# Financial Report

SoftBank Group

FINANCIAL REPORT 2023

# Consolidated Financial Statements

## a. Consolidated Statement of Financial Position

| ASSETS | Notes | As of March 31, 2022 (Millions of yen) | As of March 31, 2023 (Millions of yen) | As of March 31, 2023 (Thousands of U.S. dollars) |
|---|---|---|---|---|
| Current assets | | | | |
| Cash and cash equivalents | 9 | ¥ 5,169,001 | **¥ 6,925,153** | **$ 51,862,151** |
| Trade and other receivables | 10,28 | 2,361,149 | **2,594,736** | **19,431,858** |
| Derivative financial assets | 28 | 1,050,446 | **249,414** | **1,867,850** |
| Other financial assets | 11,28 | 971,125 | **371,313** | **2,780,746** |
| Inventories | 12 | 142,767 | **163,781** | **1,226,548** |
| Other current assets | 13 | 334,101 | **282,085** | **2,112,522** |
| Total current assets | | 10,028,589 | **10,586,482** | **79,281,675** |
| Non-current assets | | | | |
| Property, plant and equipment | 14 | 1,842,749 | **1,781,142** | **13,338,890** |
| Right-of-use assets | 15 | 914,743 | **858,577** | **6,429,843** |
| Goodwill | 16 | 4,897,913 | **5,199,480** | **38,938,665** |
| Intangible assets | 16 | 2,427,580 | **2,409,641** | **18,045,690** |
| Costs to obtain contracts | | 330,899 | **332,856** | **2,492,743** |
| Investments accounted for using the equity method | 19 | 5,234,519 | **730,440** | **5,470,231** |
| Investments from SVF (FVTPL) | 28 | 14,909,614 | **10,489,722** | **78,557,043** |
| Investment securities | 28 | 3,085,369 | **7,706,501** | **57,713,630** |
| Derivative financial assets | 28 | 1,333,787 | **1,170,845** | **8,768,404** |
| Other financial assets | 11,28 | 2,230,615 | **2,303,620** | **17,251,704** |
| Deferred tax assets | 21 | 163,255 | **210,823** | **1,578,844** |
| Other non-current assets | 13 | 145,038 | **156,239** | **1,170,068** |
| Total non-current assets | | 37,516,081 | **33,349,886** | **249,755,755** |
| **Total assets** | | ¥47,544,670 | **¥43,936,368** | **$329,037,430** |

| LIABILITIES AND EQUITY | Notes | (Millions of yen) As of March 31, 2022 | As of March 31, 2023 | (Thousands of U.S. dollars) As of March 31, 2023 |
|---|---|---|---|---|
| **Current liabilities** | | | | |
| Interest-bearing debt | 22,28 | ¥ 7,328,862 | **¥ 5,129,047** | **$ 38,411,196** |
| Lease liabilities | 17,28 | 240,241 | **184,105** | **1,378,754** |
| Deposits for banking business | 23,28 | 1,331,385 | **1,472,260** | **11,025,687** |
| Trade and other payables | 24,28 | 1,968,864 | **2,416,872** | **18,099,843** |
| Derivative financial liabilities | 28 | 119,592 | **82,612** | **618,677** |
| Other financial liabilities | 25,28 | 554,814 | **180,191** | **1,349,442** |
| Income taxes payable | | 183,388 | **367,367** | **2,751,194** |
| Provisions | 27 | 34,056 | **72,350** | **541,826** |
| Other current liabilities | 26 | 620,260 | **675,920** | **5,061,934** |
| Total current liabilities | | 12,381,462 | **10,580,724** | **79,238,553** |
| **Non-current liabilities** | | | | |
| Interest-bearing debt | 22,28 | 14,128,570 | **14,349,147** | **107,460,099** |
| Lease liabilities | 17,28 | 625,907 | **652,892** | **4,889,478** |
| Third-party interests in SVF | 7,28 | 5,640,498 | **4,499,369** | **33,695,567** |
| Derivative financial liabilities | 28 | 174,003 | **899,351** | **6,735,198** |
| Other financial liabilities | 25,28 | 129,849 | **58,545** | **438,441** |
| Provisions | 27 | 107,961 | **163,627** | **1,225,395** |
| Deferred tax liabilities | 21 | 2,436,034 | **1,828,557** | **13,693,979** |
| Other non-current liabilities | 26 | 212,624 | **254,941** | **1,909,241** |
| Total non-current liabilities | | 23,455,446 | **22,706,429** | **170,047,398** |
| **Total liabilities** | | ¥35,836,908 | **¥33,287,153** | **$249,285,951** |

| LIABILITIES AND EQUITY | Notes | As of March 31, 2022 (Millions of yen) | **As of March 31, 2023** (Millions of yen) | **As of March 31, 2023** (Thousands of U.S. dollars) |
|---|---|---|---|---|
| Equity | | | | |
| Equity attributable to owners of the parent | | | | |
| Common stock | 33 | ¥ 238,772 | **¥ 238,772** | **$ 1,788,152** |
| Capital surplus | 33 | 2,634,574 | **2,652,790** | **19,866,622** |
| Other equity instruments | 33 | 496,876 | **414,055** | **3,100,839** |
| Retained earnings | 33 | 4,515,704 | **2,006,238** | **15,024,624** |
| Treasury stock | 33 | (406,410) | **(38,791)** | **(290,504)** |
| Accumulated other comprehensive income | 33 | 2,496,158 | **3,756,785** | **28,134,389** |
| Total equity attributable to owners of the parent | | 9,975,674 | **9,029,849** | **67,624,122** |
| Non-controlling interests | 18 | 1,732,088 | **1,619,366** | **12,127,357** |
| Total equity | | 11,707,762 | **10,649,215** | **79,751,479** |
| Total liabilities and equity | | ¥47,544,670 | **¥43,936,368** | **$329,037,430** |

### b. Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

Consolidated Statement of Profit or Loss

| | Notes | (Millions of yen) Fiscal year ended March 31, 2022 | Fiscal year ended March 31, 2023 | (Thousands of U.S. dollars) Fiscal year ended March 31, 2023 |
|---|---|---|---|---|
| Net sales | 36 | ¥ 6,221,534 | ¥ 6,570,439 | $ 49,205,714 |
| Cost of sales | 37 | (2,955,960) | (3,242,397) | (24,282,161) |
| Gross profit | | 3,265,574 | 3,328,042 | 24,923,553 |
| Gain on investments | | | | |
| Gain on investments at Investment Business of Holding Companies | 38 | 104,367 | 4,560,500 | 34,153,374 |
| Loss on investments at SoftBank Vision Funds | 7 | (3,625,827) | (5,322,265) | (39,858,197) |
| Gain (loss) on other investments | | 86,718 | (73,294) | (548,895) |
| Total gain on investments | | (3,434,742) | (835,059) | (6,253,718) |
| Selling, general and administrative expenses | 37 | (2,551,722) | (2,695,328) | (20,185,187) |
| Finance cost | 39 | (382,512) | (555,902) | (4,163,124) |
| Foreign exchange loss | | (706,111) | (772,270) | (5,783,494) |
| Income (loss) on equity method investments | | 341,385 | (96,677) | (724,010) |
| Derivative gain (excluding gain (loss) on investments) | 40 | 1,234,708 | 54,256 | 406,321 |
| Change in third-party interests in SVF | 7 | 970,559 | 1,127,949 | 8,447,158 |
| Other gain (loss) | 41 | 393,299 | (24,138) | (180,769) |
| Income before income tax | | (869,562) | (469,127) | (3,513,270) |
| Income taxes | 21 | (592,637) | (320,674) | (2,401,513) |
| Net income | | ¥(1,462,199) | ¥ (789,801) | $ (5,914,783) |
| Net income attributable to | | | | |
| Owners of the parent | | ¥(1,708,029) | ¥ (970,144) | $ (7,265,364) |
| Non-controlling interests | 18 | 245,830 | 180,343 | 1,350,581 |
| Net income | | ¥(1,462,199) | ¥ (789,801) | $ (5,914,783) |

| | Notes | Fiscal year ended March 31, 2022 | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2023 |
|---|---|---|---|---|
| | | | (Yen) | (U.S. dollars) |
| **Earnings per share** | | | | |
| Basic earnings per share | 43 | ¥ (1,018.58) | **¥ (652.37)** | **$ (4.89)** |
| Diluted earnings per share | 43 | ¥ (1,025.67) | **¥ (662.41)** | **$ (4.96)** |

## Consolidated Statement of Comprehensive Income

| | Notes | Fiscal year ended March 31, 2022 | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2023 |
|---|---|---|---|---|
| | | | (Millions of yen) | (Thousands of U.S. dollars) |
| **Net income** | | ¥(1,462,199) | **¥ (789,801)** | **$(5,914,783)** |
| **Other comprehensive income, net of tax Items that will not be reclassified to profit or loss** | | | | |
| Remeasurements of defined benefit plan | 42 | (114) | **3,240** | **24,264** |
| Equity financial assets at FVTOCI | 42 | 30,327 | **6,194** | **46,387** |
| Share of other comprehensive income of associates | 42 | – | **356** | **2,666** |
| Total items that will not be reclassified to profit or loss | | 30,213 | **9,790** | **73,317** |
| **Items that may be reclassified subsequently to profit or loss** | | | | |
| Debt financial assets at FVTOCI | 42 | (1,378) | **(598)** | **(4,478)** |
| Cash flow hedges | 42 | (40,962) | **(72,791)** | **(545,128)** |
| Exchange differences on translating foreign operations | 42 | 2,217,469 | **1,221,249** | **9,145,877** |
| Share of other comprehensive income of associates | 42 | (51,932) | **100,291** | **751,074** |
| Total items that may be reclassified subsequently to profit or loss | | 2,123,197 | **1,248,151** | **9,347,345** |
| **Total other comprehensive income, net of tax** | | 2,153,410 | **1,257,941** | **9,420,662** |
| **Total comprehensive income** | | ¥ 691,211 | **¥ 468,140** | **$ 3,505,879** |
| | | | | |
| **Total comprehensive income attributable to** | | | | |
| Owners of the parent | | ¥ 449,419 | **¥ 293,116** | **$ 2,195,132** |
| Non-controlling interests | | 241,792 | **175,024** | **1,310,747** |
| **Total comprehensive income** | | ¥ 691,211 | **¥ 468,140** | **$ 3,505,879** |

## c. Consolidated Statement of Changes in Equity

(Millions of yen)

| For the fiscal year ended March 31, 2022 | Notes | Equity attributable to owners of the parent | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Common stock | Capital surplus | Other equity instruments | Retained earnings | Treasury stock | Accumulated other comprehensive income | Subtotal | Accumulated other comprehensive income directly relating to assets classified as held for sale | Total | Non-controlling interests | Total equity |
| **As of April 1, 2021** | | ¥238,772 | ¥2,618,504 | ¥496,876 | ¥ 8,810,422 | ¥(2,290,077) | ¥ 338,329 | ¥10,212,826 | ¥ 267 | ¥10,213,093 | ¥1,742,500 | ¥11,955,593 |
| **Comprehensive income** | | | | | | | | | | | | |
| Net income | | – | – | – | (1,708,029) | – | – | (1,708,029) | – | (1,708,029) | 245,830 | (1,462,199) |
| Other comprehensive income | | – | – | – | – | – | 2,157,715 | 2,157,715 | (267) | 2,157,448 | (4,038) | 2,153,410 |
| **Total comprehensive income** | | – | – | – | (1,708,029) | – | 2,157,715 | 449,686 | (267) | 449,419 | 241,792 | 691,211 |
| **Transactions with owners and other transactions** | | | | | | | | | | | | |
| Cash dividends | 34 | – | – | – | (75,947) | – | – | (75,947) | – | (75,947) | (303,172) | (379,119) |
| Distribution to owners of other equity instruments | 33 | – | – | – | (32,043) | – | – | (32,043) | – | (32,043) | – | (32,043) |
| Transfer of accumulated other comprehensive income to retained earnings | | – | – | – | (114) | – | 114 | – | – | – | – | – |
| Purchase and disposal of treasury stock | 33 | – | – | – | (2,768) | (592,150) | – | (594,918) | – | (594,918) | – | (594,918) |
| Retirement of treasury stock | 33 | – | – | – | (2,475,817) | 2,475,817 | – | – | – | – | – | – |
| Changes from loss of control | | – | – | – | – | – | – | – | – | – | (18,156) | (18,156) |
| Changes in interests in subsidiaries | | – | 15,897 | – | – | – | – | 15,897 | – | 15,897 | 38,013 | 53,910 |
| Changes in associates' interests in their subsidiaries | | – | (1,489) | – | – | – | – | (1,489) | – | (1,489) | – | (1,489) |
| Share-based payment transactions | | – | 1,605 | – | – | – | – | 1,605 | – | 1,605 | 26,221 | 27,826 |
| Other | | – | 57 | – | – | – | – | 57 | – | 57 | 4,890 | 4,947 |
| **Total transactions with owners and other transactions** | | – | 16,070 | – | (2,586,689) | 1,883,667 | 114 | (686,838) | – | (686,838) | (252,204) | (939,042) |
| **As of March 31, 2022** | | ¥238,772 | ¥2,634,574 | ¥496,876 | ¥ 4,515,704 | ¥ (406,410) | ¥2,496,158 | ¥ 9,975,674 | ¥ – | ¥ 9,975,674 | ¥1,732,088 | ¥11,707,762 |

(Millions of yen)

| For the fiscal year ended March 31, 2023 | Notes | Equity attributable to owners of the parent: Common stock | Capital surplus | Other equity instruments | Retained earnings | Treasury stock | Accumulated other comprehensive income | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| **As of April 1, 2022** | | **¥238,772** | **¥2,634,574** | **¥496,876** | **¥4,515,704** | **¥ (406,410)** | **¥2,496,158** | **¥9,975,674** | **¥1,732,088** | **¥11,707,762** |
| Comprehensive income | | | | | | | | | | |
| Net income | | **–** | **–** | **–** | **(970,144)** | **–** | **–** | **(970,144)** | **180,343** | **(789,801)** |
| Other comprehensive income | | **–** | **–** | **–** | **–** | **–** | **1,263,260** | **1,263,260** | **(5,319)** | **1,257,941** |
| Total comprehensive income | | **–** | **–** | **–** | **(970,144)** | **–** | **1,263,260** | **293,116** | **175,024** | **468,140** |
| Transactions with owners and other transactions | | | | | | | | | | |
| Cash dividends | 34 | **–** | **–** | **–** | **(70,327)** | **–** | **–** | **(70,327)** | **(288,175)** | **(358,502)** |
| Distribution to owners of other equity instruments | 33 | **–** | **–** | **–** | **(36,680)** | **–** | **–** | **(36,680)** | **–** | **(36,680)** |
| Redemption and cancellation of other equity instruments | 33 | **–** | **–** | **(82,821)** | **(21,776)** | **–** | **–** | **(104,597)** | **–** | **(104,597)** |
| Transfer of accumulated other comprehensive income to retained earnings | | **–** | **–** | **–** | **2,633** | **–** | **(2,633)** | **–** | **–** | **–** |
| Purchase and disposal of treasury stock | 33 | **–** | **–** | **–** | **(798)** | **(1,044,755)** | **–** | **(1,045,553)** | **–** | **(1,045,553)** |
| Retirement of treasury stock | 33 | **–** | **–** | **–** | **(1,412,374)** | **1,412,374** | **–** | **–** | **–** | **–** |
| Changes from loss of control | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **(5,248)** | **(5,248)** |
| Changes in interests in subsidiaries | | **–** | **4,899** | **–** | **–** | **–** | **–** | **4,899** | **27,728** | **32,627** |
| Changes in associates' interests in their subsidiaries | | **–** | **(5,845)** | **–** | **–** | **–** | **–** | **(5,845)** | **–** | **(5,845)** |
| Changes in interests in associates' capital surplus | | **–** | **21,223** | **–** | **–** | **–** | **–** | **21,223** | **–** | **21,223** |
| Share-based payment transactions | | **–** | **(463)** | **–** | **–** | **–** | **–** | **(463)** | **37,116** | **36,653** |
| Other | | **–** | **(1,598)** | **–** | **–** | **–** | **–** | **(1,598)** | **(59,167)** | **(60,765)** |
| Total transactions with owners and other transactions | | **–** | **18,216** | **(82,821)** | **(1,539,322)** | **367,619** | **(2,633)** | **(1,238,941)** | **(287,746)** | **(1,526,687)** |
| As of March 31, 2023 | | **¥238,772** | **¥2,652,790** | **¥414,055** | **¥2,006,238** | **¥ (38,791)** | **¥3,756,785** | **¥9,029,849** | **¥1,619,366** | **¥10,649,215** |

