


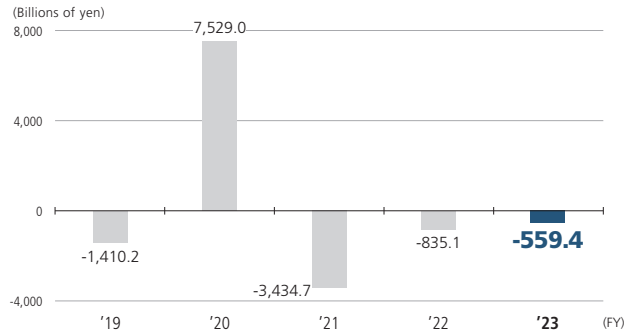
Financial Section

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

Graphs: Key Consolidated Financial Data

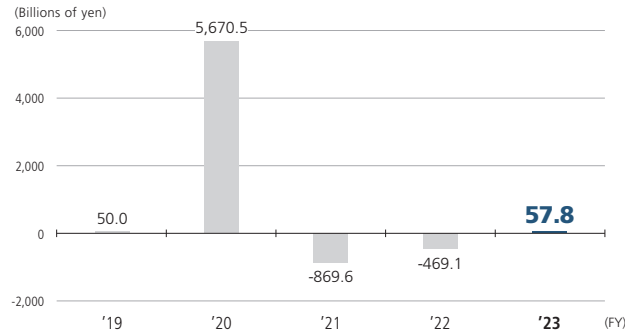
Fiscal years beginning April 1 and ending March 31 of the following year

Gain (loss) on investments



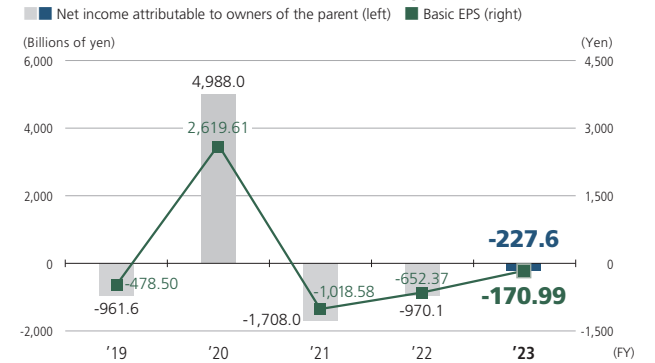
FY2023
Gain (loss) on investments
+ ¥0.3 tn YoY

Income before income tax



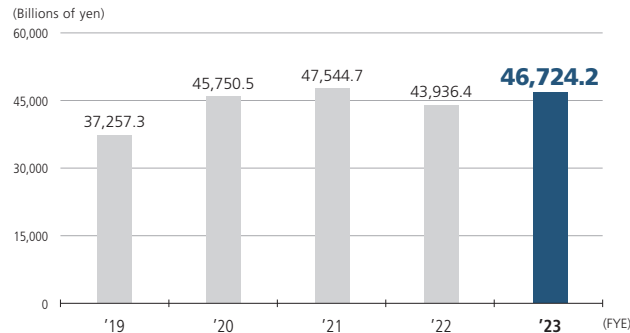
FY2023
Income before income tax
+ ¥0.5 tn YoY

Net income attributable to owners of the parent / Basic EPS



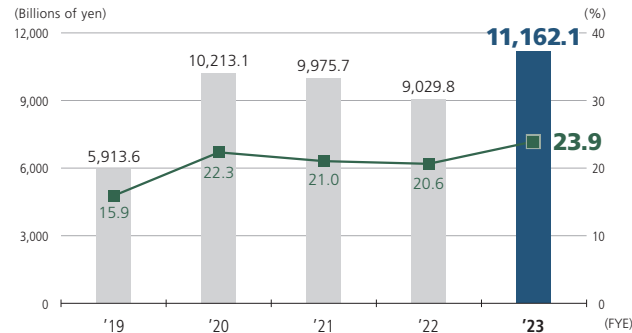
FY2023
Net income attributable to owners of the parent
+ ¥0.7 tn YoY

