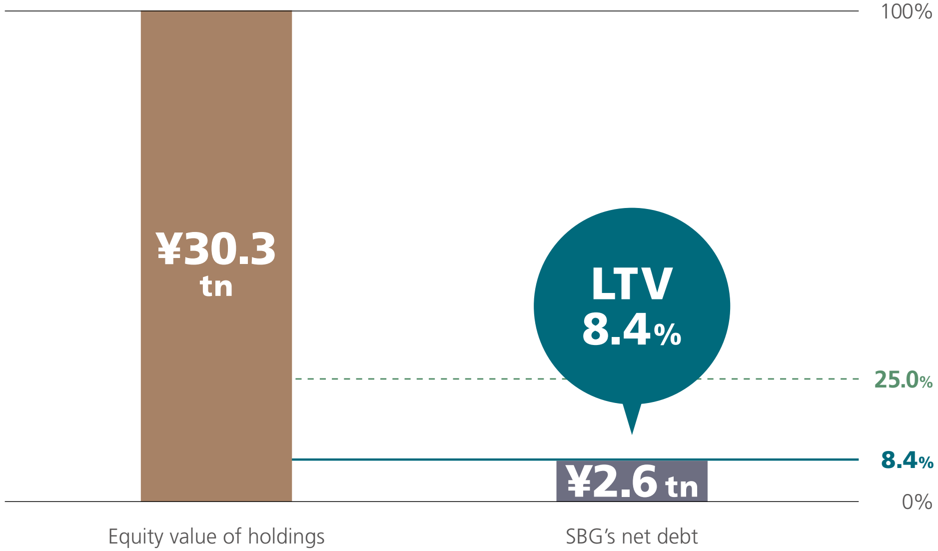
NAV (Net Asset Value) & LTV (Loan to Value)

An Important Indicator for Stable Financial Management: LTV

LTV (Loan to Value) is a financial indicator that is calculated as SBG's adjusted net interest-bearing debt (net debt) divided by the equity value of holdings. SBG's finance policy is to maintain LTV below 25% in normal times with an upper threshold of 35% even in times of emergency. An LTV below 25% is a very high level of safety indicating that the equity value of holdings is more than sufficient to repay the debt.

SBG's net debt ÷ Equity value of holdings = LTV (Loan to Value)

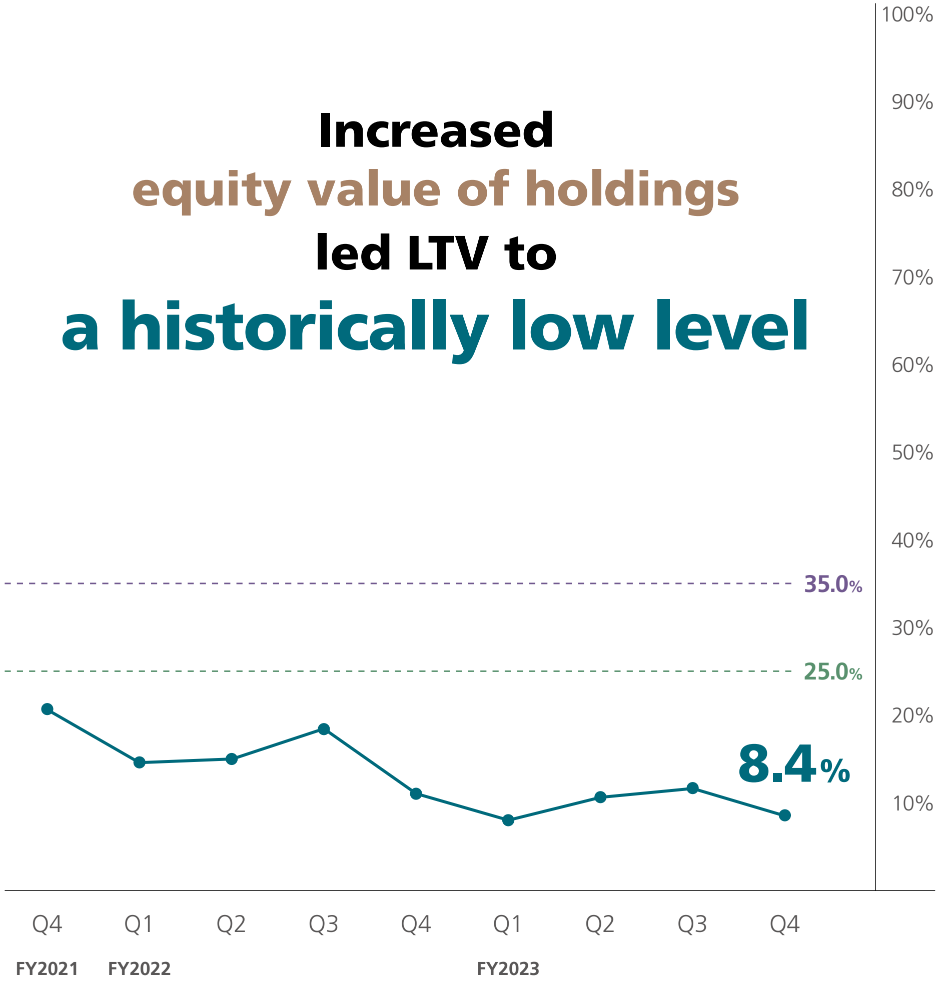
LTV as of March 31, 2024



See page 22 for the assumptions used to calculate the equity value of holdings and net debt.

Note: The equity value of holdings and SBG's net debt each exclude amounts to be settled at maturity or borrowings that are part of asset-backed finance.

Increased equity value of holdings led LTV to a historically low level



Note: LTV data for each quarter-end

Calculation of Equity Value of Holdings and Net Debt

As of March 31, 2024

Equity value of holdings

Arm: the number of shares held by SBG × Arm share price – the payable amount of the consideration for Arm shares acquired from SVF1 through an intragroup transaction – the equivalent amount of outstanding liabilities for margin loans using Arm shares

Alibaba: the number of Alibaba ADSs equivalent to the number of shares held by SBG × Alibaba ADS price – the sum of the outstanding maturity settlement amounts (calculated by using the Alibaba share price) of the prepaid forward contracts (collar contracts, forward contracts, and call spread) using Alibaba shares

SoftBank: the number of shares held by SBG × SoftBank share price – the equivalent amount of outstanding liabilities for margin loans, etc. using SoftBank shares

SVF1: SBG's share of SVF1's NAV + accrued performance fees, etc.

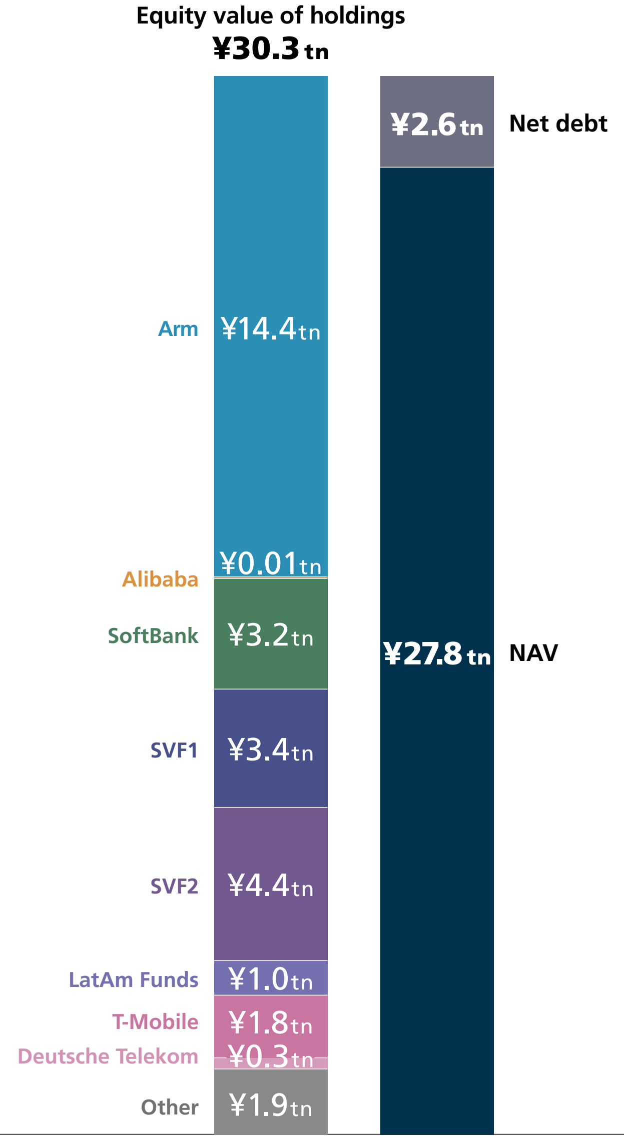
SVF2: SBG's share of SVF2's NAV, etc.

LatAm Funds: SBG's share of LatAm Funds' NAV + accrued performance fees, etc.

T-Mobile: (a) – (b) – (c)
(a) The number of T-Mobile shares held by SBG, including the number of shares subject to call options held by Deutsche Telekom × T-Mobile share price
(b) The amount of derivative financial liabilities related to unexercised call options held by Deutsche Telekom.
(c) Maturity settlement amount of the prepaid forward contracts (collar contracts) using T-Mobile shares (calculated by using the T-Mobile share price).

Deutsche Telekom: the number of Deutsche Telekom shares held by SBG × Deutsche Telekom share price - the maturity settlement amount of a collar transaction using Deutsche Telekom shares

Other: (d) + (e) + (f)
(d) Listed shares: the number of shares held by SBG multiplied by the share price of each listed share.
(e) Unlisted shares: calculated based on the fair value (or the carrying amount in SBG's balance sheet for those not measured at fair value) of unlisted shares, etc. held by SBG.
(f) SB Northstar: SBG's share of SB Northstar's NAV + the fair value of NVIDIA Corporation shares. Cash and cash equivalents, bond investments, and a part of interest-bearing debt except for margin loans and prime brokerage loans are treated as a part of the net interest-bearing debt of SBG and therefore not included in the calculation of SB Northstar's NAV.



Net debt

- Net debt = SBG net interest-bearing debt
- SBG net interest-bearing debt = consolidated net interest-bearing debt – net interest-bearing debt at self-financing entities, etc. – other adjustments
  Consolidated net interest-bearing debt: excludes bank deposits and cash position at PayPay Bank Corporation
- Net interest-bearing debt at self-financing entities, etc.: the sum of gross interest-bearing debt – the sum of cash positions of self-financing entities, such as SoftBank (including its subsidiaries such as LY Corporation and PayPay Corporation), SVF1, SVF2, LatAm Funds, and Arm, as well as SB Northstar. Cash and cash equivalents, bond investments, and a part of interest-bearing debt except for margin loans and prime brokerage loans of SB Northstar are included in the net interest-bearing debt of SBG.
- Other adjustments: the sum of adjustments of (g) to (m) below
  (g) Among the hybrid bonds and hybrid loans with a redemption date, the entire amount is recorded as interest-bearing debt in consolidated accounting. Therefore, 50% is deducted from the interest-bearing debt (to be treated as equity).
  Applicable bonds: 4th JPY-denominated hybrid bonds, 5th JPY-denominated hybrid bonds, 6th JPY-denominated hybrid bonds
  (h) Among the hybrid bonds, the perpetual bonds without a redemption date are recorded in their entirety as equity in consolidated accounting. Therefore, 50% is included in the interest-bearing debt.
  Applicable bond: USD-denominated NC10 undated hybrid notes
  (i) Deduction of financial liabilities related to prepaid forward contracts (collar contracts and forward contracts) using Alibaba shares.
  (j) Deduction of the equivalent amount of outstanding liabilities for margin loans, etc. using SoftBank shares.
  (k) Deduction of financial liabilities related to prepaid forward contracts (collar contracts) using T-Mobile shares.
  (l) Deduction of financial liabilities recorded as borrowings related to collar transactions using Deutsche Telekom shares.
  (m) Deduction of the amount equivalent to the outstanding balance of the borrowings made through margin loans using Arm shares.

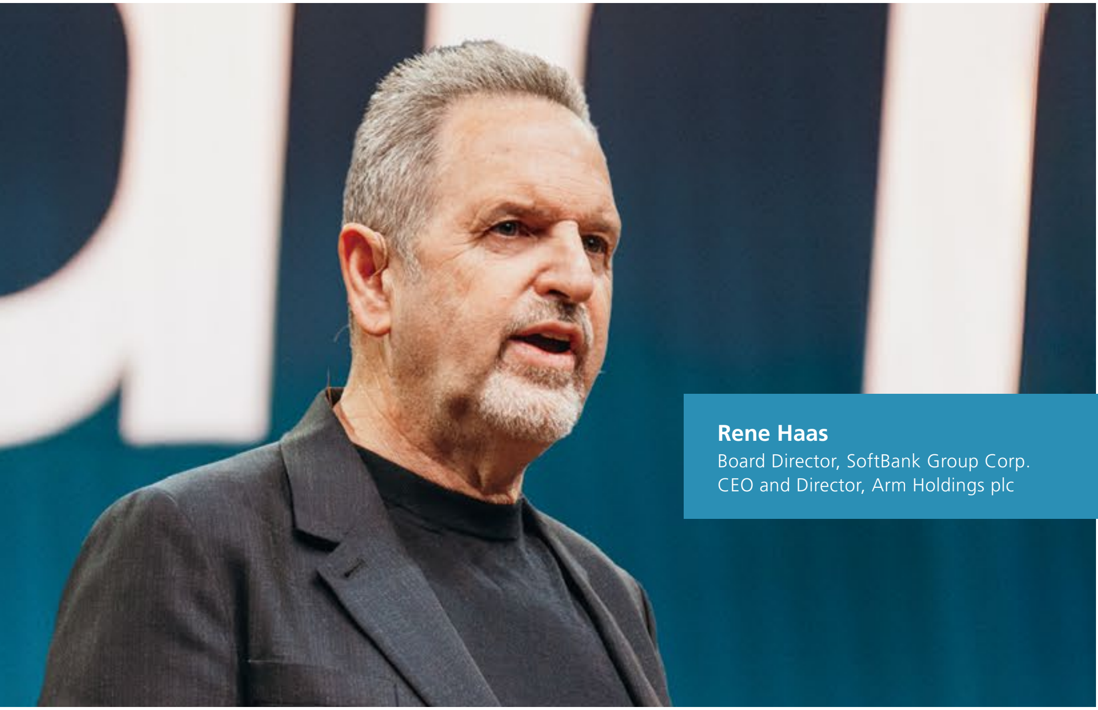
Message from Arm CEO

Arm Technology Is Defining the Future of AI Computing

The world's most pervasive compute platform

Arm is a global leader in the development of semiconductor technology, and we are defining the future of computing. A future that is being built by one of the most successful technology ecosystems in the world combining Arm, the leading CPU designer, and over 1,000 companies that partner with Arm to create billions of digital electronics products.

We fueled the smartphone revolution, and now we are redefining what is possible in cloud computing, transforming the automotive industry, enabling a thriving IoT economy, and making artificial intelligence (AI) a reality everywhere from data centers to edge computing. Through our focus on energy efficiency and our history of continuous innovation, we have enabled new categories of "smart" consumer electronics. Today, power efficiency is not only important for enterprises and consumers reducing their energy bills but also critical in achieving sustainability for our planet. This makes Arm's CPU technology ideal for computing applications everywhere as the demands for increasing performance are insatiable, especially as more applications adopt AI, while the need for energy efficiency remains critical.



Rene Haas
Board Director, SoftBank Group Corp.
CEO and Director, Arm Holdings plc

Arm's business model

Arm licenses CPU designs to leading technology companies that incorporate Arm's design into their computer chips. Customers pay a license fee to gain access to our technology and a royalty on every chip that uses one of our technology designs.

The value of the license fee typically depends on the amount of Arm technology being licensed, how advanced the technology is, and the period over which access is being granted. In recent years, Arm introduced *Arm Total Access*, a subscription-like business model where customers get access to a large proportion of Arm's technology portfolio. Most *Arm Total Access* agreements are signed for three years, and then renewed, providing for Arm license revenue for many years to come.

The value of the royalty fee can be related to the selling price of the chip and will typically increase as more Arm processors are included on the chip and as Arm's most advanced processors are included. As an example, Arm's latest CPU technology, *Armv9*, is gradually replacing the previous generation *Armv8**, especially in smartphones and data center servers. For fiscal 2023, the typical royalty fee for *Armv9* was around double the fee for *Armv8*.

Each Arm technology design is suitable for a range of end applications and can be reused in a variety of products to address multiple markets. Each new product generates a new stream of royalties. An Arm design can be used in many different chips, and certain Arm-designed products continue to generate royalty revenue 25 years after their initial development.

*For the quarter ended March 2024, Arm estimates that *Armv9* provided around 20% of royalty revenues, *Armv8* around 50%, and older architectures around 30%.

Message from Arm CEO

Investing for the long term

In our fast-paced world, new applications, device categories, and markets are continually emerging, many of which require advanced semiconductor chips to provide their capabilities. In contrast, it can take many years to develop the technology that is used in these new devices. Arm is investing currently for products that it expects consumers and enterprises will start using in 5–10 years.

Arm has been investing to develop new technology to

- Gain or maintain share in long-term growth markets, such as smartphones, consumer electronics, cloud servers, automotive, and embedded computing.
- Increase the value of Arm processors in every smart device by providing additional functionality, higher performance, higher efficiency, and more specialized designs.
- Expand our product offerings to include more complete systems, such as Compute Subsystems (CSS), which are a pre-integrated platform of Arm IP, that further increase the value of our products to our customers.
- Invest in next-generation technologies such as artificial intelligence and machine learning.
- Expand access to Arm products through our flexible business model, creating new ways for customers to include Arm technology in their products.

Revenues today are from investments made many years ago

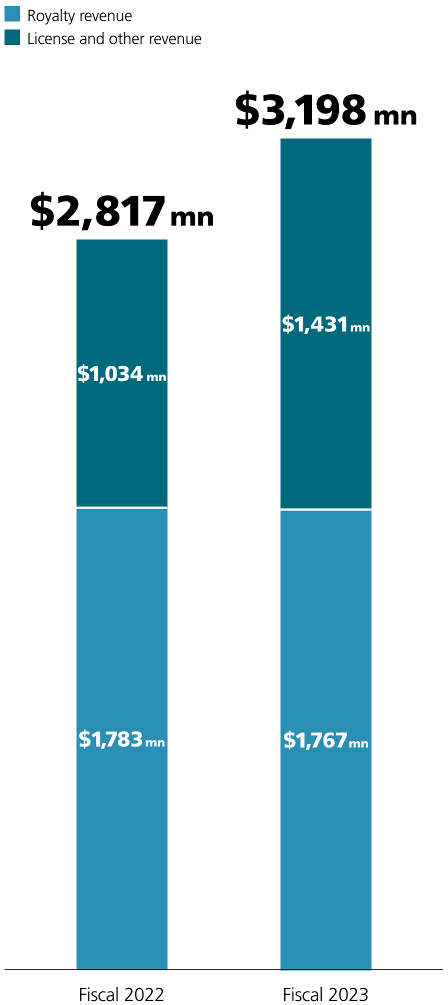
It takes Arm's customers time to develop the complex chips that contain Arm technology. Licenses signed today are not expected to yield royalty revenue for at least 2–3 years. However, if the chips are commercially successful, they can bring additional royalty revenue streams that could last for years, and even decades, to come.

After several years of accelerated investments, in fiscal 2023 Arm saw record revenue growing 13.6% year on year (U.S. dollar–based) as its latest products came to market.

Arm's license and other revenue in fiscal 2023 grew 38.5% year on year as leading technology companies aligned their future roadmaps with Arm's product portfolio, many signing long-term, high-value *Arm Total Access* agreements. This demand has been accelerated by the need for energy-efficient AI capability across a wide range of end markets, from servers to smartphones to sensors, which only Arm's technology can provide.

Arm's royalty revenue in fiscal 2023 was down slightly year on year as a decline in the number of smartphones sold was offset by Arm's latest technologies, which typically command a higher royalty fee per chip, being deployed in high-end smartphones, and market share gains in automotive applications and cloud servers.

Revenue

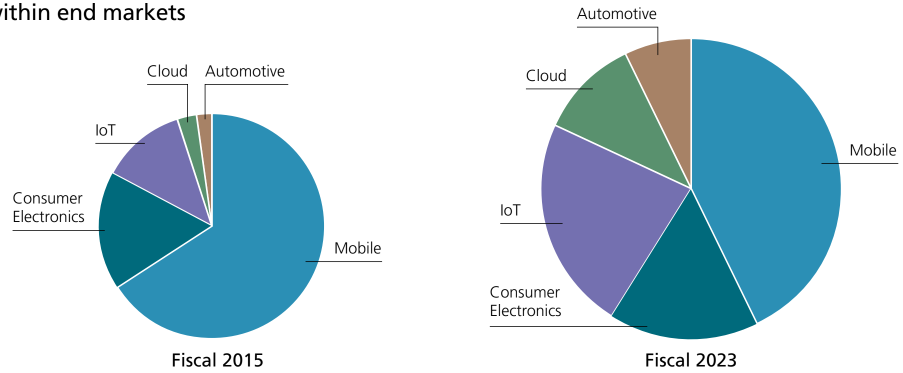


Note: Revenue refers to the Arm segment's net sales (IFRSs).

Message from Arm CEO

Photo: Nasdaq, Inc.

Royalty revenue split within end markets



Note: Based on royalty reports reported to Arm by customers. Differs from royalty revenue reported by Arm. License revenue not included. Reference material to explain image

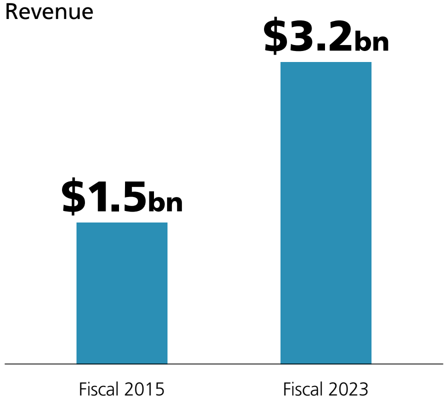
Starting a new chapter in Arm's story

For me, the highlight of the year was the Arm IPO on September 14, 2023, when we listed on the Nasdaq Global Select Market. This was a historic event for the company and its employees, one that we celebrated across all our offices around the globe. Arm has been developing leading technology for over 30 years, but so much has changed in just the past few years since SBG acquired Arm in 2016.

SBG will continue to play a major role in Arm's future. Masa (Masayoshi Son, Representative Director, Corporate Officer, Chairman & CEO of SBG) maintains his position as Arm's Chair and continues to provide leadership to Arm's strategy. Also, SBG currently holds a large proportion of Arm shares and so will directly benefit from any appreciation in Arm's valuation.

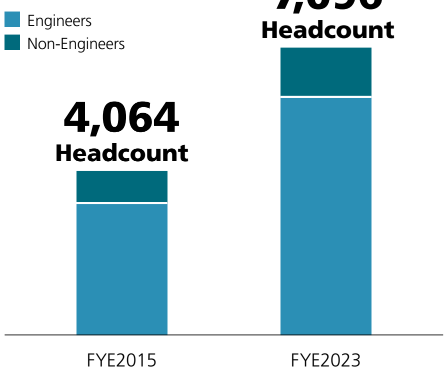
Together, we will benefit from the growth of the semiconductor industry, the increasing deployment of AI capability in chips from cloud to edge computers, and the higher value per chip from the latest Arm technology. These are trends that enable Arm to grow for years, if not decades to come.

Revenue



Note: Based on accounting standards and fiscal year at the time. Revenue refers to revenue reported by Arm.

Personnel



Note: Personnel (the number of employees) is as of March 31, 2016, and March 31, 2024. "Engineers" and "Non-Engineers" are based on job type. Engineers in fiscal 2015 includes program management, technical support, and other technical positions. Engineers in fiscal 2023 does not include those positions.

Message from SoftBank Vision Funds Management

Global Uncertainty: Remaining Flexible and Resilient

We have been an early and long-time champion of AI and have continued to execute a disciplined global investment strategy in 2023—a year characterized by persistent uncertainty in private and public markets. Geopolitical tensions persevered and, in some cases, escalated during the year, including between the U.S. and China, in Ukraine, and across the Middle East. Inflation continued to weigh on growth, and central banks across the globe held interest rates at multiyear high levels.

The higher-rate environment impacted the world of venture capital. Higher rates translated to higher cost of capital for cash-intensive start-ups looking to expand. These effects were compounded through a more challenging funding environment in 2023, with the December quarter marking the slowest quarter for new private venture capital funding rounds, both in number of rounds and volume of capital invested, in more than six years.[*1]

Despite these challenges, there were a few bright spots in the public markets. The highest-performing stocks—referred to as the "Magnificent Seven"—continued their strong performance in 2023, driven by excitement about AI's endless possibilities. Amid mixed performance for the rest of the market, these top stocks helped drive up the S&P 500 by more than 20% for the year.

We have invested in the AI megatrend for years and are true believers in the power of AI to unlock growth and efficiencies and make the world a better place. Recent and significant developments in AI vindicate our belief that we are on the cusp of a new dawn of technology—all driven by AI.

Just as the Internet did in the 1990s, we believe AI will redefine the world as we know it. We have waited a long time to get to this moment, and we are looking forward to witnessing the true power of AI.

Against a changing macroeconomic backdrop, we continued to strike a careful balance between maintaining strict financial discipline and remaining nimble when compelling investment opportunities arose. In fiscal 2023, we invested in a handful of companies that we believe have compelling long-term value creation potential, such as

Rajeev Misra
Co-CEO, SoftBank Investment Advisers

Alex Clavel
Co-CEO, SoftBank Investment Advisers
CEO, SoftBank Global Advisers

Message from SoftBank Vision Funds Management

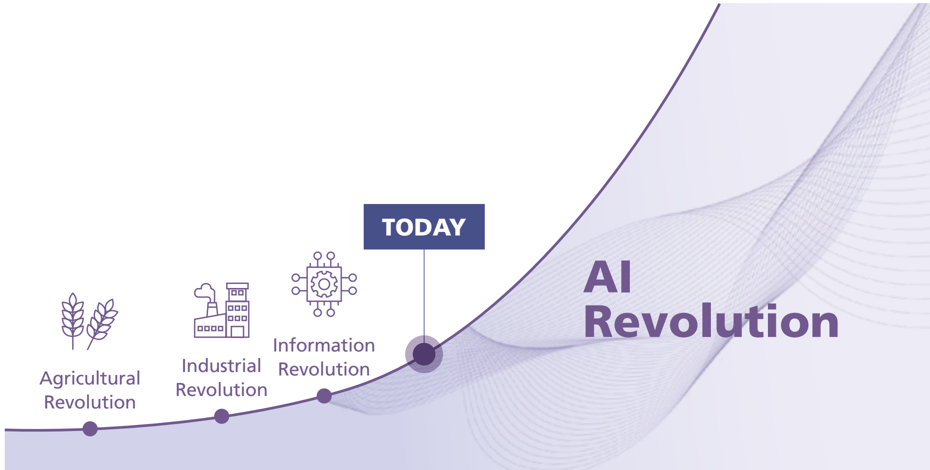
Tractable, Cato Networks, and TravelPerk. We also participated in 32 follow-on rounds in existing portfolio companies, demonstrating our conviction in the long-term growth of the portfolio.

The hard work behind the scenes in helping portfolio companies weather sustained volatility continues to yield results. We saw performance stabilize across the funds, with a combined investment gain of $4.8 billion*2 for fiscal 2023. Our investment and operating teams continue to work closely with our portfolio companies to encourage capital-efficient growth. Specifically, we are focused on helping them solidify their market positions and grow revenues in a sustainable way. With the cost of capital at elevated levels, we have worked constructively with our portfolio management teams to maintain strong cash positions. We are encouraged by our portfolio companies' ability to manage this environment, a sign of their enduring resilience.

Continued progress was also made in monetizing assets at constructive prices. During fiscal 2023, we monetized more than $22 billion*3 from investments. Total gross proceeds now stand at more than $68 billion since inception,*4 at a gross MOIC of 1.71x. This is a strong achievement against a choppy market backdrop, in part realized by successfully exiting SoftBank Vision Fund 1's position in Arm,*5 which completed its IPO in September 2023.

Notwithstanding, the broader market for new listings remained tepid and is expected to stay that way for much of 2024. Our Equity Capital Markets teams continue to closely monitor market conditions, while our operational teams work with portfolio companies to ensure they are best positioned to enter the public markets at the right time. Our late-stage portfolio constitutes a combined fair value of $32 billion*4 in companies that are ready to list when the time is right. We know the IPO window will reopen, and when it does, we believe we'll be in a position to take full advantage.

History has taught us that market cycles come and go, but our strategy remains the same: Identify and invest in the nascent megatrends that will shape the future. This conviction is underpinned by our commitment to financial discipline. We are encouraged by early signs that the tide is beginning to turn, strengthening our confidence in our investment principles and in our portfolio company founders, who appreciate our long-term partnership. We are committed to generating sustainable returns, and, looking forward to fiscal 2024, we are optimistic for what is to come.



SoftBank Vision Funds fiscal 2024 priorities

01- Investing in the AI Revolution	02- Unlocking Portfolio Value	03- Disciplined & Consistent Monetization

*1 Source: State of Venture 2023 Report. CB Insights. January 2024.
*2 Based on gain (loss) on investments at SVF1, SVF2, and LatAm Funds recorded in the SoftBank Vision Funds segment. All other figures in this section are on an SVF stand-alone basis. Before deducting third-party interests, tax, and expenses.
*3 Net total of gross consideration from monetization in fiscal 2023, including derivatives, dividend income and interest. Includes deferred proceeds from Arm transaction - payments to be made in installments over a two-year period.
*4 As of March 31, 2024
*5 This gain is eliminated in consolidation, as it resulted from an intragroup transaction of subsidiary shares.

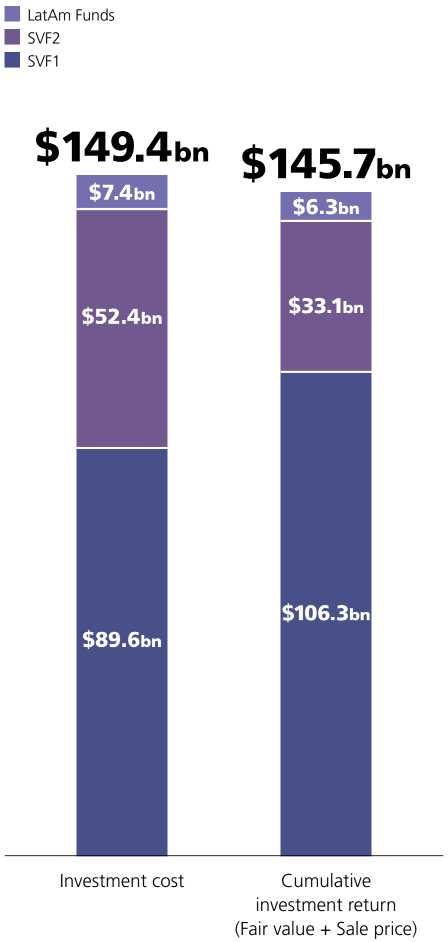
SoftBank Vision Funds In Focus

Crystallizing a Long-Term Investment Strategy

See SoftBank Vision Funds' website for further details.

Performance snapshot

As of March 31, 2024



While we are not immune to broader market challenges, the current conditions have underscored the importance of constructing a diversified portfolio centered on resilient business models and clear paths to value creation. These conditions have also validated our decision to maintain caution in the near term. Although we largely remained in "defensive mode," in fiscal 2023, SoftBank Vision Funds executed a handful of select investments with an eye toward continued diversification of our AI portfolio across a spectrum of geographies, sectors, and technologies.

We have invested across the full AI stack, from businesses deploying AI as a core service offering to customers—including pioneering generative AI technologies developed by companies such as Picsart and Labelbox—to other companies utilizing AI in their normal-course business operations to help increase profitability and efficiency, such as Klarna. 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 that the vast potential of its applications is still emerging. With a projected global GDP uplift of up to 7%,*1 the economic impact of AI will be tremendous. As AI grows and its applications become more universal, we anticipate significant benefits for ourselves and our LPs from our broad exposure to businesses utilizing AI technology.

SoftBank Vision Funds primarily invest across nine key sectors to maintain exposure to the technologies that are powering secular growth. We also continue to balance our geographic exposure while prioritizing investments in the U.S., EMEA, and India. Notably, in India, SoftBank Vision Funds companies accounted for 50% of all growth capital invested in fiscal 2023 and 60% of all capital raised at IPOs since 2021.

Fund performance stabilized markedly in fiscal 2023, with a cumulative $4.8 billion investment gain. We were able to unlock the value of our funds through notable exits, including Arm and Zomato.

From inception through March 31, 2024, SoftBank Vision Funds have built an unprecedented portfolio ecosystem of more than 470 investments (including exited investments), at an acquisition cost of $149.4 billion:

- SoftBank Vision Fund 1 has made 94 investments at an acquisition cost of $89.6 billion, with a total cumulative return*2 of $106.3 billion. It benefitted from strong performances across certain public and private investments, notably ByteDance and Coupang.
- SoftBank Vision Fund 2 has invested in 277 companies at an acquisition cost of $52.4 billion, with a total cumulative return*2 of $33.1 billion. Despite a gross loss primarily due to markdowns of a wide range of private investments, fiscal 2023 saw the loss partially offset by increased fair values from a recovery in public assets and private up rounds.
- SoftBank Latin America Funds have invested in 105 companies at an acquisition cost of $7.4 billion, with a total cumulative return*2 of $6.3 billion. LatAm Funds demonstrated continued momentum in fiscal 2023, 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.

*1 Source: Goldman Sachs. Generative AI could raise global GDP by 7%. April 2023.
*2 Includes the fair value of investments held as of March 31, 2024 and the sale price of exited investments.
Note: The figures in this section are based on gain (loss) on investments at SVF1, SVF2, and LatAm Funds recorded in the SoftBank Vision Funds segment. Figures in subsequent sections are presented on an SVF stand-alone basis. Before deducting third-party interests, tax, and expenses. The classification of public/private investments is as of March 31, 2024.

Green shoots on the horizon

Our financial results reflect broader trends in the market. We have seen growing revenue in public companies, generating high cash flow and creating strong cash positions

SoftBank Vision Funds In Focus

Top 10 public investments by fair value

As of March 31, 2024

Current Investments*1

45

Unrealized FV – Public*2

$21.0 bn

% of Total Unrealized FV*3

27%

Fund	Company	FV ($ bn)*2	NTM CONSENSUS REVENUE GROWTH*4	CURRENT MARKET CAP ($ bn)*4	PEAK MARKET CAP ($ bn)*4
SVF 1	coupang	6.2	17%	31.9	86.5
SVF 1	DiDi	3.7	9%	18.4	79.1
SVF 2	AutoStore	2.4	9%	6.2	18.0
SVF 1	Grab	1.3	17%	12.4	33.7
SVF 1	Full Truck Alliance	1.2	22%	7.8	23.3
SVF 2	symbotic	0.9	42%	26.5	31.6
SVF 1	DOORDASH	0.8	18%	55.6	84.4
SVF 1	roivant	0.8	26%	8.5	10.4
SVF 1	DELHIVERY Small World	0.4	20%	3.9	6.3
SVF 1	goto	0.4	-2%	4.7	31.3
	Others	2.8	10%*5		

*1 Current Investments includes publicly listed portfolio companies that had not been fully realized as of March 31, 2024.
*2 "Unrealized FV" and "FV" are the unrealized value of SoftBank Vision Funds' stakes as of March 31, 2024. Full Truck Alliance is both an SVF1 and SVF2 investment. Total figures may differ due to rounding.
*3 % of Total Unrealized FV is the sum of the current public portfolio companies' Unrealized FV divided by SoftBank Vision Funds' total Unrealized FV.
*4 Source: Capital IQ
*5 Median NTM consensus revenue for other publicly listed portfolio companies

across our portfolio companies, demonstrating signs of recovery for the broader market.

We are cautiously optimistic that even the valuations of public companies, which have dipped recently, will recover. We believe there is significant upside to be realized, and we remain vigilant in seeking monetization opportunities when market conditions warrant.

Looking back at fiscal 2023, we are pleased to see our commitment to capital-efficient growth and financial discipline has helped us weather volatility and positioned us well for future success. We are focused on investing in companies that demonstrate key drivers of success, such as strong product-market fit and notable commercial traction. As evidence of our disciplined approach:

– The median reduction in cash burn across our private portfolio companies was 43% year over year.*3
– 41%*4 of our private portfolio companies achieved year-over-year revenue growth of more than 40%.
– 53%*4 of our private portfolio companies achieved year-over-year revenue growth of more than 25%.
– More than 90%*5 of our private portfolio companies maintain a cash runway in excess of 12 months, ensuring stability and strategic maneuverability in the market.

Overall, improvement in the quality of the portfolio, particularly in SoftBank Vision Fund 2, reflects a successful strategy marked by positive developments within the businesses and beneficial industry headwinds. We have continued to invest prudently where we have seen opportunities at appropriate valuations.

*3 Source: SBIA Analysis. Includes latest available year-over-year quarterly cash burn data comparisons for private portfolio companies. As of March 31, 2024.
*4 Based on portfolio company fair value. Source: SBIA Analysis. Includes latest available year-over-year quarterly revenue data comparisons for private companies. As of March 31, 2024.
*5 Based on portfolio company fair value. Source: SBIA Analysis. Excludes portfolio companies where cash runway data is unavailable and investments in funds. As of March 31, 2024.

Continued focus on exit opportunities—for the right price

The total value of our late-stage portfolio amounted to $32 billion as of March 31, 2024, including a strong pipeline of established businesses with well-tested revenue flows and customer bases. For example, e-scooter maker Ola Electric is seeking to raise $662 million through its planned initial public offering expected later this year—a float predicted to be India's largest offering to date.*6

The market anticipates a potentially more consistent flow of public offerings in 2024,

SoftBank Vision Funds In Focus

with companies eyeing public listings being viewed as indicators of the state of the IPO landscape. We will remain highly selective about the opportunities we pursue and ensure that our portfolio companies have the right controls in place before going public.