(Thousands of U.S. dollars)

| | Notes | Common stock | Capital surplus | Other equity instruments | Retained earnings | Treasury stock | Accumulated other compre-hensive income | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Equity attributable to owners of the parent | | | | | | | | |
| As of April 1, 2022 | | **$1,788,152** | **$19,730,203** | **$3,721,082** | **$33,817,899** | **$(3,043,586)** | **$18,693,612** | **$74,707,362** | **$12,971,527** | **$87,678,889** |
| Comprehensive income | | | | | | | | | | |
| Net income | | **–** | **–** | **–** | **(7,265,364)** | **–** | **–** | **(7,265,364)** | **1,350,581** | **(5,914,783)** |
| Other comprehensive income | | **–** | **–** | **–** | **–** | **–** | **9,460,496** | **9,460,496** | **(39,834)** | **9,420,662** |
| Total comprehensive income | | **–** | **–** | **–** | **(7,265,364)** | **–** | **9,460,496** | **2,195,132** | **1,310,747** | **3,505,879** |
| Transactions with owners and other transactions | | | | | | | | | | |
| Cash dividends | 34 | **–** | **–** | **–** | **(526,676)** | **–** | **–** | **(526,676)** | **(2,158,130)** | **(2,684,806)** |
| Distribution to owners of other equity instruments | 33 | **–** | **–** | **–** | **(274,695)** | **–** | **–** | **(274,695)** | **–** | **(274,695)** |
| Redemption and cancellation of other equity instruments | 33 | **–** | **–** | **(620,243)** | **(163,079)** | **–** | **–** | **(783,322)** | **–** | **(783,322)** |
| Transfer of accumulated other comprehensive income to retained earnings | | **–** | **–** | **–** | **19,719** | **–** | **(19,719)** | **–** | **–** | **–** |
| Purchase and disposal of treasury stock | 33 | **–** | **–** | **–** | **(5,976)** | **(7,824,122)** | **–** | **(7,830,098)** | **–** | **(7,830,098)** |
| Retirement of treasury stock | 33 | **–** | **–** | **–** | **(10,577,204)** | **10,577,204** | **–** | **–** | **–** | **–** |
| Changes from loss of control | | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **(39,302)** | **(39,302)** |
| Changes in interests in subsidiaries | | **–** | **36,688** | **–** | **–** | **–** | **–** | **36,688** | **207,654** | **244,342** |
| Changes in associates' interests in their subsidiaries | | **–** | **(43,773)** | **–** | **–** | **–** | **–** | **(43,773)** | **–** | **(43,773)** |
| Changes in interests in associates' capital surplus | | **–** | **158,938** | **–** | **–** | **–** | **–** | **158,938** | **–** | **158,938** |
| Share-based payment transactions | | **–** | **(3,467)** | **–** | **–** | **–** | **–** | **(3,467)** | **277,960** | **274,493** |
| Other | | **–** | **(11,967)** | **–** | **–** | **–** | **–** | **(11,967)** | **(443,099)** | **(455,066)** |
| Total transactions with owners and other transactions | | **–** | **136,419** | **(620,243)** | **(11,527,911)** | **2,753,082** | **(19,719)** | **(9,278,372)** | **(2,154,917)** | **(11,433,289)** |
| As of March 31, 2023 | | **$1,788,152** | **$19,866,622** | **$3,100,839** | **$15,024,624** | **$ (290,504)** | **$28,134,389** | **$67,624,122** | **$12,127,357** | **$79,751,479** |

## d. Consolidated Statement of Cash Flows

| | Notes | Fiscal year ended March 31, 2022 (Millions of yen) | **Fiscal year ended March 31, 2023** (Millions of yen) | **Fiscal year ended March 31, 2023** (Thousands of U.S. dollars) |
|---|---|---|---|---|
| Cash flows from operating activities | | | | |
| Net income | | ¥(1,462,199) | **¥ (789,801)** | **$ (5,914,783)** |
| Depreciation and amortization | | 852,424 | **893,488** | **6,691,290** |
| Gain on investments at Investment Business of Holding Companies | | (237,707) | **(4,638,430)** | **(34,736,988)** |
| Loss on investments at SoftBank Vision Funds | | 3,625,827 | **5,322,265** | **39,858,197** |
| Finance cost | | 382,512 | **555,902** | **4,163,124** |
| Foreign exchange loss | | 706,111 | **772,270** | **5,783,494** |
| (Income) loss on equity method investments | | (341,385) | **96,677** | **724,010** |
| Derivative gain (excluding (gain) loss on investments) | | (1,234,708) | **(54,256)** | **(406,321)** |
| Change in third-party interests in SVF | | (970,559) | **(1,127,949)** | **(8,447,158)** |
| (Gain) loss on other investments and other (gain) loss | | (480,017) | **97,432** | **729,664** |
| Income taxes | | 592,637 | **320,674** | **2,401,513** |
| Decrease in investments from asset management subsidiaries | | 514,478 | **152,514** | **1,142,170** |
| Increase/decrease in derivative financial assets and derivative financial liabilities in asset management subsidiaries | | 136,989 | **49,067** | **367,460** |
| (Increase) decrease in restricted cash in asset management subsidiaries | | (8,234) | **138,915** | **1,040,328** |
| Decrease in securities pledged as collateral in asset management subsidiaries | | 1,423,990 | **2,032** | **15,218** |
| Increase (decrease) in borrowed securities in asset management subsidiaries | | 106,512 | **(131,796)** | **(987,014)** |
| Increase in trade and other receivables | | (406,313) | **(517,155)** | **(3,872,950)** |
| Increase in inventories | | (11,623) | **(18,929)** | **(141,758)** |
| Increase in trade and other payables | | 295,202 | **439,566** | **3,291,889** |
| Other | | 175,359 | **11,120** | **83,278** |
| Subtotal | | 3,659,296 | **1,573,606** | **11,784,663** |
| Interest and dividends received | | 37,260 | **111,740** | **836,816** |
| Interest paid | | (381,770) | **(418,163)** | **(3,131,603)** |
| Income taxes paid | 44 | (873,717) | **(638,160)** | **(4,779,151)** |
| Income taxes refunded | 44 | 284,381 | **112,269** | **840,777** |
| Net cash provided by operating activities | | ¥ 2,725,450 | **¥ 741,292** | **$ 5,551,502** |

| | Notes | Fiscal year ended March 31, 2022 (Millions of yen) | **Fiscal year ended March 31, 2023** (Millions of yen) | **Fiscal year ended March 31, 2023** (Thousands of U.S. dollars) |
|---|---|---|---|---|
| **Cash flows from investing activities** | | | | |
| Payments for acquisition of investments | | ¥ (522,092) | **¥ (313,413)** | **$ (2,347,135)** |
| Proceeds from sales/redemption of investments | 44 | 430,168 | **619,775** | **4,641,466** |
| Payments for acquisition of investments by SVF | | (4,561,320) | **(456,351)** | **(3,417,592)** |
| Proceeds from sales of investments by SVF | | 2,221,771 | **833,180** | **6,239,647** |
| Payments for acquisition of investments by asset management subsidiaries | | (155,515) | **–** | **–** |
| Proceeds from loss of control over subsidiaries | | 143,079 | **6,998** | **52,408** |
| Payments for acquisition of marketable securities for short-term trading | | (118,600) | **(81,143)** | **(607,676)** |
| Proceeds from sales/redemption of marketable securities for short-term trading | | 118,219 | **90,395** | **676,964** |
| Purchase of property, plant and equipment, and intangible assets | 44 | (835,073) | **(633,765)** | **(4,746,237)** |
| Payments for loan receivables | | (119,776) | **(14,932)** | **(111,825)** |
| Collection of loan receivables | | 84,997 | **94,020** | **704,111** |
| Payments into restricted cash | | (131,936) | **(159)** | **(1,191)** |
| Proceeds from withdrawal of restricted cash | 44 | 486,820 | **3,233** | **24,212** |
| Proceeds from withdrawal of trust accounts in SPACs | 44 | – | **323,666** | **2,423,920** |
| Other | | (59,396) | **76,074** | **569,714** |
| Net cash (used in) provided by investing activities | | ¥ (3,018,654) | **¥ 547,578** | **$ 4,100,786** |
| **Cash flows from financing activities** | | | | |
| Repayment of short-term interest-bearing debt, net | 22 | ¥ (1,173,787) | **¥ (73,371)** | **$ (549,472)** |
| Proceeds from interest-bearing debt | 22 | 12,880,985 | **9,176,112** | **68,719,479** |
| Repayment of interest-bearing debt | 22 | (8,797,688) | **(6,294,991)** | **(47,142,897)** |
| Repayment of lease liabilities | | (330,276) | **(266,423)** | **(1,995,230)** |
| Contributions into SVF from third-party investors | 7 | 278,497 | **17,857** | **133,730** |
| Distribution/repayment from SVF to third-party investors | 7 | (1,228,703) | **(544,242)** | **(4,075,803)** |
| Redemption of non-controlling interests subject to possible redemption | 44 | – | **(319,401)** | **(2,391,979)** |
| Redemption of other equity instruments | | – | **(104,597)** | **(783,322)** |
| Distribution to owners of other equity instruments | | (32,043) | **(36,680)** | **(274,695)** |
| Purchase of treasury stock | | (602,361) | **(1,055,436)** | **(7,904,111)** |
| Cash dividends paid | | (75,847) | **(70,241)** | **(526,032)** |
| Cash dividends paid to non-controlling interests | 18 | (309,649) | **(288,452)** | **(2,160,204)** |
| Other | | (6,912) | **51,382** | **384,798** |
| Net cash provided by financing activities | | 602,216 | **191,517** | **1,434,262** |
| **Effect of exchange rate changes on cash and cash equivalents** | | 197,264 | **275,765** | **2,065,191** |
| **Increase in cash and cash equivalents** | | 506,276 | **1,756,152** | **13,151,741** |
| **Cash and cash equivalents at the beginning of the year** | 9 | 4,662,725 | **5,169,001** | **38,710,410** |
| **Cash and cash equivalents at the end of the year** | 9 | ¥ 5,169,001 | **¥ 6,925,153** | **$ 51,862,151** |

# Notes to Consolidated Financial Statements

**1. Reporting entity**

SoftBank Group Corp. is a corporation domiciled in Japan. The registered address of SoftBank Group Corp.'s head office is disclosed on our website (https://group.softbank/en/). These consolidated financial statements are composed of SoftBank Group Corp. and its subsidiaries (the "Company"). The Company engages in various businesses in the information industry, with its core business being in the Investment Business of Holding Companies segment, the SoftBank Vision Funds segment, the SoftBank segment, and the Arm segment. The details are described in "(1) Description of reportable segments" under "Note 6. Segment information."

**2. Basis of preparation of consolidated financial statements**

(1) Compliance with IFRSs

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

(2) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for certain items, such as financial instruments, that are measured at fair value as described in "Note 3. Significant accounting policies."

(3) Presentation currency and unit of currency

These consolidated financial statements have been presented in Japanese yen, which is the currency of the primary economic environment of SoftBank Group Corp. ("functional currency"), and yen amounts are rounded to the nearest million.

The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside of Japan and have been made at a rate of ¥133.53 to $1, the approximate rate of exchange at March 31, 2023. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

(4) Changes in presentation

(Consolidated statement of financial position)

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the investments from LatAm Funds, which were included in "Investment securities" and "Other financial assets (non-current)" in the past fiscal year, are included in "Investments from SVF (FVTPL)" for the fiscal year ended March 31, 2023. In addition, the third-party interests in LatAm Funds, which were included in "Other financial liabilities (non-current)" in the past fiscal year, are included in "Third-party interests in SVF" for the fiscal year ended March 31, 2023. In order to reflect the changes in presentation, ¥1,123,198 million, which was included in "Investment securities," and ¥20,025 million, which was included in "Other financial assets (non-current)" as of March 31, 2022, are reclassified as "Investments from SVF (FVTPL)." Furthermore, ¥80,663 million, which was included in "Other financial liabilities (non-current)" as of March 31, 2022, is reclassified as "Third-party interests in SVF."

"Investments from asset management subsidiaries," "Securities pledged as collateral in asset management subsidiaries," and "Derivative financial assets in asset management subsidiaries," which were separately presented in the past fiscal year, are included in "Other financial assets (current)" for the fiscal year ended March 31, 2023 since the amounts decreased and became insignificant. In order to reflect the changes in presentation, ¥158,094 million, ¥1,927 million, and ¥48,466 million, which were separately presented as "Investments from asset management subsidiaries," "Securities pledged as collateral in asset management subsidiaries," and "Derivative financial assets in asset management subsidiaries" as of March 31, 2022, respectively, are included in "Other financial assets (current)."

(Consolidated statement of profit or loss and consolidated statement of comprehensive income)

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, gain and loss on investments at LatAm Funds, which were presented as "Gain (loss) on investments at Latin America Funds" in the past fiscal year, are included in "Gain (loss) on investments at SoftBank Vision Funds" for the fiscal year ended March 31, 2023. In addition, the change in third-party interests in LatAm Funds, which was included in "Other gain (loss)" in the past fiscal year, is included in "Change in third-party interests in SVF" for the fiscal year ended March 31, 2023. In order to reflect the changes in presentation, ¥111,070 million, which was presented as "Gain on investments at Latin America Funds," is reclassified as "Loss on investments at SoftBank Vision Funds" for the fiscal year ended March 31, 2022. Similarly, ¥(2,115) million, which was included in "Other gain (loss)," is reclassified as "Change in third-party interests in SVF."

(Consolidated statement of cash flows)

a. Cash flows from operating activities

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, gain and loss on investments at LatAm Funds, which were presented as "(Gain) loss on investments at Latin America Funds" in the past fiscal year, are included in "(Gain) loss on investments at SoftBank Vision Funds" for the fiscal year ended March 31, 2023. In addition, the change in third-party interests in LatAm Funds, which was included in "(Gain) loss on other investments and other (gain) loss" in the past fiscal year, is included in "Change in third-party interests in SVF" for the fiscal year ended March 31, 2023. In order to reflect the changes in presentation, ¥(111,070) million, which was presented as "Gain on investments at Latin America Funds," and ¥2,115 million, which were included in "(Gain) loss on other investments and other (gain) loss" for the fiscal year ended March 31, 2022, are reclassified as "Loss on investments at

SoftBank Vision Funds" and "Change in third-party interests in SVF," respectively.

"(Increase) decrease in restricted cash in asset management subsidiaries," which was included in "Other" in the past fiscal year, is separately presented for the fiscal year ended March 31, 2023 since the amount increased and became significant. In order to reflect the change in presentation, ¥(8,234) million, which was included in "Other" for the fiscal year ended March 31, 2022, is reclassified as "(Increase) decrease in restricted cash in asset management subsidiaries."

b. Cash flows from investing activities

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the payments for the investing activities by LatAm Funds, which were included in "Payments for acquisition of investments" and "Payments for loan receivables" in the past fiscal year, are included in "Payments for acquisition of investments by SVF" for the fiscal year ended March 31, 2023. In order to reflect the changes in presentation, ¥(471,398) million, which was included in "Payments for acquisition of investments," and ¥(12,471) million, which was included in "Payments for loan receivables" for the fiscal year ended March 31, 2022, are reclassified as "Payments for acquisition of investments by SVF," respectively.

c. Cash flows from financing activities

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the contributions into LatAm Funds, which were included in "Other" in the past fiscal year, are included in "Contributions into SVF from third-party investors" for the fiscal year ended March 31, 2023. In order to reflect the change in presentation, ¥673 million, which was included in "Other" for the fiscal year ended March 31, 2022, is reclassified as "Contributions into SVF from third-party investors."