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
+ 23.6% YoY | Ratio of equity attributable to owners of the parent to total assets
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

(Trillions of yen)	FY2022				FY2023			
	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 depository 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

	SoftBank Vision Funds Segment	Reconciliations	Consolidated statement of profit or loss (Millions of yen)
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

	Fiscal 2022	Fiscal 2023	Change	Change %
(Millions of yen)				
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

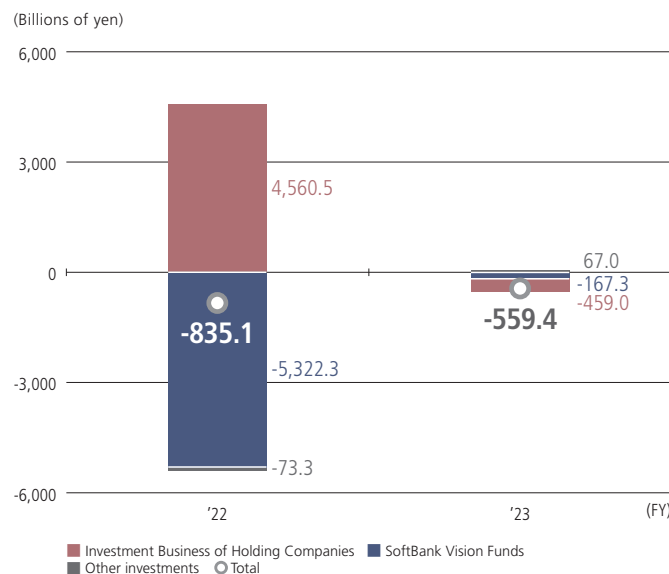
Total loss on investments was ¥559,350 million.

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



(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

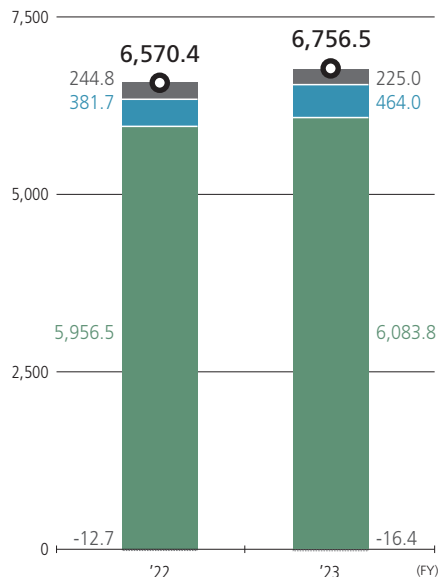
*2 Interest expenses of SBG include interest expenses of its wholly owned subsidiaries conducting fund procurement.

*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

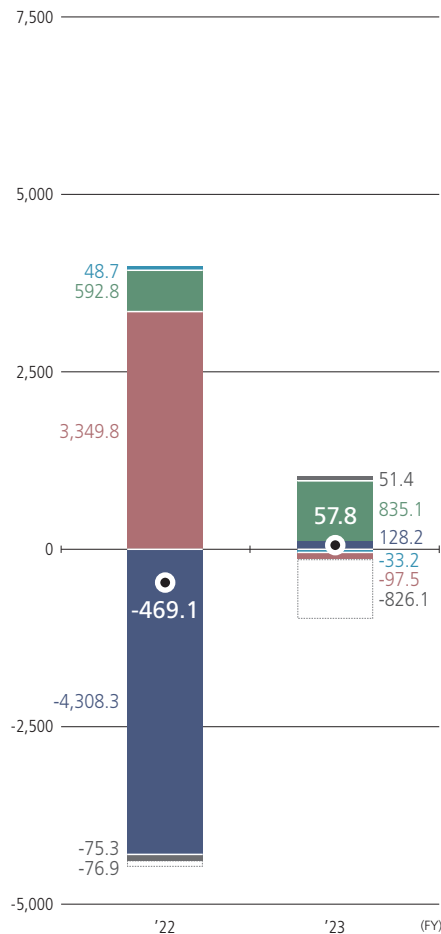
Net sales

(Billions of yen)