M&A represents an additional pathway to returns beyond public listings. As of the end of fiscal 2023, 14 of our portfolio companies were sold or merged with other businesses. For example, Pismo completed a $1 billion merger with Visa to provide support and connectivity for financial institution clients across Latin America, Asia-Pacific, and Europe. In addition, it was announced in February 2024 that Cohesity intended to merge its data protection business with Veritas to become a market leader in data security and management, valued at $7 billion.

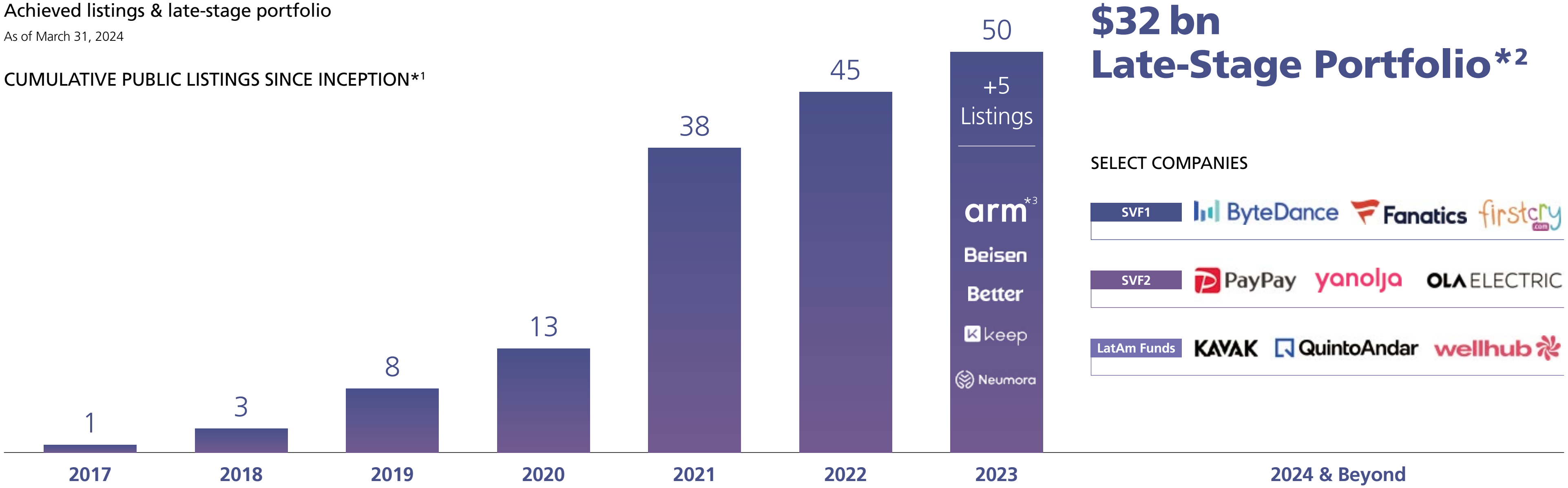
We remain disciplined with respect to monetization, with gross proceeds of more than $22 billion in fiscal 2023. The total gross proceeds since inception now stand at more than $68 billion, with 50 portfolio companies publicly listed on global exchanges. We have demonstrated an ability to pick winners and identify potential early in the company life cycle. We remain focused on identifying transformative leaders and helping them scale sustainably, all with an eye toward maximizing gains for our LPs, including SBG.

While remaining cautiously optimistic about the encouraging signs we are starting to see emerge from the uncertainty in private and public markets in fiscal 2023, we feel well-positioned to adapt to the changes that fiscal 2024 will undoubtedly bring. Through our diversified portfolio, disciplined approach to investing, and strong track record of asset monetization, we believe our investment platform is well-equipped to identify and capitalize on growth opportunities across AI-enabled verticals.

*6 Ola Electric Prospectus: https://cdn.olaelectric.com/sites/evdp/pages/investor/Ola_Electric_Mobility_Limited_DRHP.pdf

Achieved listings & late-stage portfolio

As of March 31, 2024



*1 Listings since inception include companies invested in on the IPO / public listing date. WeWork and Full Truck Alliance are both SVF1 and SVF2 investments.
*2 Includes portfolio companies that have raised as Series E or equivalent late-stage round as of March 31, 2024, or are likely to publicly list in the near term based on SBIA Analysis.
*3 SVF1 continues to hold one ordinary share of Arm Holdings plc.
Note: Select investments presented herein are solely for illustrative purposes and have been selected in order to provide examples of investments made by SVF1, SVF2, and LatAm Funds that have gone public or, in the opinion of SBIA, may go public in the future and do not purport to be a complete list of investments. References to investments included herein should not be construed as a recommendation of any particular investment or security. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described herein. Past performance is not indicative of future results.

SoftBank Vision Funds In Focus

Outline of SoftBank Vision Funds

As of March 31, 2024

	SVF1	SVF2	LatAm Funds
Total committed capital	$98.6 billion	$59.8 billion*1	$7.8 billion*1
Limited partner	The Company, external investors	The Company, management*2	The Company, management*2
Fund manager	SB Investment Advisers (UK) Limited (SBG's wholly owned foreign subsidiary)	SB Global Advisers Limited (SBG's wholly owned foreign subsidiary)	SB Global Advisers Limited (SBG's wholly owned foreign subsidiary)
Start of operation	2017	2019	2019
Fund life	Until 2029 + Up to two 1-year extensions by SBIA	Until 2032 + Up to two 1-year extensions by SBGA	Until 2032 + Up to two 1-year extensions by SBGA
Current cycle	Value creation and realization period	Investment period	Investment period

Capital Structure of SVF1

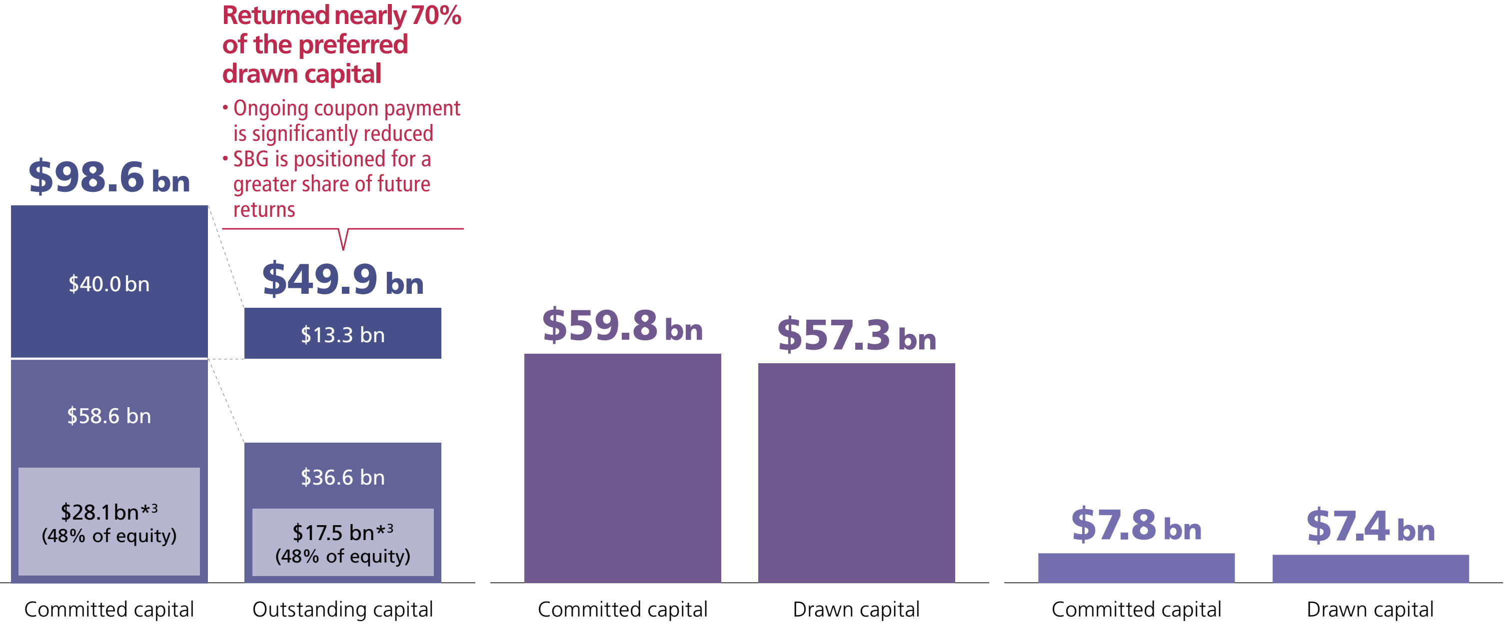
Preferred equity (fixed distribution)

- A fixed rate of 7% on outstanding preferred equity contributions is distributed in proportion to the investment principal, regardless of the investment performance
- Prioritized over equity upon distribution

Equity (performance-based distribution)

- Distribution to limited partners is fully dependent on investment performance
- Has lower priority during distribution, compared to preferred equity interest

SBG has committed to equity interests



*1 Effective September 27, 2023, SBGA, the manager of SVF2 and LatAm Funds, may allocate the remaining committed capital from SVF2 to LatAm Funds up to the amount of $4 billion and in such circumstances, the total commitment to SVF2 will be reduced.
*2 A co-investment program has been introduced for SBG's management. An investment entity for the co-investment program participates in both funds.
For further details of the program, see "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under "Note 45. Related party transactions" in "Notes to Consolidated Financial Statements" in "Financial Report 2024."
*3 Excludes committed capital for an incentive scheme related to SVF1.

Our Sustainability

Sustainability Vision "Help Shape the Next 300 Years for Our Future Generations and the Planet"

The SoftBank Group's philosophy, Information Revolution—Happiness for everyone, embodies our determination to bring happiness to everyone, even to future generations 300 years from now. To create a world where people can live in harmony with the earth, we will fulfill our responsibility as a leader of the Information Revolution to realize a sustainable society.

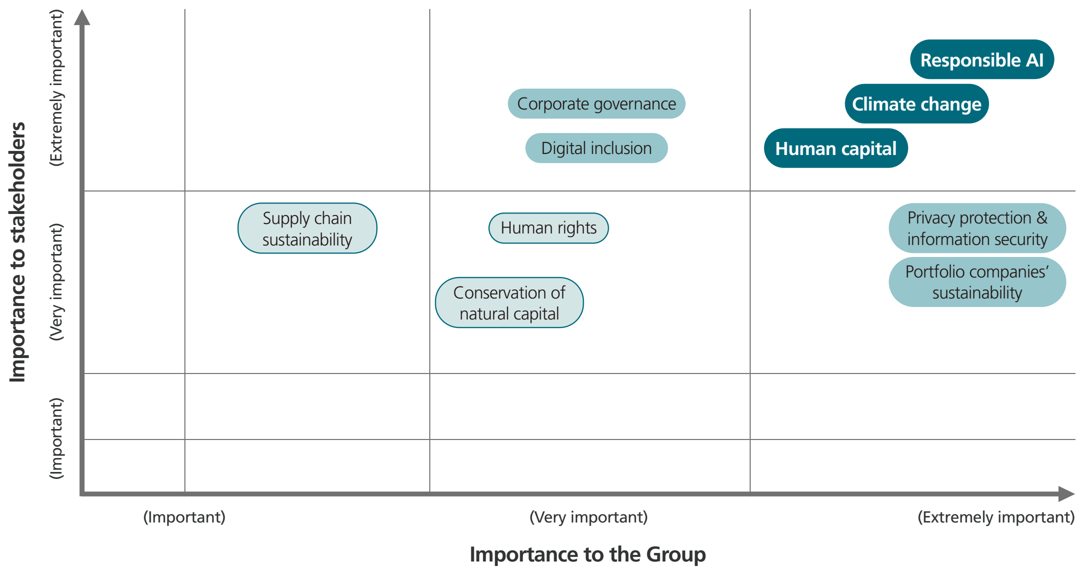
Sustainability principles

SBG has established The SoftBank Group Sustainability Principles as a guideline for the Company'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 material issues relating to sustainability ("Material Issues") reflecting the business characteristics and social demands of each Group company.

Material issues relating to sustainability

Based on our view of double materiality, SBG classifies issues to be addressed from two perspectives: the importance to stakeholders and to the Group. Among these issues, we identify material issues relating to sustainability that should be addressed with priority, determined by the Board of Directors.

The eight material issues that we identified in fiscal 2020 have been updated to ten issues in January 2024, in consideration of social and business environmental changes surrounding the Group. As for the importance to the Group, issues in the major business sectors in which the Group is engaged are analyzed to determine the order of priority.



Our Sustainability

Concept of each Material Issue

Material Issues	Concept
Responsible AI	Stand at the forefront of the Information Revolution, and create new value through the utilization of responsible AI to build a more connected, empowered and joyful world.
Climate change	Challenge issues of global climate change through business activities of a diverse group of companies.
Human capital	Strive for sustainable growth by creating an internal environment in which employees, who are the source of value creation, can challenge themselves and play an active role.
Privacy protection & information security	As a leader of the Information Revolution, sincerely deal with protection of information assets, and lead to realization of a safe and secure digital society.
Portfolio companies' sustainability	As a strategic investment holding company, contribute to the realization of a sustainable society through investment, together with portfolio companies.
Corporate governance	Under the fundamental concept of "free, fair, and innovative," strengthen governance structure ensuring transparency and effectiveness.
Digital inclusion	Promote the Information Revolution, strive to eliminate the digital divide to realize a world in which everyone can benefit from technology.
Human rights	Respect human rights for everyone in all aspects of our business activities, including those who belong to our supply chains.
Conservation of natural capital	As a global citizen, take serious efforts to conserve the global environment.
Supply chain sustainability	Pursue to build sustainable supply chains by cooperating with stakeholders in all business activities.

Identification and review of Material Issues

The following process is performed to identify our Material Issues. In addition, Material Issues are reviewed at least once in two years to reflect changes in social environments, the expectations of stakeholders, and the business operations within each Group company.

STEP 1 **Identification of issues**	STEP 2 **Materiality analysis**	STEP 3 **Identification of Material Issues**	STEP 4 **Setting and monitoring of goals**	STEP 5 **Periodic review**
Identify social issues in the social and business environments surrounding the Group's main business sectors by referring to external guidelines and experts' opinions.	Analyze importance from two perspectives based on our view of double materiality: "importance to stakeholders" and "importance to the Group."	Exchange opinions between relevant members inside and outside of the Group, and external experts. Identify Material Issues through discussion at the Sustainability Committee, and approval of the Board of Directors.	Set the goals / action plans for the Material Issues based on their importance. Continuously monitor the progress of the goals/action plans.	Review at least once in two years to reflect changes in social environments, the expectations of stakeholders, and the business operations within each Group company.

Goals or action plans

For the Material Issues that should be addressed with priority, we set the following goals / action plans and will continuously monitor their progress.

▶ Responsible AI

We aim for the establishment of an appropriate AI governance structure through discussions to be held in our working group.

For further details on responsible AI initiatives, see page 45.

▶ Climate change

We promote initiatives to achieve our Group target to "Achieve Carbon Neutrality by fiscal 2030."

For further details on our initiatives related to climate change, see page 38.

▶ Human capital

We regard human resources as a source of value creation and important stakeholders for supporting our sustainable growth. Accordingly, we will continuously work on creating an internal environment in which employees can challenge themselves and play an active role while making the most of their individuality and abilities, as well as attracting autonomous and professional human resources and supporting their growth and advancement.

For further details on our initiatives related to human capital, see page 42.

Our Sustainability

Sustainability governance

Sustainability governance structure

SBG's Board of Directors has appointed the Chief Sustainability Officer (CSusO), who is responsible for the promotion of Group-wide sustainability, and established the Sustainability Committee for the purpose of promotion of the sustainability-related activities of the Group. The Sustainability Committee continuously discusses overall policies such as the 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 Committee is chaired by the CSusO (head of Investor Relation Department & head of Sustainability Department) and composed of three members including 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 CSusO reports the details of discussions of the Sustainability Committee to the Board of Directors for supervision.

Sustainability Committee

SBG's Sustainability Committee was established in June 2020 and schedules meetings on a flexible quarterly basis. In addition to the Committee members, the heads of relevant departments attend the meetings to engage in cross-functional discussions based on specialized knowledge and multiple perspectives.

The Committee met three times in fiscal 2023 (April, October, and December). The discussions involved a variety of matters such as reviewing material issues relating to sustainability ("Material Issues"), integrating ESG factors into the investment process, developing an approach to responsible AI, advancing mandated non-financial information disclosure, and responding to climate change.

Committee members

As of March 31, 2024

Chairperson	Yotaro Agari (CSusO, Head of Investor Relations Department & Head of Sustainability Department)
Other members	Yoshimitsu Goto (Board Director, Corporate Officer, Senior Vice President, CFO & CISO, Head of Finance Unit, Head of Administration Unit)
	Kazuko Kimiwada (Corporate Officer, Senior Vice President, Head of Accounting Unit)
	Tim Mackey (Corporate Officer, CLO & GCO, Head of Legal Unit)

Committee activity

Meetings held	Fiscal 2023: 3 (11 since established)	
Main discussion matters in fiscal 2023	•Reviewing Material Issues •Developing an approach to responsible AI •Integrating ESG factors into the investment process •Advancing mandated non-financial information disclosure	•Responding to climate change •Addressing human rights risks •Strengthening sustainability information disclosure •Establishing sustainability-related Group policies

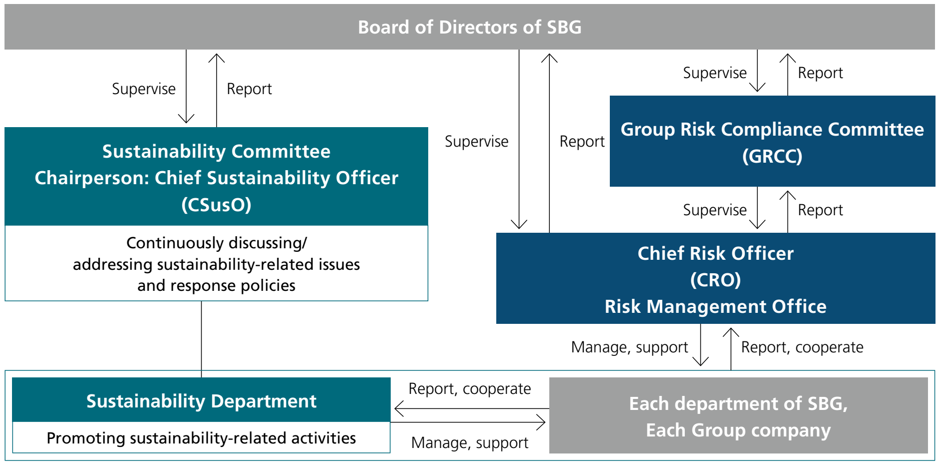
Sustainability risk management

At SBG, the Risk Management Office is responsible for the integrated management of Group-wide risks in accordance with the Risk Management Policy. As for sustainability-related risks, the Sustainability Department under the CSusO collects information through reports from major Group companies and each department of SBG, and identifies 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 under the framework of the Group-wide risk management process referenced above.

The Risk Management Office analyzes and assesses various risks including sustainability and their countermeasures. For material risks that could have a significant impact on the sustainable growth of the Group, 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 the Board of Directors and the Group Risk and Compliance Committee (GRCC) that consists of the Board Director and the Corporate Officers of SBG. Based on the results of discussions, the Risk Management Office strives to strengthen the Group's risk management system.

See page 62 for our risk management.

Sustainability governance and risk management structure



Our Sustainability

Yotaro Agari
CSusO,
Head of Investor Relations Department
Head of Sustainability Department

Message from Our Chief Sustainability Officer (CSusO)

When we look at the external business environment, we can see that the AI revolution (a revolution in AI-powered technology) has made rapid strides, but we also find sources of concern that will require greater attention, including geopolitical tensions and climate change. Amid this volatile and complex backdrop, it is imperative that we continue to step up our sustainability efforts. SBG has always remained true to its core philosophy: Information Revolution—Happiness for everyone. This philosophy embodies our commitment to sustainability. We believe that the Information Revolution, as well as driving business growth in the medium- to long-term, will deliver the vision of autonomous driving for safer roads, remote learning for educational equality, and many other visions of a more sustainable world.

When it comes to sustainability, an important step we took during the year under review was to revise our set of strategic material issues in light of changes in both the internal and external business environment. Two issues in particular remain paramount concerns: climate change and human capital. Climate change is an increasingly pressing challenge. SBG has committed to targets for reducing greenhouse gas emissions as part of its climate-related goal:*1 Achieve Carbon Neutrality by fiscal 2030. We have also started quantifying our Scope 3 emissions (which encompasses portfolio companies) with intentions to present a road map for reaching net zero in Scope 3 emissions as soon as possible. As for human capital, it goes without saying that this is of crucial importance to our organization, which invests in AI and other innovative technologies. We are committed to laying down the infrastructure to empower people to take on challenges and excel.

Another top priority is ensuring responsible AI. With the rapid progress in the AI revolution, lively debates have ensued about the hidden risks of AI and what measures are needed to control these risks. As an organization at the forefront of the AI revolution, SBG recognizes the paramount importance of building frameworks for responsible AI—frameworks that will control the risks but also leverage the opportunities of AI to create new value.

Disclosing sustainability information is another priority. We will provide statutory disclosure and present a model that is most appropriate to SBG, an approach that reorganizes our previous disclosures into non-financial information presented in clear, effective language.

Finally, as an investment company, we recognize the need to promote sustainability through our investment activities. Accordingly, we have introduced into our investment process a framework for evaluating sustainability-related risks and opportunities.

*1 Applies to greenhouse gas emissions (Scope 1 and 2) from the business activities of SBG and its major subsidiaries (in principle, "Principal Subsidiaries" in the Annual Securities Report, but there are some exceptions for reasons such as regulations)

External evaluations of sustainability (as of June 30, 2024)

The main external evaluations of the Group's sustainability are shown below.

Inclusion in ESG indexes

	Index name	Company name
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	Dow Jones Sustainability World Index (DJSI World)	SoftBank LY Corporation
	Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific)	SoftBank LY Corporation
FTSE4Good / FTSE Blossom Japan / FTSE Blossom Japan Sector Relative Index	FTSE4Good Index Series*2 FTSE Blossom Japan Index*3 FTSE Blossom Japan Sector Relative Index*4	SBG SoftBank LY Corporation
2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX	MSCI Japan ESG Select Leaders Index*5	SoftBank LY Corporation
2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)	MSCI Japan Empowering Women Index (WIN)*5	SBG SoftBank LY Corporation

Major evaluations and accreditations

Sustainability Yearbook Member

SBG,*6 SoftBank,*7 LY Corporation*8

Selected as a "Sustainability Yearbook Member" by S&P Global in "The Sustainability Yearbook 2024," a listing of companies with outstanding sustainability.

Eruboshi

SBG
SoftBank

Granted "Eruboshi" Level 3 (highest grade) certification as a company promoting women's advancement (2024, Ministry of Health, Labour and Welfare)

CDP

SBG, SoftBank
LY Corporation

Earned a Climate Change Response Score of A- by the CDP (a global environmental NGO). SoftBank Group and SoftBank also earned a Supplier Engagement Rating of A.

Science-Based Targets (SBTs)

SoftBank

The goals detailed in SoftBank's "Carbon Neutral 2030 Declaration" were certified as Science-Based Targets (SBTs) as they are based on scientific evidence.

For further details, see each company's website: SBG SoftBank LY Corporation

*2 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SoftBank Group Corp., SoftBank Corp., and LY Corporation have been independently assessed according to the FTSE4Good criteria, and have satisfied the requirements to become constituents of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.
*3 FTSE Russell confirms that SoftBank Group Corp., SoftBank Corp., and LY Corporation have been independently assessed according to the index criteria, and have satisfied the requirements to become constituents of the FTSE Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.
*4 FTSE Russell confirms that SoftBank Group Corp., SoftBank Corp., and LY Corporation have been independently assessed according to the index criteria, and have satisfied the requirements to become constituents of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.
*5 THE INCLUSION OF SoftBank Group Corp., SoftBank Corp., and LY Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SoftBank Group Corp., SoftBank Corp., and LY Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.
*6 SBG was selected as among the top 15% companies in its industry.
*7 SoftBank was awarded a "Top 10% S&P Global CSA Score" in its industry.
*8 LY Corporation was awarded a "Top 10% S&P Global CSA Score" in its industry.

Our Sustainability

Portfolio companies' sustainability

Considering sustainability standards in investment activities, we support the sustainable development of society at large while also enhancing the performance of our investments over the medium- to long-term. Under this belief, we are undertaking the following initiatives.

Integrating ESG into the investment process

SBG revised its Portfolio Company Governance and Investment Guidelines Policy in May 2021, which originally set forth criteria on the governance of portfolio companies to be considered in the investment process. The revised Policy clearly states that environmental and social risks and opportunities, in addition to governance, are to be assessed in the selection of investees and in post-investment monitoring. The Policy applies to SBG and its subsidiaries.*9 SBG and each investment subsidiary decide and implement their own specific investment plans. SBG will continue to actively integrate ESG into the investment process.

*9 Includes SoftBank Vision Funds and other investment subsidiaries managed by subsidiaries of SBG but excludes listed subsidiaries and subsidiaries that the Group is restricted from controlling for regulatory reasons and their subsidiaries.

▶ Integrating ESG into SoftBank Vision Funds' investments

Described below are ways in which SoftBank Vision Funds integrate ESG into their investments.

Pre-Investment: assessing the risks of potential investments

SoftBank Vision Funds recognize four material themes in environmental and social fields that matter to the international community and to the Company's investment business: responsible AI, climate change, human rights (forced labor), and discrimination/harassment. As part of its due diligence, SoftBank Vision Funds evaluate the potential investment's status in addressing these material themes in environmental and social fields, as well as governance, to assess the risks, and use the results for investment decision-making.

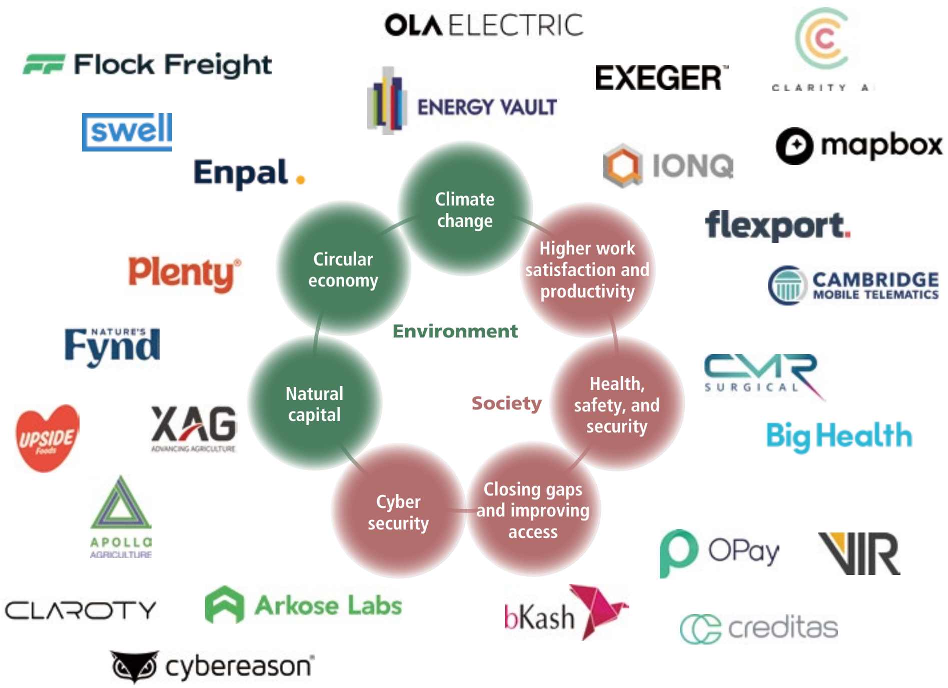
Post-Investment: monitoring and engagement

After investing, SoftBank Vision Funds continually monitor the portfolio companies to prevent risks from materializing. They also engage with the portfolio companies in their efforts to address important tasks. Through such post-investment monitoring and engagement, SoftBank Vision Funds help drive sustainable development and enhance the performance of the portfolio companies over the medium- to long-term.

Investing in businesses that help address environmental and social challenges

SBG believes that investing in companies with innovative technology and business models can help address global challenges such as climate change and economic inequalities, thereby contributing to a more sustainable world. SoftBank Vision Funds and other investment businesses of the Group have already invested in many businesses that contribute to social and environmental sustainability using AI.

Investments that help address environmental and social challenges



Note: These are examples of portfolio companies that help address environmental and social challenges (as of December 2023).

Our Sustainability

Addressing environmental and social challenges through our businesses

As a company that primarily engages in investment, SBG works through its portfolio companies to address environmental and social challenges.

▶ The portfolio companies of SoftBank Vision Funds

Harnesses technology to empower fish and shrimp farmers

eFishery

eFishery is the largest aqua-tech company in Southeast Asia. The company offers affordable software and hardware, improving farmers' economics end-to-end. One major innovation is the eFeeder, which automatically dispenses the appropriate feed in a timely manner improving farming efficiency by reducing manpower and wastage. This enables sustainable farming as it reduces water pollution caused by over feeding, while concurrently improving farmers' yield by ~23%.

Uses AI to detect early-stage cancer

AI Medical Service

AI Medical Service develops AI-powered endoscopes, enhancing early gastric cancer detection and patient survival rates. Its product software was recently approved by regulators (Japan and Singapore). The company represents a commitment to improving public health and healthcare access. Through partnerships with leading medical institutions, the company ensures responsible AI and patient data protection, promoting equitable healthcare. The initiatives embody ESG values, focusing on social well-being and wider healthcare access.

Makes green energy accessible to everyone

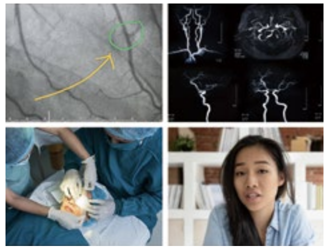
Enpal

Enpal provides a subscription-based decentralized solar energy solution for residential consumers in Europe. The company offers customers an all-in-one solar leasing and financing solution including a photovoltaic (PV) solar energy system, energy storage/ batteries, heat pumps, and EV charging. Its mission is to build renewable communities by making green energy accessible and affordable for everyone.

Improves patient outcomes by connecting surgical care

Proximie

Proximie's digital surgery software facilitates live sharing of the Operating Room for a connected surgical care ecosystem. The company enables hospitals, surgeons, and medical device companies to capture data, share information from anywhere in real time, and generate new insights to improve productivity and patient outcomes. Proximie directly contributes to improving healthcare for patients and medical education for the next generation of doctors.



Creates a smarter energy

Swell Energy

Swell Energy is creating a smarter grid through cost-effective, clean, and flexible energy solutions. The company uses its AI-enabled software modules to aggregate energy resources such as battery storage systems to provide Virtual Power Plant services to both utilities and end consumers. Swell helps homeowners and businesses achieve total energy security and independence from rising energy costs through cutting-edge, smart energy technology that leverages a distributed clean energy network.

Helps small-scale farmers maximize their profits and farm more sustainably

Apollo Agriculture

Apollo Agriculture is an agri-fintech platform, empowering small-scale farmers across Africa to increase their profits and farm more sustainably. Apollo uses artificial intelligence and automated operations to unlock the massive, untapped small-scale farming market, enabling farmers to access the optimized financing, high-quality farm products, expert digital advice, and risk management solutions they need to invest and scale their businesses in Kenya and Zambia.

Sustainability: Environment

Initiatives for the Maintenance and Preservation of the Global Environment

Maintenance and preservation of the global environment are our responsibility as global citizens and represent an important foundation supporting the Group's sustainable development and growth. We are working to reduce the negative impact of our business activities on the environment. We are also leveraging the strengths and advanced technologies of each Group company to address climate change and other environmental issues.

Basic policy on environmental initiatives

Environmental Policy

In May 2021, SBG established the Environmental Policy as a set of principles for conducting corporate activities in consideration of the global environment. The Company's activities are in accordance with the Policy, which stipulates, among other guidance, that we comply with environment-related laws and regulations, respond to climate change, reduce environmental impact, conserve resources, and preserve biodiversity.

For the full text of the Policy, see "Environment Initiatives" under "Sustainability" on our website.

Supplier Code of Conduct

SBG sets out our Supplier Code of Conduct, including compliance with environmental laws and regulations, managing and reducing waste, avoiding wasteful use of resources, and consideration of biodiversity, and requires our suppliers to work in accordance with the Code.

For the full text of the Code, see "Social Initiatives" under "Sustainability" on our website.

Climate change

Climate-related information disclosures in accordance with the TCFD recommendations (Summary)

SBG recognizes the impact of climate change on our businesses and discloses its response to climate change in line with the TCFD recommendations.

For the full text of our TCFD disclosures, see "Environment Initiatives" under "Sustainability" on our website.

Governance

SBG's Board of Directors deliberates and makes decisions on overall climate-related actions, including identifying climate-related risks and opportunities, developing countermeasures, and setting the Group's target for greenhouse gas emissions reduction. In addition, the Sustainability Committee, chaired by the CSusO, discusses and examines climate-related actions, reports its findings to the Board of Directors, and is supervised by the Board as required.

For further details on our sustainability governance, see page 34.

Risk management

At SBG, the Risk Management Office is responsible for the integrated management of Group-wide risks in accordance with the Risk Management Policy.

As for sustainability-related risks including climate change, the Sustainability Department under the CSusO collects information through reports from major Group companies and each department of SBG, and identifies risks taking into account discussions in the Sustainability Committee. In addition, the Sustainability Department reports the countermeasures and their status to the Risk Management Office.

For further details on our sustainability risk management, see page 34.

Strategy

SBG identifies, analyzes, and develops actions to manage climate-related risks and opportunities for the Investment Business of Holding Companies and the SoftBank Vision Funds business (the "Company's Investment Business").

Risks and opportunities in the Company's Investment Business and our responses

Summary of risks and opportunities

The following table shows a summary of the anticipated climate-related risks and opportunities for the Company's Investment Business.

	Opportunities	Risks
New investments	▷ Expected returns from new investments in companies that provide climate-related technologies and services (e.g., climate tech)	▷ Reduced investment opportunities due to potential portfolio companies' reluctance to accept the Company's investments if its climate change response is inadequate
Existing investments	▷ Enhanced enterprise value of existing portfolio companies from their adequate response to climate change	▷ Decline in enterprise value of existing portfolio companies due to their inadequate response to climate change
Financing	▷ Expansion of financing opportunities by gaining investors' support for the Company's steady responses to climate change	▷ Decline in financing opportunities due to lower evaluation from investors if the Company's climate change response is inadequate

Sustainability: Environment

Our recognized impact of risks and opportunities

Although it is true that the Company could lose investment and financing opportunities if its response to climate change is deemed grossly inadequate, we are confident that it is possible to avoid those risks by maintaining steady efforts to reduce greenhouse gas emissions. Also, both the transition and physical risks of the Company's existing portfolio companies are expected to be limited as they include many AI companies for which greenhouse gas emissions are relatively low and that have no large-scale production or complex supply chains.

Meanwhile, under our corporate philosophy, Information Revolution—Happiness for everyone, we aim to contribute to the well-being of people through the superstructure of the ecosystem with entrepreneurs who possess new technologies and business models. In a world increasingly beset by natural disasters and other climate risks, we can meet the demand for climate action and fulfill our corporate philosophy by proactively investing in businesses that offer the innovative climate solutions the world needs.

Responses to risks and opportunities

We are addressing the climate-related risks and opportunities through the following measures:

▷ **Investments in climate tech** P.37
Invest in companies that provide climate-related technologies and services

▷ **Responses in the investment process** P.36
Incorporate climate-related risk/opportunity assessments into the investment process

▷ **Portfolio company engagement**
Engage with portfolio companies on climate change, including holding workshops for those companies

▷ **Greenhouse gas emissions reduction**
Reduce greenhouse gas emissions from our business activities, including switching to electricity derived from renewable energy sources

▶ Metrics and targets

Seeking to further reduce greenhouse gas emissions from our business activities, SBG set a Group target to "Achieve Carbon Neutrality by fiscal 2030"*1 in June 2022. To achieve the target, the entire Group is working on switching to electricity derived from renewable energy sources, using energy-efficient measures, and other measures.

To achieve the Group target

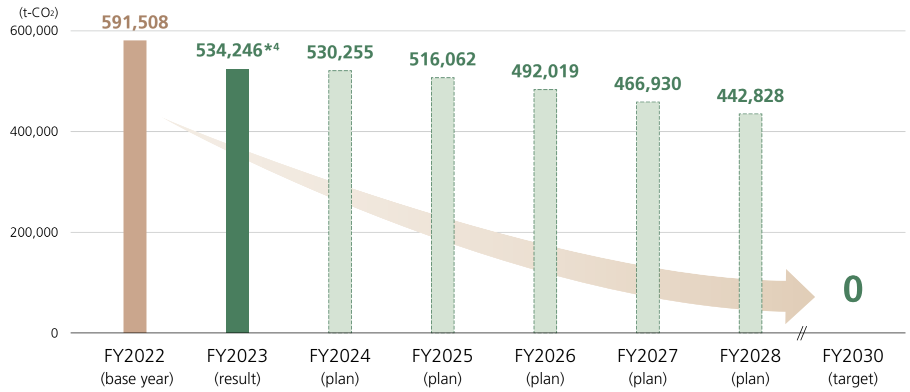
In March 2024, SBG formulated and disclosed a plan for reducing greenhouse gas emissions*1 to achieve the Group target, which is reviewed when required. SBG and its major subsidiaries are undertaking greenhouse gas emissions reduction initiatives in accordance with this plan.