### (5) New standards and interpretations not yet adopted by the Company

There is no significant impact to the consolidated financial statements related to new standards and interpretations not yet adopted by the Company.

### (6) Definition of company names and abbreviations used in the financial report

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

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

For the fiscal year ended March 31, 2023, the accounts of the consolidated financial statements have been changed as follows:

Consolidated Statement of Financial Position

| Previous | Current |
|---|---|
| Investments from SVF1 and SVF2 accounted for using FVTPL | Investments from SVF (FVTPL) |
| Third-party interests in SVF1 and SVF2 | Third-party interests in SVF |

Consolidated Statement of Profit or Loss

| Previous | Current |
|---|---|
| Gain (loss) on investments at SVF1, SVF2, and others | Gain (loss) on investments at SoftBank Vision Funds |
| Change in third-party interests in SVF1 and SVF2 | Change in third-party interests in SVF |

Consolidated Statement of Cash Flows

| Previous | Current |
|---|---|
| (Gain) loss on investments at SVF1, SVF2, and others | (Gain) loss on investments at SoftBank Vision Funds |
| Change in third-party interests in SVF1 and SVF2 | Change in third-party interests in SVF |
| Payments for acquisition of investments by SVF1 and SVF2 | Payments for acquisition of investments by SVF |
| Proceeds from sales of investments by SVF1 and SVF2 | Proceeds from sales of investments by SVF |
| Contributions into SVF1 from third-party investors | Contributions into SVF from third-party investors |
| Distribution/repayment from SVF1 to third-party investors | Distribution/repayment from SVF to third-party investors |

## 3. Significant accounting policies

Accounting policies the Company has adopted have been applied consistently to all periods presented in these consolidated financial statements.

Please refer to "(20) Significant accounting policies for the SoftBank Vision Funds segment" for details of the SoftBank Vision Funds segment.

### (1) Basis of consolidation

a. Subsidiaries

A subsidiary is an entity that is controlled by SoftBank Group Corp.

The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Please refer to "a. Consolidation of SVF1, SVF2, and LatAm Funds by the Company" under "(20) Significant accounting policies for the SoftBank Vision Funds segment" for details of SVF1, SVF2, and LatAm Funds.

The subsidiaries' financial statements are consolidated from the date when control is acquired ("acquisition date") until the date when the control is lost.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Company.

Non-controlling interests consist of those interests at the acquisition date and any adjustments for subsequent changes in those interests.

Total comprehensive income of subsidiaries is generally attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intragroup balances and transactions and unrealized gains and losses arising from intragroup transactions are eliminated on consolidation.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the parent.

When SoftBank Group Corp. loses control of a subsidiary, a gain or loss is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the net carrying amount of the assets (including goodwill), liabilities, and non-controlling interests of the subsidiary when control is lost.

Any amounts previously recognized in accumulated other comprehensive income in relation to the former subsidiaries are reclassified to profit or loss.

b. Associates and joint ventures

An associate is an entity over which SoftBank Group Corp. has significant influence in the financial and operating policy decisions, but does not have control or joint control.

A joint venture is an investment which parties including SoftBank Group Corp. have joint control based on the contractual arrangement that requires unanimous consent related to significant decisions of the business activities and have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for using the equity method or accounted for using FVTPL.

(a) Investments accounted for using the equity method

Investments in associates and joint ventures are accounted for using the equity method and are initially recognized at cost. The investment is adjusted thereafter to recognize the Company's interest in profit or loss and other comprehensive income from the date of acquisition to the date of loss of significant influence.

When the losses of an associate and a joint venture exceed the Company's interest in the associate and the joint venture, long-term interests that, in substance, form a part of the net investment in the company are decreased to zero, and no additional loss is recognized except when the Company incurs legal or constructive obligations to or makes payments on behalf of the associate and the joint venture.

Unrealized gains or losses on intercompany transactions with associates and joint ventures are added to or deducted from the carrying amount of the investments only to the extent of the Company's interests in the associates and the joint ventures.

Any excess in the cost of acquisition of an associate and a joint venture over the Company's interest of the net fair value of the identifiable assets and liabilities recognized at the date of acquisition is recognized as goodwill and included within the carrying amount of the investments in associates and joint ventures.

Because goodwill is not separately recognized, it is not tested for impairment separately. Instead, the entire carrying amount of the investments in associates and joint ventures, including goodwill, is tested for impairment as a single asset whenever objective evidence indicates that the investment may be impaired.

(b) Investments accounted for using FVTPL

Among the investments in associates, investments directly made by SVF1, SVF2, and LatAm Funds, and investments made by SoftBank Group Corp. or its subsidiaries based on the premise of transferring to SVF1, SVF2, and LatAm Funds, and preferred stock investments whose feature is substantively different from common stock, are not accounted for using the equity method. These investments are classified as financial assets measured at fair value through profit or loss ("financial assets at FVTPL"). For the Company's accounting policy for the financial assets at FVTPL, please refer to "(4) Financial instruments." Also, please refer to "(b) Investments in associates and joint ventures" in "b. Portfolio company investments made by SVF1, SVF2, and LatAm Funds" under "(20) Significant accounting policies for the SoftBank Vision Funds segment" for details of SVF1, SVF2, and LatAm Funds.

### (2) Business combinations

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

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

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

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

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

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

Amounts arising from changes in the value of interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized using the same accounting treatment as the Company disposes the interests.

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

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

### (3) Foreign currency translation

a. Transactions denominated in foreign currencies

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

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

Exchange differences arising from translation are recognized in profit or loss, however, exchange differences arising from equity financial assets at fair value through other comprehensive income (“equity financial assets at FVTOCI”) and cash flow hedges are recognized in other comprehensive income.

b. Foreign operations

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

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

The exchange rates used in the translation are described in “Note 32. Foreign currency exchange rates.”

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

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

### (4) Financial instruments

a. Financial instruments

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

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

b. Non-derivative financial assets

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

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

(a) Financial assets measured at amortized cost

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

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

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

(b) Debt financial assets at FVTOCI

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

- the financial assets are held within a business model for which the objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(c) Equity financial assets at FVTOCI

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

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

(d) Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL, if they are classified as neither financial assets at amortized cost, debt financial assets at FVTOCI, nor equity financial assets at FVTOCI. Please refer to "(20) Significant accounting policies for the SoftBank Vision Funds segment" for the details of "Investments from SVF (FVTPL)" in the consolidated statement of financial position. Neither financial assets are designated as measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

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

(e) Impairment of financial assets

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

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

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

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

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

(f) Derecognition of financial assets

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

c. Non-derivative financial liabilities

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

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

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

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

d. Derivatives and hedge accounting

(a) Derivatives

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

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

(b) Hedge accounting

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

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

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

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

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

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

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

(c) Embedded derivatives

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

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

e. Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset, and the net amounts are presented in the consolidated statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

### (5) Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits and short-term investments with maturities of three months or less that are readily convertible to cash and subject to insignificant risk of change in value.

### (6) Inventories

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

Net realizable value is calculated based on the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

### (7) Property, plant and equipment

Property, plant and equipment are measured on a historical cost basis, less accumulated depreciation and accumulated impairment losses. Historical cost includes costs directly attributable to the acquisition of the asset and the initial estimated costs related to disassembly, retirement and site restoration.

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

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

| | |
|---|---|
| Buildings and structures | |
| Buildings | 20 - 50 years |
| Structures | 4 - 50 years |
| Building fixtures | 3 - 22 years |
| Telecommunications equipment | |
| Wireless equipment, switching equipment, and other network equipment | 5 - 15 years |
| Towers | 10 - 42 years |
| Other | 5 - 30 years |
| Furniture, fixtures and equipment | |
| Leased mobile devices | 2 - 3 years |
| Other | 2 - 20 years |

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

### (8) Goodwill

Please refer to "(2) Business combinations" for the measurement of goodwill at initial recognition. Goodwill is measured at cost less accumulated impairment losses.

Goodwill is not amortized, and is tested for impairment when there is an indication of impairment in cash-generating units or groups of cash-generating units to which goodwill has been allocated, and annually, regardless of any indication of impairment. Impairment is described in "(11) Impairment of property, plant and equipment, right-of-use assets, intangible assets and goodwill."

The Company's policy for goodwill arising from the acquisition of an associate is described in "(1) Basis of consolidation."

### (9) Intangible assets

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

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

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

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

| | |
|---|---|
| Software | 5 - 10 years |
| Customer relationships | 8 - 25 years |
| Technologies | 8 - 20 years |
| Spectrum-related costs | 18 years |
| Management contracts | 6 - 10 years |
| Other | 2 - 20 years |

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

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

Intangible assets with indefinite useful lives are as follows:

• Trademarks (with indefinite useful lives)

The intangible assets with indefinite useful lives and the intangible assets that are not yet available for use are not amortized. The impairment of these assets is described in "(11) Impairment of property, plant and equipment, right-of-use assets, intangible assets and goodwill."

In addition, the Company does not apply IFRS 16 "Leases" to leases of intangible assets.

**(10) Leases**

a. Overall

(a) Identifying a lease

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

i. The use of the identified asset is specified in a contract and the lessor does not have the right to substitute the asset.

ii. Throughout the period of use, the lessee has the right to obtain substantially all of the economic benefits from use of the identified asset.

iii. The lessee has the right to direct the use of the identified asset. Where the relevant decisions about how and for what purpose the asset is used are predetermined, the lessee is deemed to have the right to direct the use of the identified asset if:

- the lessee has the right to operate the asset; or
- the lessee designed the asset in a way that predetermines how and for what purpose the asset will be used.

(b) Lease term

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

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

b. Lessee

(a) Separating components of a contract

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

(b) Lease transactions of intangible assets

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

(c) Right-of-use asset

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

After the initial measurement, the right-of-use asset is depreciated on a straight-line basis: (a) over the estimated useful life if the transfer of ownership of the underlying asset is certain; or (b) over the shorter of the lease term or the estimated useful life of the leased asset if the transfer of ownership is not certain. The estimated useful life of the right-of-use asset is determined by the same method applied to property, plant and equipment. Further, if the right-of-use asset is impaired, an impairment loss is deducted from the carrying amount of the right-of-use asset. The details of lease terms by asset classes for right-of-use assets held for leases are described in "Note 15. Right-of-use assets."

(d) Lease liability

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

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

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

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

c. Lessor

(a) Separating components of a contract

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

(b) Classification of leases

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

(c) Sublease classification

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

(d) Recognition and measurement

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

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

### (11) Impairment of property, plant and equipment, right-of-use assets, intangible assets and goodwill

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

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

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

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

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

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

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

b. Impairment of goodwill

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

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

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

### (12) Provisions

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

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

The Company mainly recognizes asset retirement obligations, asbestos claims liabilities, and provisions for loss on contract as provisions.

Asbestos claims liabilities are recognized because Fortress acquired and consolidated an entity that holds asbestos claims liabilities and related insurance assets. For the asbestos claims liabilities, the subsidiary estimates future costs for the cases filed alleging injury as a result of exposure to asbestos, and records amounts as deemed necessary.

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

### (13) Treasury stock

When the Company acquires its own equity share capital ("treasury stock"), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity. No gain or loss is recognized on the purchase, sale, or cancellation of the treasury stock. The difference between the carrying amount and the consideration on sale is recognized as capital surplus.

### (14) Assets or disposal groups classified as held for sale

Assets or disposal groups, whose recoveries are expected principally through sale transactions rather than continuing use, are classified as held for sale when it is highly probable that the sale will be completed within one year, are available for immediate sale in their present condition, and management commits to a plan to sell.

The Company, when committed to a sale plan involving loss of control of a subsidiary, classifies assets and liabilities of the subsidiary as held for sale when the above criteria are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale.

Assets classified as held for sale are measured at the lower of the carrying amounts and fair values less costs to sell and depreciation of property, plant and equipment and amortization of intangible assets are not conducted after the classification.

### (15) Share-based payments

The Company grants stock options and adopts restricted stock unit plans and restricted stock compensation plans, as equity-settled share-based compensation, and cash-settled share-based compensation.

Equity-settled share-based compensation is measured at fair value on the grant date. The fair value of stock options is calculated using models such as the Black-Scholes model, and the fair value of restricted stock units and restricted stocks is calculated using the share price on the grant date.

The fair value determined on the grant date is expensed over the vesting period, based on the estimated stock options or restricted stock units that will eventually vest, with a corresponding increase in equity.

The Company regularly reviews the assumptions made and revises estimates of the number of stock options or restricted stock units that are expected to vest, when necessary.

Restricted stock units are vested on the grant date and accordingly the fair value of restricted stock units on the grant date is expensed in a lump sum.

Cash-settled share-based compensation is accounted for as liabilities and is measured initially at the fair value of the award. The fair value of the liabilities is remeasured on each closing date and the settlement date, and changes in fair values are recognized in profit or loss.

### (16) Revenue

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

#### SoftBank segment

The SoftBank segment provides mobile services, sales of mobile devices, broadband services, and solutions services in Japan, mainly through SoftBank Corp., internet advertising and e-commerce services through Yahoo Japan Corporation and LINE Corporation, and QR code payment services and credit card related services through PayPay Corporation.

a. Consumer business

(a) Mobile services and sales of mobile devices

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

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

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

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

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

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

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

i. Indirect sales

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

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

ii. Direct sales

For direct sales, the total amount of transaction prices is allocated to sales of mobile devices and mobile service revenue based on the ratio of their stand-alone selling prices, as the revenues from the sales of mobile devices and mobile services, including related fees, are considered to be one transaction. Discounts on mobile communications charges related to mobile service revenue are deducted from the total transaction price.

In addition, if the amount of revenue recognized at the time of sales of mobile devices exceeds the amount of consideration received from the subscribers, the difference is recognized as contract assets and subsequently transferred to trade receivables when the claim is determined as a result of the provision of mobile services. If the amount of revenue recognized at the time of sales of mobile devices is less than the amount of consideration received from the subscribers, the difference is recognized as contract liabilities, which is then reversed when the mobile services are provided, and is recognized as revenue.

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

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

Contract assets are included in "Other current assets" in the consolidated statement of financial position.

(b) Broadband services

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

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

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

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

(b) Fixed-line communications services
Revenues from fixed-line communications services mainly consist of voice telecommunications service fees and data transmission service fees. Revenues from fixed-line communications services are recognized when services are provided to subscribers, based on fixed monthly charges and the fees charged for usage of the network.

(c) Business solution services and others
Revenues from business solution services and others mainly consist of cloud service fees, security service fees, engineering service fees, managed service fees, Internet of Things service fees, equipment sales service fees, and data center service fees.
Revenues from business solution services and others are recognized based upon the consideration receivable from subscribers at the time of delivery or provision of the services to the subscribers representing the point in time when subscribers are considered to have obtained control of the solution services and others.

c. Distribution services
Revenues in the distribution services are mainly generated from the sales of hardware, software, and services in relation to Information and Communication Technology (“ICT”), cloud and Internet of Things (“IoT”) solutions for enterprise customers. Revenues are also driven by the sales of PC software, IoT products, and mobile device accessories for individual customers.
Revenues in the distribution services are recognized as revenue at the time of delivery to customers, representing the point in time when the customers are deemed to have obtained control over the goods and other items.
For transactions conducted by the Company on behalf of third parties, revenues are presented on a net basis by excluding payment to third parties from the total consideration received from customers.

d. Yahoo/LINE business
(a) Media business
The media business mainly comprises planning and sale of internet-based advertising-related services, information listing services, and other corporate services. Revenues in the media business mainly consist of revenues from Yahoo! JAPAN advertising services and LINE advertising services.

i. Yahoo! JAPAN advertising services
Yahoo! JAPAN advertising services consist of paid search advertising, display advertising and other advertising to advertisers.
Revenues from paid search advertising are recognized based on the per-click rate set by a customer when a visitor of the website clicks the advertisement.
Display advertising comprises display advertising (reservation) and display advertising (programmatic).
Revenues from display advertising (reservation) are recognized over the period in which the related advertisement is displayed.
Revenues from display advertising (programmatic) are recognized based on the per-click rate set by a customer when a visitor of the website clicks the advertisement on the page with the related content.

ii. LINE advertising services
LINE advertising services consist mainly of display advertising, account advertising and other advertising to advertisers.
Revenues from display advertising are recognized upon the fulfilment of certain actions under contracts with advertisers, such as impressions, views, and clicks.
Account advertising mainly comprises LINE Official Accounts and LINE Sponsored Stickers.
Revenues from LINE Official Accounts are recognized over time during the contract period in which the account is available for the registered user.
Revenues from LINE Sponsored Stickers are recognized over time during the contract period.