Segment income (income before income tax)

(Billions of yen)



■ 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	<ul style="list-style-type: none"> • Consumer business: Provision of mobile services, sale of mobile devices, and provision of broadband services to retail customers in Japan • Enterprise business: Provision of mobile communications and solutions services to enterprise customers in Japan • Distribution business: Provision of ICT (Information and Communication Technology) services products to enterprise customers and provision of communication device-related products and IoT (Internet of Things) equipment to retail customers • Media & EC (e-commerce) business: Provision of media-related services, advertising and commerce-related services • Financial business: Provision of payment and financial services 	• SoftBank Corp. • LY Corporation*2 • PayPay Corporation
Arm	<ul style="list-style-type: none"> • Design of microprocessor intellectual property and related technology • Sale of software tools and provision of related services 	• Arm Holdings plc

*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.

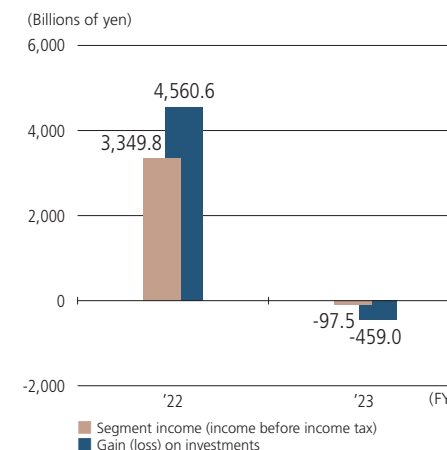
This segment holds investments in portfolio companies, such as Alibaba, T-Mobile, and Deutsche Telekom, most of which are classified as financial assets at FVTPL (Fair Value Through Profit or Loss). Investments classified as financial assets at FVTPL are measured at fair value every quarter, with any 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) <i>Mainly due to prepaid forward contracts using Alibaba shares</i>	65,732	1,500,015	1,434,283	– D
Other gain (loss)	(9,228)	126,134	135,362	–
Segment income (income before income tax)	3,349,846	(97,526)	(3,447,372)	–

*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.

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

(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)
<i>Reversal of valuation gain/loss recorded in prior periods for exited investments in fiscal 2023</i>				(0.2)	(1.4)
Derivatives/Interests/Dividends	(0.0)	2.3	2.3	(0.1)	(0.0)
Total	89.6	106.3	16.7	0.0	5.3
				¥1.5 billion	¥768.9 billion
SVF2					
Exited investments	3.0	3.4	0.4	(0.2)	(0.7)
Investments before exit	49.4	29.9	(19.5)	(0.3)	(1.2)
<i>Reversal of valuation gain/loss recorded in prior periods for exited investments in fiscal 2023</i>				0.2	0.8
Derivatives/Interests/Dividends	(0.0)	(0.2)	(0.2)	0.0	0.1
Total	52.4	33.1	(19.3)	(0.3)	(1.0)
				¥(49.7) billion	¥(146.5) billion

*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

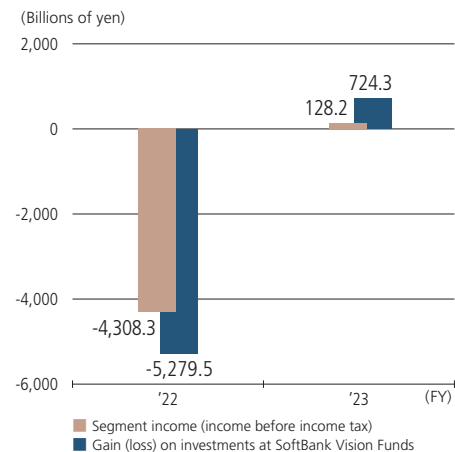
Note: Investments include new and follow-ons.

* After deducting transaction fees, etc.