Group target*1 **Achieve Carbon Neutrality by fiscal 2030**

Targets and record of performance at SBG and its major subsidiaries

	Targets	Record of performance
SBG	Achieved Carbon Neutrality from fiscal 2020*2	
SoftBank	Achieve Carbon Neutrality in its group by fiscal 2030*2 Achieve Net Zero in its group by fiscal 2050*3	Converted 81.6% of electricity used at base stations to renewable energy (fiscal 2023)
LY Corporation	Achieve net-zero greenhouse gas emissions in LY Corporation by fiscal 2025*2 Achieve net-zero greenhouse gas emissions in its group by fiscal 2030*2	Converted 62.4% of energy used by its group to renewable energy (fiscal 2023)
Arm	Convert 100% of electricity used by its group to renewable energy by 2023 Achieve Net Zero in its group by 2030*3	100% of electricity used by its group was converted to renewable energy (fiscal 2022)

Greenhouse gas reduction plan to achieve the Group target*1 (As of July 2024)



*1 Applies to greenhouse gas emissions (Scope 1 and 2) from the business activities of SBG and its major subsidiaries (in principle, "Principal Subsidiaries" in the Annual Securities Report, but there are some exceptions for reasons such as regulations)
*2 Applies to greenhouse gas emissions (Scope 1 and 2)
*3 Applies to greenhouse gas emissions (Scope 1, 2, and 3)
*4 Some Group companies are being audited as of the date of publication of this Annual Report.

Sustainability: Environment

Promoting and expanding the use of renewable energy

U.S. solar power project

SB Energy Global Holdings

To promote renewable energy, SB Energy Global Holdings and its subsidiaries operate a power generation business that boasts one of the largest solar power businesses in the U.S. The business has six solar farms,*5 which collectively generate 1,430 MW.*5 SB Energy Global Holdings is currently constructing three additional solar farms in the U.S., which will collectively generate 2,130 MW.*5

*5 Generation capacity in AC, as of March 2024

Providing electricity services that contribute to CO_2 reduction

SB Power

SB Power is an electricity retailer that runs *Shizen Denki*, a service that discharges net-100% renewable energy*6 to households. In fiscal 2023, the service contributed to reducing carbon emissions by 39,000 tons.*7

Households that subscribe to SB Power's *SoftBank Denki* service get free access to the *Eco Denki App*. They can use the app to monitor their past electricity bills and forecast their electricity bill for the month. They can also easily take advantage of the household energy-saving service where they can earn *PayPay Points* based on the amount of electricity they save at specified times. Through this service, SB Power supports users to reduce their electricity usage. In fiscal 2023, the service reduced household energy consumption by 14.12 million kWh, thereby cutting carbon emissions by 7,104 tons. Currently, more than half of *SoftBank Denki* subscribers use this service.*8

Eco Denki App screenshots

*6 By combining electricity supplied to customers with Non-fossil Fuel Energy Certificates that have a renewable energy designation, the service can supply electricity with a net-100% renewable energy ratio and net-zero CO_2 emissions.
*7 This figure is calculated by multiplying the amount of electricity used by *Shizen Denki* customers by the national average CO_2 emission factor and adding the amount of J-credits retired through support for forest conservation organizations.
*8 As of the end of April 2024

Renewable energy investments in Africa, the Middle East, and Asia

AMEA Power

AMEA Power is an SBG portfolio company that develops and operates renewable energy projects in Africa, the Middle East, and Asia. Its projects contribute to the decarbonization of these regions and driving socioeconomic development. Founded in 2016, AMEA Power is one of the fastest growing renewable energy companies in these regions. AMEA Power has more than 1,600 MW of clean energy projects in operation and under/near construction.*9 In addition, AMEA Power has a clean energy pipeline of more than 6 GW across 20 countries.*9 AMEA Power is also developing green hydrogen projects in Africa, leveraging its expertise in the development of renewable energy projects. In November 2022, AMEA Power signed a Framework Agreement with the Egyptian government to develop a 1-GW green hydrogen project. Through its activities and project development, AMEA Power is actively supporting the clean energy transition of the countries.

*9 As of December 2023

Developing energy-efficient technology

Semiconductor architecture that improves energy efficiency

Arm

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.

Sustainability: Environment

Promoting decarbonization through initiatives

Participation in the One Planet Sovereign Wealth Fund (OPSWF) Network

SBG, SBIA

SBG and SBIA participate in the One Planet Sovereign Wealth Fund (OPSWF) Network, which was established as a Working Group in July 2018. That same year, the OPSWF's founding members developed the OPSWF Framework to advance the integration of climate change risks and opportunities into large and diversified asset pools. The Abu Dhabi Investment Authority, the Kuwait Investment Authority, the New Zealand Superannuation Fund, the Public Investment Fund and the Qatar Investment Authority currently lead the OPSWF's Steering Group. In July 2019, the One Planet Asset Manager (OPAM) Initiative was launched to allow for asset managers to support the OPSWF Framework. Similarly, in July 2020, the One Planet Private Equity Funds (OPPEF) Initiative was founded by Ardian, The Carlyle Group, Global Infrastructure Partners, Macquarie Asset Management, and SBIA.

SBIA and the OPPEF Group, now comprising 11 members, actively engage in the OPSWF's programs and discussions, including the CEO Summits and Peer Exchanges.

ONE PLANET SWF NETWORK

ONE PLANET PRIVATE EQUITY FUNDS

Establishment and operation of the Renewable Energy Council and the GDC Renewable Energy Council

SBG

Together with local governments, SBG established the Renewable Energy Council and the Government-Designated Cities Renewable Energy Council in 2011. Led by 34 prefectures throughout Japan and the local governments of 20 designated cities, the two Councils share information to promote and expand the use of renewable energy and make policy recommendations to the Japanese government. As their secretariat, SBG works with affiliated local governments to drive the net-zero transition in Japan.

To learn more about the Renewable Energy Council, visit the Council's website (Japanese language only).

To learn more about the Government-Designated Cities Renewable Energy Council, visit the Council's website (Japanese language only).

Conserving natural capital

Conserving natural capital is an increasingly urgent task. The Group therefore makes sustained efforts to reduce water consumption and other environmental impacts in accordance with its Environmental Policy.

Addressing water challenges

Water treatment technologies that safeguard water infrastructure in times of disaster

SoftBank

In May 2021, SoftBank entered a capital and business tie-up with WOTA, which owns proprietary technology for autonomous water treatment. The purpose of this partnership is to develop a decentralized system of water circulation, one that is independent of water infrastructure. This system will enable water reuse and serve as sustainable water infrastructure. It will also safeguard water access in evacuation centers during a disaster, contributing to a more sanitary environment.

WOTA has developed the WOTA BOX, a portable system for water reuse. Capable of reclaiming 98% of wastewater for reuse, the WOTA BOX provides a source of water in areas with no water supply. It can also be combined with WOTA's other expansion units such as tents to provide up to a hundred showers with just 100 liters of water, which is typically only enough for two showers. The system is simple and quick to set up as long as you can connect it to a power supply. As such, it can serve as a shower unit in evacuation centers when the water supply is cut off due to a disaster.

Promotion of a circular economy

E-commerce services that contribute to a circular economy

LY Corporation

Yahoo! Auctions

Since 1999, *Yahoo! Auctions* has provided one of Japan's largest online auction and flea market services. It has played a part in building a circular economy by providing a way for users to sell the things they no longer need to people who do need them.

Yahoo! Flea Market

Yahoo! Flea Market is a dedicated online flea market app, which provides a simple way for users to trade goods for a fixed price. We believe that this app, together with *Yahoo! Auctions*, can lead to further growth of a sustainable secondhand market.

Sustainability: Social

How We Serve People and Society as a Leader of the Information Revolution

We strive to create a diverse, inclusive workforce and a positive, respectful workplace.
As a leader of the Information Revolution, we channel the various strengths of our Group companies into addressing the social challenges of this age of information and globalization.

Initiatives related to human capital

The Group regards human resources as a source of value creation and important stakeholders for supporting its sustainable growth. Accordingly, we believe that creating an internal environment in which employees can challenge themselves and play an active role while making the most of their individuality and abilities will increase corporate value.

Human resource strategy

SBG's human resource strategy is to attract autonomous and professional human resources and support their growth and advancement, and we are making ongoing efforts to achieve these goals. For specific initiatives, see "Diverse human capital management" and thereafter.

The human resource strategies of subsidiaries and Group companies are determined by each company, based on the *Cluster of No. 1 Strategy* of growing together in a symbiotic ecosystem where decisions made by each company are respected.

Diverse human capital management

Professional recruitment emphasizing core competencies

SBG hires professionals based on three core competencies: professionalism, smart, and relation. We work to attract excellent and diverse human resources under a basic policy of assigning the most suitable person to each position, regardless of age, gender, nationality, or disability.

Three core competencies we seek in our employees

Professionalism

High level of expertise in a relevant field

×

Smart

Capacity to think logically and tackle unprecedented challenges using numbers and reasoning

×

Relation

Communication skills required to engage in business with leading companies in the world

Diversity and inclusion

SBG is committed to assignments that allow employees, who are the driving force behind corporate growth, to make the most of their individuality and abilities. We promote the hiring of human resources and appointment of managers regardless of age, gender, nationality, or disability, thereby creating a workplace rich in diversity where everyone can play an active role.

As of March 31, 2024, 46.2% of all employees and 25.0% of managers were women. Each of them is engaged in their profession by making the best use of their advanced expertise. We will continue promoting the advancement of women. In March 2024, we earned "Eruboshi" Level 3 (highest grade) certification under the Act on the Promotion of Women's Participation and Advancement in the Workplace.

Human resources data by gender

As of March 31, 2024

	Men	Women
Ratio of employees	53.8%	46.2%
Average age (years)	42.7	40.1
Average length of employment (years)	10.4	10.3
Ratio of managers	75.0%	25.0%

As of March 31, 2024, 2.8% of our employees were people with disabilities, compared to the legally mandated ratio of 2.3%. We are continuing our hiring activities with the aim of further improving the ratio of employees with disabilities.

Evaluation and compensation

SBG respects employees who actively take on challenges. To properly reward employees for their achievements, we conduct personnel evaluations and reflect the results of those evaluations in employees' salaries and bonuses under the principle of reward and punishment.

We also encourage employees to work with a sense of ownership. Accordingly, our human resource policy emphasizes contribution to enhancement of corporate value and includes providing stock-based compensation based on personnel evaluations.

In fiscal 2023, the indexed compensation levels for regular employees by gender were as follows. Women in managerial positions received approximately 68% of the compensation that their male counterparts received. Women in non-managerial positions received approximately 85%, and overall, women received approximately 52% of the compensation that men received.

Human resource development for autonomous and continuous growth

Career development

SBG emphasizes the importance of self-driven career development. By providing opportunities for individual awareness through ongoing one-on-one meetings with line managers and multifaceted 360-degree feedback from peers, we encourage employees to grow through self-review and self-reflection.

Education and training

SBG provides an environment allowing individual employees to voluntarily acquire the knowledge and skills necessary for their work. For example, we offer training programs, such as English conversation classes, that can be taken freely at any time, and SoftBank University, which operates within the Group. We have also allocated a talent development budget to each department so employees can take external training courses.

We also provide support for the advancement of professional personnel, such as lawyers, patent attorneys, Certified Public Accountants, and certified tax accountants, by covering expenses related to the registration and maintenance of various professional qualifications required for job execution. In fiscal 2023, we provided such support to approximately 12% of our employees.

Group human resource development system

The Group offers a wide variety of opportunities for employees to play an active role within our organization. These include the Free Agent System, which allows employees to voluntarily arrange personnel transfers; SoftBank Academia, designed to discover and develop the next generation of Group management talent; and SoftBank InnoVenture, a program to train internal entrepreneurs to create a strategic assembly of synergistic group companies.

Dual employment

SBG also allows employees to engage in dual employment (side jobs) as an opportunity for personal growth through diverse experiences.

Work-style reform

Improving workplace environments

SBG respects and supports the efforts of employees to find a good work-life balance. Therefore, we introduced a "super-flex time system" with no core hours and allow working from home to provide environments where employees can work regardless of time and place. This allows employees to choose their optimal work styles and maximize their individual performances.

Childcare support

It is extremely important to provide working parents with opportunities to be involved in their children's development, and we believe proactive efforts must be made to foster the development of society. Among SBG's male regular employees whose spouses gave birth, around 117% took leave of absence for childcare in fiscal 2023, which is consistent with the percentage of female regular employees who took leave of absence for childcare.

Our efforts to support employees' work-life balance have achieved some success, and we aim to make further improvements in childcare support. To this end, we are taking measures to alleviate income-related concerns, such as subsidizing childcare and other expenses through Children and Families Agency (previously Cabinet Office) babysitter coupons and letting employees accumulate and carry over unused annual leave for pre-natal and post-natal leave, leave of absence for childcare, and leave of absence for childcare at birth. To help employees who have taken such leave to return to work as soon as possible, we have implemented shared use of company-led nursery schools. Alongside this, we provide opportunities for employees with childcare commitments to engage and interact with one another.

Well-being

As a pure holding company, SBG takes various initiatives to manage, maintain, and promote the health of its employees, who represent its greatest asset. In addition to regular medical examinations, in fiscal 2023 we introduced a system that allows employees to undergo optional medical examinations tailored to age group at the Company's expense. About 38% of employees have used the system.

Meanwhile, we continue encouraging employees to take annual leave. In fiscal 2023, the annual leave utilization rate was approximately 64% (14.6 days). For fiscal 2024 and beyond, we will set targets for a higher utilization rate in our "general employer action plan." In April 2024, we started providing leave for women's health conditions and leave for infertility treatment or menopausal conditions regardless of gender.

Employee engagement

The Group conducts an annual satisfaction survey of all employees, and 32 domestic Group companies, including SBG, participated in the survey in fiscal 2023. This survey was developed to reflect the characteristics of the Group. Accordingly, responses regarding satisfaction with the organization (job, workplace, and supervisor) and the company each respondent belongs to are scored by item to identify issues at an early stage. Continuous monitoring of these results helps us build a strong organization and increase employee motivation.

A total of 86% of SBG employees responded to the survey in fiscal 2023 and indicated a continued high level of satisfaction. We will continue actively working to improve employee engagement to realize more comfortable work environments.

Respect for human rights

SBG has established the Human Rights Policy and has programs in place to instill human rights awareness throughout our organization, from officers to employees. Our HR, compliance, risk management, and sustainability teams, along with other specialized teams, manage human rights risks relevant to the Group.

See the full article of the Policy in "Social Initiatives" on our website.

Sustainability: Social

Addressing social issues

SBG has established the sustainability vision: Help shape the next 300 years for our future generations and the planet. Under this vision, SBG and its Group companies engage in social-impact initiatives, drawing on the Group's strengths.

Digital inclusion

Guided by our corporate philosophy, Information Revolution—Happiness for everyone, we are committed to leading an Information Revolution that benefits all humankind. Technological progress has benefitted many people, but the benefits are unevenly distributed and a digital divide has emerged. We have identified digital inclusion as one of our material issues and will contribute to the realization of a world where everyone can enjoy the benefits of the Information Revolution.

Group companies' initiatives

The Company's efforts to close the digital divide target the causal problems, including lack of access to the Internet and other information sources and lack of knowledge about information technology. To address these problems, the Company has provided ICT-powered educational opportunities, smartphone classes for elderly people and other groups, and educational programs for children designed to foster digital literacy and ethical digital citizenship.

Closing the digital divide

Arm

Arm's commitment to Closing the Digital Divide involves working with private and public sector partners on social impact initiatives that leverage technology to address inequalities and provide technology access to underserved populations. One example of this is its partnership with the UNHCR, the UN Refugee Agency. Arm is providing technical and capacity-building support to the UNHCR's Innovation Service, which works to ensure the agency's humanitarian response is fit for the future and covers a range of areas, including data, digital inclusion, refugee-led innovation, and environmental resilience. Additionally, Arm Education aims to help close education and skills gaps in computer engineering and STEM. As part of the initiative, Arm provides teaching and learning resources, IP tools, and other support to universities, and works closely with academic and industry partners on research collaborations. Since 2013, Arm has supported and collaborated with over 2,500 universities worldwide and enabled more than 10,000 Arm-based classes.

For further details on Arm Education, see Arm's corporate website.

Smartphone classes for elderly people

SoftBank

At SoftBank shops, SoftBank-certified expert *Smartphone Advisors*®*1 help customers find the best price plan and device, handle the initial setup for the device, and provide repair services. In SoftBank's smartphone classes, which are open to all, *Smartphone Advisors* give attendees an easy-to-follow tutorial on how convenient and fun smartphones can be. SoftBank has also partnered with Tokyo's Minato Ward to offer elderly residents free smartphone rentals and classes on how to use them. Since 2022, SoftBank, in partnership with MONET Technologies, has worked with local governments to run the *Smartphone All-Around Support Vehicle*, a van equipped to provide mobile smartphone classes. The vehicle is equipped with monitors and tablets through which attendees can communicate with *Smartphone Advisors*. With this equipment, the initiative reaches remote rural communities and other areas with poor access to public transport.

*1 Support specialist store staff certified by SoftBank who conduct smartphone classes and provide guidance on using smartphones. Smartphone Advisor® is a registered trademark of SoftBank.

Equipping the next generation with digital literacy

LY Corporation

To prepare the next generation for the world of tomorrow, it is essential to provide children with digital literacy education and safe access to the Internet. With communication tools becoming increasingly diverse, children are increasingly exposed to online dangers. Against this backdrop, LY Corporation offers education for ethical digital citizenship so that people can enjoy safe and secure online communication. Responding to requests from schools and local governments in Japan, official instructors from the LINE MIRAI Foundation visit schools to deliver free online classes. The official instructors teach children about the nature of online communication, the risks to be aware of, and the information literacy necessary for participation in the information society. They also give parents tips on how to protect their children from online dangers and offer teachers insights about children's online behavior and how to foster ethical digital citizenship. LY Corporation also provides schools with a free textbook, *GIGA Workbook*, covering topics such as ethical digital citizenship and information literacy. *GIGA Workbook* has been introduced as an official textbook by many local governments in Japan.

Sustainability: Social

Responsible AI

The Group's mission is to stay at the forefront of the Information Revolution and ensure that the revolution builds a more connected empowered, and joyful world. At the core of the Information Revolution today lies AI. Aspiring to become a world leader in the use of AI, we are committed to promoting responsible AI so that AI benefits everyone.

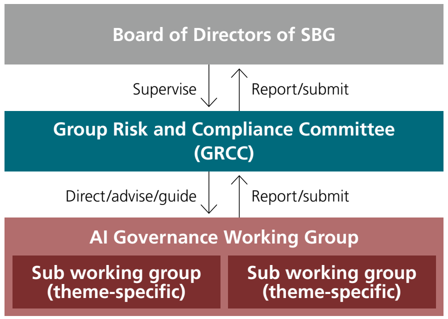
Establishing AI governance

▶ SBG's approach to AI governance

SBG has identified "Responsible AI" as the most important material issue relating to sustainability that should be addressed with priority and is aiming to establish an appropriate group AI governance structure. As part of this effort, we have established the AI Governance Working Group under the Group Risk and Compliance Committee (GRCC) to discuss an approach to AI governance. Chaired by the CSusO and with a membership that includes representatives from related divisions (e.g., CEO Office, Legal, Information System) and from major Group companies (e.g., Arm, SoftBank, LY Corporation, SBIA), the working group convenes regularly to share information about best practices and discuss an AI governance model for SBG to adopt. We will continue efforts to build a governance structure that balances proactive and secure approaches to manage the breakneck advancements in AI.

For further details on our material issues, see page 32.

AI Governance Working Group structure



▶ Proactive and secure use of AI

Aspiring to become a world leader in the use of AI, we focus on both proactive and secure aspects in our approach to AI governance. We established guidelines on generative AI in April 2023, and in April 2024 we added Action Statements on responsible AI to the SoftBank Group Code of Conduct, that apply to officers and employees of the Company to promote the active but responsible use of AI. One way in which we have promoted the active use of AI across the Group is to organize a contest in which employees pitch ideas for using ChatGPT and other generative AI technologies.

ChatGPT usage contest awards ceremony

Group companies' initiatives

Objective and effective AI governance — SoftBank

SoftBank 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, the company established the SoftBank AI Ethics Policy.*2 To ensure the effectiveness of the governance structure, the company has also set specific rules and checklists for AI-related planning, application, development, and outsourcing. SoftBank also takes active steps to raise awareness of AI governance in the workplace. It provides a basic training course for all employees along with practical training for employees involved in AI-related planning, development, and application. Employees can also access information about AI governance initiatives on the company's web portal. During March 2024, which was the company's "AI governance strengthening month," the company issued an e-mail newsletter with information about AI governance and organized a lecture delivered by an external expert. In April 2024, the company established the AI Ethics Committee, a panel that outside experts join, which discusses and advises the company on matters related to AI ethics. SoftBank will remain committed to delivering objective and effective AI governance, incorporating the advice of the AI Ethics Committee and user feedback.

*2 As of April 2024, the policy applies to 72 group companies of SoftBank.

Initiatives to encourage use of generative AI — LY Corporation

LY Corporation's precursor, Z Holdings, established an expert panel on AI ethics, and this panel continues to function in LY Corporation. In 2022, the Basic Policy on AI Ethics was established to declare its approach to AI governance. When the company launched an internal chat-based generative AI tool in July 2023, employees were briefed on the proper use of generative AI and access was granted upon passing an e-learning test. LY Corporation has also focused on training. As well as providing regular training to its engineers, it provides training courses to all employees, including training on AI governance and training on effective prompt engineering.*3 To help foster AI literacy among children, the company has published an educational manga about AI on its web portal *Yahoo! JAPAN Kids*. In February 2024, the company held a press briefing about its internal and public generative AI applications to generate media attention for these initiatives.

Educational manga about AI on *Yahoo! JAPAN Kids*

*3 Process of designing a prompt (a question or instruction) that can be acted upon by an AI model.

Sustainability: Governance

Effective Governance—the Key to Realizing Our Vision

See "Corporate Governance" on our website for the latest information.

The following information is based on the Corporate Governance Report filed with the Tokyo Stock Exchange on June 26, 2024.

Basic views

The Company is guided by a fundamental concept of "free, fair, and innovative" and a corporate philosophy of Information Revolution—Happiness for everyone. We aim to be a provider of essential technologies and services to people around the world while maximizing our enterprise value. SBG recognizes that it is vital to maintain effective corporate governance to realize this vision. We continue to strengthen governance by establishing a charter and regulations: the SoftBank Group Charter to share the Group's fundamental concept and corporate philosophy, the Group Company Management Regulations of the SoftBank Group to set forth the management policy and framework for Group companies, and the SoftBank Group Code of Conduct to be followed by the Company and its Board Directors and employees.

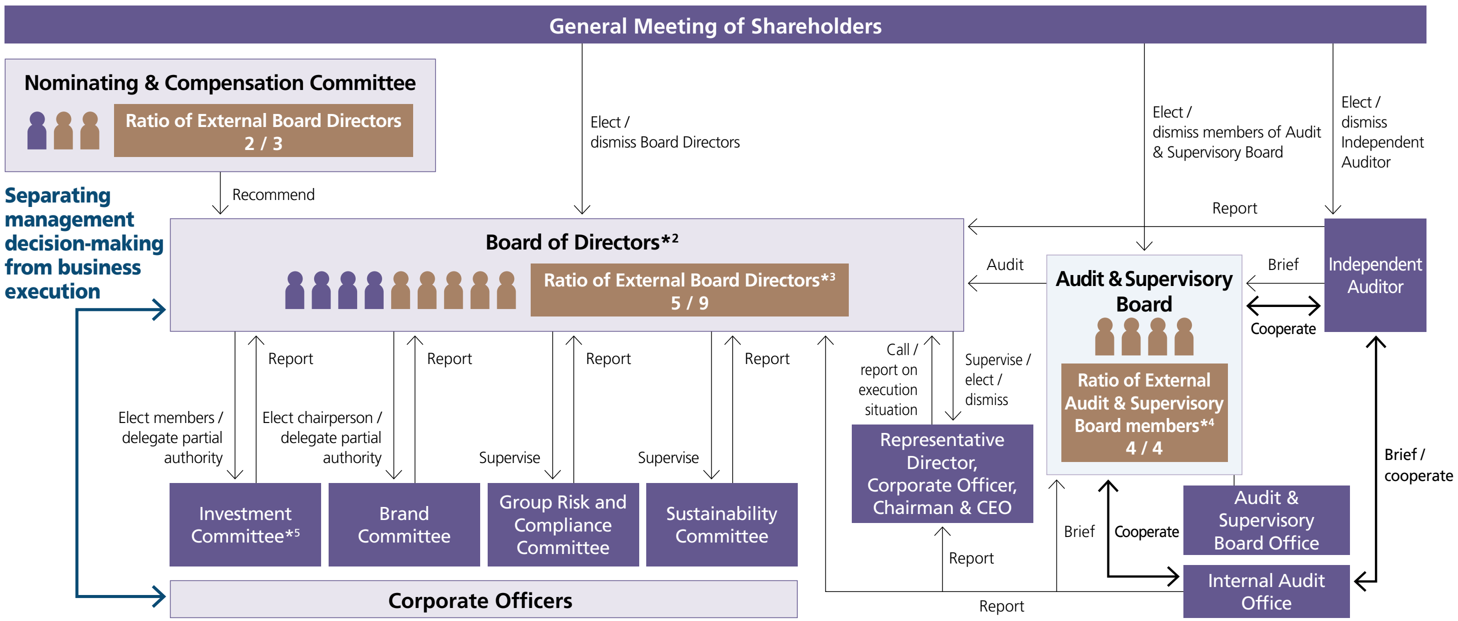
SBG's path to strengthening governance

1994	Registered as an OTC stock with the Japan Securities Dealers Association
1995	Appointed the first foreign national Board Director
1998	Listed on the First Section of the Tokyo Stock Exchange
1999	Invited a Board Director from outside the company (equivalent to a current External Board Director); transitioned to a pure holding company
2002	External board directors system introduced in the Commercial Code (currently the Companies Act) of Japan
	Started livestreaming of earnings results briefings
2003	Started livestreaming of the Annual General Meeting of Shareholders
2006	Companies Act of Japan enacted
2012	Introduced a Corporate Officer system
2015	Japan's Corporate Governance Code entered into force
2019	Established the Group Risk and Compliance Committee
2020	Formulated the Portfolio Company Governance and Investment Guidelines Policy; increased the number of External Board Directors; appointed the first female Board Director; established the Nominating & Compensation Committee and the Sustainability Committee; appointed a CSusO and CRO*1; revised the Board of Directors structure (separation of the management decision-making function from the business execution function)
2021	Added environmental and social items to the above policy; achieved a 55.6% external ratio of Board Directors and a 100% external ratio of Audit & Supervisory Board members
2022	Transitioned from the First Section of the Tokyo Stock Exchange (TSE) to the Prime Market of the TSE

*1 Chief Risk Officer

Corporate governance system

Internal Board Director | External Board Director / External Audit & Supervisory Board member



*2 Special Directors are put in place in accordance with Paragraph 1, Article 373 of the Companies Act.
*3 Of the five External Board Directors, four are designated as Independent Officers.
*4 Of the four External Audit & Supervisory Board members, three are designated as Independent Officers.
*5 Supervisory Committee is separately put in place to supervise matters such as investments and loans of certain subsidiaries.

Sustainability: Governance

Approach to and policy concerning group management

Based on its unique organizational strategy, the *Cluster of No. 1 Strategy*, SBG is working to build a corporate group that operates a diverse range of businesses in the information and technology sectors and increase its Net Asset Value (NAV). This is enabled by direct investments (including investments made through its subsidiaries) such as in SoftBank, Arm, and other Group companies, as well as investments in investment funds such as SVF1, SVF2, and LatAm Funds. In this process, each investee company will seek self-sustained growth. At the same time, SBG, as a strategic investment holding company, will help each investee company improve its corporate value by utilizing the Group's network of companies while promoting collaboration among investee companies.

Furthermore, the Company will confirm, or make reasonable efforts to ensure, that each investee company is operating under environmental, social, and corporate governance standards that are substantially equivalent to those set forth in the Policy on Governance and Investment Guidelines for Portfolio Companies of SBG.

Board of Directors

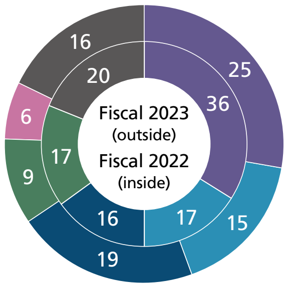
SBG's Board of Directors consists of members with a wealth of knowledge and experience in business management and a global perspective, in consideration of their nationality, ethnicity, gender, or age. The maximum number of Board Directors is set at 11 under the Articles of Incorporation. As of June 21, 2024, the Board of Directors consisted of nine members (five of whom are External Board Directors) and included two foreign nationals and one female.

Agenda items for discussion at the Board of Directors meetings are set forth in the Board of Directors Regulations. The Board discusses statutory matters, as well as critical matters related to business management, such as investments, loans, and borrowings that exceed a certain amount. In addition, Special Directors are put in place in accordance with Paragraph 1, Article 373 of the Companies Act, and matters related to disposal and acceptance of important assets and borrowing in a significant amount are resolved by the Board of Special Directors meeting for the purpose of prompt decision-making.

Status of Board of Directors

SBG's Board of Directors had a total of nine meetings in fiscal 2022 and seven meetings in fiscal 2023 (both totals exclude meetings conducted by written resolution). During these meetings, the members mainly discussed the following topics.

Number of Board resolutions / reports



Category	Key topics
Governance	Compensation of Board Director candidates and Board Directors, reports from each committee, evaluation of the effectiveness of the Board of Directors, opinions and reports from the Audit & Supervisory Board Members Audit Report
Internal management (including the management of subsidiaries)	Compliance (oversight over conflict-of-interest transactions, fiscal year compliance reports), risk management, internal control and internal audits, approval of transactions by subsidiaries, etc.
Business reports	Reporting on the status of the portfolio and the status of individual business segments
Finance	Fund procurement, shareholder returns
Investment	Consideration of investment projects (e.g., Arm's IPO)
Others	General Meeting of Shareholders, information disclosure, sustainability

Summary of results of Board of Directors evaluation

From December 2023 to April 2024, SBG evaluated the overall effectiveness of its Board of Directors in the following manner.

Subjects	The Representative Director, Corporate Officer, Chairman & CEO, all Board Directors, and all Audit & Supervisory Board members
Evaluation method	Questionnaire surveys and interviews were conducted with the target officers by a third-party institution evaluator about topics that included the composition and operation of the Board and its support systems.
Evaluation results	According to the officers, board effectiveness is underpinned by a positive board culture. This culture includes the trust and the check-and-balance relationship between Representative Director, Corporate Officer, Chairman & CEO, and the Board of Directors. It also includes active discussions held by the diverse board. The officers underscored the importance of preserving this board culture. As for priority issues going forward, it was confirmed that the Board of Directors should contribute to bringing the vision, Information Revolution–Happiness for everyone to life by deepening the insight of the Board on the AGI revolution and conducting repeated discussions on building an ecosystem surrounding Arm.

Skill Matrix of Board Directors and Audit & Supervisory Board members

SBG believes it is important for the Board Directors and Audit & Supervisory Board members to have a wide range of viewpoints and experience, as well as a high level of expertise, to ensure diversity and active discussions and decision-making of the Board of Directors. As of June 21, 2024, the Skill Matrix (skill set expected by SBG) of the Board Directors and Audit & Supervisory Board members was as follows.

		Areas of expertise particularly expected by SBG (up to three areas)					
	Name	Corporate management	Banking / M&A	Finance / Accounting	Law / Governance	Technology	Academic background
Board Director	Masayoshi Son	✓	✓			✓	
	Yoshimitsu Goto	✓	✓	✓			
	Ken Miyauchi	✓	✓			✓	
	Rene Haas	✓	✓			✓	
	Masami Iijima	✓	✓		✓		
	Yutaka Matsuo		✓			✓	✓
	Keiko Erikawa	✓	✓			✓	
	Kenneth A. Siegel		✓		✓		✓
	David Chao	✓	✓			✓	
Audit & Supervisory Board member	Maurice Atsushi Toyama		✓	✓			
	Yuji Nakata		✓		✓		
	Soichiro Uno		✓		✓		
	Keiichi Otsuka		✓	✓			

Board Directors

As of June 21, 2024 (numbers of shares owned are as of March 31, 2024)

Nominating & Compensation Committee member

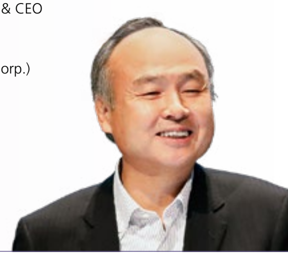
Representative Director, Corporate Officer, Chairman & CEO

Masayoshi Son

Years in office:
42 years 9 months

Number of shares owned in SBG:
426,661 thousand shares

Sep 1981 Founded SOFTBANK Corp. Japan (currently SoftBank Group Corp.), Chairman & CEO
Jan 1996 President & CEO, Yahoo Japan Corporation (currently LY Corporation)
Oct 2005 Director, Alibaba.com Corporation (currently Alibaba Group Holding Limited)
Apr 2006 Chairman of the Board, President & CEO, Vodafone K.K. (currently SoftBank Corp.)
Jun 2015 Director, Yahoo Japan Corporation (currently LY Corporation)
Sep 2016 Chairman and Executive Director, ARM Holdings plc
Jun 2017 Chairman & CEO, SoftBank Group Corp.
Nov 2020 Representative Director, Corporate Officer, Chairman & CEO, SoftBank Group Corp. (to present)
Apr 2021 Board Director, Founder, SoftBank Corp. (to present)
Aug 2023 Chairman and Director, Arm Holdings plc (to present)



Board Director, Corporate Officer, Senior Vice President, CFO & CISO

Yoshimitsu Goto

Years in office:
4 years*6

Number of shares owned in SBG:
379 thousand shares

Apr 1987 Joined The Yasuda Trust and Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)
Jun 2000 Joined SoftBank Corp. (currently SoftBank Group Corp.)
Oct 2000 Head of Finance Department, SoftBank Corp. (currently SoftBank Group Corp.)
Apr 2006 Director, Vodafone K.K. (currently SoftBank Corp.)
Jul 2012 Corporate Officer, Senior Vice President, SoftBank Corp. (currently SoftBank Group Corp.)
Oct 2013 President & CEO and acting owner, Fukuoka SoftBank HAWKS Corp. (to present)
Jun 2014 Board Director, SoftBank Corp. (currently SoftBank Group Corp.)
Jun 2015 Corporate Officer, Senior Vice President, SoftBank Corp. (currently SoftBank Group Corp.)
Jun 2017 Corporate Officer, Senior Vice President, SoftBank Group Corp.
Apr 2018 Corporate Officer, Senior Vice President & CFO & CISO, SoftBank Group Corp.
Jun 2020 Board Director, Senior Vice President, CFO, CISO & CSusO, SoftBank Group Corp.
Nov 2020 Board Director, Corporate Officer, Senior Vice President, CFO, CISO & CSusO, SoftBank Group Corp.
Jun 2022 Board Director, Corporate Officer, Senior Vice President, CFO & CISO, SoftBank Group Corp. (to present)

*CISO: Chief Information Security Officer *CSusO: Chief Sustainability Officer

Board Director

Ken Miyauchi

Years in office:
36 years 4 months

Number of shares owned in SBG:
574 thousand shares

Feb 1977 Joined Japan Management Association
Oct 1984 Joined SOFTBANK Corp. Japan (currently SoftBank Group Corp.)
Feb 1988 Board Director, SOFTBANK Corp. Japan (currently SoftBank Group Corp.)
Apr 2006 Executive Vice President, Director & COO, Vodafone K.K. (currently SoftBank Corp.)
Jun 2007 Representative Director & COO, SoftBank Mobile Corp. (currently SoftBank Corp.)
Jun 2012 Director, Yahoo Japan Corporation (currently LY Corporation)
Jun 2013 Representative Board Director, Senior Executive Vice President, SoftBank Corp. (currently SoftBank Group Corp.)
Apr 2015 President & CEO, SoftBank Mobile Corp. (currently SoftBank Corp.)
Apr 2018 Board Director, SoftBank Group Corp. (to present)
Jun 2018 President & CEO, SoftBank Corp.
Apr 2021 Representative Director & Chairman, SoftBank Corp.
Apr 2023 Director & Chairman, SoftBank Corp.
Apr 2024 Director & Special Advisor, SoftBank Corp.
Jun 2024 Special Advisor, SoftBank Corp. (to present)

Board Director

Rene Haas

Years in office:
1 year

Number of shares owned in SBG:
-

Jan 1999 Vice President of Sales, Tensilica
Aug 2004 Vice President of Sales and Marketing, Scintera Networks
Oct 2006 Vice President & General Manager, Computing Products Business Unit, NVIDIA Corporation
Oct 2013 Vice President of Strategic Alliances, ARM Holdings plc
Jan 2015 Executive Vice President & Chief Commercial Officer, ARM Holdings plc
Jan 2017 President of Arm's IP Product Groups (IPG), ARM Holdings plc
Feb 2022 CEO, Arm Limited (to present)
Jun 2023 Board Director, SoftBank Group Corp. (to present)
Aug 2023 Director, Arm Holdings plc (to present)

Note: "Years in office" refers to the number of years until the conclusion of the General Meeting of Shareholders on June 21, 2024.
*6 Mr. Yoshimitsu Goto has been a Board Director for four years since June 2020 but has served as Board Director for a total of five years, including one year as Board Director from June 2014.

Independence standards and qualifications for External Board Directors

SBG elects Independent External Board Directors in accordance with the independence criteria set by the Tokyo Stock Exchange. The Board of Directors elects Independent External Board Director candidates who can contribute to increasing enterprise value through their qualifications, ability, and deep knowledge in their fields of expertise. SBG also elects candidates for their ability to participate actively in constructive discussions and express their opinions frankly. SBG ensures adequate independence of each of the External Board Directors, who bring a wealth of knowledge and experience to the Board related to business management and other matters. Each of them actively participates in discussions at the Board meetings, and SBG makes management judgments and decisions based on these discussions.