(b) Commerce business

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

i. Sales of goods by ASKUL Group

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

ii. ZOZOTOWN

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

iii. YAHUOKU!

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

iv. Yahoo! Premium

Yahoo sells the Yahoo! Premium service to individual users, which provides the user with a variety of membership privileges. Its revenues are recognized over the period during which the membership is valid.

e. Financial business

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

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

Arm segment

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

The license revenue related to the right to use intellectual property is recognized when the customer obtains control of the license, which is the point in time at which the customer has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from the license.

Royalty revenues are generated from the sale of the licensees' chips that contain Arm technology and are recognized at the time of licensee chip sales.

### (17) Costs to obtain contracts

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

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

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

### (18) Income tax

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

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

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

Deferred tax assets are not recognized for temporary differences from initial recognition of assets and liabilities that do not arise from business combinations and that do not impact accounting profit or taxable income.

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

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

- temporary differences arising from the initial recognition of assets and liabilities, and related transactions other than business combinations, that affect neither the accounting profit nor the taxable profit;
- taxable temporary differences arising from the initial recognition of goodwill; and
- taxable temporary differences associated with investments in subsidiaries and associates, where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

### (19) Earnings per share

Basic earnings per share is calculated by dividing net income attributable to owners of the parent by the weighted-average number of ordinary shares (after adjusting for treasury stocks) outstanding for the period.

Diluted earnings per share assumes full conversion of the issued potential stocks having a dilutive effect, with an adjustment for net income attributable to owners of the parent and the weighted-average number of ordinary shares (after adjusting for treasury stocks) outstanding for the period.

### (20) Significant accounting policies for the SoftBank Vision Funds segment

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

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

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

As of March 31, 2023, SVF1 and SVF2 are managed by SBIA and SBGA, respectively, which are wholly-owned subsidiaries of the Company in the UK. SVF1 and SVF2 make investment decisions through each investment committee, which was established in SBIA and SBGA, respectively. As such, the Company has power as defined under IFRS 10 "Consolidated Financial Statements" over SVF1 and SVF2. Furthermore, SBIA receives performance fees and SBGA receives performance-linked management fees. The Company receives distributions attributable to limited partners based on the investment performance as returns from SVF1 and SVF2. The Company has the ability to affect those returns through its power over SVF1 and SVF2, and therefore, the Company is deemed to have control as stipulated in IFRS 10 "Consolidated Financial Statements" over SVF1 and SVF2.

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

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

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

(a) Investments in subsidiaries

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

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

(b) Investments in associates and joint ventures

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

The investments in associates and joint ventures of the Company made by SVF1, SVF2, and

LatAm Funds are accounted for as financial assets at FVTPL in accordance with paragraph 18 of IAS 28 “Investments in Associates and Joint Ventures” and presented as “Investments from SVF (FVTPL)” in the consolidated statement of financial position. The payments for these investments are presented as “Payments for acquisition of investments by SVF” and the proceeds from sales of these investments are presented as “Proceeds from sales of investments by SVF” under cash flows from investing activities in the consolidated statement of cash flows.

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

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

(c) Other investments

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

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

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

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

Third-Party Investor in SVF2 and LatAm Funds is entitled to make full or partial payments of its investments and related adjustments at any point in time, at its discretion, from the date it became an investor in SVF2 LLC or SLA LLC to the end of company life of SVF2 LLC or SLA LLC, and as of March 31, 2023, the Company has recognized receivables from Third-Party Investor. The receivables are included in “Other financial assets (non-current)” in the consolidated statement of financial position.

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

Contributions from Third-Party Investors are included in “Contributions into SVF from third-party investors” under cash flows from financing activities in the consolidated statement of cash flows. The distributions and repayments of investments to Third-Party Investors are included in “Distribution/repayment from SVF to third-party investors” under cash flows from financing activities in the consolidated statement of cash flows. No cash contributions into SVF2 and LatAm Funds from Third-Party Investors and no cash distributions/repayments from SVF2 and LatAm Funds to Third-Party Investors were made as of March 31, 2023.

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

(b) Contribution from the Company

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

**4. Changes in accounting policies**

The Company adopted the following standard and interpretation which were designated as the International Accounting Standards on June 2, 2023.

| Standard/interpretation | | Outline of the new/revised standards |
|---|---|---|
| IAS 12 (revised) | Income taxes | The temporary relief for recognition and information disclosure regarding the deferred tax assets and liabilities related to “The Pillar Two model rules.” |

There are no significant impacts on the consolidated financial statements for the fiscal year ended March 31, 2023 due to the adoption of the IAS 12 (revised).

There are no significant impacts on the consolidated financial statements due to the adoption of new accounting standards or interpretations other than the IAS 12.

### 5. Significant judgments and estimates

In preparing consolidated financial statements under IFRSs, management makes judgments, estimates, and assumptions that affect the application of accounting policies and carrying amounts of assets, liabilities, revenue, and expenses. These estimates and underlying assumptions are based on management's best judgments, through their evaluation of various factors that were considered reasonable as of the period-end, based on historical experience and by collecting available information. By the nature of its estimates or assumptions, however, actual results in the future may differ from those projected estimates or assumptions.

Estimates and underlying assumptions are continuously reviewed. Revisions to accounting estimates are recognized in the period in which the estimate is revised as well as in the future periods. Significant judgments, estimates and assumptions that affect the amounts recognized in the Company's consolidated financial statements are as follows:

- significant judgments of whether an entity is controlled by the Company in determining the scope of consolidation ((1) and (20) in "Note 3. Significant accounting policies" and "Note 18. Major subsidiaries");
- significant judgments for the determination of the scope and accounting treatment of associates ((1) and (20) in "Note 3. Significant accounting policies" and "Note 19. Investments accounted for using the equity method");
- estimates for impairment of investments accounted for using the equity method ((1) in "Note 3. Significant accounting policies" and "Note 41. Other gain (loss)");
- fair value measurement of financial assets at FVTPL, debt financial assets at FVTOCI, and equity financial assets at FVTOCI ((4) and (20) in "Note 3. Significant accounting policies," "Note 7. SoftBank Vision Funds business," (2) in "Note 29. Fair value of financial instruments," and "Note 38. Gain on investments");
- estimates for impairment of financial assets measured at amortized cost ((4) in "Note 3. Significant accounting policies," and "Note 41. Other gain (loss)");
- fair value measurement of derivatives (including embedded derivatives) ((4) in "Note 3. Significant accounting policies" and (2) in "Note 29. Fair value of financial instruments");
- estimates for residual value and useful life of property, plant and equipment, right-of-use assets, and intangible assets ((7), (9), and (10) in "Note 3. Significant accounting policies");
- estimates for impairment of property, plant and equipment, right-of-use assets, intangible assets and goodwill ((11) in "Note 3. Significant accounting policies," "Note 16. Goodwill and intangible assets," and "Note 41. Other gain (loss)");
- judgments and estimates for accounting treatment of contracts including leases ((10) in "Note 3. Significant accounting policies," "Note 15. Right-of-use assets," and "Note 17. Leases");
- judgments and estimates for recognition and measurement on provisions ((12) in "Note 3. Significant accounting policies" and "Note 27. Provisions");
- judgments and estimates for salability relating to classification as held for sale ((14) in "Note 3. Significant accounting policies";
- judgments for timing of revenue recognition related to indirect sales of mobile devices ((16) in "Note 3. Significant accounting policies" and "Note 36. Net sales");
- judgments for "contractual period" in the mobile services and whether or not if "material right" is included in the contracts ((16) in "Note 3. Significant accounting policies" and "Note 36. Net sales");
- estimates for amortization period of costs to obtain contracts ((17) in "Note 3. Significant accounting policies");
- assessment of recoverability of deferred tax assets ((18) in "Note 3. Significant accounting policies" and (1), (2), and (4) in "Note 21. Income taxes");
- estimates for measurement of contribution from Third-party interests to SVF ((20) in "Note 3. Significant accounting policies" and (4) in "Note 7. SoftBank Vision Funds business"); and
- recognition of liabilities and expenses related to contingencies ("Note 46. Contingency").

## 6. Segment information

### (1) Description of reportable segments

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

For the fiscal year ended March 31, 2022, the Company had five reportable segments, the Investment Business of Holding Companies segment, the SoftBank Vision Funds segment, the SoftBank segment, the Arm segment, and the Latin America Funds segment. As a result of the revision for its segment classifications, the Latin America Funds segment has been integrated into the SoftBank Vision Funds segment from the three-month period ended June 30, 2022, since LatAm Funds has been managed by SBGA, which manages SVF2. In addition, PayPay Corporation, which was previously included in "Other," is classified in the SoftBank segment from the three-month period ended December 31, 2022, since PayPay Corporation became a subsidiary of SoftBank Corp. and Z Holdings Corporation.

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

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

The SoftBank segment provides, mainly through SoftBank Corp., mobile services, sale of mobile devices, broadband services, and solution services in Japan, through Yahoo Japan Corporation and LINE Corporation, internet advertising and e-commerce services, and through PayPay Corporation, payment and financial services.

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

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

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

Segment information for the fiscal year ended March 31, 2022 is presented based on the reportable segments after the aforementioned change.

### (2) Net sales and income of reportable segments

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

Intersegment transaction prices are determined under the same general business conditions as applied for external customers.

For the fiscal year ended March 31, 2022

(Millions of yen)

| | Reportable segments | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Investment Business of Holding Companies | SoftBank Vision Funds* | SoftBank | Arm | Total | Other | Reconciliations | Consolidated |
| **Net sales** | | | | | | | | |
| Customers | ¥ – | ¥ – | ¥ 5,730,072 | ¥ 299,516 | ¥6,029,588 | ¥ 191,946 | ¥ – | ¥6,221,534 |
| Intersegment | – | – | 3,044 | 497 | 3,541 | 11,702 | (15,243) | – |
| Total | ¥ – | ¥ – | ¥ 5,733,116 | ¥ 300,013 | ¥6,033,129 | ¥ 203,648 | ¥ (15,243) | ¥6,221,534 |
| Segment income | 965,158 | (2,553,027) | 849,735 | 41,200 | (696,934) | 37,340 | (209,968) | (869,562) |
| Depreciation and amortization | (4,435) | (755) | (743,230) | (75,443) | (823,863) | (28,561) | – | (852,424) |
| Gain (loss) on investments | 104,135 | (3,434,469) | 41,946 | 7,769 | (3,280,619) | 44,470 | (198,593) | (3,434,742) |
| Finance cost | (277,108) | (33,278) | (62,445) | (816) | (373,647) | (13,709) | 4,844 | (382,512) |
| Foreign exchange gain (loss) | (705,108) | (391) | 505 | – | (704,994) | (1,117) | – | (706,111) |
| Income (loss) on equity method investments | 376,433 | – | (38,894) | 1,198 | 338,737 | 19,456 | (16,808) | 341,385 |
| Derivative gain (loss) (excluding gain (loss) on investments) | 1,236,686 | 2,056 | 750 | (1,305) | 1,238,187 | (3,479) | – | 1,234,708 |

For the fiscal year ended March 31, 2023

(Millions of yen)

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

(Thousands of U.S. dollars)

| | Reportable segments: Investment Business of Holding Companies | Reportable segments: SoftBank Vision Funds* | Reportable segments: SoftBank | Reportable segments: Arm | Reportable segments: Total | Other | Reconciliations | Consolidated |
|---|---|---|---|---|---|---|---|---|
| **Net sales** | | | | | | | | |
| Customers | **$ –** | **$ –** | **$ 44,584,543** | **$ 2,858,878** | **$47,443,421** | **$ 1,762,293** | **$ –** | **$49,205,714** |
| Intersegment | **–** | **–** | **23,688** | **–** | **23,688** | **71,347** | **(95,035)** | **–** |
| Total | **$ –** | **$ –** | **$ 44,608,231** | **$ 2,858,878** | **$47,467,109** | **$ 1,833,640** | **$ (95,035)** | **$49,205,714** |
| Segment income | **25,086,842** | **(32,264,592)** | **4,439,317** | **364,435** | **(2,373,998)** | **(563,604)** | **(575,668)** | **(3,513,270)** |
| Depreciation and amortization | **(32,884)** | **(9,211)** | **(5,756,849)** | **(657,935)** | **(6,456,879)** | **(234,411)** | **–** | **(6,691,290)** |
| Gain (loss) on investments | **34,153,883** | **(39,537,887)** | **(190,077)** | **2,771** | **(5,571,310)** | **(361,589)** | **(320,819)** | **(6,253,718)** |
| Finance cost | **(2,984,655)** | **(607,961)** | **(479,442)** | **(7,744)** | **(4,079,802)** | **(117,322)** | **34,000** | **(4,163,124)** |
| Foreign exchange gain (loss) | **(5,781,869)** | **10,237** | **4,494** | **(14,836)** | **(5,781,974)** | **(1,520)** | **–** | **(5,783,494)** |
| Income (loss) on equity method investments | **(171,018)** | **–** | **(350,355)** | **2,134** | **(519,239)** | **(90,317)** | **(114,454)** | **(724,010)** |
| Derivative gain (loss) (excluding gain (loss) on investments) | **492,264** | **6,792** | **5,183** | **9,638** | **513,877** | **(107,556)** | **–** | **406,321** |

* The details of the difference between "Gain (loss) on investments" in the SoftBank Vision Funds segment and "Gain (loss) on investments at SoftBank Vision Funds" in the consolidated statement of profit or loss are described in "(1) Income and loss arising from the SoftBank Vision Funds business" under "Note 7. SoftBank Vision Funds business."

### (3) Geographical information

a. Net sales to external customers

| | (Millions of yen) Fiscal year ended March 31, 2022 | (Millions of yen) **Fiscal year ended March 31, 2023** | (Thousands of U.S. dollars) **Fiscal year ended March 31, 2023** |
|---|---|---|---|
| Japan | ¥ 5,610,712 | **¥ 5,844,627** | **$ 43,770,142** |
| Other | 610,822 | **725,812** | **5,435,572** |
| Total | ¥ 6,221,534 | **¥ 6,570,439** | **$ 49,205,714** |

Sales are categorized based on the location of external customers.

b. Non-current assets (excluding financial assets and deferred tax assets)

| | (Millions of yen) As of March 31, 2022 | (Millions of yen) **As of March 31, 2023** | (Thousands of U.S. dollars) **As of March 31, 2023** |
|---|---|---|---|
| Japan | ¥ 6,723,355 | **¥ 6,895,410** | **$ 51,639,407** |
| U.K. | 3,443,289 | **3,683,752** | **27,587,449** |
| Other | 392,278 | **158,773** | **1,189,043** |
| Total | ¥10,558,922 | **¥10,737,935** | **$ 80,415,899** |

## 7. SoftBank Vision Funds business

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

a. Overview

Segment income arising from the SoftBank Vision Funds business (income before income tax) represents the net profits of the SoftBank Vision Funds business, after deducting the net profits attributable to Third-Party Investors. The net profits attributable to Third-Party Investors are the amount after deducting management fees, performance-linked management fees, and performance fees, as applicable, that SBIA receives from SVF1, and that SBGA receives from SVF2 and LatAm Funds.