Financing at SVF

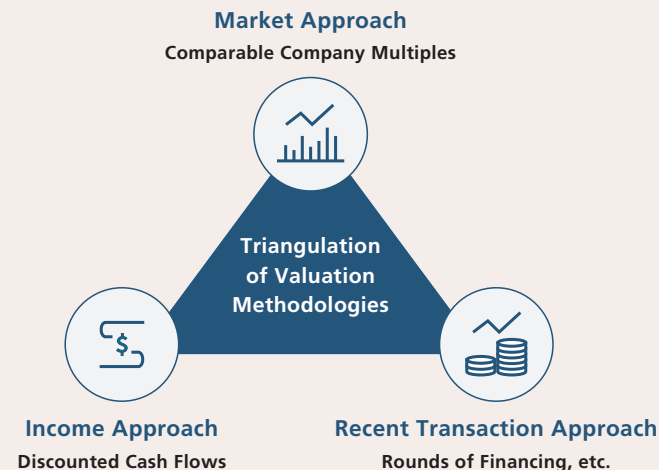
SVF1, SVF2, and LatAm Funds may independently engage in borrowings that are nonrecourse to SBG, with the aim of leveraging and maintaining liquidity. Such borrowings include asset-backed finance, which utilizes held assets to enhance returns and distribute to limited partners.

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.

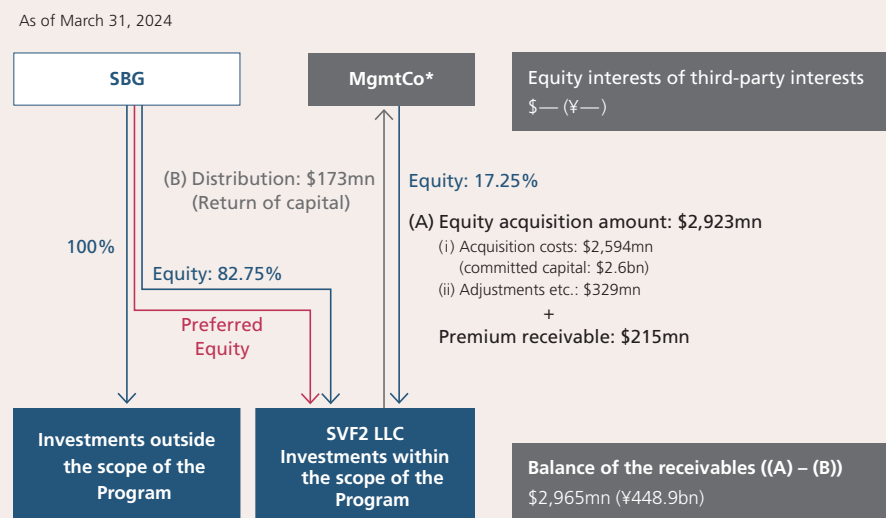
The Program targets an approved selection of SVF2’s investments, including investments in private portfolio companies held or intended to be held by SVF2 as of June 23, 2021, and any new investments executed on or after June 24, 2021 (excluding any follow-on investments in the portfolio companies outside 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 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 callable 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.