Major activities of External Board Directors

Name	Major activities	Attendance rate and attendance at Board of Directors meetings for fiscal 2023
Masami Iijima	Makes remarks to supervise business judgments and decision-making based on his extensive knowledge and broad global experience in corporate management and governance. Also, as Chairperson of the voluntary Nominating & Compensation Committee, leads objective discussions from an independent standpoint and plays an important role in consulting with the Board of Directors.	100% 7 of 7 meetings
Yutaka Matsuo	Makes remarks to supervise business judgments and decision-making based on his extensive knowledge and broad experience of AI and other technologies as a leading expert in the field, acquired through his engagement in AI research over many years. Also, as a member of the voluntary Nominating & Compensation Committee, expresses objective opinions from an independent standpoint and plays an important role in consulting with the Board of Directors.	100% 7 of 7 meetings
Keiko Erikawa	Makes remarks to supervise business judgments and decision-making based on her extensive knowledge and experience in corporate management and technology, acquired through her career as corporate manager and finance manager of a global digital entertainment company.	100% 7 of 7 meetings
Kenneth A. Siegel*7	Makes remarks to supervise business judgments and decision-making based on his extensive knowledge and experience in corporate M&As and strategic alliances, acquired through his career as an attorney at an international law firm.	100% 7 of 7 meetings
David Chao	Makes remarks to supervise business judgments and decision-making based on his extensive knowledge and broad experience in investment, technology, and corporate management, acquired through his long career as a manager of an investment company.	100% 7 of 7 meetings

*7 Mr. Siegel concurrently holds positions with Morrison & Foerster Gaikokuho Jimu Bengoshi Jimusho and Morrison & Foerster LLP. SBG did not submit notifications to designate him as an Independent Officer as the amount of compensation to be paid to these firms in the future is yet to be determined, regardless of whether there are any transactions between SBG and those firms.

External Board Directors

As of June 21, 2024 (numbers of shares owned are as of March 31, 2024)

Independent
Nominating & Compensation Committee member
External Board Director, Independent Officer
Masami Iijima
Years in office:
6 years
Number of shares owned in SBG:
1 thousand shares

Apr 1974	Joined MITSUI & CO., LTD.
Apr 2008	Executive Managing Officer, MITSUI & CO., LTD.
Jun 2008	Representative Director, Executive Managing Officer, MITSUI & CO., LTD.
Oct 2008	Representative Director, Senior Executive Managing Officer, MITSUI & CO., LTD.
Apr 2009	Representative Director, President and Chief Executive Officer, MITSUI & CO., LTD.
Apr 2015	Representative Director, Chairman of the Board of Directors, MITSUI & CO., LTD.
Jun 2016	Director, Ricoh Company, Ltd.
Jun 2018	Board Director, SoftBank Group Corp. (to present)
Jun 2019	Counselor, Bank of Japan (to present)
Jun 2019	Director, Isetan Mitsukoshi Holdings Ltd.
Apr 2021	Director, MITSUI & CO., LTD.
Jun 2021	Counselor, MITSUI & CO., LTD. (to present)
Jun 2021	Director (Audit & Supervisory Committee member), Takeda Pharmaceutical Company Limited
Jun 2022	Director, Takeda Pharmaceutical Company Limited (to present)
Jun 2023	Director, KAJIMA CORPORATION (to present)

Independent
Nominating & Compensation Committee member
External Board Director, Independent Officer
Yutaka Matsuo
Years in office:
5 years
Number of shares owned in SBG:
-

Apr 2002	Researcher, National Institute of Advanced Industrial Science and Technology
Aug 2005	Visiting Scholar, Stanford University
Oct 2007	Associate Professor, Graduate School of Engineering, the University of Tokyo
Apr 2019	Professor, Graduate School of Engineering, the University of Tokyo (to present)
Jun 2019	Board Director, SoftBank Group Corp. (to present)

Independent
External Board Director, Independent Officer
Keiko Erikawa
Years in office:
3 years
Number of shares owned in SBG:
303 thousand shares

Jul 1978	Founded KOEI Co., Ltd. (currently KOEI TECMO GAMES CO., LTD.), Senior Executive Director
Apr 1994	Director, Foundation for the Fusion of Science and Technology (to present)
Jun 2001	Chairman and CEO, KOEI Corporation (currently KOEI TECMO AMERICA Corporation)
May 2007	Head Director, Association of Media in Digital (to present)
Jun 2013	Chairman, Representative Director, KOEI TECMO GAMES CO., LTD.
Jun 2013	Chairman, Representative Director, KOEI TECMO HOLDINGS CO., LTD. (to present)
Jun 2014	Board Director, TECMO KOEI EUROPE LIMITED (currently KOEI TECMO EUROPE LIMITED) (to present)
Apr 2015	Chairman Emeritus (Director), KOEI TECMO GAMES CO., LTD. (to present)
Jun 2021	Board Director, SoftBank Group Corp. (to present)

External Board Director
Kenneth A. Siegel
Years in office:
3 years
Number of shares owned in SBG:
-

Aug 1986	Joined Morrison & Foerster LLP
Jan 1994	Partner, Morrison & Foerster LLP
Aug 1996	Managing Partner, Morrison & Foerster Tokyo Office (Morrison & Foerster Gaikokuho Jimu Bengoshi Jimusho) (to present)
Jan 2009	Member of Executive Committee, Morrison & Foerster LLP
Jan 2009	Board Director, Member of Executive Committee, Morrison & Foerster LLP (to present)
Jun 2021	Board Director, SoftBank Group Corp. (to present)

Independent
External Board Director, Independent Officer
David Chao
Years in office:
2 years
Number of shares owned in SBG:
-

Jun 1988	Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)
Jun 1989	Joined Apple Computer, Inc. (currently Apple Japan, Inc.)
Aug 1993	Joined McKinsey & Company, Inc.
May 1996	Co-Founder and CTO, Japan Communications Inc.
Jan 1997	Co-Founder and General Partner, DCM Ventures (to present)
Jun 2022	Board Director, SoftBank Group Corp. (to present)

Note: "Years in office" refers to the number of years until the conclusion of the General Meeting of Shareholders on June 21, 2024.

Sustainability: Governance

Corporate Officer system

SBG adopted a Corporate Officer system in July 2012 to further strengthen its business execution functions. In November 2020, SBG clarified the individuals responsible for business execution by separating the management decision-making function from the business execution function.

Corporate Officers

As of June 21, 2024

Representative Director,
Corporate Officer,
Chairman & CEO
Masayoshi Son

Board Director,
Corporate Officer,
Senior Vice President,
CFO & CISO
Head of Finance Unit
Head of Administration Unit
*CISO: Chief Information Security Officer
Yoshimitsu Goto

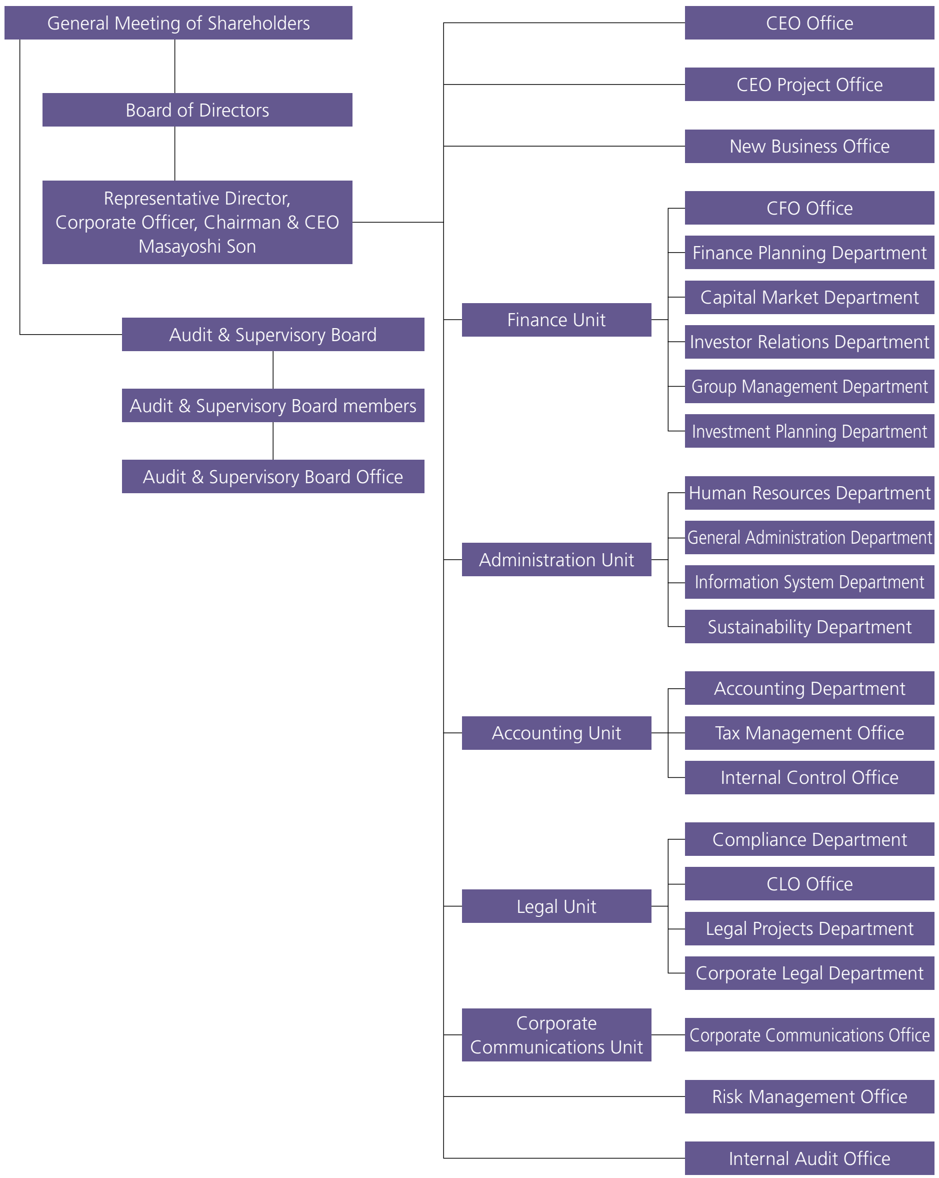
Corporate Officer,
Senior Vice President,
Head of Accounting Unit
Kazuko Kimiwada

Corporate Officer,
CLO & GCO,
Head of Legal Unit
*CLO: Chief Legal Officer
*GCO: Group Compliance Officer
Tim Mackey

Corporate Officer,
Head of CFO Office,
Finance Unit
Seiichi Morooka

Organizational chart

As of June 21, 2024



Sustainability: Governance

Audit & Supervisory Board members and the Audit & Supervisory Board

The Audit & Supervisory Board members attend Board of Directors meetings, allowing them to monitor and verify decision-making of the Board and fulfillment of the Board's obligation to supervise the execution of duties by each Board Director. Moreover, the Audit & Supervisory Board members receive regular reports from Board Directors, employees, Audit & Supervisory Board members and other personnel of major subsidiaries and conduct hearings, as necessary, to audit the execution of duties by the Board Directors of SBG. The Audit & Supervisory Board consists of four External Audit & Supervisory Board members (two full-time members and two part-time members) and is chaired by Maurice Atsushi Toyama, who has served as a full-time Audit & Supervisory Board member since June 2015. The Audit & Supervisory Board meets once a month, in principle. At these meetings, in addition to formulating the audit policy and plan, details of various internal and external meetings attended only by full-time members are reported to part-time members. The Audit & Supervisory Board explains details of the audit plan for each fiscal year, interim audit status, and audit results to the Board of Directors. Furthermore, the Audit & Supervisory Board determines whether or not the reappointment of the Independent Auditor is appropriate, each term.

Major activities of External Audit & Supervisory Board members

Name	Major activities	Attendance rate and attendance for fiscal 2023: Board of Directors meetings	Attendance rate and attendance for fiscal 2023: Audit & Supervisory Board meetings
Maurice Atsushi Toyama	Makes remarks based on his extensive knowledge and experience as a Certified Public Accountant, State of California, U.S.	85.7% 6 of 7 meetings	100% 12 of 12 meetings
Yuji Nakata	Makes remarks based on his extensive knowledge and experience, acquired through his career as head of risk management at a financial institution.	100% 7 of 7 meetings	100% 12 of 12 meetings
Soichiro Uno*8	Makes remarks based on his extensive knowledge and experience as a lawyer.	100% 7 of 7 meetings	100% 12 of 12 meetings
Keiichi Otsuka	Makes remarks based on his extensive knowledge and experience as a Certified Public Accountant.	100% 7 of 7 meetings	100% 12 of 12 meetings

*8 Although SBG judged that there is no potential conflict of interest between Mr. Soichiro Uno and ordinary shareholders, SBG did not designate him as an Independent Officer in accordance with the rules set by the firm (Nagashima Ohno & Tsunematsu) to which he belongs.

Audit & Supervisory Board members

As of June 21, 2024 (numbers of shares owned are as of March 31, 2024)

Independent

Full-time External Audit & Supervisory Board member, Independent Officer

Maurice Atsushi Toyama

Certified Public Accountant, State of California, U.S.

Years in office:
9 years

Number of shares owned in SBG:
-

Sep 1977 Joined San Francisco office of Price Waterhouse (currently PricewaterhouseCoopers)
Aug 1981 Certified Public Accountant, State of California, U.S.
Jun 2006 Partner, PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Japan LLC)
Jun 2015 Full-time Audit & Supervisory Board member, SoftBank Corp. (currently SoftBank Group Corp.; to present)

Independent

Full-time External Audit & Supervisory Board member, Independent Officer

Yuji Nakata

Years in office:
3 years

Number of shares owned in SBG:
-

Apr 1983 Joined Nomura Securities Co., Ltd.
Apr 2007 Executive Managing Director, Nomura Securities Co., Ltd.
Apr 2007 COO, Nomura Asia Holding N.V.
Apr 2008 Executive Managing Director, Nomura Holdings, Inc.
Nov 2008 Senior Managing Director, Nomura Securities Co., Ltd.
Apr 2016 Executive Managing Director, Nomura Holdings, Inc.
Apr 2017 Representative Executive Officer and Deputy President, Nomura Securities Co., Ltd.
May 2019 Executive Managing Director and Chief Risk Officer, Nomura Holdings, Inc.
Apr 2020 Senior Adviser, Nomura Institute of Capital Markets Research
Jun 2021 Full-time Audit & Supervisory Board member, SoftBank Group Corp. (to present)

External Audit & Supervisory Board member

Soichiro Uno

Lawyer

Years in office:
20 years

Number of shares owned in SBG:
-

Apr 1988 Joined Nagashima & Ohno Law Office (currently Nagashima Ohno & Tsunematsu), admitted to practice law in Japan
Nov 1993 Passed the bar examination of the State of New York, U.S.
Jan 1997 Partner, Nagashima & Ohno Law Office (currently Nagashima Ohno & Tsunematsu; to present)
Jun 2004 Audit & Supervisory Board member, SoftBank Corp. (currently SoftBank Group Corp.; to present)
Jun 2018 Director (Audit & Supervisory Committee Member), Dream Incubator Inc.
Jun 2019 Director (Audit & Supervisory Committee Member), Terumo Corporation (to present)

Independent

External Audit & Supervisory Board member, Independent Officer

Keiichi Otsuka

Certified Public Accountant

Years in office:
3 years

Number of shares owned in SBG:
-

Nov 1978 Joined Price Waterhouse Accounting Office
Aug 1982 Registered as a Certified Public Accountant
Jul 1998 Representative Partner, Aoyama Audit Corporation
Sep 2006 Representative Partner, PricewaterhouseCoopers Aarata (currently PricewaterhouseCoopers Japan LLC)
Jun 2016 Audit & Supervisory Board Member, TBK Co., Ltd. (to present)
Jul 2016 Representative of Otsuka CPA Office (to present)
Jan 2017 Director, Shizuoka Bank (Europe) S.A.
Jun 2021 Audit & Supervisory Board member, SoftBank Group Corp. (to present)

Note: "Years in office" refers to the number of years until the conclusion of the General Meeting of Shareholders on June 21, 2024.

Sustainability: Governance

Independent Auditor

Status of audit by the Independent Auditor

SBG concluded an independent audit agreement with Deloitte Touche Tohmatsu LLC based on the Financial Instruments and Exchange Act. The names of the Certified Public Accountants who executed audit duties in fiscal 2023, the consecutive auditing period, the number of assistants for the audit duties, the policy for selection of the audit corporation, and evaluation of the audit corporation by the Audit & Supervisory Board for fiscal 2023 are as follows.

Names of Certified Public Accountants who executed audit duties

Designated Limited Liability Partner and Engagement Partners: Nozomu Kunimoto, Ayato Hirano, Yusuke Masuda

Consecutive auditing period

18 years

Composition of assistants who supported audit duties

Certified Public Accountants: 35, Others: 52

Policy for selection of audit corporation and evaluation of audit corporation by the Audit & Supervisory Board

The Audit & Supervisory Board sets forth criteria for appropriately selecting an Independent Auditor and appropriately evaluating the Independent Auditor in the Audit & Supervisory Board Members Audit Regulations. In accordance with such criteria, the Audit & Supervisory Board takes into account the system to ensure the proper execution of duties by the Independent Auditor, the independency required by the Independent Auditor, and its expertise, including the possession of worldwide network resources, and determines whether the reappointment of the Independent Auditor is appropriate each fiscal year. The Audit & Supervisory Board has determined that reappointment was appropriate for fiscal 2023. In the event that the Audit & Supervisory Board determines that reappointment is inappropriate, it considers other candidates for Independent Auditor in accordance with such criteria, upon taking into account factors such as audits at other companies.

The Audit & Supervisory Board has resolved, as its decision-making policy of dismissal or not reappointing of the Independent Auditor, that the Independent Auditor may be dismissed by the Audit & Supervisory Board with unanimity of Audit & Supervisory Board Members when the Independent Auditor corresponds to any of Paragraph 1, Article 340 of the Companies Act, and that, other than those cases above, the Audit & Supervisory Board shall submit a proposal on dismissal or not reappointing of the Independent Auditor to the Annual General Meeting of Shareholders when it is acknowledged that the execution of appropriate audit is difficult due to the occurrence of an event which impairs the qualification or independency of the Independent Auditor.

Compensation for audits and other duties (fiscal 2023)

Compensation for auditing Certified Public Accountants and other assistants

	Compensation for audit certification duties (Millions of yen)	Compensation for non-audit duties (Millions of yen)
SBG	920	16
Consolidated subsidiaries	4,547	83
Total	5,467	99

Note: The non-audit duties for SBG consist of the preparation of comfort letters when issuing corporate bonds. The non-audit duties for consolidated subsidiaries of SBG mainly consist of the preparation of comfort letters when issuing corporate bonds.

Compensation to the same network as SBG's auditing Certified Public Accountants and other assistants (Deloitte Touche Tohmatsu Limited) (excluding "Compensation for auditing Certified Public Accountants and other assistants")

	Compensation for audit certification duties (Millions of yen)	Compensation for non-audit duties (Millions of yen)
SBG	–	0
Consolidated subsidiaries	5,510	116
Total	5,510	116

Note: The non-audit duties for SBG consist of advisory services for taxation. The non-audit duties for the consolidated subsidiaries of SBG mainly consist of consulting services for system construction support.

Other material compensation for audit certification duties

Not applicable.

Reason(s) why the Audit & Supervisory Board gave its consent to the compensation of the Independent Auditor, etc.

The Audit & Supervisory Board, based on the "Practical Guidelines for Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association, reviewed and examined the plan details of the audit conducted by the Independent Auditor, the performance status of accounting audit duties, and the basis for calculating compensation estimates, and from the results, has given the consent prescribed in Paragraph 1, Article 399 of the Companies Act for the compensation paid to the Independent Auditor.

Sustainability: Governance

Cooperation between the Audit & Supervisory Board members, the Independent Auditor, and the Internal Audit Office

The Audit & Supervisory Board members receive regular briefings from the Independent Auditor (Deloitte Touche Tohmatsu LLC) on the audit plan, quarterly reviews, audit results, and other matters. The Audit & Supervisory Board Members and the Independent Auditor also cooperate as necessary by exchanging information and opinions, among other measures. Furthermore, the Audit & Supervisory Board members receive regular briefings from the Internal Audit Office, which is responsible for SBG's internal audits. The briefings include the audit plan and the results of internal audits performed on each department of SBG and its major subsidiaries. The Audit & Supervisory Board Members and the Internal Audit Office also cooperate as necessary by exchanging information and opinions, among other measures.

The Independent Auditor receives briefings from the Internal Audit Office on the audit plan and, when necessary, on the results of internal audits and other matters. The Internal Audit Office receives regular briefings from the Independent Auditor regarding audit results and other matters. Moreover, both parties cooperate with each other as necessary by exchanging information and opinions, among other measures.

Committees that make decisions on matters delegated by the Board of Directors

■ 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, to carry out corporate activities flexibly. The Committee comprises 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. Such items include investments, loans, and borrowings under a certain amount. Resolutions of the Committee are only approved by majority agreement. If a proposal is rejected, it is brought to the Board of Directors. All resolutions of the Committee are reported to the Board of Directors.

■ Brand Committee

The Brand Committee is a committee that has been delegated authority by the Board of Directors to make decisions on and properly manage matters related to the SoftBank brand. The Committee comprises five members including the chairman (Board Director, Corporate Officer, Senior Vice President, CFO and CISO), who has been selected by the Board of Directors, and four members (Corporate Officer, Senior Vice President Kazuko Kimiwada, the head of CLO Office Natsuko Oga, the head of the Corporate Communications Office Takeaki Nukii, and the head of the General Administration Department Tatsuya Iida), who have been appointed by the chairman. The Committee resolves matters set forth in the Regulations of the Brand Committee, including the licensing of the SoftBank brand. Resolutions of the Committee are only approved by unanimous agreement from all members, and all decisions made by the Committee are reported to the Board of Directors.

Voluntary committees

■ Nominating & Compensation Committee

The Nominating & Compensation Committee is a voluntary advisory body to the Board of Directors deliberating on matters related to nomination and compensation, and provides advice and support to the Board of Directors and other appropriate approval organizations. Nominating & Compensation Committee members are elected from among Board Directors, and a majority of its members are Independent External Board Directors to ensure their independence and objectivity. The Committee has three members: Masami Iijima (Committee Chairperson, Independent External Board Director), Yutaka Matsuo (Independent External Board Director), and Masayoshi Son (Representative Director, Corporate Officer, Chairman & CEO). During meetings, the members discuss the criteria for appointing and dismissing important officers and employees, candidates for nominating, general compensation policy, individual compensation proposals, and other important matters. It also conducts discussions on successors on an ongoing basis. The Committee holds regular meetings in April as well as special meetings when necessary. In fiscal 2023, it held two meetings, each with full attendance.

■ Group Risk and Compliance Committee (GRCC)

The purpose of the Group Risk and Compliance Committee (GRCC) is to supervise the risk management and compliance program of SBG and its Group companies and discuss important issues, promotion policies, and other matters on an ongoing basis. The Committee has three members, including its chairperson, Tim Mackey (Corporate Officer, Chief Legal Officer (CLO) & Group Compliance Officer [GCO]), who was appointed by the Board of Directors; Yoshimitsu Goto (Board Director, Corporate Officer, Senior Vice President, CFO and CISO); and Kazuko Kimiwada (Corporate Officer, Senior Vice President). The GRCC deliberates on matters related to the risk management and compliance activities of SBG and its Group companies as set forth in the GRCC Operation Regulations. Its decisions are only approved by majority agreement. The Committee's agenda items and discussion results are reported to the Board of Directors on a regular basis (at least once a year) based on the Board of Directors Regulations.

■ Sustainability Committee

The purpose of the Sustainability Committee is to discuss sustainability-related issues and promotion policies of SBG and its Group companies on an ongoing basis. The Committee comprises four members including the chairperson (the head of the Investor Relations Department and the Sustainability Department, Yotaro Agari), who has been appointed as Chief Sustainability Officer by the Board of Directors, and three members (Board Director, Corporate Officer, Senior Vice President and CFO & CISO Yoshimitsu Goto; Corporate Officer, Senior Vice President Kazuko Kimiwada; and Corporate Officer and CLO & GCO Tim Mackey). The Committee deliberates on matters related to sustainability as set forth in the Sustainability Committee Operation Regulations. The Committee's agenda items and discussion results are reported to the Board of Directors as appropriate in accordance with the provisions of the Board of Directors Regulations..

Sustainability: Governance

Policy on determining compensation amounts and calculation methods

Overview of the executive compensation system

The executive compensation policy of SBG is decided by a resolution of the Board of Directors, accounting for the societal and relative status of each officer, as well as the degree of their respective contributions to SBG, while referring to compensation survey results conducted by professional organizations, so that the system provides compensation that is reasonably competitive and can attract global talent who share the same aspirations. The individual amount of compensation is determined pursuant to the procedure described in "Organization and procedures for deciding executive compensation." For Board Directors whose main duties are as officers of subsidiaries and Group companies, compensation is determined by the compensation policy of each company, based on the *Cluster of No. 1 Strategy*, and such compensation is paid by subsidiaries and Group companies. The Compensation for External Board Directors and Audit & Supervisory Board Members consists exclusively of fixed compensation because they are independent of business execution.

Components of executive compensation

	Component	Details	Overview
Aggregate compensation for Board Directors*9	Fixed compensation	Basic compensation	▷ An annual amount is set on an individual basis and paid in fixed monthly cash installments. ▷ The amount of compensation is decided on an individual basis, taking into consideration whether the officer is full-time or part-time, as well as their positions and the duties they are in charge of.
	Performance-based compensation*10	Cash bonuses	Incentive for short-term performance ▷ Cash bonuses are paid every fiscal year as compensation for the execution of duties while in office.
		Share-based payment	Incentive to improve corporate value over the medium- to long-term ▷ Stock options using stock acquisition rights are provided with the aim to encourage executives to make continuous management effort, while sharing mutual interest with shareholders through increases in the share price. ▷ The contents of stock acquisition rights include normal stock options (with the exercise price calculated based on the market price at the time of allotment) and share-based stock options (with an exercise price of ¥1). The exercisable period will be set within a range of 10 years from the day following their allotment date.

*9 Excludes compensation for External Board Directors

*10 The amount of cash bonuses and the number of stock acquisition rights allotted as stock compensation are decided based on multiple performance indicators for adequately rewarding the results achieved through business activities. Specifically, it is decided on an individual basis and shall take into consideration individual performance based on each officer's ability and achievements, as well as company performance including consolidated results, the stock price, and NAV (Net Asset Value).

Organization and procedures for deciding executive compensation

Executive compensation is paid within the range of the aggregate amount of compensation approved by the resolution of the General Meeting of Shareholders, subject to confirmation that it is in line with the aforementioned compensation policy and is found to be both rational and reasonable. The aggregate amount of compensation for Board Directors was capped at ¥5 billion in monetary compensation and ¥5 billion in share-based compensation,*11 while that for Audit & Supervisory Board members was capped at ¥160 million.*12

The compensation of the Board Directors for fiscal 2023 has been decided by Representative Director, Corporate Officer, Chairman & CEO (Masayoshi Son), based on the contents of discussions by the Nominating & Compensation Committee, which is a voluntary advisory body to the Board of Directors, within the range of authority entrusted to him by resolution of the Board of Directors. The Nominating & Compensation Committee shall review proposed compensation from multiple viewpoints, including consistency with the SBG compensation policy and make a report to the Board of Directors on its deliberation details. The Board of Directors reconfirms that the deliberations are in line with the SBG compensation policy. To ensure independence, compensation for Audit & Supervisory Board members for fiscal 2023 was decided through consultation among Audit & Supervisory Board members after the conclusion of the Annual General Meeting of Shareholders in June 2023.

*11 Resolved at the 38th Annual General Meeting of Shareholders on June 20, 2018. SBG was served by 12 Board Directors (including three External Directors) at the time of the resolution.

*12 Resolved at the 41st Annual General Meeting of Shareholders on June 23, 2021. SBG was served by four Audit & Supervisory Board Members (all four being External Audit & Supervisory Board Members) at the time of the resolution.

Total amount of compensation by title (fiscal 2023)

Title	Number of people	Subtotals for each type of compensation (Millions of yen): Fixed compensation (Basic compensation)	Performance-based compensation (Bonus)	Others	Total amount of compensation (Millions of yen)
Board Directors (excluding External Board Directors)	3	168	344	1	513
External Board Directors	5	193	–	–	193
External Audit & Supervisory Board members	4	90	–	–	90
Total	12	451	344	1	795

Total consolidated compensation paid to respective Board Directors whose total consolidated compensation is ¥100 million or more (fiscal 2023)

Name	Amount of consolidated compensation (Millions of yen)	Title	Company name	Subtotals for each type of consolidated compensation (Millions of yen): Basic compensation	Bonus	Share-based payment	Others
Masayoshi Son	100	Board Director	SBG	12	78	–	–
			SoftBank Corp.	–	–	10	–
Yoshimitsu Goto	351	Board Director	SBG	84	266	–	1
Ken Miyauchi	844	Board Director	SoftBank Corp.	84	726	34	–
Rene Haas	3,458	Board Director	SBG	72	–	–	–
			Arm Limited	154	1,237	1,993	2

Sustainability: Governance

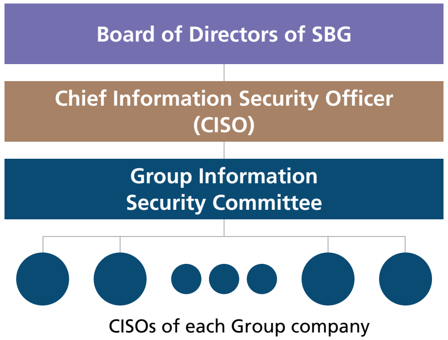
Information security

As a strategic investment holding company, SBG promotes initiatives to strengthen information security in the Group to realize and lead a safe and secure digital society.

▶ Constructing an information security governance system

To promote and strengthen information security in the Group, we have established an information security governance system with the appointment of Yoshimitsu Goto (Board Director of SBG) as Chief Information Security Officer (CISO).

Information Security Governance Structure



In the event of a serious information security incident in the Group, the department in charge shall respond to and restore the situation quickly and appropriately under the control of the CISO. To prevent any recurrence, we analyze the causes of information security incidents to identify possible issues and reflect them in our information security strategy while working to improve security-related education for officers and employees.

Initiatives to strengthen information security

▶ Collaboration with Group companies and portfolio companies

SBG regularly exchanges information on information security threats and countermeasures with Group companies and investee companies that do business globally. In addition to keeping abreast of the latest security-related technologies, we act quickly to introduce advanced services and systems offered by each company to ensure secure work environments.

▶ NIST CSF compliance and external organization assessments

SBG implements measures that comply with NIST CSF,*13 a cybersecurity framework adopted by organizations and enterprises around the world, and has received security-related assessments by external organizations with expertise in the U.S. and other countries.

*13 NIST CSF is a cybersecurity framework (CSF) established by the National Institute of Standards and Technology (NIST) that consolidates standards, guidelines, and best practices for cybersecurity risk management.

▶ Two-star certification (highest level) by the Information Technology Federation of Japan

SBG's Group-wide efforts related to cybersecurity and information disclosure earned a two-star certification (the highest level) by the Information Technology Federation of Japan, Japan's biggest IT association. Of the Nikkei 500 Stock Average constituent companies which were rated, SBG was among the 14 companies that were awarded two stars.

For the latest information on SBG's information security, see "Information Security" on our website.

For more information about the Information Technology Federation of Japan's rating program, see "External Evaluation" on our website.

Policy for constructive dialogue with shareholders

To encourage constructive dialogue with shareholders and investors (investors in stocks and bonds), SBG assigns IR duties to the Investor Relations Department, which had 17 members including the head of the department as of June 1, 2024. Under the supervision of Board Director, Corporate Officer, and Senior Vice President, the department conducts IR activities in close coordination with related departments, including Accounting, Finance, Legal, and General Administration. Dialogue with shareholders and investors is the responsibility of the Investor Relations Department and senior management, including Board Director, Corporate Officer, and Senior Vice President.

▶ Relaying stakeholders' feedback to the management and the Board of Directors

To create a positive cycle of feedback, opinions and concerns from shareholders and investors are conveyed to the management and the departments concerned in a timely fashion, so that the management and the departments will make the necessary changes in their initiatives, disclosures, or messaging. Alongside this feedback cycle, the Board of Directors regularly hears reports on stakeholder feedback and shareholders' holding trends.

For the latest IR information, see "Investor Relations" on our website.

Number of meetings with institutional investors / analysts:

Fiscal 2021	Fiscal 2022	Fiscal 2023
624	661	762

Main themes of dialogue and shareholder concerns

1. Capital allocation
2. Investment strategy
3. NAV discount
4. Arm
5. SoftBank Vision Funds

Communication with international investors

- Video interview with CFO (short video format)
- Transcription of Q&A sessions at various earnings events

Status of implementation of share price-conscious management

In accordance with the request it received from the Tokyo Stock Exchange on March 31, 2023, SBG has disclosed the status of implementation on our website.

See "Status of Implementation of Share Price-Conscious Management" on our website.

Initiatives for taxation

Tax Policy (enforced from July 29, 2022)

The Group's Tax Policy sets out the principles concerning taxation affairs to be observed by SBG and its subsidiaries when conducting business activities. The Policy was decided by a resolution of SBG's Board of Directors. It states the Group's system for the execution of operations and risk management related to taxation affairs, compliance with all relevant tax-related laws and ordinances when conducting business activities, endeavor to ensure appropriate payment of taxes and optimization of tax costs, and establishing favorable relationships with tax authorities. The Group will conduct its business activities in accordance with the laws and ordinances of each country and fulfill its tax obligations appropriately, thereby contributing to the economic and social development of the countries in which we operate.

See the full text of our Tax Policy on our website.

Policy

Governance

The Head of the Accounting Unit of SBG is the person responsible for the taxation affairs of the Group, and the Accounting Unit of SBG (the "Accounting Unit") shall be the organization responsible for overseeing operations related to the taxation affairs of the Group. Each Group company shall establish a department or appoint personnel specializing in taxation affairs ("Tax-related Department") and work closely with the Accounting Unit to conduct day-to-day management of taxation affairs. The Accounting Unit will regularly report on the status of execution of duties related to the Group's taxation affairs to the Board of Directors and the Audit & Supervisory Board of SBG, and will be supervised to ensure an appropriate system for the execution of operations related to taxation affairs.

Tax risk management

The Accounting Unit and the Tax-related Departments of Group companies will effectively utilize the knowledge of external experts to constantly stay abreast of the latest information on tax-related laws and regulations in Japan and overseas, and international standards and the like, and endeavor to proactively foresee tax risks. In addition, they will strive to minimize risks by considering countermeasures for any foreseen tax risks. In the event that a significant tax risk of the Group materializes, each Group company shall immediately report to the Accounting Unit, and the Accounting Unit will promptly report to SBG's Board of Directors and Audit & Supervisory Board, and coordinate with Group companies as required, and endeavor to take appropriate action.

Compliance with laws and regulations

The Group will comply with all relevant tax-related laws and regulations when conducting business activities, and take measures based on the "Action Plan on Base Erosion and Profit Shifting" (BEPS Action Plan) set forth by the Organisation for Economic Co-operation and Development (OECD) to ensure appropriate payment of taxes. We will also take measures with respect to transfer pricing taxation to ensure compliance with OECD Transfer Pricing Guidelines, including the arm's length principle.

Appropriate payment of taxes and optimization of tax costs

The Group will comply with all tax-related laws and regulations related to its business, and endeavor to ensure appropriate payment of taxes and optimization of tax costs by taking measures such as utilizing preferential tax treatment allowed under the tax laws of each country in which we operate and eliminating double taxation, thereby improving the Group's corporate value.

Relationship with tax authorities

The Group will establish sound and favorable relationships with tax authorities in Japan and overseas ("Authorities") and will sincerely explain the Group's tax status to the Authorities in a factual manner. In the event that any difference of opinion arises between the Group and the Authorities with respect to any particular matter, we will strive to resolve such differences of opinion through constructive discussions.

Competent department

The Accounting Unit of SBG is in charge of this Policy.

Revision or repeal

Any material revision or repeal of this Policy requires a resolution of the Board of Directors of SBG.

Sustainability: Governance

Characteristics of the Group's Taxation

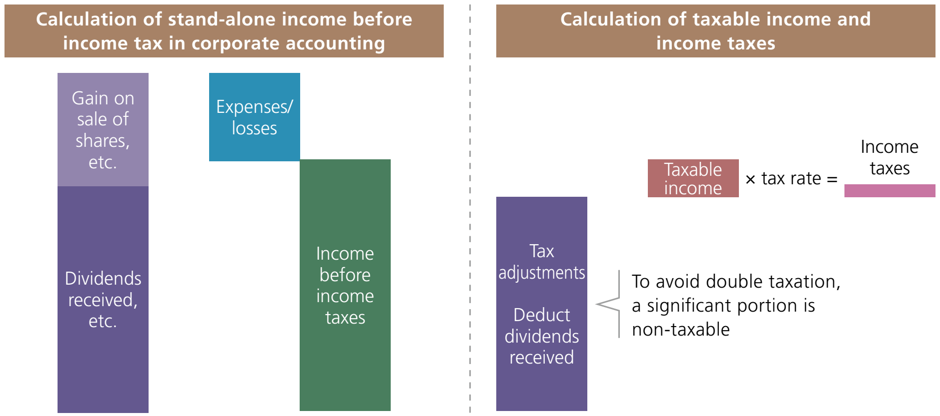
Income on the consolidated statement of profit or loss is not directly connected to SBG's stand-alone tax payment amount.

The consolidated statement of profit or loss of SBG presents the operating results for SBG and its subsidiaries as a group, while the stand-alone statement of profit or loss presents SBG's operating results as a stand-alone company. Moreover, the income on SBG's stand-alone statement of profit or loss is only the income for accounting purposes, which differs from the income used as the basis for calculating income taxes (taxable income). SBG has not introduced the Consolidated Tax Return Filing System (Japanese Group Relief System).

The majority of SBG's stand-alone operating revenue is dividends received from affiliates, a significant portion of which is non-taxable.