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

b. Segment income arising from the SoftBank Vision Funds business

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

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Loss on investments at SoftBank Vision Funds | | | |
| Loss on investments at SVF1, SVF2, and LatAm Funds | | | |
| Realized gain on investments*1 | ¥ 1,345,560 | **¥ 78,616** | **$ 588,752** |
| Unrealized loss on valuation of investments | | | |
| Change in valuation for the fiscal year*2 | (2,928,740) | **(4,978,591)** | **(37,284,438)** |
| Reclassified to realized gain recorded in the past fiscal years*3 | (1,769,872) | **(288,679)** | **(2,161,904)** |
| Interest and dividend income from investments | 51,897 | **1,512** | **11,323** |
| Derivative gain (loss) on investments | (50,303) | **14,537** | **108,867** |
| Effect of foreign exchange translation*4 | (84,962) | **(125,853)** | **(942,507)** |
| Subtotal | (3,436,420) | **(5,298,458)** | **(39,679,907)** |
| Gain on other investments | 1,951 | **18,964** | **142,020** |
| Total loss on investments at SoftBank Vision Funds | (3,434,469) | **(5,279,494)** | **(39,537,887)** |
| Selling, general and administrative expenses | (94,456) | **(65,999)** | **(494,263)** |
| Finance cost (interest expenses) | (33,278) | **(81,181)** | **(607,961)** |
| Derivative gain (excluding gain (loss) on investments) | 2,056 | **907** | **6,792** |
| Change in third-party interests in SVF | 970,559 | **1,127,949** | **8,447,158** |
| Other gain (loss)*5 | 36,561 | **(10,473)** | **(78,431)** |
| Segment income arising from the SoftBank Vision Funds business (income before income tax) | ¥(2,553,027) | **¥(4,308,291)** | **$(32,264,592)** |

Note:
The Latin America Funds segment has been integrated into the SoftBank Vision Funds segment from the three-month period ended June 30, 2022 since LatAm Funds has been managed by SBGA, which manages SVF2. Segment income arising from the SoftBank Vision Funds business for the fiscal year ended March 31, 2022 is presented based on the reportable segments after the aforementioned change.

*1 The amount of realized gain and loss on investments is the exit price net of the investment cost. In addition to the realized gain and loss on sales by cash consideration, the realized gain and loss by share exchange are included.

*2 For the fiscal year ended March 31, 2023, ¥84,962 million ($636,276 thousand) (for the fiscal year ended March 31, 2022: ¥145,594 million of the unrealized gain (net) on valuation) of the unrealized gain (net) on valuation arising from shares of the Company's subsidiaries held by SVF1 and SVF2 (mainly Arm and PayPay Corporation) is included in "Loss on investments at SoftBank Vision Funds" (in Change in valuation for the fiscal year under Unrealized loss on valuation of investments) in the above-mentioned segment income. However, the unrealized gain on valuation is eliminated in consolidation.

For the three-month period ended September 30, 2021, a wholly-owned subsidiary of the Company other than SVF1 was transferred through sales from the Company to SVF2. As a result of the transaction, WeWork shares held by SVF2 include common shares and the common shares are continuously accounted for using the equity method on a consolidation basis after the transfer. For the fiscal year ended March 31, 2023, ¥38,116 million ($285,449 thousand) (for the fiscal year ended March 31, 2022: ¥1,375 million of the unrealized gain on valuation) of the unrealized loss on valuation arising from WeWork common shares held by SVF2 is included in "Loss on investments at SoftBank Vision Funds" (in Change in valuation for the fiscal year under Unrealized loss on valuation of investments) in the above-mentioned segment income. However, the unrealized gain and loss on valuation is eliminated in consolidation as WeWork is an equity method associate of the Company.

For the three-month period ended June 30, 2021, Arm transferred 75.01% of the shares of Treasure Data, Inc. to the Company's wholly-owned foreign subsidiary and 24.99% of the shares to SVF1 as dividends in kind. The 75.01% of Treasure Data, Inc. shares were transferred through sales from the Company's wholly-owned foreign subsidiary to SVF2. As a result, the fair value of Treasure Data, Inc. shares, which was included in the fair value of Arm shares as of March 31, 2021, is not included in the fair value of Arm shares as of March 31, 2023.

For the fiscal year ended March 31, 2022, ¥19,019 million of shares of Treasure Data, Inc. received as dividends in kind, which SVF1 received from Arm, is included in "Loss on investments at SoftBank Vision Funds" (in Interest and dividend income from investments) in the above-mentioned segment income, however, the dividends are eliminated in consolidation.

The unrealized gain and loss on valuation and the dividends, that are eliminated in consolidation, are not included in "Gain (loss) on investments at SoftBank Vision Funds" in the consolidated statement of profit or loss.

*3 It represents the unrealized gain and loss on valuation of investments recorded as "Gain (loss) on investments at SoftBank Vision Funds" in the past fiscal years, which are reclassified to "Realized gain on investments" due to the realization for the fiscal year ended March 31, 2023.

*4 Unrealized gain and loss on valuation of investments are translated using the average exchange rate for the quarter in which the gain and loss were recognized, while realized gain and loss on investments are translated using the average exchange rate for the quarter in which the shares were disposed. "Effect of foreign exchange translation" is arising from the different foreign currency exchange rates used for unrealized gain and loss on valuation and realized gain and loss.

*5 SVF2 has provided credit support for $1.107 billion since December 2022 and additionally $0.47 billion since February 2023 for the credit facility for WeWork provided by financial institutions. The amount of the credit facility outstanding was reduced to $1.43 billion as of March 31, 2023. For the fiscal year ended March 31, 2023, ¥37,780 million ($282,933 thousand) of provision for allowance for financial guarantee contract losses related to the credit support was recorded in the segment income arising from the SoftBank Vision Funds business.

### (2) Third-party interests in SVF

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

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

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

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

The details of the terms and conditions of the Equity contributed by Third-Party Investor in SVF2 and LatAm Funds are described in "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under " Note 45. Related party transactions." There are no Third-Party Investors who contributed to Preferred Equity in SVF2 and LatAm Funds.

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

b. Changes in interests attributable to Third-Party Investors

(a) Third-party interests in SVF1

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

(Millions of yen)

| | Third-party interests in SVF1 (Total of current liabilities and non-current liabilities) | (Breakdown) | (For reference purposes only) Links with the consolidated financial statements: Consolidated statement of profit or loss (Negative figures represent expenses) | Consolidated statement of cash flows (Negative figures represent payments) |
|---|---|---|---|---|
| As of April 1, 2022 | ¥ 5,289,754 | | | |
| Contributions from Third-Party Investors | 17,857 | | – | 17,857 |
| Changes in third-party interests | (777,315) | | 777,315 | – |
| Attributable to investors entitled to fixed distribution | | 167,430 | | |
| Attributable to investors entitled to performance-based distribution | | (944,745) | | |
| Distribution/repayment to Third-Party Investors | (544,242) | | – | (544,242) |
| Exchange differences on translating third-party interests*1 | 484,663 | | – | – |
| As of March 31, 2023*2 | ¥ 4,470,717 | | | |

(Thousands of U.S. dollars)

| | Third-party interests in SVF1 (Total of current liabilities and non-current liabilities) | | (For reference purposes only) Links with the consolidated financial statements | |
|---|---|---|---|---|
| | | (Breakdown) | Consolidated statement of profit or loss (Negative figures represent expenses) | Consolidated statement of cash flows (Negative figures represent payments) |
| As of April 1, 2022 | **$39,614,723** | | | |
| Contributions from Third-Party Investors | **133,730** | | **–** | **133,730** |
| Changes in third-party interests | **(5,821,276)** | | **5,821,276** | **–** |
| Attributable to investors entitled to fixed distribution | | **1,253,876** | | |
| Attributable to investors entitled to performance-based distribution | | **(7,075,152)** | | |
| Distribution/repayment to Third-Party Investors | **(4,075,803)** | | **–** | **(4,075,803)** |
| Exchange differences on translating third-party interests*1 | **3,629,619** | | **–** | **–** |
| As of March 31, 2023*2 | **$33,480,993** | | | |

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

*2 Of third-party interests as of March 31, 2023, the amount attributable to investors entitled to fixed distribution is ¥2,315,727 million ($17,342,373 thousand) and of this amount, the amount of unpaid fixed distributions is not recorded.

(b) Third-party interests in SVF2 and receivables

Changes in interests attributable to Third-Party Investor in SVF2 (included in "Third-party interests in SVF" in the consolidated statement of financial position) are as follows: Third-party Investor in SVF2 is the investor entitled to performance-based distribution.

(Millions of yen)

| | Third-party interests in SVF2 (Total of current liabilities and non-current liabilities) | (For reference purposes only) Links with the consolidated financial statements | |
|---|---|---|---|
| | | Consolidated statement of profit or loss (Negative figures represent expenses) | Consolidated statement of cash flows (Negative figures represent payments) |
| As of April 1, 2022 | **¥ 270,081** | | |
| Changes in third-party interests | **(291,332)** | **291,332** | **–** |
| Exchange differences on translating third-party interests* | **21,251** | **–** | **–** |
| As of March 31, 2023 | **¥ –** | | |

(Thousands of U.S. dollars)

| | Third-party interests in SVF2 (Total of current liabilities and non-current liabilities) | (For reference purposes only) Links with the consolidated financial statements | |
|---|---|---|---|
| | | Consolidated statement of profit or loss (Negative figures represent expenses) | Consolidated statement of cash flows (Negative figures represent payments) |
| As of April 1, 2022 | **$2,022,624** | | |
| Changes in third-party interests | **(2,181,772)** | **2,181,772** | **–** |
| Exchange differences on translating third-party interests* | **159,148** | **–** | **–** |
| As of March 31, 2023 | **$ –** | | |

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

The Company has receivables from Third-party Investor in SVF2. The changes in the receivables from Third-Party Investor in SVF2 (included in "Other financial assets (non-current)" in the consolidated statement of financial position) are as follows: The details of the receivables from Third-Party Investor in SVF2 are described in "(a) Transactions between SVF2 and related parties" in "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under "Note 45. Related party transactions."

(Millions of yen)

| | Receivables from Third-Party Investor in SVF2 |
|---|---|
| As of April 1, 2022 | ¥ 342,663 |
| Increase in receivables from accrued premiums charged to Third-Party Investor | 11,185 |
| Exchange differences on receivables | 31,022 |
| As of March 31, 2023 | ¥ 384,870 |

(Thousands of U.S. dollars)

| | Receivables from Third-Party Investor in SVF2 |
|---|---|
| As of April 1, 2022 | $ 2,566,187 |
| Increase in receivables from accrued premiums charged to Third-Party Investor | 83,764 |
| Exchange differences on receivables | 232,323 |
| As of March 31, 2023 | $ 2,882,274 |

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

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

(Millions of yen)

| | | (For reference purposes only) Links with the consolidated financial statements | |
|---|---|---|---|
| | Third-party interests in LatAm Funds (Total of current liabilities and non-current liabilities) | Consolidated statement of profit or loss (Negative figures represent expenses) | Consolidated statement of cash flows (Negative figures represent payments) |
| As of April 1, 2022 | ¥ 80,663 | | |
| Changes in third-party interests | (59,302) | 59,302 | – |
| Exchange differences on translating third-party interests* | 7,291 | – | – |
| As of March 31, 2023 | ¥ 28,652 | | |

(Thousands of U.S. dollars)

| | | (For reference purposes only) Links with the consolidated financial statements | |
|---|---|---|---|
| | Third-party interests in LatAm Funds (Total of current liabilities and non-current liabilities) | Consolidated statement of profit or loss (Negative figures represent expenses) | Consolidated statement of cash flows (Negative figures represent payments) |
| As of April 1, 2022 | $ 604,081 | | |
| Changes in third-party interests | (444,110) | 444,110 | – |
| Exchange differences on translating third-party interests* | 54,603 | – | – |
| As of March 31, 2023 | $ 214,574 | | |

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

The Company has receivables from Third-party Investor in LatAm Funds. The changes in the receivables from Third-Party Investor in LatAm Funds (included in "Other financial assets (non-current)" in the consolidated statement of financial position) are as follows: The details of the receivables from Third-Party Investor in LatAm Funds are described in "(b) Transactions between LatAm Funds and related parties" in "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under "Note 45. Related party transactions."

(Millions of yen)

| | Receivables from Third-Party Investor in LatAm Funds |
|---|---|
| As of April 1, 2022 | ¥ 80,663 |
| Increase in receivables from accrued premiums charged to Third-Party Investor | 2,641 |
| Exchange differences on receivables | 7,302 |
| As of March 31, 2023 | ¥ 90,606 |

(Thousands of U.S. dollars)

| | Receivables from Third-Party Investor in LatAm Funds |
|---|---|
| As of April 1, 2022 | $ 604,081 |
| Increase in receivables from accrued premiums charged to Third-Party Investor | 19,778 |
| Exchange differences on receivables | 54,685 |
| As of March 31, 2023 | $ 678,544 |

c. Uncalled committed capital from Third-Party Investors

Uncalled committed capital from SVF1's Third-Party Investors as of March 31, 2023 was $8.2 billion.

(3) Management fees and performance fees

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

a. Management fees and performance fees in SVF1

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

Same as the performance-based distributions, the amount of the performance fees to SBIA from SVF1 is calculated using the allocation method as specified in the limited partnership agreement. SBIA is entitled to receive the performance fees when SVF1 receives cash through disposition, dividend and monetization of an investment.

From the inception of SVF1 to March 31, 2023, the cumulative amount of performance fees paid to SBIA was $439 million. The performance fees received are subject to clawback provisions which are triggered under certain conditions based on future investment performance. In April 2023, in accordance with the clawback provisions, the performance fee (net of tax) was distributed to the limited partners.

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

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

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

From the inception of SVF2 to March 31, 2023, no performance-linked management fees were paid to SBGA.

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

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

LatAm Funds introduced the performance-linked management fees in July 2022. The amount of the performance-linked management fees to SBGA from LatAm Funds is determined, based on the investment performance for certain periods specified in the constitutional agreement, according to the agreed principle. SBGA is entitled to receive the performance-linked management fees after certain periods for the investment performance measurement specified in the constitutional agreement provided that there are available cash proceeds through disposition, dividend and monetization of investments in LatAm Funds.

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

From the inception of LatAm Funds to March 31, 2023, neither performance fees nor performance-linked management fees were paid to SBGA.

**8. Special purpose acquisition companies sponsored by the Company**

A special purpose acquisition company ("SPAC") is an investment vehicle formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses that have not yet been identified at the time of the offering. Subsequent to its formation, the SPAC executes an initial public offering and raises capital through contributions from public investors. The SPAC then seeks to identify an unlisted company as a target company and completes a business combination with the target company with necessary approvals. Although the SPAC becomes the legal surviving company, substantially the target company, which is an unlisted company, becomes a publicly listed company through the business combination. A SPAC may arrange committed equity financing in private placement with certain investors in order to raise additional funds necessary for the business combination ("Private Investment in Public Equity").

In the event that the Company forms SPACs as a sponsor, the Company acquires shares and, if applicable, warrants of SPACs as consideration for funds invested by the Company in SPACs. Since the Company has control over the SPACs from inception until its merger with a target company, the SPACs are consolidated as subsidiaries. Investments in SPACs by the Company as a sponsor are eliminated in consolidation.

The amount of ownership interests held by investors other than the Company as a sponsor ("Public Market Investors") includes proceeds received from Public Market Investors at the initial public offering and income including interest earned on such proceeds. Shares issued by a SPAC at the initial public offering are subject to conditions that the SPAC will cease all operations and redeem all of the proceeds received from Public Market Investors in the SPAC to them if the SPAC is unable to complete a merger within 24 months from the date of the initial public offering. In addition, Public Market Investors retain an option to redeem part or all of the proceeds received from them upon completion of the initial merger. When the condition is met or the option is exercised, the relevant SPAC will be obligated to redeem them for cash.

The proceeds received from Public Market Investors can only be used for the initial merger and redemptions of the proceeds to Public Market Investors. The proceeds received are held in a trust account until the completion of the initial merger or redemption to Public Market Investors and are invested only in certain financial assets that are highly liquid.

For the fiscal year ended March 31, 2021, the Company has formed, as a sponsor, SPACs. These SPACs have raised funds through initial public offerings in the United States. For the fiscal year ended March 31, 2021, the total funds raised were $3,304 million.

For the fiscal year ended March 31, 2022, a SPAC sponsored by Fortress completed a merger with a target company and that SPAC was excluded from the scope of consolidation due to loss of control.

For the fiscal year ended March 31, 2023, a SPAC sponsored by SB Investment Advisers (US) Inc.* completed a merger with a target company and that SPAC was excluded from the scope of consolidation due to loss of control.