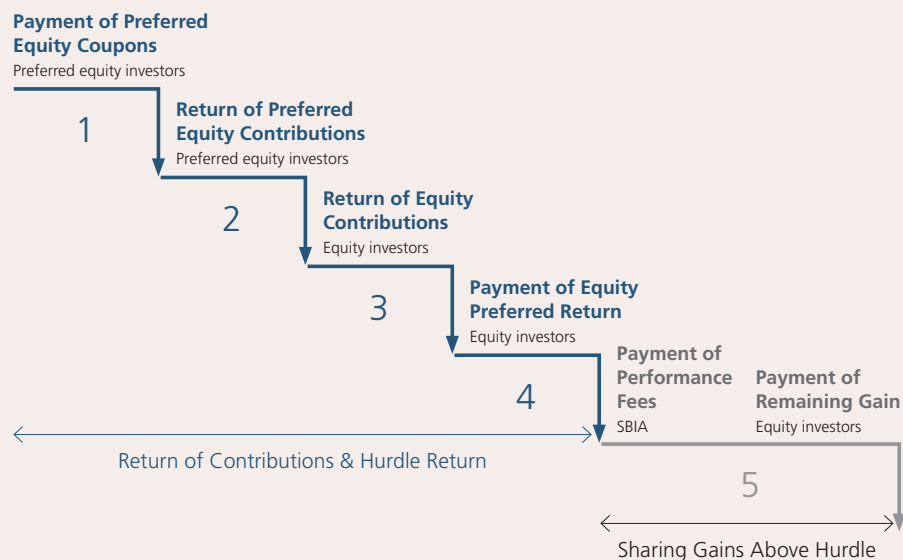
	SVF1	SVF2	LatAm Funds
Primary limited partnership	SoftBank Vision Fund L.P.	SoftBank Vision Fund II-2 L.P.	SBLA Latin America Fund LLC
Total committed capital (Billions of U.S. dollars)	98.6	59.8* ²	7.8* ²
	The Company: 33.1* ¹ Third-party investors: 65.5	The Company: 57.2 Third-party investor (MgmtCo): 2.6* ³	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	

*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."

SVF1 distribution waterfall



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.

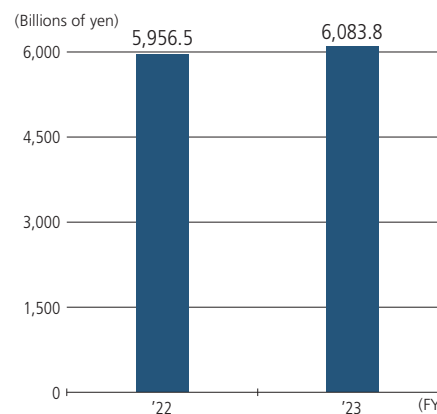
The improvement in other gains and losses was primarily due to the complete reversal of a ¥19,176 million provision recorded in fiscal 2022. This provision was related to a litigation over telecommunication line installation and other items awarded by the Japan Post Group. The reversal occurred in fiscal 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 DEMA-E-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.”

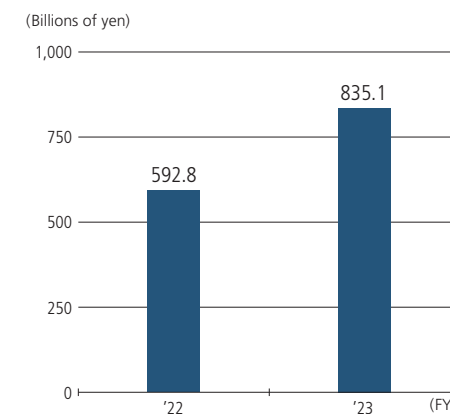
PayPay Corporation and PayPay Card Corporation saw a reduction in losses mainly due to increases in sales from the expansion of gross merchandise volume and interest income from the expansion of the revolving balance. A new fee structure introduced for a certain balance top-up method (*SoftBank, Y!mobile 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**