As a pure holding company, the majority of SBG's stand-alone operating revenue is dividends received from its subsidiaries and associates. These subsidiaries and associates pay income taxes on their respective income and then pay dividends from the remaining income. Therefore, a substantial portion of the dividends received falls outside the scope of taxation for SBG. On the other hand, one-time gains from the sale of shares owned by SBG are taxable.

Illustration for calculation of SBG's stand-alone income before income tax and income taxes



Note: Loss carryforwards, if any, can be used to partially reduce taxable income.

Taxes related to SoftBank Vision Funds investment business are compliant with the tax systems of the relevant jurisdictions, including Japan.

Income taxes paid on a consolidated basis (net)

(Billions of yen)

	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Consolidated	324.5	589.3	525.9	816.8
Japan	189.5	551.2	469.7	717.0
SBG and holding companies (wholly owned subsidiaries)	(85.3)	200.0	214.2	443.3
Operating companies, mainly SoftBank and LY Corporation	274.8	351.2	255.5	273.7
Overseas	135.0	38.1	56.2	99.8

Notes:
1. The amounts are the net amount of tax payments and tax refunds.
2. Income taxes paid on a consolidated basis match the net amount of "income taxes paid" and "income taxes refunded" in the consolidated statement of cash flows.
3. Income taxes paid by SBG and intermediate holding companies in Japan for fiscal 2020 was negative due to the refund of JPY 143 billion in withholding income tax paid in fiscal 2019.
4. SBG and intermediate holding companies in Japan have paid JPY 443.3 billion in income taxes for fiscal 2023, including an interim payment of JPY 118 billion, of which JPY 76.3 billion is expected to be refunded in fiscal 2024.

Message from External Board Director

Harnessing Organizational Patience to Maximize AI-driven Business Opportunities

Dynamic discussions with a diverse Board

My connection with SBG goes back 23 to 24 years, when I first met Son-san (Masayoshi Son, Representative Director, Corporate Officer, Chairman and CEO of SBG). At that time, I had already founded DCM Ventures and was investing in technology companies across Japan, the U.S., and China. Back then, venture capitalists (VCs) typically focused on their domestic markets, operating in "silos" with U.S. VCs investing in the U.S. and Japanese VCs investing in Japan. I always felt that this silo mentality was somewhat limiting. So, whenever I exchanged ideas with Son-san, his global investment perspective truly resonated with me and aligned with my own thinking. Since joining SBG as an external director two years ago, I see my role as leveraging my Silicon Valley and global investment experience to enhance SBG's corporate value, going beyond the typical responsibility of overseeing management decisions.

David Chao
External Board Director, Independent Officer

At the Board meetings, we thoroughly discuss various topics, including strategic matters. What I find particularly unique and excellent about SBG is that after each Board meeting, the directors always gather for an informal discussion that lasts two to three hours. In these sessions, we freely exchange opinions on a variety of topics, including Son-san's vision, new projects, market perspectives, and more, sometimes engaging in heated debates. For me, these informal gatherings also play a meaningful part in the role of the Board at SBG because they allow us to delve deeper into the topics covered in the formal meetings. Son-san often comes up with surprising new ideas, but because we have discussed the underlying concepts in these informal settings, we can quickly see how his ideas fit into the overall strategy.

Another strength of our Board is the highly interactive discussions that arise from having members with diverse industry backgrounds. We all share the common understanding that the more diverse the board, the better. We are witnessing an unprecedented AI revolution that will impact people in all corners of the world in a more profound way than the industrial and mobile revolutions. Therefore, having a diverse range of skills and expertise to navigate this revolution is crucial and we can continue to do better.

In addition, developing a succession plan for the unique entrepreneur Son-san is a challenge. However, with the AI revolution unfolding very rapidly before us, this moment is crucial for SBG's future growth. Usually, the larger a company gets, it becomes less agile and flexible. This is why small nimble start-ups can sometimes become giant-killers. Son-san has proven over the years that he can continue to lead SBG, a very large organization, and at the same time, be nimble. Therefore, what we need most right now is the swift decision-making of Son-san, the founder, and the agile and flexible actions of SBG as an organization. Finding a successor is not easy, and while we understand the necessity of a succession plan, at this pivotal moment, I believe our higher priority is to attract great talent and ensure sustainable growth around the nimble founder who is also the soul of the company.

Message from External Board Director

The art of patience in venture investment

In Board discussions, I often share my views on technology trends. Additionally, given my experience as both an entrepreneur and a venture capitalist, I frequently emphasize the need for patience. The nature of venture investing varies significantly from early to middle to late stages. When I first joined, I was struck by the view held by some, that the majority of the investments would do reasonably well. This expectation, along with the tendency to seek quick results, needed to be addressed. In the venture world, start-ups that go out of business appear earlier in the investment cycle. In contrast, companies that do well in the long run take time to mature and the winners are not obvious for many years. In baseball terminologies, there are strikeouts and hits, and occasionally, a grand slam home run like Alibaba, which took 15 years since the company was founded to IPO. In venture investing, we need to understand this and be patient as an organization over the long term.

In general, venture capital return follows a J-curve, where the IRR is negative for the first three or four years. Some of SoftBank Vision Funds' investments have shown early positive results, making it difficult to see the typical J-curve pattern. However, it takes a long time for the upward trend of a J-curve to emerge. SBG is investing in promising companies, and I believe we will eventually see some home runs. It is crucial to communicate to external stakeholders that this process takes time. We need to be patient and continue to support our portfolio companies from within. Ultimately, I believe the track record of the hundreds of companies we have invested in will reveal winning trends and help highlight the key companies and areas to focus on. I hope that we can learn a lot, not only from the successes but also from the failures, embracing new challenges and turning them into successes.

Looking ahead at the VC market, my sense is that the industry, aside from AI, is about a year away from bottoming out. About 12 to 18 months ago, when fundraising was difficult and the market was sluggish, many existing investors made additional investments in the form of bridge loans or rounds that propped up the valuations. The industry standard at that time was to provide one more round of funding that would allow companies to survive one to two years longer and see what happens. Therefore, in the next 12 to 18 months, there will be a clear distinction between companies that can survive and those that cannot. In any case, once the market goes down, it would take three to four years to recover, as we saw with the dot-com bubble.

On the other hand, AI companies with strong teams continue to attract funding and maintain their valuations. Still, over the next two years or so, we will likely see a clearer division within the AI sector, with some areas experiencing growth and others not. This period will be crucial for selecting companies with promising business models for growth.

The power of reinvention: What sets SBG apart

I think that Son-san and SBG, which he founded, are exceptional in their ability to boldly transform with the times and "reinvent" themselves to deliver results in new fields. Starting as a software wholesaler, then moving into PCs, the Internet, mobile, and now AI, they have repeatedly created new businesses in entirely different fields. I have worked with many successful technology CEOs and corporations globally, but Son-san and his team's ability to continuously reinvent is rare. It is challenging enough to venture into new businesses and achieve results, but Son-san has successfully and positively reinvented SBG multiple times. The recent IPO of Arm is another example. Within SBG, there is a culture of constantly embracing new challenges. Even though the future is uncertain, Son-san and SBG are full of enthusiasm to create new businesses and contribute to society.

SBG's growth potential in the AI era

AI is now broadly categorized into machine learning and generative AI. SBG has been involved in AI for the past six to seven years, closely following the evolution of machine learning. This has allowed us to quickly adapt to the emergence of generative AI without missing the timing. This perfectly exemplifies the saying: "Chance favors the prepared mind."

Looking back on the technology revolution to date, there have been four waves: Computer (mainframes, server-client and PCs), the Internet, Mobile, and now AI. While PCs are now affordable for personal use, the development of the PC market was initially driven by B2B, while the growth and proliferation of the Internet and mobile were propelled by B2C. So how will the fourth wave, AI, unfold? Like the computer revolution, I envision AI initially creating added value in the B2B sector and then making a significant leap forward from there. In this regard, Son-san's experience with the computer revolution, where technology growth was initially centered on B2B, will be a tremendous advantage in capturing future growth opportunities.

We are already seeing six or seven companies emerging as likely core players in the future AI space, and the next-generation AI ecosystem is being built around them. Arm is one of these core players. Arm has always fortified itself by creating an ecosystem, expanding into areas such as mobile, automotive, and servers. This ecosystem business model is embedded in Arm's DNA and will help them maintain its competitive advantage to fuel their growth. With Arm, which provides foundational AI technologies, I believe SBG is well-positioned to capture future growth opportunities and lead in the AI era.

Compliance

Commitment to Integrity

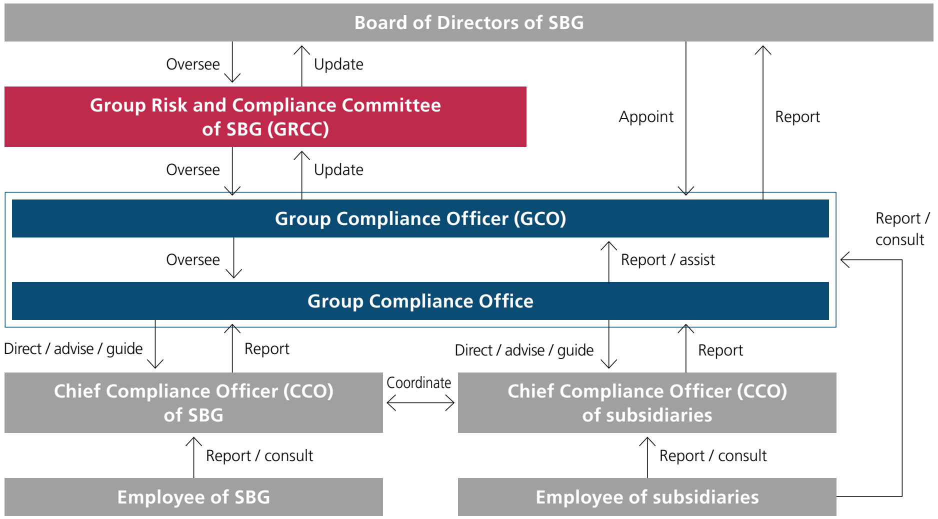
Compliance as the foundation of our business

We believe that our commitment to integrity, which goes beyond legal and regulatory compliance, must be the foundation of our business. We aim to create an organization where every officer and employee demonstrates the highest degree of ethical conduct in every action they take.

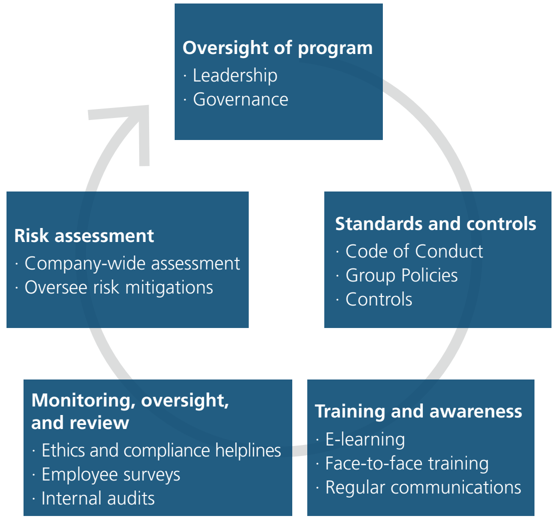
Organizational structure

The Board of Directors of SBG has appointed a Group Compliance Officer (GCO) as the chief officer responsible for compliance across the Company, and similarly, each subsidiary appoints a Chief Compliance Officer (CCO). The GCO and CCOs have the responsibility to implement systems designed to ensure compliance with applicable laws and regulations and to promote ethical conduct. The GCO and CCOs periodically report material incidents and risks together with activities of their ethics and compliance programs to their respective board of directors.

Group compliance structure



Structure of SBG's ethics and compliance program



Ethics and compliance program and oversight

The Group Risk and Compliance Committee (GRCC) consists of Board Directors and Corporate Officers of SBG and provides oversight of the risk management and ethics and compliance programs of the Company. The GRCC assesses the key performance indicators that measure the effectiveness of the risk management and ethics and compliance programs such as risk assessments, risk mitigation, and incidents of noncompliance. SBG's Board of Directors receives regular separate reports on, and evaluates and supervises the effectiveness of, the ethics and compliance programs.

Code of conduct and Group policies

SBG has established the "SoftBank Group Code of Conduct" as the standard that all the Company's officers and staff should follow. Our Code of Conduct sets out standards to guide the Company's officers and staff across various areas such as anti-corruption, prohibition on discrimination, confidentiality, conflicts of interest, antitrust laws, money laundering, insider trading, working environment, and whistleblowing. In April 2024, SBG updated the SoftBank Group Code of Conduct to proactively integrate AI into our operations. This update reflects our belief in the future happiness that AI can bring. It also outlines the necessary considerations for promoting the ethical and responsible use of AI by our employees, aiming for the achievement

Compliance

Top page of the SoftBank Group Code of Conduct website

See the full text of our Supplier Code of Conduct on our website.
See the SoftBank Group Code of Conduct on our website for further details.

of responsible AI practices. SBG has also established the “Supplier Code of Conduct” to clarify the ethical standards we would like our suppliers to follow.

SBG has implemented a full suite of Group Policies that establish Group-wide minimum requirements for all subsidiaries and their officers and staff across key risk areas such as anti-corruption, competition law, conflicts of interest, insider trading, economic sanctions, information security, privacy, human rights, brand management, corporate governance, the environment, risk management, and taxes. In line with the actual operation of the centralized management system for insider information and investment conflicts, introduced in 2022 for SBG and its investment-focused subsidiaries, SBG revised the related policies in fiscal 2023 to further strengthen the management structure.

SBG conducts an annual review of all the Group Policies and made certain revisions as appropriate. We will continue to periodically review and revise them.

Training and awareness

The Company conducts training and awareness-raising activities to ensure that officers and staff recognize risk areas and have the information they need to make the right choices.

The Company provides training for officers and staff regarding high-risk areas such as conflicts of interest. SBG has introduced a global training system, which, in addition to providing the Code of Conduct training, provides Group companies in Japan and abroad with training that addresses different areas of risk for each of them.

As one example of the awareness-raising activities, SBG holds the Compliance Awareness Month annually for officers and staff of SBG and those at its major subsidiaries in Japan and overseas. SBG also periodically delivers communications through animated videos and comics featuring actual cases and familiar compliance issues to enable its officers and staff to refresh and consolidate their knowledge about ethical behaviors. The use of visually memorable contents is designed to be easily understood.

Top screen of intranet site, Compliance Awareness Month 2023

Compliance e-learning

Monitor, audit, and review

SBG has established a global ethics and compliance helpline to receive reports and consultations regarding compliance violations involving the Company or its officers and employees, from our officers, employees, business partners, and other third parties. Reports and consultations can be made anonymously to the extent permitted by laws and regulations. We received frequent reports and requests for advice in fiscal 2023 from across the Company. The CCOs are responsible for setting up helplines for their respective companies. Significant substantiated cases must be escalated to the GCO.

SBG conducts an employee survey to measure its ethical culture and the effectiveness of its compliance program. SBG uses the results of the survey to improve its ethics and compliance programs for the next year.

Risk Management

Mitigating Impediments to Sustainable Growth

Risk management system

At SBG, the Risk Management Office spearheads Group-wide risk management activities cooperating with each Group company and department. The office is supervised by the Chief Risk Officer (CRO), who is appointed by the Board of Directors with responsibility for Group-wide risk management.

SBG established the Risk Management Policy to ensure a Group-wide understanding of the purpose of risk management and to clarify the basic roles of officers, employees, and risk managers. This policy applies to all officers and employees of SBG and the Group companies to encourage their active involvement in risk management activities. In accordance with SBG's Risk Management Regulations and the Group Company Management Regulations, which are set under the Risk Management Policy, SBG and the Group companies appoint risk managers. The risk managers are responsible for comprehensively identifying financial and non-financial risks that might arise during business activities and for monitoring both the countermeasures taken to address these risks and the status of their implementation.

The Risk Management Office ensures the effectiveness of Group-wide risk management by receiving reports on important matters from the risk managers and confirming compliance with the regulations. The policy and regulations are periodically reviewed and approved by the Board of Directors of SBG and other bodies. The Risk Management Office quarterly reports identified risks that are material to the Group and their countermeasures to the Board of Directors and the Group Risk and Compliance Committee (GRCC), respectively. Accordingly, both governance bodies supervise the Risk Management Office. The GRCC consists of Board Directors and Corporate Officers of SBG and provides oversight of the risk management and ethics and compliance programs of the Company.

Risk management system

Risk management initiatives

The Risk Management Office works to strengthen risk management activities by identifying and addressing risks, with the aim of mitigating factors that adversely affect the Group's sustainable growth.

Identifying risks

The Risk Management Office is pursuing the following initiatives to gain a comprehensive understanding of financial and non-financial risks facing the entire Group.

Key agenda confirmation

When important matters are to be resolved by SBG's Board of Directors, the Investment Committee, and other bodies, the Risk Management Office confirms the agenda items in advance and consults with the relevant departments, if necessary. It also ensures that risk-related information that needs to be considered is reflected in the agenda.

Portfolio risk analysis

The Risk Management Office performs risk analysis over the entire Group's investment portfolio from various perspectives. For example, the Risk Management Office monitors the impacts on SBG's financial ratios that are caused by changes in the external environment such as economic and monetary policies and other political conditions. The concentration of investments in specific countries, regions, and sectors is also monitored continuously.

Risk information gathering

The Risk Management Office gathers information on various risks from the major Group companies and each department of SBG. When the risks materialize, the relevant Group companies and departments of SBG escalate the issues to the Risk Management Office in a timely manner.

Responding to risks

Based on the information gathered through the above initiatives, the Risk Management Office analyzes and assesses various risks and countermeasures. For material risks that could have a significant impact on the Group's sustainable growth, 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 the Board of Directors and the GRCC. Based on the results of those discussions, the Risk Management Office strives to strengthen the Group's risk management system.

Message from Our Chief Risk Officer (CRO)

Supporting Sustainable Growth Through Adaptive Risk Management

1 It has been three years since you took over as CRO. Looking back, what are your reflections?

When I joined SBG in 2020, our investment business, especially SVF, was thriving and posted the highest consolidated net income ever recorded by a Japanese company. However, the situation has changed drastically since then, and a period of significant deficits followed. The composition of our holdings has also changed. In 2020, Alibaba was the cornerstone of our portfolio, but Arm, once targeted for sale to NVIDIA, went public in 2023 and is now our core holding. Throughout my tenure as an auditor, I have seen many companies, and it is hard to find a company that changes on such a scale and with such speed. In addition, as an accountant, I found it unprecedented that understanding a company required more than analyzing financial statements. Typically, I can understand the substance of a company by looking at its accounting profits and assets, but in our case, that is not enough to decipher the true nature of the company.

In this context, I became acutely aware of the complexity and importance of the Group's risk management. I began by analyzing our assets and liabilities to understand the actual situation. I then gathered information from all sources, including each division and subsidiary, to identify material risks and consider how to address them. In fiscal 2023, we made progress in shifting our holdings to an AI-centric portfolio and resumed investments aimed at moving to offense mode. Meanwhile, our business environment remains highly uncertain due to the turmoil in international affairs. I am dedicated to considering risks from all aspects and support the Company's sustainable growth.

2 How have the risks changed following the transition of the composition of holding assets?

Alibaba used to be a major holding, and SVF also had many other investments in Chinese companies, so the Risk Management Office has focused on swiftly identifying various risks, such as tightening regulations in China and its conflict with the U.S. We have reported to the Board of Directors and GRCC the percentage of our total portfolio that is invested in China and the impact on the Company if the value of our holdings were to plummet. Currently, our holding in Alibaba is virtually zero, and our Chinese investments as a percentage of total holdings have dropped. Therefore, I believe the China risk has been significantly mitigated.

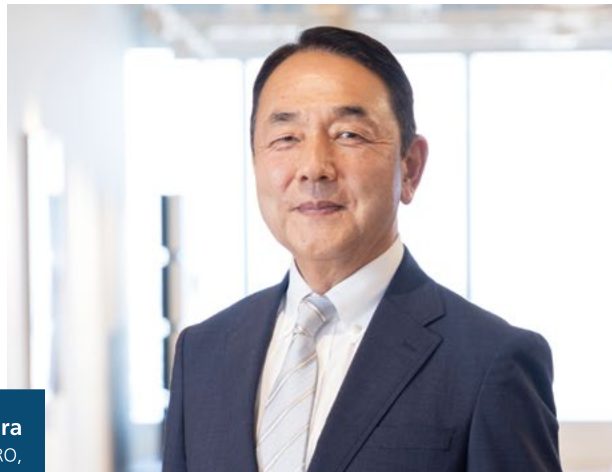
However, there are new risks. Our portfolio is being transformed into a group of AI-empowered companies, with Arm at the core. Sparked by ChatGPT, AI in 2023 evolved and spread rapidly and had a significant impact on the economy and financial markets. At the same time, concerns about AI risk have also grown, and many countries and regions, including the European Union, the U.S., and Japan, are actively discussing rulemaking on the development and use of AI. In light of this, we are working to strengthen our AI governance by monitoring regulatory trends and enhancing cooperation among Group companies.

3 Are there any particular risks you are watching closely as investments are resumed?

We are focusing on strategic investments that have been gradually increasing. Unlike SVF, which is based on financial investments, these are business investments with a longer-term perspective. Therefore, we need to consider various risks, such as the possibility that a portfolio company's business might not perform well and how to manage a portfolio company that has become a subsidiary.

Currently, many of our investments are in the early stages, and the risks we need to monitor could change depending on future business developments. It is essential to understand the business situation of each company, work closely with all parties involved, and provide support as needed.

In addition, I believe it is crucial to manage existing investments in SVF. SVF has developed a strategic portfolio management policy that includes helping portfolio companies increase their corporate value through effective engagement. The Risk Management Office actively considers the impact of these efforts and continuously monitors the status.



Kiyoshi Ichimura
CRO,
Head of Risk Management Office

Risk Factors

The material risks that the Company (SBG and its subsidiaries) believes could significantly affect investors' investment decisions as of June 21, 2024 are outlined below. The materialization of these risks could have an adverse effect on:

- NAV (Net Asset Value): equity value of holdings – adjusted net interest-bearing debt*1
- LTV (Loan to Value): adjusted net interest-bearing debt ÷ equity value of holdings*1; The ratio of debt to asset holdings.
- Financial condition and results of operations
- Distributable amount of SBG

These risks do not include all the risks that the Company could face, nor is there a guarantee that measures to address such risks will be fully effective. Forward-looking statements were determined as of June 21, 2024, unless otherwise stated.

*1 See pages 20-21 for details on the calculation method of NAV and LTV.

(1) Group Overall

Under the Company's management system, the Company is engaged in a wide range of investment activities based on the investment theme of artificial intelligence (AI), with SBG, a strategic investment holding company, exercising overall control over its investment portfolio comprising SBG's subsidiaries, associates, and portfolio companies (hereinafter "portfolio companies"). The Company's material risks in the execution of its business are stated in subsections a. through c. below.

Additionally, please refer to "(2) SoftBank Vision Funds business," "(3) SoftBank business," and "(4) Arm business" for the material risks in the SoftBank Vision Funds segment, SoftBank segment, and Arm segment, respectively.

a. Investment Activities Overall

(a) Market environment

The Company invests mainly in information and technology companies that leverage AI; however, the valuation of these companies can vary significantly depending on the outlook for technological progress and market growth. Therefore, the Company's equity value of holdings may be affected by these types of sector-specific factors, in addition to macroeconomic, monetary policy, and stock market trends. In addition, private portfolio companies are also affected by trends in the venture capital and IPO markets.

Since Arm continues to be a consolidated subsidiary after its listing in September 2023, its stock price change does not affect the Company's financial condition and results of operations. However, the stock price change has a substantial effect on the Company's equity value of holdings since Arm shares represent a large portion of the Company's equity value of holdings.

Moreover, the Company may be affected by foreign exchange rate movements in connection with its ownership of foreign currency-denominated assets and liabilities.

The Company aims to conduct stable financial management to withstand the impacts of market volatility. For details, see "Message from Our CFO" on pages 16-19.

(b) International conditions and regulatory trends

The Company invests in companies and other entities that operate not only in Japan, but also in countries and regions overseas, such as the U.S., China, India, Europe, and Latin America. Therefore, due to changes in political, military, or social circumstances and to the establishment of new laws, regulations, systems and other rules (hereinafter "laws and regulations") and the strengthening thereof (including changes in interpretation and implementation) in those countries and regions, the investment activities of the Company and the business activities of portfolio companies may not develop as expected. Laws and regulations include, besides those related to investment, laws and regulations related to businesses such as AI, telecommunications services, internet advertising, e-commerce, automated driving, robotics, logistics, financial services and payments, and to other corporate business activities (including, but not limited to, laws and regulations related to business permits and licenses, economic security, import and export, personal information and privacy protection, the environment, product liability, fair competition, consumer protection, prohibition of bribery, labor management, intellectual property rights, prevention of money laundering, taxation, and foreign exchange). The investment activities of the Company and the business activities of portfolio companies are directly or indirectly affected by those laws and regulations. Recently, countries have been taking steps to implement stricter regulations from an economic security perspective, against the backdrop of factors such as the Russia-Ukraine conflict, the situation in the Middle East, and intensified U.S.-China rivalry. For example, the introduction of laws and regulations to restrict investment in specific countries or companies could constrain the Company's investment activities, as well as cause the realization of investments to be delayed or the terms and conditions for the realization of investments to deteriorate. In addition, if heightened geopolitical risk results in supply chain disruptions, or if stricter trade regulations restrict the import or export of specific products and technologies, and other items, the businesses and operating results of portfolio companies may be adversely affected.

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

The Company collects information about the changes in the external environment described above and assesses the impact they may have on investment activities, while receiving advice from outside advisers. Concurrently, the Company works to address each of these regulations. In addition, the Company continuously monitors the concentration of investments in specific countries or regions, and business sectors, within its investment portfolio. By doing so, the Company identifies risks and reflects them in its management decisions.

(c) Business development of portfolio companies

The Company aims to maximize returns from a medium- to long-term perspective by making investments in information and technology companies that leverage AI. However, portfolio companies

Risk Factors

may be unable to develop businesses as envisioned at the time of the investment decision, due to factors including the obsolescence of portfolio companies' technologies and business models, and intensified competitive environments. This may lead to a significant deterioration in business performance or a drastic revision of their business plans. Moreover, the Company may provide loans, loan guarantees, additional investment or other forms of financial support as deemed necessary to improve their shareholder value, if they are unable to develop businesses as anticipated. Providing such support could increase the Company's exposure to those portfolio companies. Nevertheless, the Company has a general policy of not making investments solely for the purpose of providing relief.

Even after making investments, the Company continuously monitors major risk factors of portfolio companies, including financial and management information, key performance indicators, differences between business plans at the time of the investment decision and actual progress, and the status of corporate governance. To address these risk factors, the Company implements measures such as providing advice and dispatching officers to improve the management of portfolio companies as necessary.

(d) Investment decisions

In the investment decision-making process, the Company may make investment decisions while misjudging the risks concerning such factors as the technology, business model, competitive environment, financial condition, compliance, and governance of an investment target, or the integrity of the founders and managers who have critical influence. In particular, the transparency, accuracy, and completeness of information on which the Company bases its investment decisions are relatively more likely to be inadequate at private companies.

In the investment decision-making process, the Company seeks to assess investment-related risks by conducting due diligence on important factors of the target, while obtaining the cooperation of, for example, outside financial, legal and tax advisers as necessary, in addition to referring to research and reviews by the relevant internal departments. Based on the results of such procedures, investment decisions are made by either the Board of Directors of SBG, the Investment Committee to which authority is delegated by the Board of Directors, or the Investment Committee of the fund management subsidiary.

b. Fund procurement

The Company utilizes a diverse range of procurement methods, such as loans from financial institutions and the issuance of bonds, as well as raising funds through asset-backed financing and selling assets.

For loans from financial institutions and bonds, if the procurement environment deteriorates due to factors such as changes in interest rates or credit rating, the Company may be unable to raise funds at the planned timing, scale, or conditions. In addition, various covenants may be attached to the debts. If these covenants are breached, the Company may forfeit the benefit of the term with respect to such obligations. Furthermore, in connection with this forfeiture, the Company may be requested to make lump-sum repayments with respect to other obligations.

For asset-backed financing (excluding prepaid forward contracts) using public equities such as Arm shares, or private equities, if the value of eligible equity holdings declines, the Company may be required to post additional cash collateral or incur prepayment obligations. The Company may also face difficulties in raising new funds and refinancing.

Regarding fundraising through the sale of asset holdings, the Company may be unable to sell assets at anticipated prices when necessary due to factors such as sluggish market liquidity, contractual restrictions on asset sales, and delays in scheduled IPOs.

To control risks related to fund procurement, the Company raises funds with timing and methods that are deemed appropriate based on careful monitoring of market conditions. In particular, when borrowing from financial institutions, issuing corporate bonds, and conducting asset-backed financing, the Company increase the stability of each type of fund procurement by conducting prior reviews and implementing measures based on various anticipated scenarios. Through these measures, the finance departments strive to maintain a sufficient cash position with financial discipline.

c. Management team

The Company's major subsidiaries and investment funds are run autonomously, the subsidiaries by their respective CEOs and other leaders, and the investment funds by the CEOs of fund operating subsidiaries described below. However, unforeseen situations with respect to Representative Director, Corporate Officer, Chairman & CEO Masayoshi Son, who plays a pivotal role in the Company's management, could impede the overall activities of the Company.

If such an unforeseen situation were to occur, the decision-making process could be affected. To minimize this impact, the Company has drawn up contingency plans. In addition, the Nominating & Compensation Committee periodically discusses succession plans.

(2) SoftBank Vision Funds business

SoftBank Vision Funds (SVF1, SVF2 and LatAm Funds, hereinafter "SVF") aim to maximize returns over the lifecycle of each of the funds by making investments in technology companies primary leveraging AI that are deemed to have high growth potential. SBG invests in these investment funds as a limited partner. Additionally, the Company's wholly owned subsidiaries who manage these funds (SBIA, which manages SVF1, as well as SBGA, which manages SVF2 and LatAm Funds, hereinafter the "Managers") are respectively entitled to receive management fees, performance-linked management fees, and performance fees, each of which is measured by reference to the investment activities of the investment funds.

The material risks at SVF and their Managers are stated in subsections a. through d. below. In this section (2), the phrase "portfolio companies" refers to the investees of SVF.

a. Business execution risks of portfolio companies

Many portfolio companies are seeking to leverage new technologies such as AI and big data to create new business models. There are various risks involved for these companies to develop their businesses as planned, earn profits, and establish a solid business foundation.

In particular, these risks include: that they may not be able to develop technologies or implement business models as expected, or provide products and services that meet customer needs and market practices; their unit economics may not be strong enough to fully cover the cost of the platform and continued investment in technological advancement; they lose out to other new entrants with the latest technologies or to incumbents with strong business foundations; they are unable to adjust themselves to their expansion into adjacent businesses or different geographies and to changes in the economic or business environment; they are not able to secure profits if the customer acquisition costs, such as advertising and sales staffing, significantly exceed their original plans; and, they are unable to respond to growing compliance complexity and/or manage the costs for privacy and AI across varying jurisdictions.

In addition, as the strategic importance of advanced technology in national security has been growing

Risk Factors

in recent years, and with a backdrop of a worsening relationship between the U.S. and China, it is possible that stricter regulations in various countries will be introduced, which may adversely affect the business development of the portfolio companies.

Furthermore, many portfolio companies have funding needs for business development. If the fund-raising environment deteriorates, it may not be possible to raise funds on the expected terms, resulting in the need to cut costs materially, which may impede growth, or to raise funds on terms that dilute the Company's share in the portfolio company.

At the Managers, the investment risk team plays a central role in identifying these risks early and mitigating them through the investment approval process and ongoing post-investment monitoring.

b. Lack of opportunity to exit from investments

Due to the illiquid nature of many of the investments that SVF may acquire, as well as economic, legal, political, or other factors, there can be no assurance that SVF will be able to monetize such investments as originally planned. Additionally, SVF may be prohibited by contract or other limitations from selling certain securities for a period, which may mean that SVF is unable to sell investments at favorable market prices.

Approval of an exit strategy is a key part of the Managers' Investment Committees' considerations. Exit strategies are regularly reviewed and updated by the Managers' investment teams. Exit strategies are also stress tested under various market conditions by the investment risk team to allow for forward planning. In setting up a long-term fund structure, it was anticipated that multiple economic downturns could occur and that some investments may take longer to exit than others.

c. Securities issued by public companies

SVF's investment portfolios may contain securities issued by public companies. Such asset holdings are subject to risks that include increased obligations to disclose information regarding such companies, limitations on the ability of SVF to dispose of such securities at their discretion, increased likelihood of shareholder litigation and insider trading allegations being brought against such companies' executives and board members, including employees of the Managers. In addition, there may be increased costs associated with addressing each of the aforementioned risks.

The primary mechanism employed to mitigate the market risk following a liquidity event is to follow a deliberate plan for selling down the positions to minimize the market impact and to maximize the value of the proceeds. The Managers also examine whether to hedge the foreign-exchange risk should the securities be denominated in a currency whose exchange rate relative to USD is volatile.

Additionally, the operational and compliance risks that arise while managing SVF's public securities positions are managed through an appropriate control framework spanning the Managers' operational, compliance and enterprise risk activities including, policies, staff training, whistleblower helpline, pre-trade approval processes (including the approval of trading counterparties), and post-trade reconciliations and exception monitoring.

d. Securing and retaining human resources

The Managers seek to maximize the equity value of SVF funds that they respectively manage, 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. A failure of the Managers to secure or retain an adequate number of capable personnel could have an adverse effect on the maintenance or expansion of the investment scale and future investment performance of the investment funds they manage.

In order to maintain their broad investment and management capabilities, the Managers provide various HR support programs and ensure the human capital in the firm has the requisite skill sets to meet business objectives. The Managers conduct a range of efforts including regularly reviewing performance, organization design, and training and development, as well as moving staff across the organization to ensure they fulfil their potential.

(3) SoftBank business

SoftBank Corp. and its subsidiaries (hereinafter 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. The material risks at the SoftBank Corp. Group are stated in subsections a. through f. below.

a. Changes in the market environment and competition

The telecommunications-related market has seen major changes in the business environment, mainly driven by the strengthening of pro-competitive policies and new entrants from different industries, and users have also been 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, there are no assurances that the SoftBank Corp. Group will be able 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 the SoftBank Corp. Group 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. Alternatively, 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 the realignment, problems such as trouble with and delays in services to be rolled out, adverse effects on strategies and synergies, and disruptions associated with the realignment could arise.

b. Response to technology and business models

The SoftBank Corp. Group's primary business domain is the information technology industry, which is subject

Risk Factors

to rapid changes in technology and business models. Notably, the field of generative AI has been evolving dramatically and has significantly impacted existing business models. 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. However, 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, 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 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.

c. Leakage or inappropriate use of information and inappropriate use of products and services supplied by the SoftBank Corp. Group.

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 and employees of the SoftBank Corp. Group and people related to subcontractors), or through a malicious cyber-attack, 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 and so forth such as fraud and the like, 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 the SoftBank Corp. Group's credibility or corporate image and making it difficult to acquire or retain customers.

Furthermore, on October 1, 2023, LY Corporation completed an intra-group reorganization involving mainly Z Holdings Corporation as the surviving company and two of its core wholly owned subsidiaries, LINE Corporation and Yahoo Japan Corporation, and its trade name was changed from Z Holdings Corporation to LY Corporation. LY Corporation is working to develop and strengthen a framework to ensure the efficient and proper functioning of its group companies' overall data governance. While such efforts will be continued, if the countermeasures and measures to strengthen governance fail to function effectively, this could lead to administrative sanctions on the SoftBank Corp. Group from the authorities, impairment of public trust in the SoftBank Corp. Group, a decrease in demand for the SoftBank Corp. Group's services, the formulation and implementation of additional countermeasures, or the occurrence of data leaks.

Furthermore, LY Corporation has submitted reports concerning the incident of unauthorized access it announced on November 27, 2023 to the Ministry of Internal Affairs and Communications (MIC) and the Personal Information Protection Commission of Japan (PPC). LY Corporation received administrative guidance from MIC on March 5 and April 16, 2024, and it received a recommendation and request for a report, etc. from PPC on March 28, 2024. Currently, LY Corporation is implementing measures in response to this administrative guidance and recommendation. It submitted a report regarding measures to prevent a recurrence, etc. to MIC on April 1, 2024, and a report summarizing the implementation status of measures to prevent a recurrence to PPC on April 26, 2024, and is moving forward with these measures. However, if the measures of LY Corporation and the SoftBank Corp. are judged to be inadequate or insufficient, this could lead to impairment of trust in the SoftBank Corp. Group, a decrease in demand for the SoftBank Corp. Group's services or other such consequences. Such outcomes could have an impact on the SoftBank Corp. Group's businesses.

d. Consignment of operations

The SoftBank Corp. Group consigns in whole or part to subcontractors customer 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 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 directors and employees, or related parties) are unable to execute operations in line with the SoftBank Corp. Group's expectations, or if a human rights infringement-related issue occurs, such as a case where the information of the SoftBank Corp. Group's or its customers is obtained without authorization, it could have an impact on the SoftBank Corp. Group's business.