Furthermore, for the fiscal year ended March 31, 2023, six SPACs sponsored by the Company ceased all operations as those SPACs were unable to complete a merger. As a result, the proceeds received from Public Market Investors held in trust accounts were fully withdrawn for redemption to the Public Market Investors.

Non-controlling interests subject to possible redemption are included in and presented as "Other financial liabilities (current)" and classified as "financial liabilities measured at amortized cost" in the consolidated statement of financial position.

The carrying amounts of non-controlling interests subject to possible redemption are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Other financial liabilities (current) | | | |
| Non-controlling interests subject to possible redemption | ¥ 307,144 | **¥ –** | **$ –** |

The carrying amounts of the assets restricted on its use held in the trust accounts are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Other financial assets (current) | | | |
| Trust accounts in SPACs | ¥ 326,062 | **¥ –** | **$ –** |

* SB Investment Advisers (US) Inc. is a wholly-owned subsidiary of the Company and provides investment advice to SBIA.

## 9. Cash and cash equivalents

The components of cash and cash equivalents are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Cash and demand deposits*1,2 | ¥ 4,934,689 | **¥ 5,332,098** | **$ 39,931,836** |
| Time deposits (maturities of less than three months) | 47,027 | **1,327,882** | **9,944,447** |
| MMF | 120,212 | **264,755** | **1,982,738** |
| Certificates of deposit | 67,000 | **300** | **2,247** |
| Other | 73 | **118** | **883** |
| Total | ¥ 5,169,001 | **¥ 6,925,153** | **$ 51,862,151** |

*1 A subsidiary operating a banking business is obliged to maintain certain amounts of the deposit, which is determined by a fixed ratio against the deposits it receives from its customers ("the legal reserve requirement"), with the Bank of Japan in accordance with the Act on Reserve Requirement System in Japan. As of March 31, 2023, cash and cash equivalents include ¥344,767 million ($2,581,944 thousand) (as of March 31, 2022: ¥320,403 million) of deposits at the Bank of Japan, which is more than the legal reserve requirement.

*2 Cash and demand deposits as of March 31, 2022 includes money in trust of ¥38,095 million to set up for the purchase of treasury stocks by SoftBank Group Corp.

## 10. Trade and other receivables

The components of trade and other receivables are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Trade receivables | ¥ 1,596,515 | **¥ 1,794,491** | **$ 13,438,860** |
| Installment receivables* | 374,374 | **375,919** | **2,815,240** |
| Deposits for banking business | 204,652 | **200,253** | **1,499,685** |
| Deposits | 180,115 | **198,386** | **1,485,704** |
| Other | 33,090 | **37,461** | **280,544** |
| Allowance for doubtful accounts | (27,597) | **(11,774)** | **(88,175)** |
| Total | ¥ 2,361,149 | **¥ 2,594,736** | **$ 19,431,858** |

* Installment receivables represent receivables arising from the Company's advance payments to dealers on behalf of its customers who chose to purchase mobile devices by installments in indirect sales. The amounts are charged to customers together with telecommunications service fees over the periods of installment payments.

The period of installment payments for the receivables above is mainly within 24 – 48 months. As such, the amounts due within a year after the period end date are included in "Trade and other receivables," and those after one year are included in "Other financial assets (non-current)."

## 11. Other financial assets

The components of other financial assets are as follows:

| | (Millions of yen) As of March 31, 2022 | As of March 31, 2023 | (Thousands of U.S. dollars) As of March 31, 2023 |
|---|---|---|---|
| Current | | | |
| Time deposits (maturities of more than three months) | ¥ 84,415 | ¥ 100,923 | $ 755,808 |
| Marketable securities | 107,104 | 79,389 | 594,541 |
| Trading securities | 8,492 | 54,303 | 406,673 |
| Restricted cash*1 | 142,246 | 44,369 | 332,277 |
| Investments from asset management subsidiaries | 158,094 | 23,634 | 176,994 |
| Trust accounts in SPACs*2 | 326,062 | – | – |
| Other | 160,450 | 86,720 | 649,441 |
| Allowance for doubtful accounts | (15,738) | (18,025) | (134,988) |
| Total | ¥ 971,125 | ¥ 371,313 | $ 2,780,746 |
| Non-current | | | |
| Deposits for banking business | 441,260 | 671,169 | 5,026,354 |
| Receivables from MgmtCo*3 | 423,326 | 475,476 | 3,560,818 |
| Installment receivables*4 | 463,440 | 457,752 | 3,428,084 |
| Loan receivables | 425,953 | 384,655 | 2,880,664 |
| Loans in credit card business | 120,227 | 167,939 | 1,257,687 |
| Investments from asset management subsidiaries | 155,888 | 55,602 | 416,401 |
| Other | 272,191 | 277,649 | 2,079,300 |
| Allowance for doubtful accounts | (71,670) | (186,622) | (1,397,604) |
| Total | ¥ 2,230,615 | ¥2,303,620 | $17,251,704 |

*1 ¥131,474 million of restricted cash in the asset management subsidiary is included as of March 31, 2022. There is no balance of restricted cash in the asset management subsidiary as of March 31, 2023.

*2 The details of trust accounts in SPACs are described in "Note 8. Special purpose acquisition companies sponsored by the Company."

*3 Receivables from MgmtCo is outstanding balance of the receivables in relation to the Equity Acquisition Amount and accrued premiums from MgmtCo as a Third-Party Investor of SVF2 and LatAm Funds. The receivables of SVF2 and LatAm Funds as of March 31, 2023 are ¥384,870 million ($2,882,274 thousand) (as of March 31, 2022: ¥342,663 million) and ¥90,606 million ($678,544 thousand) (as of March 31,2022: ¥80,663 million), respectively. The details of receivables are described in "(2) Third-party interests in SVF" under "Note 7. SoftBank Vision Funds business" and in "a. Co-investment program with restricted rights to receive distributions" in "(1) Related party transactions and balances" under "Note 45. Related party transactions."

*4 Installment receivables are described in "Note 10. Trade and other receivables."

## 12. Inventories

The components of inventories are as follows:

| | (Millions of yen) As of March 31, 2022 | As of March 31, 2023 | (Thousands of U.S. dollars) As of March 31, 2023 |
|---|---|---|---|
| Merchandise and finished products | ¥ 127,312 | ¥ 144,459 | $ 1,081,847 |
| Other | 15,455 | 19,322 | 144,701 |
| Total | ¥ 142,767 | ¥ 163,781 | $ 1,226,548 |

Write-downs of inventories recognized as an expense during the fiscal year are as follows:

| | (Millions of yen) Fiscal year ended March 31, 2022 | Fiscal year ended March 31, 2023 | (Thousands of U.S. dollars) Fiscal year ended March 31, 2023 |
|---|---|---|---|
| Write-downs of inventories | ¥ 23,376 | ¥ 19,368 | $ 145,046 |

## 13. Other current assets and other non-current assets

The components of other current assets and other non-current assets are as follows:

| | (Millions of yen) As of March 31, 2022 | As of March 31, 2023 | (Thousands of U.S. dollars) As of March 31, 2023 |
|---|---|---|---|
| Current | | | |
| Tax receivable* | ¥ 179,409 | ¥ 104,020 | $ 779,001 |
| Prepaid expense | 87,142 | 95,996 | 718,910 |
| Contract assets | 32,496 | 30,955 | 231,821 |
| Other | 35,054 | 51,114 | 382,790 |
| Total | ¥ 334,101 | ¥ 282,085 | $ 2,112,522 |
| Non-current | | | |
| Long-term prepaid expense | 104,133 | 104,943 | 785,913 |
| Other | 40,905 | 51,296 | 384,155 |
| Total | ¥ 145,038 | ¥ 156,239 | $ 1,170,068 |

* Tax receivable as of March 31, 2023 includes the withholding income tax of ¥57,434 million ($430,121 thousand) (as of March 31, 2022: ¥90,721 million) related to dividends within the group companies.

**14. Property, plant and equipment**

(1) Changes in property, plant and equipment

Changes in property, plant and equipment at historical cost, are as follows:

(Millions of yen)

| Historical cost | Buildings and structures | Telecommunications equipment | Machinery and equipment | Furniture, fixtures, and equipment | Land | Construction in progress | Other | Total |
|---|---|---|---|---|---|---|---|---|
| As of April 1, 2021 | ¥ 306,224 | ¥ 2,176,819 | ¥ 161,929 | ¥ 532,794 | ¥ 71,985 | ¥ 334,711 | ¥ 37,437 | ¥ 3,621,899 |
| Purchases | 8,151 | 44,468 | 7,059 | 42,890 | – | 287,126 | 5,318 | 395,012 |
| Loss of control | (2,377) | (40) | (119,540) | (2,431) | (26) | (45,658) | (1,177) | (171,249) |
| Disposals | (11,686) | (88,857) | (4,324) | (40,328) | (14) | (385) | (4,578) | (150,172) |
| Transfer of accounts | 9,781 | 585,091 | 151,854 | 39,473 | 37 | (363,573) | 1,511 | 424,174 |
| Exchange differences | 890 | 37 | 21,517 | 2,477 | 404 | 15,546 | 3,806 | 44,677 |
| Other | 1,268 | 4,551 | (576) | (2,568) | – | 17,251 | 44 | 19,970 |
| As of March 31, 2022 | 312,251 | 2,722,069 | 217,919 | 572,307 | 72,386 | 245,018 | 42,361 | 4,184,311 |
| Purchases | **13,779** | **42,194** | **10,389** | **52,252** | **50** | **245,577** | **9,484** | **373,725** |
| Loss of control | **(61)** | **–** | **(256,407)** | **(957)** | **(4,216)** | **(10,064)** | **(1,348)** | **(273,053)** |
| Disposals | **(3,400)** | **(223,213)** | **(5,375)** | **(29,190)** | **–** | **(14,087)** | **(1,114)** | **(276,379)** |
| Transfer of accounts | **32,029** | **672,058** | **71,493** | **58,888** | **2,088** | **(319,727)** | **1,585** | **518,414** |
| Exchange differences | **587** | **40** | **25,813** | **2,198** | **539** | **5,296** | **2,226** | **36,699** |
| Other | **7,665** | **12,229** | **(1,822)** | **711** | **(172)** | **349** | **1,385** | **20,345** |
| As of March 31, 2023 | **¥ 362,850** | **¥ 3,225,377** | **¥ 62,010** | **¥ 656,209** | **¥ 70,675** | **¥ 152,362** | **¥ 54,579** | **¥ 4,584,062** |

(Thousands of U.S. dollars)

| Historical cost | Buildings and structures | Telecommunications equipment | Machinery and equipment | Furniture, fixtures, and equipment | Land | Construction in progress | Other | Total |
|---|---|---|---|---|---|---|---|---|
| As of March 31, 2022 | $2,338,434 | $20,385,449 | $ 1,631,985 | $4,285,981 | $542,095 | $ 1,834,928 | $317,240 | $31,336,112 |
| Purchases | **103,190** | **315,989** | **77,803** | **391,313** | **374** | **1,839,115** | **71,025** | **2,798,809** |
| Loss of control | **(457)** | **–** | **(1,920,220)** | **(7,167)** | **(31,573)** | **(75,369)** | **(10,095)** | **(2,044,881)** |
| Disposals | **(25,462)** | **(1,671,632)** | **(40,253)** | **(218,603)** | **–** | **(105,497)** | **(8,343)** | **(2,069,790)** |
| Transfer of accounts | **239,864** | **5,033,011** | **535,408** | **441,009** | **15,637** | **(2,394,421)** | **11,870** | **3,882,378** |
| Exchange differences | **4,396** | **300** | **193,312** | **16,461** | **4,037** | **39,661** | **16,670** | **274,837** |
| Other | **57,402** | **91,582** | **(13,645)** | **5,325** | **(1,288)** | **2,615** | **10,373** | **152,364** |
| As of March 31, 2023 | **$2,717,367** | **$24,154,699** | **$ 464,390** | **$4,914,319** | **$529,282** | **$ 1,141,032** | **$408,740** | **$34,329,829** |

Changes in the accumulated depreciation and impairment losses of property, plant and equipment are as follows:

(Millions of yen)

| Accumulated depreciation and impairment losses | Buildings and structures | Telecommunications equipment | Machinery and equipment | Furniture, fixtures, and equipment | Land | Construction in progress | Other | Total |
|---|---|---|---|---|---|---|---|---|
| As of April 1, 2021 | ¥ (127,819) | ¥ (1,427,983) | ¥ (38,133) | ¥ (343,970) | ¥ (6) | ¥ (73) | ¥ (15,337) | ¥ (1,953,321) |
| Depreciation | (16,100) | (159,556) | (9,952) | (81,053) | – | – | (9,464) | (276,125) |
| Impairment loss | (349) | – | (3,048) | (561) | – | (7,354) | – | (11,312) |
| Loss of control | 730 | 12 | 14,079 | 1,585 | – | – | 118 | 16,524 |
| Disposals | 11,441 | 86,853 | 4,194 | 39,383 | – | 14 | 4,125 | 146,010 |
| Transfer of accounts | (924) | (262,773) | (37) | 6,654 | – | 51 | 68 | (256,961) |
| Exchange differences | (107) | (28) | (3,196) | (1,447) | – | – | (1,375) | (6,153) |
| Other | (898) | (4,228) | (961) | (997) | – | 6,989 | (129) | (224) |
| As of March 31, 2022 | (134,026) | (1,767,703) | (37,054) | (380,406) | (6) | (373) | (21,994) | (2,341,562) |
| Depreciation | **(19,374)** | **(202,045)** | **(10,020)** | **(86,274)** | **–** | **–** | **(7,488)** | **(325,201)** |
| Impairment loss | **(5)** | **–** | **–** | **(42)** | **–** | **–** | **(10)** | **(57)** |
| Loss of control | **56** | **–** | **5,417** | **955** | **–** | **–** | **1,133** | **7,561** |
| Disposals | **3,269** | **221,133** | **5,371** | **28,336** | **–** | **285** | **1,021** | **259,415** |
| Transfer of accounts | **(15,986)** | **(395,333)** | **6** | **15,740** | **–** | **2** | **–** | **(395,571)** |
| Exchange differences | **(50)** | **(27)** | **(2,146)** | **(1,304)** | **–** | **–** | **(899)** | **(4,426)** |
| Other | **(310)** | **(14)** | **(302)** | **(1,826)** | **–** | **84** | **(711)** | **(3,079)** |
| As of March 31, 2023 | **¥ (166,426)** | **¥ (2,143,989)** | **¥ (38,728)** | **¥ (424,821)** | **¥ (6)** | **¥ (2)** | **¥ (28,948)** | **¥ (2,802,920)** |

(Thousands of U.S. dollars)

| Accumulated depreciation and impairment losses | Buildings and structures | Telecommunications equipment | Machinery and equipment | Furniture, fixtures, and equipment | Land | Construction in progress | Other | Total |
|---|---|---|---|---|---|---|---|---|
| As of March 31, 2022 | $(1,003,715) | $(13,238,246) | $(277,496) | $(2,848,843) | $ (45) | $ (2,793) | $(164,712) | $(17,535,850) |
| Depreciation | **(145,091)** | **(1,513,106)** | **(75,039)** | **(646,102)** | **–** | **–** | **(56,077)** | **(2,435,415)** |
| Impairment loss | **(37)** | **–** | **–** | **(315)** | **–** | **–** | **(75)** | **(427)** |
| Loss of control | **419** | **–** | **40,568** | **7,152** | **–** | **–** | **8,485** | **56,624** |
| Disposals | **24,481** | **1,656,055** | **40,223** | **212,208** | **–** | **2,134** | **7,646** | **1,942,747** |
| Transfer of accounts | **(119,718)** | **(2,960,631)** | **45** | **117,876** | **–** | **15** | **–** | **(2,962,413)** |
| Exchange differences | **(374)** | **(202)** | **(16,071)** | **(9,766)** | **–** | **–** | **(6,733)** | **(33,146)** |
| Other | **(2,322)** | **(104)** | **(2,262)** | **(13,675)** | **–** | **629** | **(5,325)** | **(23,059)** |
| As of March 31, 2023 | **$(1,246,357)** | **$(16,056,234)** | **$(290,032)** | **$(3,181,465)** | **$ (45)** | **$ (15)** | **$(216,791)** | **$(20,990,939)** |