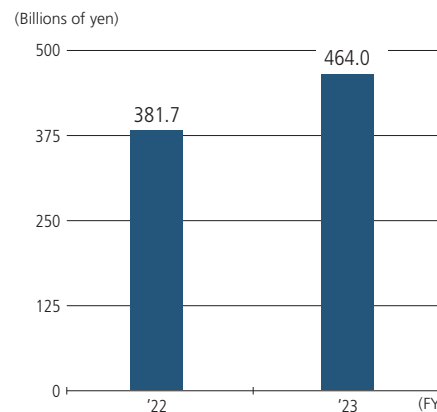
Overview

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

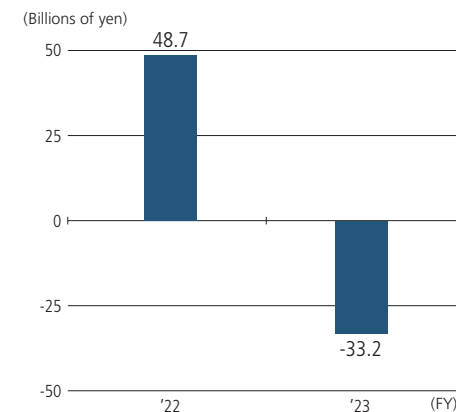
Semiconductor industry trends can have a significant impact on Arm's financial results, both positively and negatively. Industry growth benefits Arm's royalty revenue, which can grow along with industry sales. Industry growth can also encourage Arm's customers to increase design activity, creating new 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 *Arm v9*-based processors and subsystems purpose-built for automotive, as well as virtual development platforms that can reduce the development of automotive solutions by up to two years.

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

	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

	March 31, 2023	March 31, 2024	Change	(Millions of yen)
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	<ul style="list-style-type: none"> Derivative financial assets related to the prepaid forward contracts using Alibaba shares increased by ¥644,078 million. The increase was due to a decline in the share price and the depreciation of the yen, as well as the reclassification of those contracts due for settlement within one year as current assets, despite the physical settlement of a portion of the contracts. Contingent value rights, which were received in June 2020 in relation to the disposal of T-Mobile shares and recorded as derivative financial assets at the previous fiscal year-end in the balance of ¥67,308 million, were vested on June 1, 2023 and were derecognized after the Company received 3.6 million T-Mobile shares. The shares are recorded as investment securities in the same manner as the existing holdings of T-Mobile shares.
B Other financial assets	Investments from asset management subsidiaries increased by ¥259,735 million due to the acquisition of corporate bonds (primarily those of investment grades with short time to maturity).
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)	<p>The carrying amount of investments at SVF increased mainly due to a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end.</p> <ul style="list-style-type: none"> The carrying amount of investments at SVF1 decreased by ¥68.5 billion. On a U.S. dollar basis, the carrying amount decreased by \$5.86 billion. The result reflected decreases of \$5.27 billion due to divestments and \$0.59 billion due to a decrease in the fair value of investments held at the fiscal year-end. The carrying amount of investments at SVF2 increased by ¥450.6 billion. On a U.S. dollar basis, the carrying amount decreased by \$0.25 billion. The result mainly reflected decreases of \$1.83 billion in the fair value of investments held at the fiscal year-end and \$0.53 billion due to divestments.*¹ This occurred despite 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. <p>For details, see "SoftBank Vision Funds Segment" on page 89.</p>

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

*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.

	March 31, 2023	March 31, 2024	Change
(Millions of yen)			
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

	March 31, 2023	March 31, 2024	Change
(Millions of yen)			
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*⁴	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	<ul style="list-style-type: none"> In the first quarter, domestic hybrid bonds with a face value of ¥222.0 billion were issued. In the first quarter, foreign currency-denominated senior notes with face values of \$0.16 billion and 0.63 billion euros and domestic straight bonds with a face value of ¥19.5 billion were redeemed upon maturity. In the second quarter, domestic hybrid bonds with a face value of ¥15.4 billion were prematurely redeemed. In the fourth quarter, domestic straight bonds with a face value of ¥399.9 billion were redeemed upon maturity. In the fourth quarter, domestic straight bonds with a face value of ¥550.0 billion were issued. Foreign currency-denominated senior notes with face values of \$0.10 billion and 0.07 billion euros, as well as domestic straight bonds with a face value of ¥2.1 billion and domestic subordinated bonds with a face value of ¥20.9 billion, were repurchased from the market. The carrying amount of foreign currency-denominated straight bonds increased due to a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end.
Wholly owned subsidiaries conducting fund procurement	
C Borrowings	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	<ul style="list-style-type: none"> In the first quarter, \$4.39 billion was raised through prepaid forward contracts (forward contracts) using Alibaba shares. Financial liabilities relating to sale of shares by prepaid forward contracts of ¥356,925 million (\$2.49 billion) were derecognized due to the physical settlement of a portion of the prepaid forward contracts using Alibaba shares in the third and fourth quarters. The carrying amount increased due to a 13.4% depreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the fiscal year-end. For details, see "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "22. Interest-bearing debt" in "Notes to Consolidated Financial Statements" in "Financial Report 2024."
SoftBank Vision Funds segment	
SVF1 and SVF2	
E Borrowings	<ul style="list-style-type: none"> SVF1 fully repaid \$4.16 billion in borrowings made through asset-backed financing. SVF2 repaid \$2.19 billion in borrowings made through asset-backed financing.