Moreover, any damage to the credibility or corporate image of these subcontractors as a result of the kind of incident described above would also have an impact on the SoftBank Corp. Group's credibility or corporate image. Furthermore, if these subcontractors should fail to comply with laws and regulations, the SoftBank Corp. Group could receive a warning or administrative guidance from the regulatory authorities, or be investigated for non-fulfillment of its supervisory responsibility, and the SoftBank Corp. Group's credibility or corporate image could deteriorate as a result, making it difficult to acquire and retain customers.

e. Service disruptions or decline in quality due to faults in related systems and other factors

In the provision of various services by the SoftBank Corp. Group, including telecommunications networks and, systems for customers such as, Yahoo! JAPAN, LINE and PayPay, there is a possibility that a major problem could occur if the SoftBank Corp. Group were to become unable to continuously provide the services, or were to suffer a decline in the quality of the services, due to human error or serious problems with equipment or systems (including factors due to natural disasters and other unpredictable events), or cyber-attack, hacking or other form of unauthorized access or other causes by a third party. The SoftBank Corp. Group has built redundancy into its networks, along with clearly defining restoration procedures in preparation for systems faults and other incidents. In the event of a system fault or other incident, the SoftBank Corp. Group conducts restoration activities with appropriate capabilities in place, such as setting up an Incident Response Headquarters according to the scale of the incident. Even with these measures in place, 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 were to become widespread or significant time were required to restore services, the SoftBank Corp. Group's credibility or corporate image could deteriorate, making it difficult to acquire and retain customers.

f. Economic security

In accordance with the Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (hereinafter, the "Economic Security Promotion Act"), the SoftBank

Risk Factors

Corp. and LY Corporation were designated as specified social infrastructure providers (core infrastructure providers) in the telecommunications business on November 16, 2023. From May 17, 2024, this new regulatory framework became effective. If the SoftBank Corp. or LY Corporation fail to comply with a national government review mandated by the Economic Security Promotion Act, the authorities may impose administrative measures against them, such as recommendations or orders for business improvement or suspension. These administrative measures may potentially cause temporary business suspensions, delays, or additional capital expenditures, as well as extra measures and costs, and impairment of public trust in the SoftBank Corp. Group. Such outcomes could have an impact on the SoftBank Corp. Group's businesses, financial position, and results of operations.

(4) Arm business

Arm's operations primarily consist of licensing semiconductor intellectual property (IP), 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. The material risks at Arm are stated in subsections a. through j. below.

a. Change in the industry business dynamic

Demand for Arm's technology and services is largely dependent on the semiconductor and electronics industries, 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.

In order to mitigate against these risks, Arm's management team regularly reviews its strategy and long-term product development plans to test that Arm is developing products to meet future needs. Arm works with many partners and companies in the semiconductor and electronics industries and is well positioned to detect any change and act accordingly.

b. 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.

Arm mitigates against these risks by working closely with leading semiconductor companies. Arm's established ecosystem includes many software and chip design engineers who understand how to build Arm-based chips and write software optimized for Arm processors. Arm invests in this ecosystem to help further reduce the total cost of developing and maintaining a portfolio of Arm-based chips.

c. 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.

In order to mitigate against this risk, Arm typically develops multiple processors each year, reducing the impact of a customer deciding not to move forward with Arm.

d. 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.

Arm mitigates against this risk by working with trade authorities to reduce the risk of any impact of new trade barriers and reviewing its strategy to ensure that it is developing products in line with the future needs of the industry.

e. Concentration on China

A significant portion of Arm's revenues are derived from Chinese semiconductor companies and original equipment manufacturers, or OEMs, and from non-Chinese semiconductor companies and OEMs that utilize Arm's products in chips and end products sold into China. A failure of Arm to maintain China-sourced revenues, access new and existing markets in China or gain traction for new business areas in China, or a loss of Arm's market share in China, could materially and adversely affect Arm's results of operations and competitive position.

China is a significant source of semiconductor industry revenues. However, the near-term growth prospects of the Chinese 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. A prolonged downturn or slow recovery in the Chinese semiconductor industry or economy generally could materially and adversely affect Arm.

In addition, political actions including trade protection and national security policies of the U.S. and Chinese

Risk Factors

governments currently do and could in the future limit or prevent Arm from transacting business in China or with Chinese customers or suppliers.

Arm mitigates against these risks by ensuring that any U.S/China policy changes are kept under close review. In addition, Arm regularly reviews Arm China's*2 sales pipeline and any requests from Arm China to deviate from standard licensing contracts in order to monitor and manage developments in the Chinese market.

*2 Arm China is a joint venture between SBG's subsidiary and Chinese investors, through which Arm accesses the Chinese market.

f. 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 that 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.

In order to mitigate against these risks, Arm undertakes extensive reviews in relation to its new business models, including undertaking discussions with its customers in advance of implementing key changes, in order to ensure that any risks are identified and managed appropriately.

g. 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 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 other third-party partners.

Arm mitigates against these risks by closely monitoring developments in relevant jurisdictions in relation to patents, litigation trends and incidence of claims.

h. 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.

Arm mitigates against these risks by designing and implementing its products without the use of intellectual property belonging to third parties, except under strictly maintained procedures and with the benefit of appropriate license rights.

i. 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 artificial intelligence, or 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.

Arm mitigates against these risks by investing in the verification and validation of its products. Arm has rigorous quality assurance and verification and validation processes to reduce the risk of faults or bugs. Arm regularly gathers feedback from its customers and partners to determine whether the perception of Arm is changing, and ensure that corrective action can be taken early if customers are becoming less satisfied with its products or behavior.

j. 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

Risk Factors

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.

Arm mitigates against these risks by maintaining strong relationships with the U.S., U.K. and EU export control authorities in order to effectively monitor any policy and regulatory developments.

(5) Others

a. Compliance

The Company conducts investment activities pursuant to laws and regulations in each country. If the Company and its portfolio companies (including officers and employees) conduct activities in breach of those laws and regulations, regardless of whether they were aware of the breach or not, the Company and its portfolio companies may be subject to administrative sanctions or legal measures. As a result, the credibility and corporate image of the Company and its portfolio companies may be impaired, their contracts may be canceled by business partners, or a financial burden may be incurred. Furthermore, in countries and regions in which the Company and its portfolio companies conduct business activities, tax laws and regulations may be newly introduced or amended, or their interpretation or enforcement may be revised, leading to additional tax burdens. Views differing with those of tax authorities may also give rise to additional tax burdens.

The Company has established the SoftBank Group Code of Conduct, which applies to all officers and employees, in order to go beyond compliance with laws and regulations and conduct corporate activities based on a high ethical standard. The Company also works to strengthen the Group compliance structure and carries out activities to increase the knowledge and awareness of officers and employees, such as training. In addition, the legal departments collect information on new or revised laws and regulations, while receiving advice from outside advisers.

b. Intellectual property

Infringement of SBG's SoftBank brand by a third party could impair the corporate image or credibility of SBG and subsidiaries that employ the SoftBank brand. Additionally, infringement of the intellectual property of subsidiaries and portfolio companies by a third party could have a negative impact on these companies' business development and results of operations. On the other hand, if the Company and its portfolio companies were to unintentionally infringe on intellectual property rights held by a third party, the Company and such portfolio companies may be prevented from using the intellectual property or subjected to claims for compensatory damages, license fees, and so forth from the third party.

In light of the importance of SBG's brands in supporting sustained business growth, SBG strives to strategically obtain trademarks worldwide, while evaluating the intellectual property activities and strategies of subsidiaries and forming intellectual property partnerships with them. Through these and other efforts, SBG aims to protect and utilize intellectual property throughout the Group as a holding company.

c. Litigation

The Company faces the possibility of lawsuits by third parties claiming compensatory damages for the alleged infringement of rights or benefits. These third parties may comprise shareholders, portfolio companies, business partners, and employees (including current and past shareholders and employees of portfolio companies). Such lawsuits could hinder the Company's investment activities or may impair the Company's corporate image, as well as create a financial burden.

d. Sustainability

The Company believes that it is crucial to take the lead and implement essential activities to address sustainability. However, the Company's 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 the Company's governance structure and management strategy, or that the Company's 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 these cases, the Company's evaluation by stakeholders may deteriorate and adversely affect its investment and financing activities.

In addition, the Company may be unable to adequately assess the risks and opportunities associated with the sustainability aspects of portfolio companies. In these cases, portfolio companies may be unable to develop their businesses as expected by the Company. Additionally, if sustainability-related regulations over the Company's investment activities and its portfolio companies' business activities are tightened, the pace of investment may slow down or the cost to address such regulations may increase.

The SoftBank Corp. Group has a Sustainability Committee, which is chaired by the Chief Sustainability Officer ("CSusO") appointed by the Board of Directors. The Sustainability Committee regularly discusses sustainability-related issues and countermeasures, along with strengthening sustainability-related response measures and disclosures. In investment activities, each investment entity analyzes the risks and opportunities associated with the sustainability aspects of portfolio companies and carries out comprehensive investment evaluations.

e. Information security

Amid the rising threat of cyber-attacks around the world in response to recent international conditions, the Company and its portfolio companies may be unable to completely prevent cyber-attacks, hacking, computer virus infections, or other forms of unauthorized access or internal misconduct. The inability to prevent such events could lead to the leakage, alteration, or loss of information, or cause other such security incidents. Such occurrences may impair the credibility and corporate image of the Company and its portfolio companies and may hinder their business activities. The Company and its portfolio companies may also incur financial losses or additional cost outlays or other responses may be needed to address such occurrences.

The Chief Information Security Officer (CISO), who is appointed by the Board of Directors, is responsible for the information security of the Company. Under the leadership of the CISO of SBG, the Company endeavors to protect information assets by identifying vulnerabilities and risk factors that could threaten information security and by implementing information security measures focused on organizational, physical, technical, and human dimensions according to risk.

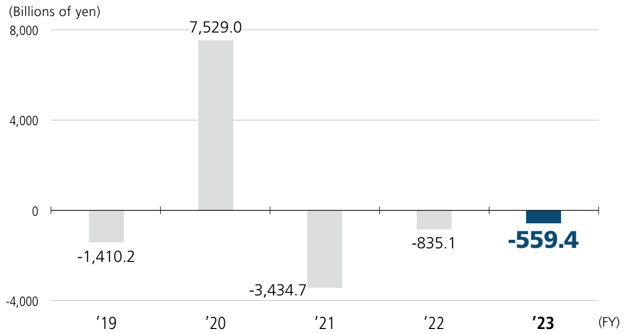
Financial Section

For consolidated financial statements and notes, see "Financial Report 2024" on our website.

Graphs: Key Consolidated Financial Data

Fiscal years beginning April 1 and ending March 31 of the following year

Gain (loss) on investments

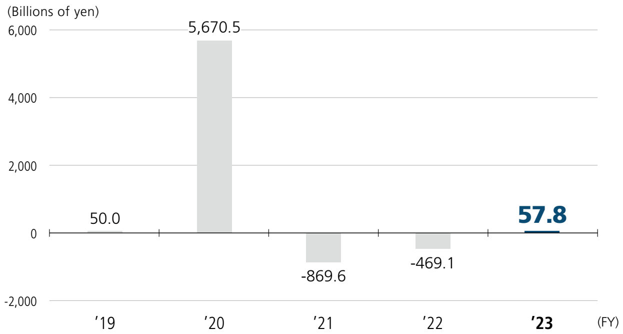


FY2023

Gain (loss) on investments

+¥0.3 tn YoY

Income before income tax

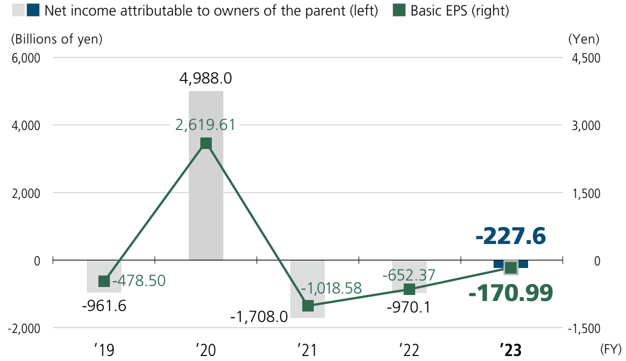


FY2023

Income before income tax

+¥0.5 tn YoY

Net income attributable to owners of the parent / Basic EPS

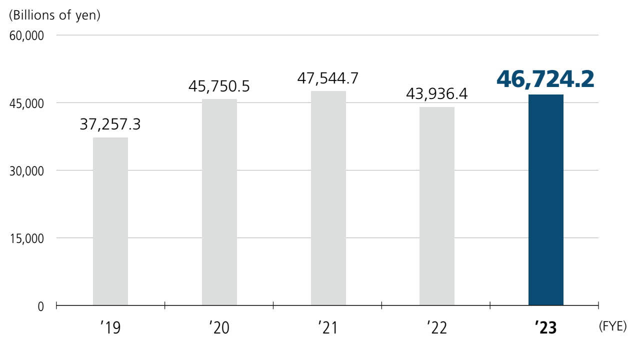


FY2023

Net income attributable to owners of the parent

+¥0.7 tn YoY

Total assets

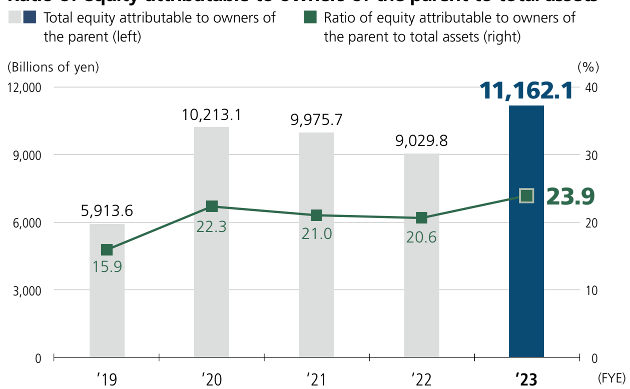


FYE2023

Total assets

+6.3% YoY

Total equity attributable to owners of the parent / Ratio of equity attributable to owners of the parent to total assets



FYE2023

Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
+23.6% YoY	**23.9%**

Eleven-Year Key Consolidated Financial Data

Fiscal years beginning April 1 and ending March 31 of the following year

(Millions of yen)		FY2013	FY2014	FY2015	FY2016	FY2017
Net sales		6,666,651	8,504,135	8,881,777	8,901,004	9,158,765
Operating income*[1]		1,077,044	918,720	908,907	1,025,999	1,303,801
Income before income tax		924,049	1,213,035	919,161	712,526	384,630
Gain (loss) on investments*[1]		–	–	–	–	–
Net income attributable to owners of the parent		520,250	668,361	474,172	1,426,308	1,038,977
Total assets		16,690,127	21,034,169	20,707,192	24,634,212	31,180,466
Total equity attributable to owners of the parent		1,930,441	2,846,306	2,613,613	3,586,352	5,184,176
Interest-bearing debt*[2]		9,170,053	11,607,244	11,922,431	14,858,370	17,042,188
Net interest-bearing debt*[3]		7,059,286	8,182,817	9,248,363	11,923,065	13,617,255
Net cash provided by operating activities		860,245	1,155,174	940,186	1,500,728	1,088,623
Net cash used in investing activities		(2,718,188)	(1,667,271)	(1,651,682)	(4,213,597)	(4,484,822)
Net cash provided by financing activities		2,359,375	1,719,923	43,270	2,380,746	4,626,421
Net increase (decrease) in cash and cash equivalents		524,433	1,295,163	(689,046)	(386,505)	1,151,548
Cash and cash equivalents at the fiscal year-end		1,963,490	3,258,653	2,569,607	2,183,102	3,334,650
Major Indicators	(Units)					
ROA	%	4.4	3.5	2.3	6.3	3.7
ROE	%	29.5	28.0	17.4	46.0	23.7
Ratio of equity attributable to owners of the parent to total assets	%	11.6	13.5	12.6	14.6	16.6
Per share data*[4]	(Units)					
Basic EPS	¥	218.48	281.10	201.25	643.50	466.77
Diluted EPS	¥	217.34	279.38	194.16	637.82	454.19
Equity per share attributable to owners of the parent	¥	812.17	1,196.74	1,139.42	1,646.20	2,151.13
Dividend per share	¥	20.00	20.00	20.50	22.00	22.00
Others	(Units)					
Number of shares outstanding (excluding treasury stock)	’000	1,188,456	1,189,197	1,146,900	1,089,282	1,089,498
Number of subsidiaries		756	769	739	763	1,141
Number of associates		105	120	122	130	385
Number of employees (consolidated basis)		70,336	66,154	63,591	68,402	74,952

(Millions of yen)		FY2018	FY2019	FY2020	FY2021	FY2022	**FY2023**
Net sales		6,093,548	5,238,938	5,628,167	6,221,534	6,570,439	**6,756,500**
Operating income*[1]		2,073,636	–	–	–	–	–
Income before income tax		1,682,673	50,038	5,670,456	(869,562)	(469,127)	**57,801**
Gain (loss) on investments*[1]		–	(1,410,153)	7,529,006	(3,434,742)	(835,059)	**(559,350)**
Net income attributable to owners of the parent		1,411,199	(961,576)	4,987,962	(1,708,029)	(970,144)	**(227,646)**
Total assets		36,096,476	37,257,292	45,750,453	47,544,670	43,936,368	**46,724,243**
Total equity attributable to owners of the parent		7,621,481	5,913,613	10,213,093	9,975,674	9,029,849	**11,162,125**
Interest-bearing debt*[2]		15,685,106	14,272,208	19,547,976	22,323,580	20,315,191	**21,362,031**
Net interest-bearing debt*[3]		12,056,031	11,027,565	14,016,812	17,100,637	13,589,693	**14,885,247**
Net cash provided by operating activities		1,171,864	1,117,879	557,250	2,725,450	741,292	**250,547**
Net cash provided by (used in) investing activities		(2,908,016)	(4,286,921)	(1,468,599)	(3,018,654)	547,578	**(841,461)**
Net cash provided by (used in) financing activities		2,202,291	2,920,863	2,194,077	602,216	191,517	**(606,222)**
Net increase (decrease) in cash and cash equivalents		523,868	(489,503)	1,293,710	506,276	1,756,152	**(738,279)**
Cash and cash equivalents at the fiscal year-end		3,858,518	3,369,015	4,662,725	5,169,001	6,925,153	**6,186,874**
Major Indicators	(Units)						
ROA	%	4.2	(2.6)	12.0	(3.7)	(2.1)	**(0.5)**
ROE	%	22.0	(14.2)	61.9	(16.9)	(10.2)	**(2.3)**
Ratio of equity attributable to owners of the parent to total assets	%	21.1	15.9	22.3	21.0	20.6	**23.9**
Per share data*[4]	(Units)						
Basic EPS	¥	634.08	(478.50)	2,619.61	(1,018.58)	(652.37)	**(170.99)**
Diluted EPS	¥	628.27	(485.33)	2,437.29	(1,025.67)	(662.41)	**(174.20)**
Equity per share attributable to owners of the parent	¥	3,380.33	2,619.32	5,588.80	5,755.92	5,888.94	**7,479.43**
Dividend per share	¥	22.00	44.00	44.00	44.00	44.00	**44.00**
Others	(Units)						
Number of shares outstanding (excluding treasury stock)	'000	1,053,833	2,067,996	1,738,517	1,646,790	1,463,048	**1,465,925**
Number of subsidiaries		1,302	1,475	1,408	1,316	1,280	**1,254**
Number of associates		423	455	535	565	573	**571**
Number of employees (consolidated basis)		76,866	80,909	58,786	59,721	63,339	**65,352**

Notes: 1. The Company adopted IFRIC 21 "Levies" in FY2014. The figures for FY2013 have been retrospectively adjusted.
2. As of June 1, 2015, GungHo Online Entertainment, Inc. ("GungHo") no longer qualified as a subsidiary and became an equity method associate. Accordingly, GungHo's net income and loss for the period from April 1, 2015 to June 1, 2015 are presented as discontinued operations. Its net income and loss for FY2014 were revised retrospectively and presented under discontinued operations. Furthermore, as of August 16, 2016, GungHo no longer qualified as an equity method associate.
3. The Company sold all of its shares in Supercell Oy ("Supercell") to an affiliate of Tencent Holdings Limited on July 29, 2016. Accordingly, Supercell's net income until July 29, 2016 is presented as discontinued operations. Net income of Supercell for FY2015 was revised retrospectively and presented under discontinued operations.
4. The Company adopted IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers" in FY2018, and IFRS 16 "Leases" in FY2019. The information for each previous fiscal year is not restated.
5. Sprint and Brightstar Global Group Inc. ("Brightstar") ceased to be a subsidiary of the Company in FY2020. Operating results of Sprint and Brightstar are excluded from FY2018 and FY2019, respectively.

*1 From FY2020, "operating income" is no longer presented and "gain (loss) on investments" is newly presented. Information for FY2019 is restated in the same manner.
*2 Includes lease liabilities from FY2019. Deposits for the banking business of PayPay Bank Corporation are not included in interest-bearing debt.
*3 Calculated by subtracting cash position (cash and cash equivalents + short-term investments recorded as current assets + bond investments (excluding those of PayPay Bank Corporation)) from the presented interest-bearing debt
*4 Basic EPS and diluted EPS are calculated based on net income attributable to owners of the parent.
The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. Per share information has been retroactively adjusted to reflect the impact of the share split.

NAV & LTV

	FY2022				FY2023			
(Trillions of yen)	June 30	September 30	December 31	March 31	June 30	September 30	December 31	March 31
Equity value of holdings (asset-backed finance adjusted)	**21.7**	**19.7**	**16.9**	**15.9**	**16.9**	**18.4**	**21.7**	**30.3**
Alibaba	4.5	3.0	2.0	0.7	0.0	0.0	0.0	0.0
SoftBank Corp.	2.4	2.2	2.3	2.4	2.4	2.7	2.8	3.2
SVF1	3.4	3.3	2.8	2.8	3.0	3.3	3.2	3.4
SVF2	4.5	4.2	3.7	3.5	4.0	3.9	4.1	4.4
LatAm Funds	1.0	1.0	0.9	0.8	0.9	0.9	0.9	1.0
T-Mobile	1.0	1.2	1.2	1.2	1.2	1.3	1.6	1.8
Deutsche Telekom	0.2	0.1	0.2	0.3	0.2	0.2	0.3	0.3
Arm	3.0	3.1	2.6	2.9	3.7	4.3	6.9	14.4
Others	1.8	1.6	1.3	1.3	1.4	1.7	1.8	1.9
Net interest-bearing debt (asset-backed finance adjusted)	**3.1**	**3.0**	**3.1**	**1.7**	**1.4**	**1.9**	**2.5**	**2.6**
Consolidated net interest-bearing debt	17.9	14.1	13.5	13.6	14.7	14.7	14.8	14.9
Net interest-bearing debt at self-financing entities, etc.	5.9	5.6	5.4	5.4	5.8	4.7	4.7	4.5
Other adjustments	8.9	5.5	5.0	6.5	7.6	8.0	7.5	7.8
NAV	**18.5**	**16.7**	**13.9**	**14.1**	**15.5**	**16.4**	**19.2**	**27.8**
(Yen)								
NAV per share	**11,640**	**10,791**	**9,472**	**9,656**	**10,616**	**11,196**	**13,119**	**18,961**
(%)								
LTV	**14.5**	**15.0**	**18.2**	**11.0**	**8.0**	**10.6**	**11.5**	**8.4**
(Reference)								
Share price (yen)	5,235	4,900	5,644	5,182	6,773	6,335	6,293	8,962
Total number of shares issued (excluding treasury stock) (thousands)	1,590,724	1,549,888	1,462,458	1,463,048	1,464,039	1,465,716	1,465,796	1,465,925
USD / JPY	136.68	144.81	132.70	133.53	144.99	149.58	141.83	151.41

Note: For the details of NAV and LTV, see pages 20-21.

Management's Discussion and Analysis of Results of Operations, Financial Position, and Cash Flows

As of June 21, 2024

Results of Operations

1. Listing of Arm on the Nasdaq Global Select Market

– Arm was listed on the Nasdaq Global Select Market on September 14, 2023. In the IPO, a wholly owned subsidiary of the Company disposed of 102,500,000 American depositary shares (ADSs), representing 10% of Arm's outstanding ordinary shares,*[1] and received proceeds of $5.12 billion.

– No gain on the disposal is recorded in the consolidated statement of profit or loss as Arm continues to be a subsidiary of the Company after the disposal. However, in the consolidated statement of financial position, ¥674.4 billion ($4.65 billion), which represents the gain on disposal, was recorded as capital surplus.

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

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

3. Results highlights

■ ¥559.4 billion investment loss (¥835.1 billion loss for fiscal 2022)

– ¥459.0 billion investment loss at Investment Business of Holding Companies

- Realized and unrealized valuation losses on Alibaba shares of ¥959.9 billion exceeded an investment gain of ¥371.1 billion on T-Mobile shares.

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

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

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

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

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

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

reflecting the recordings of:

– Finance cost of ¥556.0 billion

– Foreign exchange loss of ¥703.1 billion due to the impact of the weaker yen. This resulted from a net excess of U.S. dollar-denominated liabilities over its U.S. dollar-denominated cash and cash equivalents and loans receivable, primarily within SBG

– Derivative gain (excluding gain or loss on investments) of ¥1,502.3 billion, arising from a gain relating to prepaid forward contracts using Alibaba shares following a fall in Alibaba's share price, which offset the previously mentioned realized and unrealized valuation losses on these shares

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

reflecting the recordings of:

– Negative income tax of ¥151.4 billion (profit)

– Net income attributable to non-controlling interests of ¥436.9 billion

4. Continued monetization of assets and new investments

■ Monetization of assets

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

■ New investments

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

5. Refinance of bonds

■ Completed refinance of USD-denominated NC6 undated hybrid notes

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

■ Refinance of domestic straight bonds

The Company redeemed domestic straight bonds of ¥399.9 billion that matured in March 2024 and issued domestic straight bonds of ¥550.0 billion to retail markets in the same month. The Company also issued domestic straight bonds of ¥100.0 billion to wholesale markets in April 2024 and domestic straight bonds of ¥550.0 billion to retail markets in June 2024, and redeemed domestic straight bonds of ¥450.0 billion that matured in June 2024.

Notes: Abbreviations for Management's Discussion and Analysis of Results of Operations, Financial Position, and Cash Flows
The fiscal year / Fiscal 2023: Twelve-month period ended March 31, 2024
The first quarter: Three-month period ended June 30, 2023
The second quarter: Three-month period ended September 30, 2023
The third quarter: Three-month period ended December 31, 2023
The fourth quarter: Three-month period ended March 31, 2024
The previous fiscal year / Fiscal 2022: Twelve-month period ended March 31, 2023
The fiscal year-end: March 31, 2024
The previous fiscal year-end: March 31, 2023

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

Intragroup Transaction of Arm Shares and IPO of Arm

1. Intragroup transaction of Arm shares

(1) Transaction overview

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

Timing and amount of installments of the Transaction Consideration

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

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

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

(2) Primary impact on consolidated financial statements

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

In the SoftBank Vision Funds segment, a realized gain of ¥1,074,039 million ($7.4 billion), an unrealized loss of ¥189,817 million ($1.8 billion) (reclassified to realized gain recorded in the past fiscal years), and a loss of ¥76,902 million as the effect of foreign exchange translation were recorded under gain on investments at SoftBank Vision Funds for fiscal 2023. These investment gains were and will be eliminated in consolidation, as they resulted from an intragroup transaction of subsidiary shares.

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

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

(Millions of yen)

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

2. IPO of Arm

(1) Transaction overview

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

(2) Primary impact on consolidated financial statements

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

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

Acquisition of 48.8 Million T-Mobile Shares for No Additional Consideration Upon Satisfaction of Contingent Consideration Condition

(1) Transaction overview

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

(2) Primary impact on consolidated financial statements

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

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

Wework's Filing for Protection Under Chapter 11 of the United States Bankruptcy Code

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

As of December 31, 2023, the carrying amounts of the stocks and warrants held by SVF1 and SVF2 and the notes held by SVF2 have been written down to zero yen. The amount of credit support by SVF2 for a letter of credit facility provided by financial institutions to WeWork had been fully accrued by September 30, 2023, including the unfulfilled portion, as an allowance for financial guarantee contract losses. The guarantee was fulfilled during the three-month period ended December 31, 2023. On June 11, 2024, WeWork announced that it had completed the Chapter 11 process.

(Millions of yen)

	Consolidated statement of profit and loss	
	Account	Amount recorded for fiscal 2023
WeWork stocks and warrants held by SVF1 and SVF2	Loss on investments at SoftBank Vision Funds	(115,796)
	Loss on equity method investments/Other loss	(5,082)
WeWork convertible bonds with a face value of $0.46 billion held by SVF2	Loss on investments at SoftBank Vision Funds	(25,924)
WeWork unsecured notes with a face value of $1.65 billion, previously held by SBG/SVF2 (exchanged for the stocks and convertible bonds in Q1)	Other loss (as loss on derecognition of unsecured notes issued by WeWork)	(21,579)
WeWork senior secured notes with a face value of $0.30 billion, previously held by SVF2 (redeemed in Q1)	Gain on investments at SoftBank Vision Funds	439
	Other gain	16
WeWork notes with a face value of $0.30 billion held by SVF2 (acquired in Q2; a loan commitment for notes purchase at end of Q1)	Loss on investments at SoftBank Vision Funds	(41,810)
Credit support by SVF2 for a letter of credit facility up to $1.43 billion provided to WeWork by financial institutions (the guarantee was fulfilled in Q3)	Other loss (as loss relating to credit support for WeWork)	(42,072)
	Total	(251,808)

Overall results for fiscal 2023

(Millions of yen)

	Fiscal 2022	Fiscal 2023	Change	Change %
Net sales	6,570,439	**6,756,500**	186,061	2.8%
Gross profit	3,328,042	**3,542,392**	214,350	6.4%
Gain on investments				
Gain (loss) on investments at Investment Business of Holding Companies	4,560,500	**(459,045)**	(5,019,545)	–
Loss on investments at SoftBank Vision Funds	(5,322,265)	**(167,290)**	5,154,975	–
Gain (loss) on other investments	(73,294)	**66,985**	140,279	–
Total gain on investments	(835,059)	**(559,350)**	275,709	–
Selling, general and administrative expenses	(2,695,328)	**(2,982,383)**	(287,055)	10.7%
Finance cost	(555,902)	**(556,004)**	(102)	0.0%
Foreign exchange loss	(772,270)	**(703,122)**	69,148	–
Loss on equity method investments	(96,677)	**(38,641)**	58,036	–
Derivative gain (excluding gain (loss) on investments)	54,256	**1,502,326**	1,448,070	–
Change in third-party interests in SVF	1,127,949	**(390,137)**	(1,518,086)	–
Other gain (loss)	(24,138)	**242,720**	266,858	–
Income before income tax	(469,127)	**57,801**	526,928	–
Income taxes	(320,674)	**151,416**	472,090	–
Net income	(789,801)	**209,217**	999,018	–
Net income attributable to non-controlling interests	(180,343)	**(436,863)**	(256,520)	–
Net income attributable to owners of the parent	(970,144)	**(227,646)**	742,498	–
Total comprehensive income	468,140	**2,241,441**	1,773,301	378.8%
Comprehensive income attributable to owners of the parent	293,116	**1,809,984**	1,516,868	517.5%

1. Net Sales

Net sales increased ¥186,061 million (2.8%) year on year to ¥6,756,500 million. Net sales increased in the SoftBank segment and the Arm segment.

2. Loss on investments

Total loss on investments was ¥559,350 million.

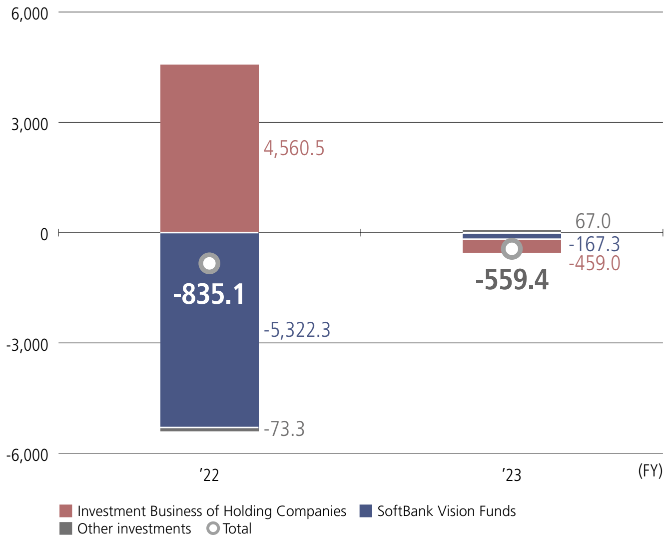
Investment loss of ¥459,045 million was recorded at Investment Business of Holding Companies. This primarily reflected realized and unrealized valuation losses on Alibaba shares, totaling ¥959,935 million. These losses significantly outweighed an investment gain of ¥371,108 million on T-Mobile shares. The gain included derivative gains and unrealized valuation gains, which followed an increase in the fair value of the Contingent Consideration up to the receipt of 48.8 million T-Mobile shares. For details, see “Investment Business of Holding Companies Segment” on page 85.

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

SVF1 recorded a realized gain on investments (net) of ¥19,892 million, due to full exits from seven portfolio companies and partial exits from several other portfolio companies.*1 Meanwhile, SVF1 recorded unrealized valuation losses (net) totaling ¥77,693 million for investments held at the fiscal year-end. This comprises an unrealized gain (net) totaling ¥42,648 million for public portfolio companies, attributed to higher share prices, and an unrealized loss

Gain (loss) on investments

(Billions of yen)



(net) totaling ¥120,341 million for private portfolio companies, mainly due to markdowns of weaker-performing companies, which offset the fair value increases of select companies, including ByteDance Ltd.

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

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

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

For details, see “SoftBank Vision Funds Segment” on page 89.

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

3. Income before income tax

Income before income tax was ¥57,801 million, an improvement of ¥526,928 million year on year. Major changes other than gain (loss) on investments are as follows.

Finance cost increased by ¥102 million year on year, to ¥556,004 million. Interest expenses at SBG*2 increased by ¥6,781 million year on year, totaling ¥403,021 million. The increase was primarily due to higher interest expenses associated with financings using Arm shares, which were affected by increased base rates and the depreciation of Japanese yen in the foreign exchange rate used for translations. Conversely, the expenses decreased partly due to the full repayment of margin loans using Alibaba shares in the second quarter of the previous fiscal year, the repurchase of foreign currency-denominated straight bonds in the third quarter of fiscal 2022, and the redemption of foreign currency-denominated straight bonds at maturity in the first quarter of fiscal 2023.

Foreign exchange loss of ¥703,122 million (net), an improvement of ¥69,148 million year on year, was recorded due to the weaker yen. This was mainly because SBG and domestic subsidiaries used for fund procurement had U.S. dollar-denominated liabilities, such as borrowings from subsidiaries and foreign currency-denominated senior notes, that exceeded their U.S. dollar-denominated cash and cash equivalents and loans receivable.

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

Loss on equity method investments improved by ¥58,036 million year on year to ¥38,641 million. In fiscal 2022, a loss of ¥25,394 million*3 on equity method investments related to Alibaba was recorded. Alibaba was, however, excluded as an associate beginning in the second quarter of fiscal 2022.

Derivative gain (excluding gain (loss) on investments) increased by ¥1,448,070 million year on year to ¥1,502,326 million. Derivative gain of ¥1,517,350 million was recorded for the prepaid forward contracts and associated contracts using Alibaba shares.

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

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

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

For details, see “1. Intragroup transaction of Arm shares” under “Intragroup Transaction of Arm Shares and IPO of Arm” on page 78.

Other gain increased by ¥266,858 million year on year to ¥242,720 million. A gain of ¥108,832 million relating to loss of control over subsidiaries was recorded mainly because of the sale of 85% of the shares in SB Energy Corp., a wholly owned subsidiary of the Company. In addition, interest income increased by ¥62,171 million year on year to ¥130,854 million primarily driven by higher interest rates on USD-denominated deposits. For a further breakdown, see “41. Other gain (loss)” in “Notes to Consolidated Financial Statements” in “Financial Report 2024.”

4. Net loss attributable to owners of the parent

Net loss attributable to owners of the parent was ¥227,646 million, an improvement of ¥742,498 million year on year.

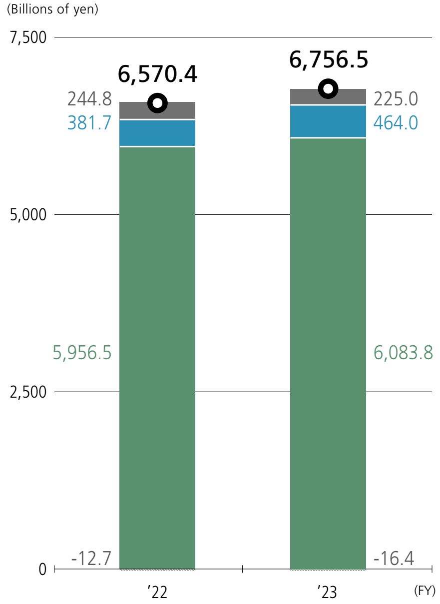
Income taxes decreased by ¥472,090 million year on year to ¥151,416 million. This was primarily due to recording deferred income taxes of ¥580,486 million (a credit of income taxes), while SoftBank Corp. and other operating companies recorded current tax expenses of ¥429,070 million.

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

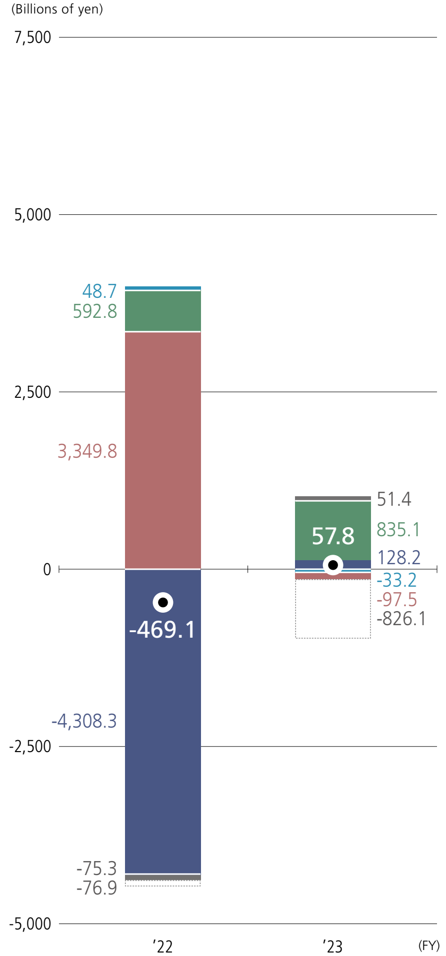
*1 Includes share exchanges, acquisitions, and disposals as a result of restructuring of portfolio companies
*2 Interest expenses of SBG include interest expenses of its wholly owned subsidiaries conducting fund procurement.
*3 Until Alibaba was excluded from the associates of the Company in the second quarter of fiscal 2022, the Company had applied the equity method to Alibaba’s consolidated financial statements for the reporting periods staggered by the previous three months because it was impracticable to align the reporting periods with Alibaba due to various factors, such as contracts with Alibaba. Necessary adjustments were made to reflect significant transactions and events announced by Alibaba during the staggered three-month period.