The components of the carrying amounts of property, plant and equipment are as follows:

(Millions of yen)

| Carrying amounts | Buildings and structures | Telecommunications equipment | Machinery and equipment | Furniture, fixtures, and equipment | Land | Construction in progress | Other | Total |
|---|---|---|---|---|---|---|---|---|
| As of March 31, 2022 | ¥ 178,225 | ¥ 954,366 | ¥180,865 | ¥ 191,901 | ¥ 72,380 | ¥ 244,645 | ¥ 20,367 | ¥ 1,842,749 |
| As of March 31, 2023 | **¥ 196,424** | **¥1,081,388** | **¥ 23,282** | **¥ 231,388** | **¥ 70,669** | **¥ 152,360** | **¥ 25,631** | **¥ 1,781,142** |

(Thousands of U.S. dollars)

| Carrying amounts | Buildings and structures | Telecommunications equipment | Machinery and equipment | Furniture, fixtures, and equipment | Land | Construction in progress | Other | Total |
|---|---|---|---|---|---|---|---|---|
| As of March 31, 2023 | **$1,471,010** | **$8,098,465** | **$174,358** | **$1,732,854** | **$529,237** | **$1,141,017** | **$191,949** | **$13,338,890** |

The amount of "Transfer of accounts" includes the amount transferred from "Right-of-use assets" due to termination of lease contracts as lessee and transfer of ownership of these assets to the Company.

| Historical cost | (Millions of yen) Fiscal year ended March 31, 2022 | (Millions of yen) Fiscal year ended March 31, 2023 | (Thousands of U.S. dollars) Fiscal year ended March 31, 2023 |
|---|---|---|---|
| Buildings and structures | ¥ 1,003 | **¥ 20,735** | **$ 155,283** |
| Telecommunications equipment | 394,247 | **463,455** | **3,470,793** |
| Furniture, fixtures, and equipment | 1,759 | **3,364** | **25,193** |
| Total | ¥ 397,009 | **¥ 487,554** | **$ 3,651,269** |

| Accumulated depreciation and impairment losses | (Millions of yen) Fiscal year ended March 31, 2022 | (Millions of yen) Fiscal year ended March 31, 2023 | (Thousands of U.S. dollars) Fiscal year ended March 31, 2023 |
|---|---|---|---|
| Buildings and structures | ¥ (502) | **¥ (15,979)** | **$ (119,666)** |
| Telecommunications equipment | (263,221) | **(394,992)** | **(2,958,077)** |
| Furniture, fixtures, and equipment | (1,748) | **(3,313)** | **(24,811)** |
| Total | ¥ (265,471) | **¥(414,284)** | **$(3,102,554)** |

Impairment loss is included in "Other gain (loss)" in the consolidated statement of profit or loss.

The amount of property, plant and equipment pledged as collateral for interest-bearing debt or other is described in "(5) Assets pledged as collateral" under "Note 22. Interest-bearing debt."

Property, plant and equipment with restrictions on rights are described in "(6) Assets with restrictions on rights" under "Note 22. Interest-bearing debt."

### (2) Assets subject to operating leases as lessor included in property, plant and equipment

Of property, plant and equipment, assets subject to operating leases as lessor are primarily leased mobile devices. Changes in "Furniture, fixtures, and equipment" including leased mobile devices, which includes the assets subject to operating leases as lessor, are as follows:

| | (Millions of yen) | (Thousands of U.S. dollars) |
|---|---|---|
| Historical cost | Furniture, fixtures, and equipment | |
| As of April 1, 2021 | ¥ 213,951 | $ – |
| Purchases | 93 | – |
| Disposals | (12,219) | – |
| Transfer of accounts | 24,266 | – |
| Exchange differences | 55 | – |
| Other | (3,903) | – |
| As of March 31, 2022 | 222,243 | 1,664,368 |
| Purchases | **88** | **659** |
| Disposals | **(14,407)** | **(107,893)** |
| Transfer of accounts | **29,636** | **221,943** |
| Exchange differences | **5** | **37** |
| Other | **(391)** | **(2,929)** |
| As of March 31, 2023 | **¥ 237,174** | **$ 1,776,185** |

| | (Millions of yen) | (Thousands of U.S. dollars) |
|---|---|---|
| Accumulated depreciation and impairment losses | Furniture, fixtures, and equipment | |
| As of April 1, 2021 | ¥ (156,711) | $ – |
| Depreciation | (32,676) | – |
| Impairment loss | (327) | – |
| Disposals | 11,747 | – |
| Transfer of accounts | 9,617 | – |
| Exchange differences | (35) | – |
| Other | 3,647 | – |
| As of March 31, 2022 | (164,738) | (1,233,715) |
| Depreciation | **(35,106)** | **(262,907)** |
| Impairment loss | **–** | **–** |
| Disposals | **13,858** | **103,782** |
| Transfer of accounts | **18,887** | **141,444** |
| Exchange differences | **(11)** | **(82)** |
| Other | **382** | **2,860** |
| As of March 31, 2023 | **¥ (166,728)** | **$(1,248,618)** |

| | (Millions of yen) | (Thousands of U.S. dollars) |
|---|---|---|
| Carrying amount | Furniture, fixtures, and equipment | |
| As of March 31, 2022 | ¥ 57,505 | $ – |
| As of March 31, 2023 | **¥ 70,446** | **$ 527,567** |

### 15. Right-of-use assets

The components of the carrying amounts of right-of-use assets are as follows:

| Carrying amounts | (Millions of yen) As of March 31, 2022 | As of March 31, 2023 | (Thousands of U.S. dollars) As of March 31, 2023 |
|---|---|---|---|
| Telecommunications equipment | ¥ 349,927 | **¥ 244,987** | **$ 1,834,696** |
| Real estate for telecommunications business | 236,207 | **277,868** | **2,080,941** |
| Offices, warehouses and other properties | 310,196 | **320,296** | **2,398,682** |
| Other | 18,413 | **15,426** | **115,524** |
| Total | ¥ 914,743 | **¥ 858,577** | **$ 6,429,843** |

Right-of-use assets increased by ¥269,615 million ($2,019,135 thousand) for the fiscal year ended March 31, 2023 (for the fiscal year ended March 31, 2022: ¥192,877 million).

The components of depreciation of right-of-use assets are as follows:

| Depreciation | (Millions of yen) As of March 31, 2022 | As of March 31, 2023 | (Thousands of U.S. dollars) As of March 31, 2023 |
|---|---|---|---|
| Telecommunications equipment | ¥ (137,543) | **¥ (94,578)** | **$ (708,290)** |
| Real estate for telecommunications business | (50,210) | **(52,393)** | **(392,369)** |
| Offices, warehouses and other properties | (65,622) | **(64,520)** | **(483,187)** |
| Other | (3,284) | **(2,883)** | **(21,591)** |
| Total | ¥ (256,659) | **¥ (214,374)** | **$(1,605,437)** |

The Company enters into lease transactions for telecommunications equipment, real estate for the telecommunications business and offices, warehouses and other properties mainly to facilitate efficient use of cash.

Many of the lease contracts include an option to terminate or extend the lease in order to enhance operational flexibility. Most of these options can be exercised by the Company without consent from the other party after a certain prior notice period. In determining the lease term, all relevant facts and circumstances that create an economic incentive not to exercise the option to extend or terminate the lease are considered. In addition, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in the facts and circumstances that may affect this assessment.

Telecommunications equipment

The Company's telecommunications equipment leases consist of telecommunications machinery and equipment and transmission facilities that are used for the telecommunications business. Most of these lease contracts include an option to terminate or extend the lease. The lease term of these lease transactions are mainly 5 years or 10 years. The Company may extend the lease of transmission facilities beyond the initial lease term as needed to provide telecommunication services in a stable manner. In such a case, the lease term is generally expected to be extended by the same period as the initial term of the contract. Right-of-use assets classified as "Telecommunications equipment" are mainly comprised of those classified as "Telecommunications equipment" in property, plant and equipment.

Real estate for the telecommunications business

Leases of real estate for the telecommunications business entered into by the Company consist of land to place towers or pillars for the placement of cell site equipment, spaces for buildings and structures for the placement of cell site equipment, and land, buildings, and partial spaces for the placement of telecommunications equipment. Most of these lease contracts include an option to terminate or extend the lease. The lease terms for the leases of land and spaces of buildings and structures for the placement of cell site equipment are mainly 10 years to 20 years. The lease terms for other leases are mainly 3 years to 28 years. The Company may extend the lease beyond the initial lease term as needed to provide telecommunication services in a stable manner. In such a case, the lease term is generally expected to be extended by the same period as the initial term of the contract. The right-of-use assets classified as "Real estate for the telecommunications business" are mainly comprised of those classified as "Buildings and structures" or "Land" in property, plant and equipment.

Offices, warehouses and other properties

Leases of offices, warehouses and other properties entered into by the Company mainly consist of real estate for offices, warehouses and real estate for stores. Most of these leases include an option to extend the lease that can be exercised by the Company without consent from the other party. The lease terms of these leases are mainly 2 years to 25 years for offices, 1 years to 15 years for warehouses, and 2 years to 3 years for stores. The Company may extend the lease beyond the initial lease term as needed to continue its business. The right-of-use assets classified as "Offices, warehouses and other properties" are mainly comprised of those classified as "Buildings and structures" or "Land" in property, plant and equipment.

Other

Other leases entered into by the Company mainly consist of equipment for solar power generation. The right-of-use assets classified as "Other" are mainly comprised of "Furniture, fixtures, and equipment" and "Other" that are classified as property, plant and equipment.

## 16. Goodwill and intangible assets

### (1) Changes in goodwill and intangible assets

Changes in goodwill and intangible assets at historical cost are as follows:

(Millions of yen)

| | | Intangible assets with indefinite useful lives | | Intangible assets with finite useful lives | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Historical cost | Goodwill | Trademarks | Other | Customer relationships | Software | Technologies | Spectrum-related costs | Management contracts | Other | Total |
| As of April 1, 2021 | ¥ 4,694,207 | ¥ 386,452 | ¥ – | ¥ 894,018 | ¥ 1,686,805 | ¥ 552,573 | ¥ 192,604 | ¥ 125,268 | ¥ 202,005 | ¥ 4,039,725 |
| Purchases | – | 169,575 | 1,200 | – | 57,921 | – | – | – | 146,215 | 374,911 |
| Internal development | – | – | – | – | 3,882 | – | – | – | 31,322 | 35,204 |
| Loss of control | (61,974) | – | – | (6,568) | (7,533) | (9,039) | – | – | (14,238) | (37,378) |
| Disposals | – | – | – | – | (33,758) | – | – | – | (4,812) | (38,570) |
| Transfer of accounts | – | – | – | – | 165,860 | – | 12,248 | – | (178,076) | 32 |
| Exchange differences | 280,435 | – | 55 | 16,048 | 4,003 | 57,788 | – | 13,216 | 3,683 | 94,793 |
| Other* | 3,649 | (17,366) | – | (122,647) | (4,267) | (340) | – | – | 336 | (144,284) |
| As of March 31, 2022 | 4,916,317 | 538,661 | 1,255 | 780,851 | 1,872,913 | 600,982 | 204,852 | 138,484 | 186,435 | 4,324,433 |
| Purchases | – | – | – | – | 78,405 | – | 5,522 | – | 142,655 | 226,582 |
| Internal development | – | – | – | – | 5,053 | – | – | – | 33,885 | 38,938 |
| Business combinations | 38,172 | – | – | 8,013 | 3,475 | – | – | – | 321 | 11,809 |
| Loss of control | (1,053) | – | – | – | (1,028) | – | – | – | (10,360) | (11,388) |
| Disposals | – | – | – | 189 | (57,529) | – | – | – | (4,380) | (61,720) |
| Transfer of accounts | – | – | (33) | – | 160,680 | – | 333 | – | (163,371) | (2,391) |
| Exchange differences | 265,867 | – | 2 | 14,936 | 3,413 | 54,739 | – | 12,605 | 2,843 | 88,538 |
| Other* | – | – | (1,224) | (1,650) | 11,675 | – | – | – | (2,487) | 6,314 |
| As of March 31, 2023 | ¥ 5,219,303 | ¥ 538,661 | ¥ – | ¥ 802,339 | ¥ 2,077,057 | ¥ 655,721 | ¥ 210,707 | ¥ 151,089 | ¥ 185,541 | ¥ 4,621,115 |

(Thousands of U.S. dollars)

| | | Intangible assets with indefinite useful lives | | Intangible assets with finite useful lives | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Historical cost | Goodwill | Trademarks | Other | Customer relationships | Software | Technologies | Spectrum-related costs | Management contracts | Other | Total |
| As of March 31, 2022 | $36,818,071 | $4,034,007 | $ 9,399 | $ 5,847,757 | $14,026,159 | $4,500,726 | $1,534,127 | $1,037,101 | $ 1,396,203 | $32,385,479 |
| Purchases | – | – | – | – | 587,171 | – | 41,354 | – | 1,068,337 | 1,696,862 |
| Internal development | – | – | – | – | 37,842 | – | – | – | 253,763 | 291,605 |
| Business combinations | 285,868 | – | – | 60,009 | 26,024 | – | – | – | 2,404 | 88,437 |
| Loss of control | (7,886) | – | – | – | (7,699) | – | – | – | (77,585) | (85,284) |
| Disposals | – | – | – | 1,415 | (430,832) | – | – | – | (32,802) | (462,219) |
| Transfer of accounts | – | – | (247) | – | 1,203,325 | – | 2,494 | – | (1,223,478) | (17,906) |
| Exchange differences | 1,991,066 | – | 14 | 111,856 | 25,560 | 409,938 | – | 94,398 | 21,291 | 663,057 |
| Other* | – | – | (9,166) | (12,357) | 87,434 | – | – | – | (18,625) | 47,286 |
| As of March 31, 2023 | $39,087,119 | $4,034,007 | $ – | $ 6,008,680 | $15,554,984 | $4,910,664 | $1,577,975 | $1,131,499 | $ 1,389,508 | $34,607,317 |

Changes in the accumulated amortization and impairment losses of goodwill and intangible assets are as follows:

(Millions of yen)

| Accumulated amortization and impairment losses | Goodwill | Intangible assets with indefinite useful lives | Intangible assets with finite useful lives | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | Trademarks | Customer relationships | Software | Technologies | Spectrum-related costs | Management contracts | Other | |
| As of April 1, 2021 | ¥ (9,788) | ¥ (7,404) | ¥ (219,118) | ¥ (1,134,540) | ¥ (184,486) | ¥ (51,477) | ¥ (92,094) | ¥ (42,236) | ¥ (1,731,355) |
| Amortization | – | – | (46,641) | (188,616) | (39,970) | (10,984) | (7,794) | (5,557) | (299,562) |
| Impairment loss | (7,777) | – | – | – | (1,341) | – | – | – | (1,341) |
| Loss of control | – | – | 2,610 | 5,524 | 4,705 | – | – | 1,909 | 14,748 |
| Disposals | – | – | – | 33,007 | – | – | – | 1,119 | 34,126 |
| Exchange differences | (839) | – | (6,583) | (2,498) | (22,607) | – | (10,393) | (1,668) | (43,749) |
| Other* | – | 7,404 | 117,460 | 3,954 | 437 | (94) | – | 1,119 | 130,280 |
| As of March 31, 2022 | (18,404) | – | (152,272) | (1,283,169) | (243,262) | (62,555) | (110,281) | (45,314) | (1,896,853) |
| Amortization | **–** | **–** | **(45,539)** | **(206,486)** | **(46,629)** | **(11,811)** | **(12,642)** | **(5,831)** | **(328,938)** |
| Impairment loss | **(635)** | **–** | **–** | **(1,002)** | **–** | **–** | **–** | **(111)** | **(1,113)** |
| Loss of control | **–** | **–** | **–** | **1,019** | **–** | **–** | **–** | **8,766** | **9,785** |
| Disposals | **–** | **–** | **(189)** | **56,765** | **–** | **–** | **–** | **(1,549)** | **55,027** |
| Exchange differences | **(784)** | **–** | **(6,233)** | **(1,531)** | **(21,490)** | **–** | **(10,216)** | **(1,377)** | **(40,847)** |
| Other* | **–** | **–** | **1,149** | **(10,210)** | **(9)** | **–** | **–** | **535** | **(8,535)** |
| As of March 31, 2023 | **¥ (19,823)** | **¥ –** | **¥ (203,084)** | **¥ (1,444,614)** | **¥ (311,390)** | **¥ (74,366)** | **¥(133,139)** | **¥ (44,881)** | **¥ (2,211,474)** |