*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

	March 31, 2023	March 31, 2024	(Millions of yen) 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	<ul style="list-style-type: none"> At the fiscal year-end, the amount of non-controlling interests in Arm was ¥236,849 million. SoftBank Corp. issued bond-type class shares in the amount of ¥120,000 million.

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)

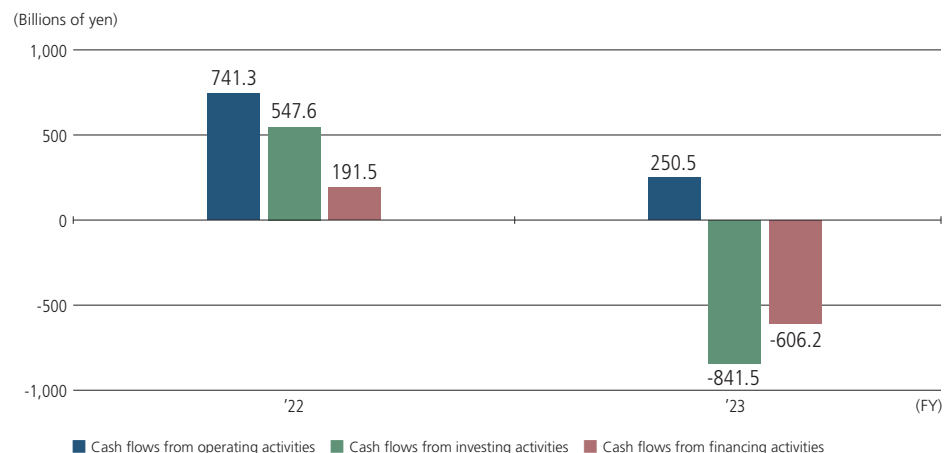
- The Company received proceeds from the disposal of Arm shares and conducted financing through prepaid forward contracts using Alibaba shares, while repaying borrowings made by SVF through asset-backed finance. Distributions and repayments to third-party investors were made at SVF1.
 - Proceeds from 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.