Summary of Segment Information

Net sales



Segment income (income before income tax)



■ Investment Business of Holding Companies*1 ■ SoftBank Vision Funds*1 ■ SoftBank ■ Arm
■ Other*2 □ Reconciliations ○ Consolidated

*1 Net sales are not recorded for this segment as it is not engaged in the sale of goods and services.
*2 Includes the business results of Fortress Investment Group LLC and Fukuoka SoftBank HAWKS Corp., among others. On May 14, 2024, SoftBank Group Corp. sold all its shares in Fortress Investment Group LLC, held through its subsidiary, to a subsidiary of Mubadala Investment Company PJSC. With the completion of this transaction, Fortress Investment Group LLC is no longer a subsidiary of SoftBank Group Corp.

Overview of reportable segments

Segments	Main businesses	Core companies
Investment Business of Holding Companies	• Investment activities by SBG and its subsidiaries	• SoftBank Group Corp. • SoftBank Group Capital Limited • SoftBank Group Japan Corporation • SoftBank Group Overseas GK • SB Northstar LP
SoftBank Vision Funds	• Investment activities by SVF1, SVF2, and LatAm Funds	• SB Investment Advisers (UK) Limited • SoftBank Vision Fund L.P. • SB Global Advisers Limited • SoftBank Vision Fund II-2 L.P. • SBLA Latin America Fund LLC
SoftBank*1	• Consumer business: Provision of mobile services, sale of mobile devices, and provision of broadband services to retail customers in Japan • Enterprise business: Provision of mobile communications and solutions services to enterprise customers in Japan • Distribution business: Provision of ICT (Information and Communication Technology) services products to enterprise customers and provision of communication device-related products and IoT (Internet of Things) equipment to retail customers • Media & EC (e-commerce) business: Provision of media-related services, advertising and commerce-related services • Financial business: Provision of payment and financial services	• SoftBank Corp. • LY Corporation*2 • PayPay Corporation
Arm	• Design of microprocessor intellectual property and related technology • Sale of software tools and provision of related services	• Arm Holdings plc

*1 From the first quarter, within the management categories of the SoftBank segment, the category previously called "Yahoo & LINE" has been renamed "Media & EC."
*2 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.

Investment Business of Holding Companies Segment

1. **Investment gain of ¥371.1 billion on T-Mobile shares**
   – The Company acquired 48.8 million shares of T-Mobile stock equivalent to $7.74 billion (¥1.1 trillion) for no additional consideration on December 28, 2023, following the satisfaction of the Contingent Consideration condition on December 22, 2023. This was part of the consideration the Company received for the merger between T-Mobile US and the Company's then-U.S. subsidiary Sprint, which closed on April 1, 2020.
   – ¥227.0 billion derivative gain on investments was recorded due to an increase in the fair value of the Contingent Consideration. Additionally, an unrealized valuation gain of ¥154.5 billion was recorded on T-Mobile shares, including preexisting holdings. Of this gain, ¥31.4 billion was attributable to the shares acquired on December 28, 2023.
2. **Investment loss of ¥459.0 billion was recorded, primarily because the gains associated with T-Mobile were overshadowed by realized and unrealized valuation losses on Alibaba shares, which totaled ¥959.9 billion.**
3. **Segment loss amounted to ¥97.5 billion, primarily driven by finance cost of ¥473.8 billion and foreign exchange loss of ¥703.4 billion, which exceeded a derivative gain (excluding gain or loss on investments) of ¥1,500.0 billion that was significantly greater than the investment losses mentioned above.**

Overview

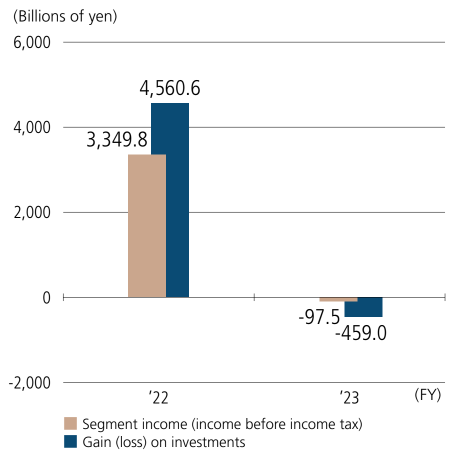
This segment is led by SBG, which conducts investment activities either directly or through its subsidiaries, acting as a strategic investment holding company. The segment comprises SBG, SoftBank Group Capital Limited, SoftBank Group Japan Corporation, SoftBank Group Overseas GK, the asset management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

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

Alibaba

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

Segment income (income before income tax) / gain (loss) on investments



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

SB Northstar engages in the acquisition and sale of listed stocks, corporate bonds (primarily those of investment grades with short time to maturity), and other instruments, utilizing the surplus funds of SBG. Investment loss at asset management subsidiaries for fiscal 2023 amounted to ¥69.6 billion, bringing the cumulative investment loss since inception to ¥962.0 billion.* The balance of investments at the fiscal year-end stood at ¥347.7 billion, including ¥264.9 billion in corporate bonds.

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

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

Financial results

(Millions of yen)

	Fiscal 2022	**Fiscal 2023**	Change	Change %	
Gain (loss) on investments at Investment Business of Holding Companies	4,560,568	**(459,045)**	(5,019,613)	–	A
Gain relating to settlement of prepaid forward contracts using Alibaba shares	4,838,251	**–**	(4,838,251)	–	
Gain relating to sales of T-Mobile shares	24,842	**–**	(24,842)	–	
Realized loss on investments at asset management subsidiaries	(73,950)	**(90,360)**	(16,410)	–	
Unrealized gain (loss) on valuation of investments at asset management subsidiaries	(67,054)	**12,692**	79,746	–	
Derivative loss on investments at asset management subsidiaries	(5,102)	**(792)**	4,310	–	
Realized loss on investments*1	(235,617)	**(38,429)**	197,188	–	
Unrealized loss on valuation of investments	(144,198)	**(611,627)**	(467,429)	–	
Change in valuation for the fiscal year	(132,423)	**(647,414)**	(514,991)	–	
Reclassified to realized gain (loss) recorded in the past fiscal years*1	(11,775)	**35,787**	47,562	–	
Derivative gain on investments	205,506	**226,050**	20,544	10.0%	
Effect of foreign exchange translation*2	–	**6,532**	6,532	–	
Other	17,890	**36,889**	18,999	106.2%	
Selling, general and administrative expenses	(73,796)	**(89,285)**	(15,489)	21.0%	
Finance cost	(398,541)	**(473,811)**	(75,270)	18.9%	B
Foreign exchange loss	(772,053)	**(703,438)**	68,615	–	C
Income (loss) on equity method investments	(22,836)	**1,904**	24,740	–	
Derivative gain (excluding gain (loss) on investments) *Mainly due to prepaid forward contracts using Alibaba shares*	65,732	**1,500,015**	1,434,283	–	D
Other gain (loss)	(9,228)	**126,134**	135,362	–	
Segment income (income before income tax)	3,349,846	**(97,526)**	(3,447,372)	–	

*1 Unrealized gains and losses on valuation of investments recorded in previous fiscal years related to the investments realized in fiscal 2023 are reclassified as "Realized gain (loss) on investments."

*2 Unrealized gains and losses on valuation of investments are translated using the average exchange rate for the quarter in which the gains and losses were incurred, while realized gains and losses on investments are translated using the average exchange rate for the quarter in which the shares were disposed. "Effects of foreign exchange translation" are amounts that arose due to the use of different foreign currency exchange rates for these unrealized and realized gains and losses.

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

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

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

SBG* saw a slight increase in interest costs to entities outside of the group, totaling ¥403,021 million, which is ¥6,781 million higher than fiscal 2022. Meanwhile, an amortized cost of ¥67,390 million was recognized for the unpaid portion of the consideration for the acquisition of Arm shares from SVF1 in August 2023. This amortized cost is eliminated in consolidation.

C Foreign exchange loss: ¥703,438 million

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

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

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

* Interest expenses of SBG include interest expenses of its wholly owned subsidiaries conducting fund procurement.

Impact of the asset management subsidiaries on the company's consolidated statement of financial position

(Millions of yen)

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

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

Calculation of non-controlling interests

(Millions of yen)

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

*2 One-third of B in the above table

Interests in equity (C above)

(Millions of yen)

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

Main interest-bearing debt and lease liabilities in this segment

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

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

SoftBank Vision Funds Segment

1. Since inception, SVF1 had a gross gain of $16.7 billion; SVF2 had a gross loss of $19.3 billion.*1

SVF1: $106.3 billion in cumulative returns*2 on $89.6 billion investments, with $16.7 billion gross gain

- Investment gain was $5.3 billion (¥768.9 billion) for fiscal 2023, including an investment gain of $5.6 billion (¥807.3 billion) arising from the sale of Arm shares to a wholly owned subsidiary of the Company.
- The fair value of investments held at the fourth quarter-end decreased by 0.4% from the previous quarter-end.*3
  – Up 0.9% QoQ for public portfolio companies,*4 mainly due to an increase in the share prices of Coupang and DoorDash
  – Down 1.2% QoQ for private portfolio companies,*4 mainly due to markdowns of certain weaker-performing companies

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

- Investment loss was $1.0 billion (¥146.5 billion) for fiscal 2023.
- The fair value of investments held at the fourth quarter-end decreased by 1.1% from the previous quarter-end.
  – Down 10.3% QoQ for public portfolio companies, mainly due to a decrease in the share prices of AutoStore and Symbotic
  – Up 0.4% QoQ for private portfolio companies, mainly reflecting share price increases among market comparable companies

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

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

	Since Inception			Fiscal 2023*5	
	Investment cost*6	Returns*6	Gain/loss	Gain/loss Jan - Mar	Gain/loss YTD
SVF1					
Exited investments	38.0	64.1	26.1	0.4	7.3
Investments before exit	51.6	39.9	(11.7)	(0.1)	(0.6)
Reversal of valuation gain/loss recorded in prior periods for exited investments in fiscal 2023				*(0.2)*	*(1.4)*
Derivatives/Interests/ Dividends	(0.0)	2.3	2.3	(0.1)	(0.0)
Total	**89.6**	**106.3**	**16.7**	**0.0** **¥1.5 billion**	**5.3** **¥768.9 billion**
SVF2					
Exited investments	3.0	3.4	0.4	(0.2)	(0.7)
Investments before exit	49.4	29.9	(19.5)	(0.3)	(1.2)
Reversal of valuation gain/loss recorded in prior periods for exited investments in fiscal 2023				*0.2*	*0.8*
Derivatives/Interests/ Dividends	(0.0)	(0.2)	(0.2)	0.0	0.1
Total	**52.4**	**33.1**	**(19.3)**	**(0.3)** **¥(49.7) billion**	**(1.0)** **¥(146.5) billion**

2. Continue monetization and investment under a disciplined approach

- SVF2 made investments totaling $2.14 billion in fiscal 2023.*7
- SVF1 and SVF2 sold investments for a total of $21.99 billion in fiscal 2023, including full exits from 17 portfolio companies, including Arm, and partial exits from several portfolio companies.*7

*1 Cumulative gross gains and proceeds from realized investments are before deducting third-party interests, taxes, and expenses. The same applies to the presentation of cumulative investment performance hereinafter.
*2 Exit price, etc., plus fair value of investments held. The same applies hereinafter.
*3 Represents changes in U.S. dollar-based fair values, excluding those from investments or exits made during the fourth quarter. The classification of portfolio companies as public/private is based on their status as of the fourth quarter-end. For portfolio companies with a change in the classification of public/private during the fourth quarter, comparisons are made by adjusting their status at the third quarter-end to that of the fourth quarter-end. The same applies to the change in fair value of investments held at the quarter-end in this section.
*4 Public portfolio companies are shares traded on stock exchanges or over-the-counter markets. Private portfolio companies are those that do not fall under the category of public portfolio companies. The same applies hereinafter.
*5 The amount of gains and losses for exited investments in fiscal 2023 represents the exit price, net of the investment cost of such investments. Unrealized valuation gains and losses of such investments, recorded in prior years or in or before the third quarter of fiscal 2023, are presented as a reversal of valuation gain/loss recorded in prior periods for exited investments in fiscal 2023. Therefore, the total amount of gains and losses for each quarter disclosed in or before the third quarter of fiscal 2023 and the gains and losses for the fourth quarter (Jan - Mar) for "Investments before exits" may not align with the amount of gains and losses for fiscal 2023 (YTD).
*6 For derivatives, the investment costs represent the costs of the derivatives. Investment returns represent the exit price for exited investments, the fair value for investments before exits, the settlement amount of settled contracts or the fair value of open contracts for derivatives, and the respective amounts received for interest or dividends.
*7 Includes share exchanges, acquisitions, and disposals as a result of restructuring of portfolio companies

Overview

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

Financial results

(Millions of yen)

	Fiscal 2022	**Fiscal 2023**	Change	Change %	
Gain (loss) on investments at SoftBank Vision Funds*1	(5,279,494)	**724,341**	6,003,835	–	A
Gain (loss) on investments at SVF1, SVF2, and LatAm Funds	(5,298,458)	**696,261**	5,994,719	–	
Realized gain on investments*2	78,616	**984,409**	905,793	–	
Unrealized loss on valuation of investments	(5,267,270)	**(144,835)**	5,122,435	–	
Change in valuation for fiscal 2023	(4,978,591)	**(189,604)**	4,788,987	–	
Reclassified to realized gain (loss) recorded in the past fiscal years*2	(288,679)	**44,769**	333,448	–	
Interest and dividend income from investments	1,512	**21,668**	20,156	–	
Derivative gain (loss) on investments	14,537	**(7,337)**	(21,874)	–	
Effect of foreign exchange translation	(125,853)	**(157,644)**	(31,791)	–	
Gain on other investments	18,964	**28,080**	9,116	48.1%	
Selling, general and administrative expenses	(65,999)	**(84,986)**	(18,987)	28.8%	
Finance cost	(81,181)	**(74,322)**	6,859	(8.4%)	
Derivative gain (excluding gain (loss) on investments)	907	**–**	(907)	–	
Change in third-party interests in SVF	1,127,949	**(390,137)**	(1,518,086)	–	B
Other loss	(10,473)	**(46,717)**	(36,244)	–	
Segment income (income before income tax)	(4,308,291)	**128,179**	4,436,470	–	

*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.
*2 Unrealized gains and losses on valuation of investments recorded in previous fiscal years related to the investments realized in fiscal 2023 are reclassified to "Realized gain (loss) on investments."

Segment income

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

(Millions of yen)

	Fiscal 2022	**Fiscal 2023**	Change
Gain (loss) on investments at SVF1	(2,311,213)	**768,891**	3,080,104
Loss on investments at SVF2	(2,445,427)	**(146,472)**	2,298,955
Gain (loss) on investments at LatAm Funds	(541,818)	**73,862**	615,680
Gain on other investments, etc.	18,964	**28,060**	9,096
Gain (loss) on investments at SoftBank Vision Funds (A)	(5,279,494)	**724,341**	6,003,835
Gain on SVF's investments in shares of the Company's subsidiaries, etc. (B)	42,771	**891,631**	848,860
Loss on investments at SoftBank Vision Funds in the consolidated statement of profit or loss (A) - (B)	(5,322,265)	**(167,290)**	5,154,975

"Gain on SVF's investments in shares of the Company's subsidiaries, etc." for fiscal 2023 primarily comprises an investment gain of ¥807,320 million ($5.6 billion) associated with the investment in Arm. As a result of the sale of Arm shares held by SVF1 to a wholly owned subsidiary of the Company in August 2023, a realized gain of ¥1,074,039 million ($7.4 billion), an unrealized loss (reclassified to realized gain recorded in the past fiscal years) of ¥189,817 million ($1.8 billion), and a loss of ¥76,902 million as the effect of foreign exchange translation were recorded in the SoftBank Vision Funds segment. For details of this sale, see "Intragroup Transaction of Arm Shares and IPO of Arm" on page 78.

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

This represents the gains and losses attributable to third-party investors, which are calculated based on the gains and losses on investments at each fund, net of (i) management and performance fees payable to SBIA from SVF1; (ii) management and performance-linked management fees payable to SBGA from SVF2; (iii) management fees, performance-linked management fees, and performance fees payable to SBGA from LatAm Funds; and (iv) operating and other expenses of SVF. For details, see "(2) Third-party interests in SVF" under "7. SoftBank Vision Funds business" in "Notes to Consolidated Financial Statements" in "Financial Report 2024."

Investments and disposals by SVF1 and SVF2 in fiscal 2023

(Billions of U.S. dollars)

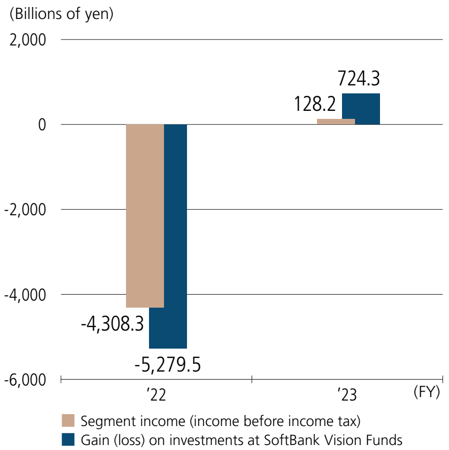
	Investments					Disposals*				
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD
SVF1	–	–	–	–	–	0.56	16.36	2.04	2.41	21.37
SVF2	1.56	0.37	0.09	0.12	2.14	0.33	0.12	0.12	0.05	0.62
Total	1.56	0.37	0.09	0.12	2.14	0.89	16.48	2.16	2.46	21.99

Note: Investments include new and follow-ons.
* After deducting transaction fees, etc.

Financing at SVF

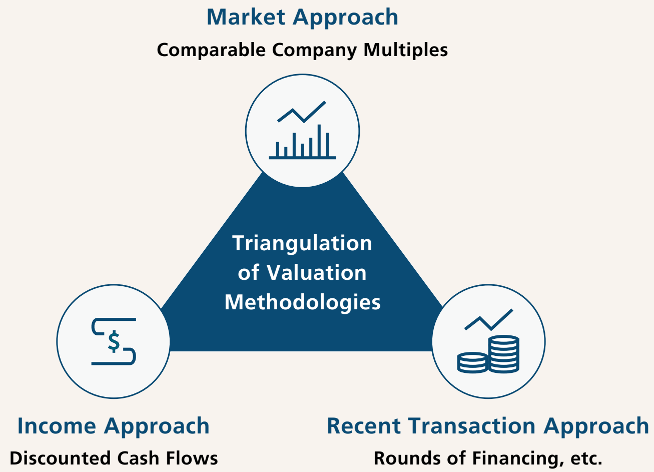
SVF1, SVF2, and LatAm Funds may independently engage in borrowings that are nonrecourse to SBG, with the aim of leveraging and maintaining liquidity. Such borrowings include asset-backed finance, which utilizes held assets to enhance returns and distribute to limited partners.

Segment income (income before income tax) / gain (loss) on investments at SoftBank Vision Funds



Fair value measurement of investments

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



Co-investment program of SVF2

In the second quarter of fiscal 2021, SVF2 introduced a co-investment program with restricted rights to receive distributions (the "Program"). Under the Program, the Company's management makes joint investments with the Company and shares both the profits and risks associated with the investments. The Program aims for the Company's management to further focus on SVF2 and contribute to the Company's earnings growth.

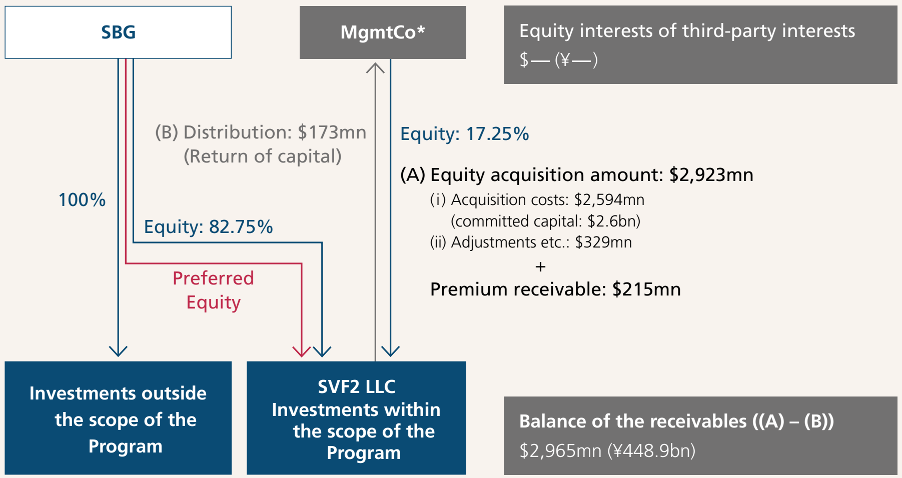
The Program targets an approved selection of SVF2's investments, including investments in private portfolio companies held or intended to be held by SVF2 as of June 23, 2021, and any new investments executed on or after June 24, 2021 (excluding any follow-on investments in the portfolio companies outside of the Program's scope). Target investments are indirectly held by SVF II Investment Holdings LLC ("SVF2 LLC"), a subsidiary of the Company established beneath SVF2. SVF2 LLC issued equity to the Company and MgmtCo.* Accordingly, the Company holds 82.75% and MgmtCo holds 17.25% of the total equity interests. These equity interests are entitled to performance-based distributions that are allocated based on the proportion of respective equity contributions.

Distributions from SVF2 LLC to MgmtCo are subject to certain restrictions. Specifically, distribution will not be made to MgmtCo until the sum of proceeds received by SVF2 LLC from realized investments plus the aggregate fair market 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 will be released proportionately in increments of 10%. When the ratio reaches 200%, all restrictions will be released and MgmtCo will be entitled to receive the full amount of the distribution.

MgmtCo is entitled to make full or partial payment of its capital contribution in SVF2 LLC at any point in time and is required to pay a premium calculated at 3% per annum on the outstanding receivables of SVF2 LLC. Any distributable amount from SVF2 LLC to MgmtCo is offset against receivables at the time of the distribution notice and no distribution payment will be made to MgmtCo until SVF2 LLC's receivables are paid in full. Furthermore, 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.

In parallel with the introduction of the Program, the Company has decided to invest in SVF2 LLC in the form of preferred equity, which generates a fixed distribution of 8% per annum, to enhance the efficiency of recovery of investment funds. The preferred equity interests have a priority right over the equity interests held by the Company and MgmtCo under the Program in terms of distributions and return of contributions. SBG continues to hold 100% of the equity for the investments in portfolio companies outside of the Program's scope.

As of March 31, 2024



* As of the fiscal year-end, only Masayoshi Son, SBG's Representative Director, Corporate Officer, Chairman & CEO, invests in MgmtCo. Participation by management other than Masayoshi Son has not been determined as of the date hereof, but is expected in the future.

For further details of the Program, see "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under "Note 45. Related party transactions" in "Notes to Consolidated Financial Statements" in "Financial Report 2024."

Status of SVF1 investments

As of March 31, 2024

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

(Billions of U.S. dollars)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative gain*1	Investment gain recorded for fiscal 2023	
					Jan - Mar	YTD
	102	**89.6**	**106.3**	**16.7**	**0.0**	**5.3**

(1) Exited investments

	Number of investments	Investment cost	Exit price	Cumulative realized gain*1	Realized gain recorded for fiscal 2023	
					Jan - Mar	YTD
Partial exit	–	7.6	16.9	9.3		0.6
Full exit*2	34	30.4	47.2	16.8		6.7
Total	**34**	**38.0**	**64.1**	**26.1**	**0.4**	**7.3**

(2) Investments before exit (investments held at the fiscal year-end)*3

	Number of investments	Investment cost	Fair value	Cumulative unrealized valuation loss*5	Unrealized valuation gain (loss) recorded for fiscal 2023	
					Jan - Mar	YTD
Public*4	21	26.4	16.0	(10.4)	0.1	0.3
Private	47	25.2	23.9	(1.3)	(0.2)	(0.9)
Total	**68**	**51.6**	**39.9**	**(11.7)**	**(0.1)**	**(0.6)**

(3) Derivatives

	Derivative cost	Fair value / settlement price	Cumulative derivative gain (loss)	Derivative loss recorded for fiscal 2023	
				Jan - Mar	YTD
Unsettled	(0.0)	(0.0)	(0.0)		(0.0)
Settled	0.0	1.4	1.4		(0.0)
Total	**(0.0)**	**1.4**	**1.4**	**(0.1)**	**(0.0)**

(4) Interest and dividend income from investments

	Interest and dividend income	Cumulative income	Interest and dividend income recorded for fiscal 2023	
			Jan - Mar	YTD
Total	**0.9**	**0.9**	**–**	**–**

(Reference)

(Billions of U.S. dollars)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative gain*1
Effects of share exchanges*6	(4)	(2.0)	(2.0)	–
Effects of dividends in kind*7	(4)	–	–	–
Net of the above effects	94	87.6	104.3	16.7

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

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

*2 Includes disposals (sales) as a result of share exchanges and restructuring of portfolio companies

*3 The classification of portfolio companies as public/private is based on their status as of the fiscal year-end.

*4 Includes DiDi Global Inc. and WeWork, which are traded in the over-the-counter market. The carrying amount of WeWork stocks has been written down to zero U.S. dollars; this decision was based on the Restructuring Support Agreement the company entered into with its major debt investors on November 6, 2023.

*5 For a certain investment that was initially determined to be transferred from the Company to SVF1, but later canceled, any unrealized valuation gains and losses incurred for fiscal 2023 leading up to the decision to cancel the transfer are excluded in this section.

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

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

Capital deployment of SVF1

As of March 31, 2024

(Billions of U.S. dollars)

	Total	The Company	Third-party investors
Committed capital (A)	**98.6**	33.1	65.5
Drawn capital*1 (B)	**87.2**	29.9	57.3
Return of capital (non-recallable) (C)	**37.3**	9.2	28.1
Outstanding capital*2 (D) = (B) – (C)	**49.9**	20.7	29.2
Remaining committed capital (E) = (A) – (B)	**11.4**	3.2	8.2

Note: The Company's committed capital to SVF1 includes approximately $8.2 billion of an obligation that was satisfied by using Arm shares (all said shares have been contributed) and $2.5 billion to be used for an incentive scheme related to SVF1.

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

*2 At the fiscal year-end, $13.3 billion of the $29.2 billion of outstanding capital from third-party investors was attributable to preferred equity commitment.

Status of SVF2 investments

As of March 31, 2024

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

(Billions of U.S. dollars)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative loss*1	Investment loss recorded for fiscal 2023	
					Jan - Mar	YTD
	283	**52.4**	**33.1**	**(19.3)**	**(0.3)**	**(1.0)**

(1) Exited investments

	Number of investments	Investment cost	Exit price	Cumulative realized gain (loss)*1	Realized loss recorded for fiscal 2023	
					Jan - Mar	YTD
Partial exit	–	0.4	0.3	(0.1)		(0.0)
Full exit	11	2.6	3.1	0.5		(0.7)
Total	**11**	**3.0**	**3.4**	**0.4**	**(0.2)**	**(0.7)**

(2) Investments before exit (investments held at the fiscal year-end)*2

	Number of investments	Investment cost*4	Fair value*4	Cumulative unrealized valuation loss	Unrealized valuation gain (loss) recorded for fiscal 2023	
					Jan - Mar	YTD
Public*3	16	8.6	4.0	(4.6)	(0.4)	(1.0)
Private	256	40.8	25.9	(14.9)	0.1	(0.2)
Total	**272**	**49.4**	**29.9**	**(19.5)**	**(0.3)**	**(1.2)**

(3) Derivatives

	Derivative cost	Fair value / settlement price	Cumulative derivative gain (loss)	Derivative gain (loss) recorded for fiscal 2023	
				Jan - Mar	YTD
Unsettled	(0.0)	0.0	0.0		(0.0)
Settled	–	(0.3)	(0.3)		0.0
Total	**(0.0)**	**(0.3)**	**(0.3)**	**0.0**	**0.0**

(4) Interest and dividend income from investments

	Interest and dividend income	Cumulative income	Interest and dividend income recorded for fiscal 2023	
			Jan - Mar	YTD
Total	**0.1**	**0.1**	**–**	**0.1**

(Reference)

(Billions of U.S. dollars)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative loss*1
Effects of financial support to WeWork*5	(4)	–	–	–
Effects of share exchanges*6	(2)	(0.0)	(0.0)	–
Net of the above effects	277	52.4	33.1	(19.3)

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

Capital deployment of SVF2

As of March 31, 2024

(Billions of U.S. dollars)

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

Note: Remaining committed capital includes recallable return of capital.

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

(Billions of U.S. dollars)

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

Note: At the fiscal year-end, no capital has been paid by MgmtCo.
* SVF2 LLC (SVF II Investment Holdings LLC) is a subsidiary of the Company established under SVF2 and indirectly holds investments subject to the co-investment program.

Status of LatAm Funds investments

As of March 31, 2024

At the fiscal year-end, LatAm Funds posted $6.3 billion in cumulative returns on $7.4 billion in investments, with a gross loss of $1.1 billion since inception. Of this, investment gain for fiscal 2023 was $0.5 billion (¥73.9 billion).

Capital deployment of LatAm Funds

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

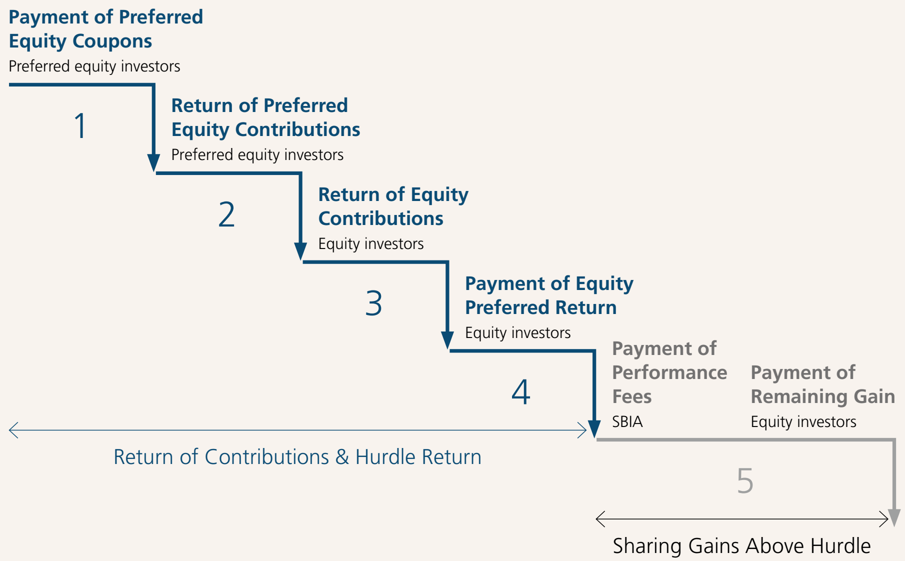
Outline of principal funds in the segment

As of March 31, 2024

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

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

SVF1 distribution waterfall



*1 The Company's committed capital to SVF1 includes approximately $8.2 billion of an obligation that was satisfied by using Arm shares (all said shares have been contributed) and $2.5 billion to be used for an incentive scheme related to SVF1.

*2 Effective September 27, 2023, SBGA, the manager of SVF2 and LatAm Funds, may allocate the remaining committed capital from SVF2 to LatAm Funds up to the amount of $4 billion and, in such circumstances, the total commitment to SVF2 will be reduced.

*3 A co-investment program has been introduced for SVF2 and LatAm Funds for the Company's management. MASA USA LLC ("MgmtCo"), an investment entity for the co-investment program, participates in two funds. The interest attributable to MgmtCo is treated as a third-party interest in the Company's consolidated financial statements. For details, see "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under "Note 45. Related party transactions" in "Notes to Consolidated Financial Statements" in "Financial Report 2024."

SoftBank Segment

1. Segment income increased by 40.9% YoY, driven primarily by a reversal in the consumer business's income decline and sustained growth in the Media & EC business and the enterprise business.

2. Mobile services revenue increased for the first time in three years, primarily due to the waning impact of reduced communication charges and an increase in the number of smartphone subscribers.

Overview

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

Financial results

Segment income was ¥835,076 million, an increase of ¥242,294 million (40.9%) year on year. This was mainly due to the continued income growth in the Media & EC business and the enterprise business along with a reversal of the income decline in the consumer business. Other gains and losses also improved significantly. Although SoftBank Corp. recorded a gain of ¥294,843 million from the remeasurement relating to business combination in the third quarter of fiscal 2022 for its consolidation of PayPay Corporation, this gain is not reflected on SBG's consolidated financial statements, as PayPay Corporation has consistently been classified as a subsidiary of SBG.

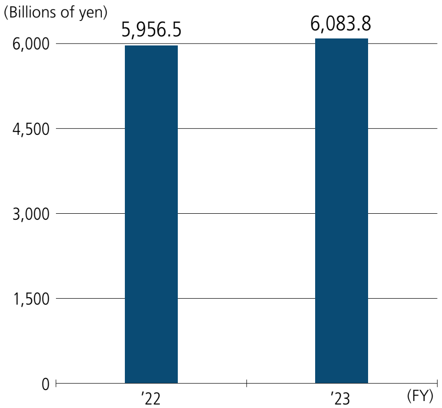
In the consumer business, the increase in income was mainly due to increases in product sales, mobile service revenue, and broadband service revenue. Among these, mobile service revenue increased for the first time in three years, primarily due to an increase in the number of smartphone subscribers and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

The improvement in other gains and losses was primarily due to the complete reversal of a ¥19,176 million provision recorded in fiscal 2022. This provision was related to a litigation over telecommunication line installation and other items awarded by the Japan Post Group. The reversal occurred in fiscal 2023 following the appeal court's March 2024 decision, which overturned the initial trial court ruling that had ordered SoftBank Corp. to pay damages. The improvement also reflected the recording of dilution gain from changes in equity interest of ¥20,299 million in fiscal 2023, mainly for equity method associate, Webtoon Entertainment Inc. Other factors driving the change include the recording of impairment loss on equity method investments of ¥31,304 million in fiscal 2022 and ¥22,345 million in fiscal 2023 in relation to DEMAE-CAN CO., LTD. For details on other gains and losses, see "41. Other gain (loss)" in "Notes to Consolidated Financial Statements" in "Financial Report 2024."

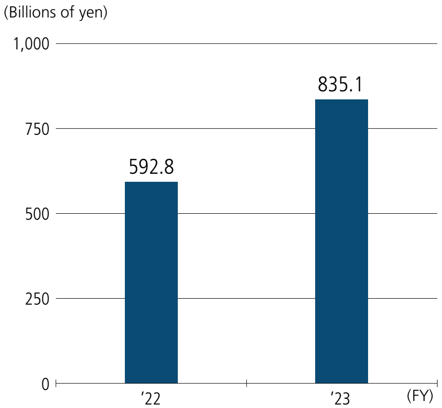
PayPay Corporation and PayPay Card Corporation saw a reduction in losses mainly due to increases in sales from the expansion of gross merchandise volume and interest income from the expansion of the revolving balance. A new fee structure introduced for a certain balance top-up method (*SoftBank, Y!mobile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

For more information on SoftBank Corp.'s financial results and business operations, see its website.

Net sales



Segment income (income before income tax)



Arm Segment

Arm's business continues to benefit from technology companies increasing investments in AI. Arm recorded the highest net sales (U.S. dollar-based) in both the fourth quarter and fiscal 2023.

- **Net sales increased by 13.6% YoY in U.S. dollar terms, driven by the highest-ever license and other revenue and very strong royalty revenue, which was only slightly below fiscal 2022's record level. In yen terms, net sales increased by 21.6%.**
  - Royalty revenue decreased slightly by 0.9% YoY (U.S. dollar-based) as weak chip sales in the first half of fiscal 2023 were offset by a recovery in the second half, boosted by higher royalties per chip from Arm's latest *Armv9* technology and culminating in record royalty revenue in the fourth quarter.
  - License and other revenue increased by 38.5% YoY (U.S. dollar-based) with Arm signing high value, long-term deals with major technology companies developing chips for a wide range of applications, including future smartphones, automotive, consumer electronic devices, and AI applications.
- **Segment loss of ¥33.2 billion, with strong net sales being offset by an increase in expenses related to stock compensation schemes combined with an increase in headcount to enhance R&D capability**

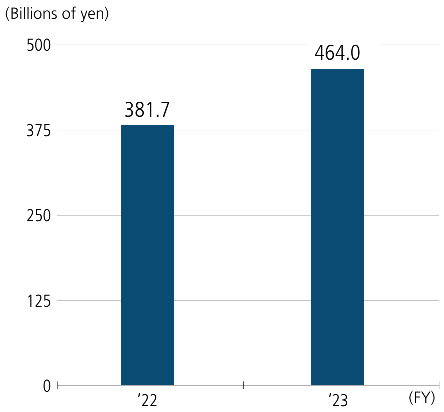
Overview

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

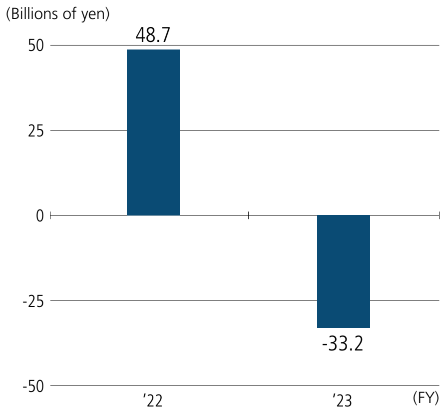
Semiconductor industry trends can have a significant impact on Arm's financial results, both positively and negatively. Industry growth benefits Arm's royalty revenue, which can grow along with industry sales. Industry growth can also encourage Arm's customers to increase design activity, creating new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

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

Net sales



Segment income (income before income tax)*



* Segment income included amortization expenses of ¥65,581 million for fiscal 2023 and ¥61,467 million for the previous fiscal year. These expenses are related to intangible assets recognized in the purchase price allocation at the time of the acquisition of Arm.