	Fiscal 2022	Fiscal 2023	Change
			(Millions of yen)
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	<ul style="list-style-type: none"> SBG and its wholly owned subsidiaries acquired mainly strategic investments for ¥311,870 million. PayPay Bank Corporation acquired bonds and other asset management products for ¥308,414 million.
Payments for acquisition of investments by SVF ¥(212,045) million	SVF invested \$1.50 billion in total.
Proceeds from sales of investments by SVF ¥922,020 million	SVF sold investments for a total of \$6.33 billion.
Payments for acquisition of control over subsidiaries ¥(104,484) million	<ul style="list-style-type: none"> SoftBank Corp. acquired Cubic Telecom Ltd. as a subsidiary. SBG's wholly owned subsidiary acquired Berkshire Grey, Inc. and Balyo SA as subsidiaries. <p>The figure to the left excludes cash and cash equivalents held by the acquired companies at the time of acquisition of control.</p>
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
<p>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)</p>	<ul style="list-style-type: none"> Short-term borrowings increased by ¥151,145 million (net) at SoftBank Corp. Short-term borrowings increased by ¥10,983 million (net) at LY Corporation and its subsidiaries.
<p>Proceeds from interest-bearing debt (total of A through C below) ¥5,914,090 million</p>	
<p>A Proceeds from borrowings ¥4,276,463 million*²</p>	<ul style="list-style-type: none"> SBG made short-term borrowings of ¥536,136 million and procured ¥53,100 million through a hybrid loan. A wholly owned subsidiary conducting fund procurement raised a total of ¥1,236,240 million (\$8.50 billion) through a margin loan using listed Arm shares. SoftBank Corp. procured ¥964,409 million, primarily through the securitization of installment sales receivable and sale-leaseback transactions. The company also issued commercial paper for ¥233,000 million. A subsidiary of LY Corporation made short-term borrowings of ¥732,900 million associated with an increase in demand for personal unsecured loan services.
<p>B Proceeds from issuance of corporate bonds ¥1,032,000 million</p>	<ul style="list-style-type: none"> SBG issued domestic hybrid bonds totaling ¥222,000 million and domestic straight bonds totaling ¥550,000 million. SoftBank Corp. issued domestic straight bonds totaling ¥260,000 million. <p>All of the above amounts are face values.</p>
<p>C Proceeds from procurement by prepaid forward contracts using shares ¥605,627 million</p>	<p>Wholly owned subsidiaries conducting fund procurement raised a total of \$4.39 billion through prepaid forward contracts (forward contracts) using Alibaba shares.</p>
<p>Repayment of interest-bearing debt ¥(5,889,186) million</p>	
<p>A Repayment of borrowings ¥(5,183,435) million*²</p>	<ul style="list-style-type: none"> SBG repaid short-term borrowings of ¥506,600 million. A wholly owned subsidiary conducting fund procurement repaid borrowings of ¥1,236,240 million (\$8.50 billion) made through asset-backed finance using Arm shares. SVF1 and SVF2 repaid ¥604,823 million (\$4.16 billion) and ¥317,547 million (\$2.19 billion), respectively, in borrowings made through asset-backed finance. SoftBank Corp. repaid ¥1,215,104 million in borrowings made primarily through the securitization of installment sales receivable and sale-leaseback transactions. It also redeemed ¥147,000 million in commercial paper. A subsidiary of LY Corporation repaid short-term borrowings of ¥713,700 million made in association with an increase in demand for personal unsecured loan services.

Components	Primary details
<p>B Redemption of corporate bonds ¥(700,618) million</p>	<ul style="list-style-type: none"> SBG repurchased foreign currency-denominated senior notes of \$0.10 billion and 0.07 billion euros, domestic straight bonds of ¥2,100 million, and domestic subordinated bonds of ¥20,900 million and redeemed foreign currency-denominated senior notes of \$0.16 billion and 0.63 billion euros and domestic straight bonds of ¥419,412 million upon maturity, and carried out an early redemption of domestic hybrid bonds amounting to ¥15,400 million. SoftBank Corp. redeemed domestic straight bonds of ¥10,000 million upon maturity. LY Corporation redeemed domestic straight bonds of ¥110,000 million upon maturity. <p>All of the above amounts are face values.</p>
<p>Distribution/repayment from SVF to third-party investors ¥(783,522) million</p>	<p>SVF1 made distributions and repayments to third-party investors.</p>
<p>Proceeds from the partial sales of shares of subsidiaries to non-controlling interests ¥747,565 million</p>	<p>The Company received the proceeds of \$5.12 billion from the disposal of Arm shares at its IPO.</p>
<p>Redemption of other equity instruments ¥(277,760) million</p>	<p>The Company redeemed USD-denominated NC6 undated hybrid notes with a face value of \$2.00 billion. These notes were classified as equity instruments under IFRSs. The effects arising from forward exchange contracts are recorded in "Other" under cash flows from financing activities.</p>
<p>Proceeds from the issuance of other equity instruments in subsidiaries ¥120,000 million</p>	<p>SoftBank Corp. issued bond-type class shares in the amount of ¥120,000 million.</p>
<p>Cash dividends paid ¥(64,356) million</p>	<p>SBG paid dividends.</p>
<p>Cash dividends paid to non-controlling interests ¥(288,119) million</p>	<p>SoftBank Corp., LY Corporation, and other subsidiaries paid dividends to non-controlling interests.</p>

*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