Financial results

Net sales in U.S. dollars

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

(Millions of U.S. dollars)

	Fiscal 2022	**Fiscal 2023**	Change	Change %
Royalty revenue	1,783	**1,767**	(16)	(0.9%)
License and other revenue	1,034	**1,431**	397	38.5%
Total	2,817	**3,198**	381	13.6%

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

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

Royalty revenue

Royalty revenue fell slightly short of fiscal 2022's record high, decreasing by $16 million (0.9%). In the first half of fiscal 2023, weak sales in the semiconductor industry, particularly in smartphones and other consumer electronic devices, continued from fiscal 2022 and impacted royalty revenue. However, this was largely offset by strong growth in royalty revenue in the second half, driven by an industry recovery and increased penetration of *Armv9* technology, which commands a higher royalty fee. On a quarterly basis, Arm achieved another record in royalty revenue. According to the World Semiconductor Trade Statistics (WSTS), global semiconductor sales are expected to increase by 13.1% year on year in 2024.* A recovery in industry sales could boost Arm's royalty revenue. Furthermore, Arm's focus on gaining its market share in automotive and cloud servers, along with the accelerated adoption of advanced technologies such as *Armv9* and compute subsystems (CSS) that integrate multiple Arm IPs, is anticipated to be a major driver of future royalty revenue growth.

License and other revenue

License and other revenue increased by $397 million (38.5%) year on year, reaching a record high. This was due to increasing investment by Arm's customers into AI technologies and due to more companies moving from a licensing technology one at a time to a subscription license model where the customer accesses a wider range of technologies in return for a higher license fee. In fiscal 2023, Arm signed high value, long-term deals with major technology companies developing chips for a wide range of applications, including future smartphones, automotive, consumer electronic devices, and AI applications. The current strong demand for licensing lays the foundation of a future royalty stream from chips that are to be developed and introduced to the market in the coming years.

Segment income

Segment loss was ¥33,215 million, deteriorating by ¥81,878 million year on year. This was mainly due to an increase in expenses related to stock compensation schemes as well as an increase in the number of employees, particularly technology-related personnel, as Arm rapidly increases its R&D capability. In fiscal 2023, Arm's headcount increased by 1,133 people (19%) with more than 80% of the net new hires being in engineering roles.

* The World Semiconductor Trade Statistics, November 2023. Includes memory and analogue chips that do not contain processor technologies.

Operations

Royalty units*

(Billion)

	Fiscal 2022	**Fiscal 2023**	Change	Change %
Royalty units as reported by Arm's licensees	30.6	**28.6**	(2.0)	(6.5%)

* This analysis is based on the actual shipments of royalty units (chips incorporating Arm technology) by Arm licensees for twelve months ended December 31, 2023, as reported by licensees in the royalty reports. Arm's licensees report their actual shipments of royalty units one quarter in arrears, and therefore, the royalty unit analysis in this report is based on chips shipped for twelve months ended December 31, 2023. In contrast, royalty revenues are accrued in the same quarter the chips are shipped based on estimates. Royalty unit data for 2022 has been restated based on updated information received from its licensees in the first quarter.

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

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

* S&P Global, March 2024

Technology development

Arm and its licensees made the following technology-related announcements during fiscal 2023. For details on each technology development, please refer to the press releases posted on the websites of the announcing companies.

- In May 2023, Arm announced its latest Total Compute Solutions for mobile applications processors, *TCS23*, a platform for premium mobile computing devices, which will power immersive games, real-time 3D experiences, and next-gen AI applications.
- In May 2023, NVIDIA Corporation announced a supercomputer built on the NVIDIA Grace CPU Superchip, adding to a wave of new energy-efficient supercomputers based on the Arm *Neoverse* platform.
- In May 2023, NVIDIA Corporation and SoftBank Corp. announced that they are collaborating on a pioneering platform for generative AI and 5G/6G applications that is based on the NVIDIA GH200 Grace Hopper Superchip and which SoftBank Corp. plans to roll out at new, distributed AI data centers across Japan.
- In August 2023, Arm announced a new technology family for licensing, the Arm *Neoverse* Compute Subsystems (CSS). These are pre-integrated and validated configurations of infrastructure products that will reduce development costs and improve time-to-market for companies developing chips for servers and networking equipment.
- In October 2023, Renesas Electronics Corporation announced the world's most powerful family of microcontrollers, the RA8 series, based on the Arm *Cortex-M85* processor. The *Cortex-M85* integrates Arm *Helium* technology that provides four times more performance acceleration for machine learning algorithms and is essential as AI becomes increasingly important in edge and end-point devices.
- In November 2023, MediaTek Inc. announced the Dimensity 9300, its latest mobile chip with a one-of-a-kind All Big Core design targeting flagship smartphones. The Dimensity 9300 is powered by four Arm *Cortex-X4* cores, four *Arm Cortex-A720* cores and *Arm Immortalis-G720*. It is designed for significantly improved performance for on-device generative AI processing, including running large language models on a smartphone.
- In November 2023, Microsoft Corporation announced the Azure Cobalt CPU, Microsoft's first custom silicon for servers. The Azure Cobalt CPU is based on 128 Arm *Neoverse* processors and delivers 40% higher performance per watt than the current generation of Azure server chips.
- In February 2024, Arm announced two new processors for the infrastructure needed for AI, Arm *Neoverse V3* and *Neoverse N3*, as well as the CSS, Arm *Neoverse CSS V3* and *CSS N3*, that will help accelerate the development of chips for AI in the data center, supercomputers, and networking equipment.
- In March 2024, Arm announced a new family of technologies to advance the progress towards fully autonomous vehicles. This includes new *Armv9*-based processors and subsystems purpose-built for automotive, as well as virtual development platforms that can reduce the development of automotive solutions by up to two years.

In addition, below technology development was announced after the end of fiscal 2023.

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

For more information about Arm, its business, and its technology, see its website.

Financial Position

1. Status of investment assets

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

2. Changes in liabilities associated with financing activities

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

3. Changes in equity

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

- **Ratio of equity attributable to owners of the parent (equity ratio) was 23.9% at the fiscal year-end, compared with 20.6% at the previous fiscal year-end.**

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

(Millions of yen)

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

Assets

(Millions of yen)

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

Components	Main reasons for changes from the previous fiscal year-end
Current assets	
A Derivative financial assets	• Derivative financial assets related to the prepaid forward contracts using Alibaba shares increased by ¥644,078 million. The increase was due to a decline in the share price and the depreciation of the yen, as well as the reclassification of those contracts due for settlement within one year as current assets, despite the physical settlement of a portion of the contracts. • Contingent value rights, which were received in June 2020 in relation to the disposal of T-Mobile shares and recorded as derivative financial assets at the previous fiscal year-end in the balance of ¥67,308 million, were vested on June 1, 2023 and were derecognized after the Company received 3.6 million T-Mobile shares. The shares are recorded as investment securities in the same manner as the existing holdings of T-Mobile shares.
B Other financial assets	Investments from asset management subsidiaries increased by ¥259,735 million due to the acquisition of corporate bonds (primarily those of investment grades with short time to maturity).
Non-current assets	
C Goodwill	Arm's goodwill increased by ¥423,325 million due to a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end. The entire amount of goodwill remains attributable to SBG, even after the sale of a 10% stake in conjunction with the IPO of Arm.
D Investments from SVF (FVTPL)	The carrying amount of investments at SVF increased mainly due to a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end. • The carrying amount of investments at SVF1 decreased by ¥68.5 billion. On a U.S. dollar basis, the carrying amount decreased by $5.86 billion. The result reflected decreases of $5.27 billion due to divestments and $0.59 billion due to a decrease in the fair value of investments held at the fiscal year-end. • The carrying amount of investments at SVF2 increased by ¥450.6 billion. On a U.S. dollar basis, the carrying amount decreased by $0.25 billion. The result mainly reflected decreases of $1.83 billion in the fair value of investments held at the fiscal year-end and $0.53 billion due to divestments.*[1] This occurred despite new*[1] and follow-on investments totaling $2.14 billion. • The carrying amount of investments at LatAm Funds increased by ¥142.7 billion. On a U.S. dollar basis, the carrying amount increased by $0.29 billion. The result reflected increases of $0.47 billion in the fair value of portfolio companies held at the fiscal year-end*[2] and $0.08 billion due to follow-on investments. These increases were partially offset by a decrease of $0.26 billion due to divestments. For details, see "SoftBank Vision Funds Segment" on page 89.

Components	Main reasons for changes from the previous fiscal year-end
E Investment securities	• The carrying amount of Alibaba shares decreased by ¥1,085,242 million ($11.45 billion), with the balance at the fiscal year-end being ¥3,757,063 million ($24.81 billion). This decrease is mainly attributable to a $10.57 billion reduction in fair value due to the decline in the company's share price (Reference: a fall from $102.18 per ADR as of March 31, 2023 to $72.36 per ADR as of March 31, 2024). Additional factors included a decrease of ¥125,307 million ($0.88 billion) following the physical settlement of a portion of the prepaid forward contracts using the company's shares in the third and fourth quarters. • The carrying amount of T-Mobile shares increased by ¥1,506,621 million ($9.27 billion), with the balance at the fiscal year-end being ¥2,275,827 million ($15.03 billion). This increase mainly reflected the receipt of 48.8 million shares of T-Mobile, valued at ¥1,204,804 million at the fiscal year-end, following the satisfaction of the condition for the Contingent Consideration. The increase in the company's share price also contributed to the increase in the carrying amount (Reference: a rise from $144.84 per share as of March 31, 2023 to $163.22 per share as of March 31, 2024). • The carrying amount of the three stocks combined—Symbotic,*3 NVIDIA Corporation, and Deutsche Telekom,*4—increased by ¥359,042 million. The carrying amounts of stocks mentioned above also reflected an increase caused by a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end. • The carrying amount of bonds and other asset management products held by PayPay Bank Corporation increased by ¥223,211 million, with the balance at the fiscal year-end being ¥511,994 million.
F Derivative financial assets	• The Contingent Consideration related to the acquisition of T-Mobile shares was derecognized upon the receipt of the shares (balance at the previous fiscal year-end: ¥833,770 million). • Derivative financial assets related to prepaid forward contracts using Alibaba shares decreased by ¥131,974 million. This was due to reclassifying assets with a remaining term of one year or less as current assets, despite a decrease in the Alibaba's share price and the depreciation of the yen.

*1 Includes share exchanges, acquisitions, and disposals as a result of restructuring of portfolio companies
*2 Includes the impact from the stronger local currencies against the U.S. dollar
*3 The shares of Symbotic are also included in "Investments from SVF (FVTPL)" for those held by SVF2, and in "Other Financial Assets (Current)" for those held by SB Northstar.
*4 Includes the impact from the weaker euro against the U.S. dollar, as the shares of Deutsche Telekom are held by a U.S. subsidiary of the Company

(Reference) Cash and cash equivalents by entity

Consolidated cash and cash equivalents decreased by ¥738.3 billion from the previous fiscal year-end to ¥6,186.9 billion. Of this, cash and cash equivalents of SBG and wholly owned subsidiaries conducting fund procurement, etc. decreased by ¥1,061.0 billion to ¥3,024.0 billion. For details, see "Cash Flows" on page 107.

(Millions of yen)

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

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

Liabilities

(Millions of yen)

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

Components	Main reasons for changes from the previous fiscal year-end
*See page 105 for a breakdown of interest-bearing debt.	
Current liabilities	
A Other financial liabilities	By the end of the second quarter, an allowance (allowance for financial guarantee contract losses) was recorded for the entire credit support for a letter of credit facility provided by financial institutions totaling $1.43 billion to WeWork (the beginning balance of the allowance was ¥152,365 million). In the third quarter, the allowance was allocated to the loan that was recognized as a result of the fulfillment of the guarantee obligations, resulting in a ¥152,365 million decrease in the allowance for financial guarantee contract losses from the beginning balance. At the fiscal year-end, the carrying amount of the loan was zero yen, as the allowance has been allocated.
B Income taxes payable	SBG paid income taxes during the first quarter. This payment was accrued in fiscal 2022 based on taxable income, including gains on the sale of Alibaba shares to subsidiaries conducting fund procurement, which was carried out in relation to the early physical settlement of prepaid forward contracts using Alibaba shares.
Non-current liabilities	
C Third-party interests in SVF	The carrying amount increased due to a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end. For details, see "(2) Third-party interests in SVF" under "7. SoftBank Vision Funds business" in "Notes to Consolidated Financial Statements" in "Financial Report 2024."
D Derivative financial liabilities	Derivative financial liabilities related to prepaid forward contracts using Alibaba shares decreased by ¥805,039 million, primarily as a result of a decline in Alibaba's share price.
E Deferred tax liabilities	Following the completion of the physical settlement of a portion of the prepaid forward contracts using Alibaba shares in January 2024, which had been conducted in phases since October 2021 by Skybridge LLC, the Company's wholly owned financing subsidiary, and constituted all such contracts held by Skybridge LLC, the deferred tax liabilities recognized at the previous fiscal year-end were reversed. These liabilities were based on the future tax estimates related to the Alibaba shares and associated derivatives.

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

(Millions of yen)

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

Components	Details
SBG and wholly owned subsidiaries conducting fund procurement, etc.	
SBG	
A Borrowings	In the first quarter, ¥53.1 billion was borrowed through a hybrid loan.
B Corporate bonds	• In the first quarter, domestic hybrid bonds with a face value of ¥222.0 billion were issued. • In the first quarter, foreign currency-denominated senior notes with face values of $0.16 billion and 0.63 billion euros and domestic straight bonds with a face value of ¥19.5 billion were redeemed upon maturity. • In the second quarter, domestic hybrid bonds with a face value of ¥15.4 billion were prematurely redeemed. • In the fourth quarter, domestic straight bonds with a face value of ¥399.9 billion were redeemed upon maturity. • In the fourth quarter, domestic straight bonds with a face value of ¥550.0 billion were issued. • Foreign currency-denominated senior notes with face values of $0.10 billion and 0.07 billion euros, as well as domestic straight bonds with a face value of ¥2.1 billion and domestic subordinated bonds with a face value of ¥20.9 billion, were repurchased from the market. • The carrying amount of foreign currency-denominated straight bonds increased due to a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end.
Wholly owned subsidiaries conducting fund procurement	
C Borrowings	Borrowings of $8.50 billion (balance at the previous fiscal year-end: ¥1,126.6 billion) made through asset-backed finance using Arm shares were repaid prior to Arm's IPO in September 2023. After the IPO, new borrowings of $8.50 billion were secured through a margin loan using Arm shares (balance at the fiscal year-end: ¥1,274.9 billion). For details, see "(1) Components of interest-bearing debt" under "22. Interest-bearing debt" in "Notes to Consolidated Financial Statements" in "Financial Report 2024."
D Financial liabilities relating to sale of shares by prepaid forward contracts	• In the first quarter, $4.39 billion was raised through prepaid forward contracts (forward contracts) using Alibaba shares. • Financial liabilities relating to sale of shares by prepaid forward contracts of ¥356,925 million ($2.49 billion) were derecognized due to the physical settlement of a portion of the prepaid forward contracts using Alibaba shares in the third and fourth quarters. • The carrying amount increased due to a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end. For details, see "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "22. Interest-bearing debt" in "Notes to Consolidated Financial Statements" in "Financial Report 2024."
SoftBank Vision Funds segment	
SVF1 and SVF2	
E Borrowings	• SVF1 fully repaid $4.16 billion in borrowings made through asset-backed financing. • SVF2 repaid $2.19 billion in borrowings made through asset-backed financing.

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

Equity

(Millions of yen)

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

Components	Main reasons for changes from the previous fiscal year-end
A Capital surplus	In the second quarter, ¥674,370 million ($4.65 billion) was recorded, representing the gain on the sale of Arm shares at the IPO. For details of the transaction, see "Intragroup Transaction of Arm Shares and IPO of Arm" on page 78.
B Other equity instruments	In the second quarter, the Company redeemed USD-denominated NC6 undated hybrid notes ($2.00 billion) on the first voluntary call date. The notes had been classified as equity instruments under IFRSs.
C Retained earnings	Net loss of ¥227,646 million attributable to owners of the parent was recorded.
D Accumulated other comprehensive income	Exchange differences from the translation of foreign operations, which arose from translating foreign subsidiaries and associates into yen, increased by ¥2,009,461 million mainly due to the weaker yen against the U.S. dollar in the foreign currency exchange rate used for translations.
E Non-controlling interests	• At the fiscal year-end, the amount of non-controlling interests in Arm was ¥236,849 million. • SoftBank Corp. issued bond-type class shares in the amount of ¥120,000 million.

Cash Flows

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

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

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

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

- **The Company received proceeds from the disposal of Arm shares and conducted financing through prepaid forward contracts using Alibaba shares, while repaying borrowings made by SVF through asset-backed finance. Distributions and repayments to third-party investors were made at SVF1.**

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

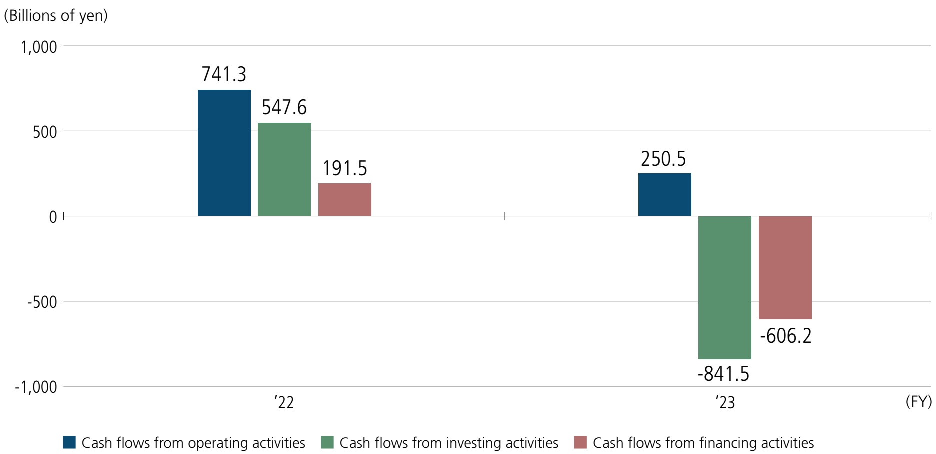
4. Balance of cash and cash equivalents at the fiscal year-end and its changes

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

(Millions of yen)

	Fiscal 2022	**Fiscal 2023**	Change
Cash flows from operating activities	741,292	**250,547**	(490,745)
Cash flows from investing activities	547,578	**(841,461)**	(1,389,039)
Cash flows from financing activities	191,517	**(606,222)**	(797,739)
Effect of exchange rate changes on cash and cash equivalents, etc.	275,765	**458,857**	183,092
Increase (decrease) in cash and cash equivalents	1,756,152	**(738,279)**	(2,494,431)
Cash and cash equivalents at the beginning of the year	5,169,001	**6,925,153**	1,756,152
Cash and cash equivalents at the end of the year	6,925,153	**6,186,874**	(738,279)

Cash flows from operating activities / Cash flows from investing activities / Cash flows from financing activities



Cash flows from operating activities

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

The amount of income taxes paid included the payment of ¥368,632 million in income taxes by SBG. This was primarily due to the payment in the first quarter of income taxes on taxable income for fiscal 2022 arising in conjunction with the physical settlement of the prepaid forward contracts using Alibaba shares and an interim payment of income taxes of ¥118,026 million in the third quarter.

Cash flows from investing activities

Components	Primary details
Payments for acquisition of investments ¥(800,925) million	• SBG and its wholly owned subsidiaries acquired mainly strategic investments for ¥311,870 million. • PayPay Bank Corporation acquired bonds and other asset management products for ¥308,414 million.
Payments for acquisition of investments by SVF ¥(212,045) million	SVF invested $1.50 billion in total.
Proceeds from sales of investments by SVF ¥922,020 million	SVF sold investments for a total of $6.33 billion.
Payments for acquisition of control over subsidiaries ¥(104,484) million	• SoftBank Corp. acquired Cubic Telecom Ltd. as a subsidiary. • SBG's wholly owned subsidiary acquired Berkshire Grey, Inc. and Balyo SA as subsidiaries. The figure to the left excludes cash and cash equivalents held by the acquired companies at the time of acquisition of control.
Proceeds from loss of control over subsidiaries ¥96,755 million	Primarily from the sale of 85% of the shares of SB Energy Corp., which was previously a wholly owned subsidiary of the Company.
Purchase of property, plant and equipment, and intangible assets ¥(622,612) million	SoftBank Corp. purchased property, plant and equipment, such as telecommunications equipment, and intangible assets, such as software.
Payments for loan receivables ¥(313,686) million	SVF2 fulfilled the guarantee obligations for the credit support for a letter of credit facility of $1.43 billion to WeWork provided by financial institutions.

Cash flows from financing activities

Components	Primary details
Proceeds in short-term interest-bearing debt, net ¥182,874 million*1 (Proceeds and payments for interest-bearing debt (current liabilities) with quick turnover and short maturities)	• Short-term borrowings increased by ¥151,145 million (net) at SoftBank Corp. • Short-term borrowings increased by ¥10,983 million (net) at LY Corporation and its subsidiaries.
Proceeds from interest-bearing debt (total of A through C below) ¥5,914,090 million	
A Proceeds from borrowings ¥4,276,463 million*2	• SBG made short-term borrowings of ¥536,136 million and procured ¥53,100 million through a hybrid loan. • A wholly owned subsidiary conducting fund procurement raised a total of ¥1,236,240 million ($8.50 billion) through a margin loan using listed Arm shares. • SoftBank Corp. procured ¥964,409 million, primarily through the securitization of installment sales receivable and sale-leaseback transactions. The company also issued commercial paper for ¥233,000 million. • A subsidiary of LY Corporation made short-term borrowings of ¥732,900 million associated with an increase in demand for personal unsecured loan services.
B Proceeds from issuance of corporate bonds ¥1,032,000 million	• SBG issued domestic hybrid bonds totaling ¥222,000 million and domestic straight bonds totaling ¥550,000 million. • SoftBank Corp. issued domestic straight bonds totaling ¥260,000 million. All of the above amounts are face values.
C Proceeds from procurement by prepaid forward contracts using shares ¥605,627 million	Wholly owned subsidiaries conducting fund procurement raised a total of $4.39 billion through prepaid forward contracts (forward contracts) using Alibaba shares.
Repayment of interest-bearing debt ¥(5,889,186) million	
A Repayment of borrowings ¥(5,183,435) million*2	• SBG repaid short-term borrowings of ¥506,600 million. • A wholly owned subsidiary conducting fund procurement repaid borrowings of ¥1,236,240 million ($8.50 billion) made through asset-backed finance using Arm shares. • SVF1 and SVF2 repaid ¥604,823 million ($4.16 billion) and ¥317,547 million ($2.19 billion), respectively, in borrowings made through asset-backed finance. • SoftBank Corp. repaid ¥1,215,104 million in borrowings made primarily through the securitization of installment sales receivable and sale-leaseback transactions. It also redeemed ¥147,000 million in commercial paper. • A subsidiary of LY Corporation repaid short-term borrowings of ¥713,700 million made in association with an increase in demand for personal unsecured loan services.
B Redemption of corporate bonds ¥(700,618) million	• SBG repurchased foreign currency-denominated senior notes of $0.10 billion and 0.07 billion euros, domestic straight bonds of ¥2,100 million, and domestic subordinated bonds of ¥20,900 million and redeemed foreign currency-denominated senior notes of $0.16 billion and 0.63 billion euros and domestic straight bonds of ¥419,412 million upon maturity, and carried out an early redemption of domestic hybrid bonds amounting to ¥15,400 million. • SoftBank Corp. redeemed domestic straight bonds of ¥10,000 million upon maturity. • LY Corporation redeemed domestic straight bonds of ¥110,000 million upon maturity. All of the above amounts are face values.
Distribution/repayment from SVF to third-party investors ¥(783,522) million	SVF1 made distributions and repayments to third-party investors.
Proceeds from the partial sales of shares of subsidiaries to non-controlling interests ¥747,565 million	The Company received the proceeds of $5.12 billion from the disposal of Arm shares at its IPO.
Redemption of other equity instruments ¥(277,760) million	The Company redeemed USD-denominated NC6 undated hybrid notes with a face value of $2.00 billion. These notes were classified as equity instruments under IFRSs. The effects arising from forward exchange contracts are recorded in “Other” under cash flows from financing activities.
Proceeds from the issuance of other equity instruments in subsidiaries ¥120,000 million	SoftBank Corp. issued bond-type class shares in the amount of ¥120,000 million.
Cash dividends paid ¥(64,356) million	SBG paid dividends.
Cash dividends paid to non-controlling interests ¥(288,119) million	SoftBank Corp., LY Corporation, and other subsidiaries paid dividends to non-controlling interests.

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

Significant Non-cash Transactions

During fiscal 2023, the Company settled a portion of the prepaid forward contracts using Alibaba shares in physical form and acquired 48.8 million T-Mobile shares with no additional consideration after satisfying the condition for the Contingent Consideration. None of these transactions were cash transactions; therefore, they had no impact on the consolidated cash flows. For details, see "(12) Significant non-cash transactions" under "44. Supplemental information to the consolidated statement of cash flows" in "Notes to Consolidated Financial Statements" in "Financial Report 2024."

Exchange rates used for translations

Average rate for the quarter

	Fiscal 2022				**Fiscal 2023**			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
USD / JPY	¥129.04	¥138.68	¥141.16	¥133.26	**¥138.11**	**¥145.44**	**¥147.00**	**¥147.87**

Rates at the end of the period

	March 31, 2023	**March 31, 2024**
USD / JPY	¥133.53	**¥151.41**

Major Subsidiaries and Associates

As of March 31, 2024

Corporation

Subsidiaries

Company name	Capital	Voting rights (%)	Main businesses
Investment Business of Holding Companies Segment			
SoftBank Group Overseas GK*[1,11]	¥2 mn	100.0	Holding company
SoftBank Group Capital Limited*[1]	$5,508 K	100.0	Holding company
SoftBank Group Japan Corporation	¥188,798 mn	100.0	Holding company
SB Group US, Inc.	$0 K	100.0	Management of overseas investment
Shiodome Project 17 GK*[2]	¥101 mn	100.0	Holding company
STARFISH I PTE. LTD.	¥101,540 mn	100.0	Holding company
Hayate Corporation	¥77,843 mn	100.0	Holding company
SB Pan Pacific Corporation	¥48,249 mn	100.0	Holding company
SoftBank Vision Funds Segment			
SB Investment Advisers (UK) Limited	$1,139 K	100.0	Management of SVF1
SB Global Advisers Limited	$310 K	100.0	Management of SVF2 and LatAm Funds
SoftBank Segment			
SoftBank Corp.	¥214,394 mn	40.7	Provision of mobile communications services; sale of mobile devices; provision of broadband communications services and solution services in Japan
A Holdings Corporation	¥100 mn	50.0	Holding company of shares of LY Corporation
LY Corporation*[3]	¥248,145 mn	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.	¥820 mn	57.6	IoT business, certification service business, security solution business, and Linux / OSS business
SB Technology Corp.*[4]	¥1,271 mn	54.0	ICT service business focusing on cloud, security, IoT and AI
ITmedia Inc.	¥1,883 mn	53.4	Operation of comprehensive IT information site *ITmedia*
eMnet Japan.co.ltd.	¥328 mn	41.2	Internet advertising agency business
Subsidiaries of LY Corporation			
Z Intermediate Holdings Corporation	¥1 mn	100.0	Holding company
PayPay Corporation	¥94,180 mn	100.0	Development and provision of mobile payments and other electronic payment services
Z Financial Corporation	¥36,604 mn	100.0	Management of group companies of Z Financial Corporation
LINE SOUTHEAST ASIA CORP.PTE.LTD.	$220,500 K	100.0	Holding company
Alpha Purchase Co., Ltd.	¥557 mn	62.8	Sales of indirect materials such as consumable supplies; facility management
ValueCommerce Co., Ltd.*[5]	¥1,728 mn	51.9	Affiliate advertising marketing service; StoreMatch online advertising distribution service
ZOZO, Inc.	¥1,360 mn	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	¥72,217 mn	46.6	Banking
ASKUL Corporation	¥21,234 mn	45.0	Mail-order sale of stationery and services

Company name	Capital	Voting rights (%)	Main businesses
Arm Segment			
Arm Holdings plc*[6]	$1,311 K	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]	$620,855 K	100.0	Holding company
Arm PIPD Holdings Two, LLC*[2,7]	$426,016 K	100.0	Holding company
Other			
Fortress Investment Group LLC*[2,8]	–	100.0	Alternative investment management business
Fukuoka SoftBank HAWKS Corp.	¥100 mn	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.	¥54,601 mn	87.8	Holding company
Balyo SA	€2,749 K	73.5	Providing solutions for autonomous forklifts

Associates

Company name	Capital	Voting rights (%)	Main businesses
SoftBank Segment			
Geniee, Inc.	¥1,553 mn	31.3	Advertising technology business
C Channel Corporation	¥10 mn	29.0	E-commerce business; internet advertising and marketing
Associates of LY Corporation			
DEMAE-CAN CO., LTD	¥100 mn	36.8	Operation of food delivery service Demae-can

Fund

Fund Name	Capital accepted	Investment ratio (%)	Main businesses
Investment Business of Holding Companies Segment			
SB Northstar LP*9	$34 bn	100 (66.7)	Investment in listed stocks and other financial instruments
SoftBank Vision Funds Segment			
SoftBank Vision Fund L.P.*10	$87 bn	33.6	Investment fund in the technology sector
SoftBank Vision Fund II-2 L.P.*11,12	$57 bn	100.0 (82.8)	Investment fund in the technology sector
SBLA Latin America Fund LLC*12	$7 bn	100.0 (82.8)	Investment fund in the technology sector

*1 Effective November 27, 2023, SBG 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 the Company's 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 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 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 SBG 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 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.
*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, SBG sold its entire interest in Fortress Investment Group LLC, held through a subsidiary of SBG, 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 SBG.
*9 A figure in parentheses in the investment ratio represents the Company's 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, SBG 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 SBG) 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%.

Stock Information

Shareholder registrar Mitsubishi UFJ Trust and Banking Corporation

Stock exchange registration Tokyo Stock Exchange, Prime Market

Securities code 9984

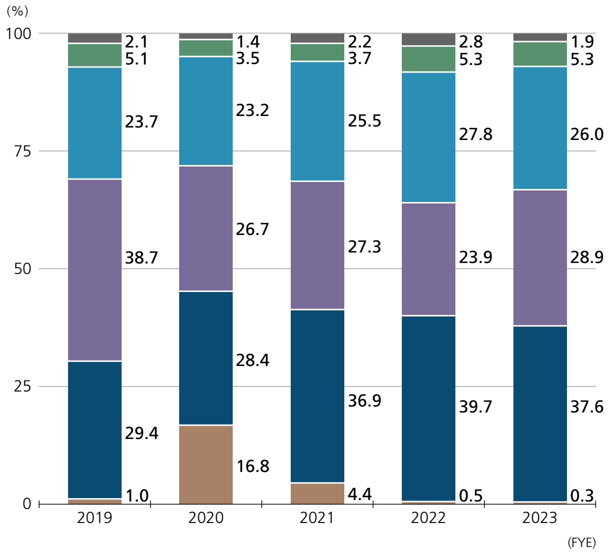
Number of shares
As of March 31, 2024

Shares authorized 7,200,000,000

Shares issued 1,469,995,230
(including 4,069,831 of treasury stock)

Number of shareholders 191,559
As of March 31, 2024

Distribution by shareholder type



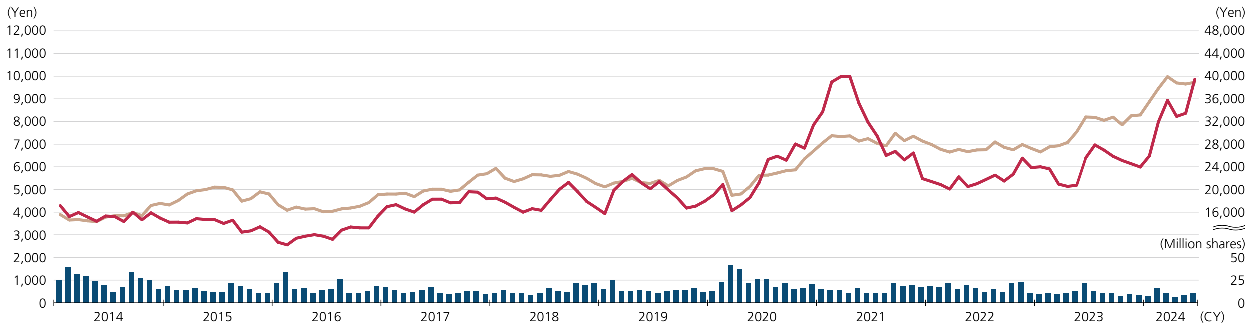
■ Treasury stock ■ Domestic individuals and others
■ Overseas institutions and individuals ■ Domestic financial institutions
■ Domestic other companies ■ Financial instrument firms

Major shareholders As of March 31, 2024

Name	Number of shares held (thousands)	Percentage of total shares issued (%)
Masayoshi Son	426,661	29.11
The Master Trust Bank of Japan, Ltd. (Trust Account)	244,984	16.71
Custody Bank of Japan, Ltd. (Trust Account)	105,686	7.21
JP MORGAN CHASE BANK 380763	29,066	1.98
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	19,863	1.35
STATE STREET BANK WEST CLIENT-TREATY 505234	19,828	1.35
SSBTC CLIENT OMNIBUS ACCOUNT	19,152	1.31
SON CORPORATION LLC	19,060	1.30
SON ASSETS MANAGEMENT LLC	18,504	1.26
JP MORGAN CHASE BANK 385781	13,449	0.92
Top 10 Shareholders	916,253	62.50

Notes:
1. Percentage of total shares issued is calculated by deducting treasury stock (4,069,831 shares).
2. Of the above numbers of shares held, those held by The Master Trust Bank of Japan, Ltd., and Custody Bank of Japan, Ltd., are all related to trust operations.
3. As for major shareholders, the number of shares held effectively by Masayoshi Son, verified by SBG, is presented as has been hitherto on a combined basis (by means of name-based aggregation), while those held by other major shareholders are presented precisely as reported in the register of shareholders.

Stock price and trading volume



— Stock price (left) ■ Trading volume (right) — Nikkei 225 (right)

Note: Stock prices are average prices for each month, and trading volumes are average daily trading volumes for each month. The stock prices and trading volumes have been adjusted to reflect the share split on June 28, 2019.

Market capitalization

(FYE)

	2019	2020	2021	2022	2023
Market capitalization (Trillions of yen)	7.8	16.2	9.2	7.6	13.1

Note: Market capitalization is calculated by multiplying the stock price by the total number of shares issued (excluding treasury stock after adjusting for the aforementioned share split) as of the end of each fiscal year.

Corporate Data

As of March 31, 2024

Corporate name	SoftBank Group Corp.
Founded	September 3, 1981
Corporate headquarters	1-7-1, Kaigan, Minato-ku, Tokyo 105-7537, Japan
Telephone number	+81-3-6889-2000
Representative	Masayoshi Son Representative Director, Corporate Officer, Chairman & CEO
Share capital	¥238.8 billion
Number of subsidiaries	1,254
Number of associates	571
Number of joint ventures	27
Number of employees	255 (consolidated basis: 65,352)
Main business	Pure holding company
Independent auditor	Deloitte Touche Tohmatsu LLC

*1 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that SoftBank Group Corp. has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

*2 FTSE Russell confirms that SoftBank Group Corp. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE Blossom Japan Index is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

*3 FTSE Russell confirms that SoftBank Group Corp. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.

*4 THE INCLUSION OF SoftBank Group Corp. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SoftBank Group Corp. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

*5 As of the date of the publication of this Annual Report

Selection for major indices

- Nikkei Stock Average
- JPX-Nikkei Index 400
- TOPIX Core 30 / TOPIX 100 / TOPIX 500 / TOPIX 1000
- Nikkei 500 Stock Average
- Nikkei Stock Index 300
- FTSE4Good Index Series*1
- FTSE Blossom Japan Index*2
- FTSE Blossom Japan Sector Relative Index*3
- MSCI Japan Empowering Women Index (WIN)*4
- S&P/JPX Carbon Efficient Index

FTSE4Good | FTSE Blossom Japan | FTSE Blossom Japan Sector Relative Index | 2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN) | S&P/JPX Carbon Efficient Index

Credit ratings

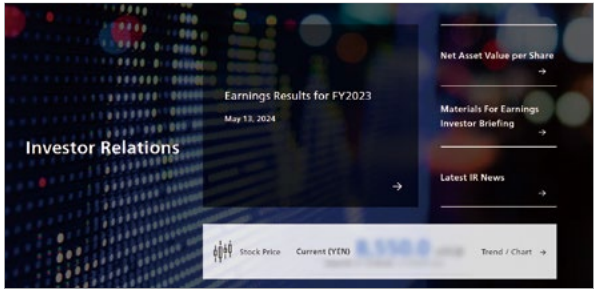
Rating agency	Long-term bond	Short-term bond
Standard & Poor's	BB+*5	—
Japan Credit Rating Agency	A*5	J–1

External evaluations on sustainability

- Selected as "The Sustainability Yearbook Member" as a company in the top 15% of each industry in "The Sustainability Yearbook 2024," a listing of companies with outstanding sustainability performance. (2024, S&P Global)
- Received an A- score in the overall rating in the field of climate change and an A (Supplier Engagement Rating Leader), the highest rating, in the Supplier Engagement Rating. (2023, CDP)
- Granted "Eruboshi" Level 3 (highest grade) certification as a company promoting women's advancement (2024, Ministry of Health, Labour and Welfare)

Investor Relations

We provide videos and related materials of the latest earnings results briefings and IR-related news, among others.



Sustainability

We feature our various environmental, social, and governance (ESG) efforts, as well as our ESG Data collection.

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