(Thousands of U.S. dollars)

| Accumulated amortization and impairment losses | Goodwill | Intangible assets with indefinite useful lives | Intangible assets with finite useful lives | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|
| | | Trademarks | Customer relationships | Software | Technologies | Spectrum-related costs | Management contracts | Other | |
| As of March 31, 2022 | $ (137,827) | $ – | $(1,140,358) | $ (9,609,593) | $(1,821,778) | $(468,472) | $(825,889) | $(339,355) | $(14,205,445) |
| Amortization | **–** | **–** | **(341,039)** | **(1,546,364)** | **(349,202)** | **(88,452)** | **(94,676)** | **(43,668)** | **(2,463,401)** |
| Impairment loss | **(4,755)** | **–** | **–** | **(7,504)** | **–** | **–** | **–** | **(831)** | **(8,335)** |
| Loss of control | **–** | **–** | **–** | **7,631** | **–** | **–** | **–** | **65,648** | **73,279** |
| Disposals | **–** | **–** | **(1,415)** | **425,110** | **–** | **–** | **–** | **(11,600)** | **412,095** |
| Exchange differences | **(5,872)** | **–** | **(46,680)** | **(11,466)** | **(160,938)** | **–** | **(76,507)** | **(10,311)** | **(305,902)** |
| Other* | **–** | **–** | **8,605** | **(76,462)** | **(67)** | **–** | **–** | **4,006** | **(63,918)** |
| As of March 31, 2023 | **$ (148,454)** | **$ –** | **$(1,520,887)** | **$(10,818,648)** | **$(2,331,985)** | **$(556,924)** | **$(997,072)** | **$(336,111)** | **$(16,561,627)** |

The carrying amounts of goodwill and intangible assets are as follows:

(Millions of yen)

| Carrying amounts | Goodwill | Intangible assets with indefinite useful lives | | Intangible assets with finite useful lives | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Trademarks | Other | Customer relationships | Software | Technologies | Spectrum-related costs | Management contracts | Other | |
| As of March 31, 2022 | ¥ 4,897,913 | ¥ 538,661 | ¥1,255 | ¥ 628,579 | ¥ 589,744 | ¥ 357,720 | ¥ 142,297 | ¥ 28,203 | ¥ 141,121 | ¥ 2,427,580 |
| **As of March 31, 2023** | **¥ 5,199,480** | **¥ 538,661** | **¥ –** | **¥ 599,255** | **¥ 632,443** | **¥ 344,331** | **¥ 136,341** | **¥ 17,950** | **¥ 140,660** | **¥ 2,409,641** |

(Thousands of U.S. dollars)

| Carrying amounts | Goodwill | Intangible assets with indefinite useful lives | | Intangible assets with finite useful lives | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Trademarks | Other | Customer relationships | Software | Technologies | Spectrum-related costs | Management contracts | Other | |
| **As of March 31, 2023** | **$38,938,665** | **$4,034,007** | **$ –** | **$4,487,793** | **$4,736,336** | **$2,578,679** | **$1,021,051** | **$134,427** | **$1,053,397** | **$18,045,690** |

* The decrease in assets that have completely been amortized is included in "Other" under "Customer relationships."

The Company determined that trademarks, such as "Yahoo!" and "Yahoo! JAPAN" in Japan, "ZOZO" and "LINE" brands, have indefinite useful lives as they can be legally utilized indefinitely as long as the business continues and management's current plans are to offer services under these trademarks in the foreseeable future.

Customer relationships reflect the excessive earning capacity in the future expected from the existing customers of the acquiree at the time of the business combinations.

Technologies reflect the excessive earning capacity in the future expected from technologies of the acquiree that had been already developed, or was already well-advanced in development, at the time of the business combinations.

Spectrum-related costs are the amounts incurred by SoftBank Corp. in connection with the costs for the spectrums assigned to SoftBank Corp. based on the Radio Act. These spectrum-related costs include the costs arising from the migration of pre-existing users to other spectrums by the termination campaign.

Amortization is included in "Cost of sales" and "Selling, general and administrative expenses" in the consolidated statement of profit or loss.

Impairment losses are mainly included in "Other gain (loss)" in the consolidated statement of profit or loss.

The carrying amount of internally generated intangible assets included in intangible assets is as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Software | ¥89,613 | **¥98,179** | **$735,258** |

The Company has not applied IFRS 16 "Leases" to leases of intangible assets. Therefore, since finance lease assets arising from lease transactions of software are recognized as intangible assets. The intangible assets with restrictions on rights arising from these transactions are described in "b. Assets under lease contracts for intangible assets" in "(6) Assets with restrictions on rights " under "Note 22. Interest-bearing debt."

Research and development costs included in "Cost of sales" and "Selling, general and administrative expenses" are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Research and development costs . . . . . . . . | ¥ 200,682 | **¥ 319,484** | **$ 2,392,601** |

### (2) Goodwill and intangible assets with indefinite useful lives allocated to cash-generating units or cash-generating unit groups

Goodwill acquired as a part of business combinations is allocated to cash-generating units or cash-generating unit groups that are expected to benefit from the synergies arising from business combinations. Amounts of goodwill and intangible assets with indefinite useful lives allocated to cash-generating units or cash-generating unit groups are as follows:

Goodwill

| Cash-generating units or Cash-generating unit groups | Reportable segments | (Millions of yen) As of March 31, 2022 | **As of March 31, 2023** | (Thousands of U.S. dollars) **As of March 31, 2023** |
|---|---|---|---|---|
| SoftBank*1 | SoftBank | ¥ 928,283 | **¥ 943,901** | **$ 7,068,831** |
| Yahoo*2 | | 15,382 | **15,382** | **115,195** |
| Media*3,4 | | 669,041 | **681,267** | **5,101,977** |
| Shopping*4 | | 272,472 | **281,831** | **2,110,619** |
| Ikyu (Restaurant) | | 6,433 | **6,433** | **48,176** |
| Ikyu (Accommodation) | | 65,611 | **65,611** | **491,358** |
| Finance | | 21,832 | **21,832** | **163,499** |
| Other | | 2,641 | **2,006** | **15,023** |
| | Subtotal | 1,981,695 | **2,018,263** | **15,114,678** |
| Arm | Arm | 2,898,128 | **3,161,725** | **23,678,012** |
| Other | – | 18,090 | **19,492** | **145,975** |
| Total | | ¥4,897,913 | **¥5,199,480** | **$38,938,665** |

Intangible assets with indefinite useful lives

| Cash-generating units or Cash-generating unit groups | Reportable segments | (Millions of yen) As of March 31, 2022 | **As of March 31, 2023** | (Thousands of U.S. dollars) **As of March 31, 2023** |
|---|---|---|---|---|
| Yahoo*2 | SoftBank | ¥169,575 | **¥169,575** | **$1,269,939** |
| Media*3 | | 160,116 | **160,116** | **1,199,101** |
| Shopping | | 198,850 | **198,850** | **1,489,178** |
| Ikyu (Accommodation) | | 10,120 | **10,120** | **75,789** |
| | Subtotal | 538,661 | **538,661** | **4,034,007** |
| SoftBank Vision Funds | SoftBank Vision Funds | 1,255 | **–** | **–** |
| Total | | ¥539,916 | **¥538,661** | **$4,034,007** |

*1 "SoftBank" comprises SoftBank Corp. and others.
*2 Goodwill is allocated to "Yahoo" because the benefits are expected to be realized from Z Holdings Corporation and its group companies as a whole, and not from individual cash-generating units in the SoftBank segment.
*3 The "Marketing solution" was renamed to "Media" in cash-generating unit groups for the fiscal year ended March 31, 2022.
*4 The cash-generating unit group of "Media" mainly consists of the cash-generating unit of "Marketing solution" under Yahoo Japan Corporation and the one of "Media" under LINE Group. The cash-generating unit group of "Shopping" mainly consists of the cash-generating unit of "Shopping" under Yahoo Japan Corporation, ASKUL Corporation, and ZOZO, Inc. Synergies arising from the business combination affect the entire cash-generating unit groups. As the goodwill cannot be allocated to them reasonably and coherent basis, it is allocated to the cash-generating unit groups of "Media" and "Shopping," respectively.

### (3) Measurement method for recoverable amounts of goodwill and intangible assets

The recoverable amount of each cash-generating unit or cash-generating unit group is measured as follows:

For the fiscal year ended March 31, 2022
Value in use: Media, Shopping, Ikyu (Restaurant), Ikyu (Accommodation), Finance
Fair value less disposal cost: SoftBank, Yahoo, Arm

For the fiscal year ended March 31, 2023
Value in use: Yahoo, Media, Shopping, Ikyu (Restaurant), Ikyu (Accommodation)
Fair value less disposal cost: SoftBank, Finance, Arm

a. Measurement method for recoverable amounts of goodwill in "Arm"

(a) For the fiscal year ended March 31, 2022

For "Arm," the fair value for the impairment test for goodwill of "Arm" as of March 31, 2022 is calculated by discounting the cash flows which are estimated based on the business plans for the next three years while taking into account the future cash flows that market participants would expect to receive in accordance with their assumptions discounted to the present value using a post-tax discount rate of 10.28%. The cash flows from after three years are assumed on the basis of the growth rate of 17.3% on the 4th year, 16.3% on the 5th year, 15.3% on the 6th year, 14.6% on the 7th year, 14.4% on the 8th year, 14.5% on the 9th year, 12.0% on the 10th year, 9.0% on the 11th year, and 5.6% on the 12th year. The cash flows from the 13th year onward are assumed to increase on the basis of the growth rate of 2.0%. Fair value is classified into level 3 as its fair value is measured using unobservable inputs.

(b) For the fiscal year ended March 31, 2023

For "Arm," the fair value for the impairment test for goodwill of "Arm" as of March 31, 2023 is calculated by discounting the cash flows which are estimated based on the business plans for the next three years while taking into account the future cash flows that market participants would expect to receive in accordance with their assumptions discounted to the present value using a post-tax discount rate of 12.01%. The cash flows from after three years are assumed on the basis of the growth rate of 24.9% on the 4th year, 21.2% on the 5th year, 17.4% on the 6th year, 13.8% on the 7th year, 10.6% on the 8th year, 9.1% on the 9th year, 7.2% on the 10th year, and 4.7% on the 11th year. The cash flows from the 12th year onward are assumed to increase on the basis of the growth rate of 2.0%. Fair value is classified into level 3 as its fair value is measured using unobservable inputs.

Assumptions used for the fair value measurement in the impairment test for goodwill of "Arm" include management's significant judgments and estimates, mainly consisting of chip shipment volume and average royalty rate, which are basis of the business plan used for the fair value calculation. Changes in precondition in business plans, such as a decline in overall market growth rate, an increase in competitive companies' market share, and a decrease in Arm's market share, could impact the estimated fair value, potentially leading to a future material impairment of goodwill.

b. Measurement method for recoverable amounts of goodwill and intangible assets other than in "Arm"

Value in use is assessed by discounting to the present value of the estimated cash flows over the next five years based on the financial budget approved by the management, which reflects past experience and external information, using the pre-tax discount rate of 4.8%-12.0% of the cash-generating unit or cash-generating unit group (for the fiscal year ended March 31, 2022: 7.5%-20.9%). The cash flows from after five years are assumed to increase on the basis of the growth rate of 0.9% (for the fiscal year ended March 31, 2022: 0.9%).

For "SoftBank," the fair value less disposal cost is measured based on active market prices. For "Finance," the fair value less disposal cost is measured based on the discounted cash flow method.

The measurement of the terminal value under the discounted cash flow method is calculated by referring to EV/EBITDA multiples of comparable companies and the future cash flows are calculated by discounting the estimated cash flows to the present value based on the business plans approved by the management and growth rates. Business plans are generally limited to 10 years and reflect the management's assessment of future trends in the industry and historical data, and are prepared based on the external and internal information. The pre-tax discount rate and EV/EBITDA multiple used for the fiscal year ended March 31, 2023 were 26.7% and x13.2, respectively. The fair value hierarchy is categorized as level 3 in accordance with the significant inputs used in the measurement.

As a result of an annual impairment test of goodwill and intangible assets with indefinite useful lives for cash-generating units or cash-generating unit groups, significant impairment loss was not recognized.

Recoverable amounts may be equal to carrying amounts if the pre-tax discount rate increases by approximately 2% or the perpetual growth rate decreases by approximately 3% in "Shopping."

Other than the above, the Company determined that for cash-generating units or cash-generating unit groups to which the goodwill and intangible assets with indefinite useful lives are allocated, the recoverable amount is unlikely to fall below the carrying amount, even if major assumptions used in the impairment test change to a reasonably foreseeable extent.

## 17. Leases

(As lessee)

(1) Right-of-use assets

The details of the components of the carrying amounts of the right-of-use assets by class of underlying asset, the components of depreciation by asset class, and the increase in the right-of-use assets, are described in "Note 15. Right-of-use assets."

(2) Lease liabilities

The details of the outstanding balance by year of maturity of lease liabilities are described in "(b) Analysis of financial liabilities by maturities" in "(2) Financial risk management c. Liquidity risk" under "Note 28. Financial instruments."

The balance of the lease liabilities as of March 31, 2023 is ¥836,997 million ($6,268,232 thousand) (as of March 31, 2022: ¥866,148 million). The weighted average interest rate for the lease liabilities as of March 31, 2023 is 1.73 % (as of March 31, 2022: 1.53 %) and their due dates range from April 2023 to November 2052 (as of March 31, 2022: from April 2022 to March 2051).

The details of interest expense on lease liabilities are described in "Note 39. Finance cost."

(3) Total cash outflow

The details of total cash outflow for leases are described in "(8) Cash outflows related to lease" under "Note 44. Supplemental information to the consolidated statement of cash flows."

(As lessor)

The Company provides device rental services to corporate customers in Japan. Since device leases are provided on the condition that subscribers maintain telecommunication services with the Company, the amount of revenue from these transactions is allocated between the amount to be received for leases and other elements based on the fair value of device leases and telecommunication services.

At the end of the lease term, the Company sells leased devices to entities providing trade-in service. To manage residual asset risk associated with devices, the trade-in prices are obtained from multiple entities and monitored on a regular basis.

(1) Finance leases

The components of revenue from finance leases recognized are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Selling profit or loss, net | ¥ 219 | **¥ (48)** | **$ (359)** |
| Finance income on the net investment in the lease | 114 | **93** | **696** |
| Total | ¥ 333 | **¥ 45** | **$ 337** |

Of this amount, revenue from subleases recognized is ¥965 million ($7,227 thousand) for the fiscal year ended March 31, 2023 (for the fiscal year ended March 31, 2022: ¥939 million).

The maturity analysis for the undiscounted total lease payments and the uncollected amount of net lease investments at the end of the fiscal year is as follows:

As of March 31, 2022

(Millions of yen)

| | Undiscounted total lease payments | Unearned finance income relating to the lease payments receivable | Discounted unguaranteed residual value | Uncollected amount of net lease investments |
|---|---|---|---|---|
| Within 1 year | ¥ 14,412 | ¥ (122) | ¥ – | ¥ 14,290 |
| 1 to 2 years | 8,530 | (67) | – | 8,463 |
| 2 to 3 years | 3,205 | (32) | – | 3,173 |
| 3 to 4 years | 461 | (15) | – | 446 |
| 4 to 5 years | 119 | (6) | – | 113 |
| Over 5 years | 7 | – | – | 7 |
| Total | ¥ 26,734 | ¥ (242) | ¥ – | ¥ 26,492 |

As of March 31, 2023

(Millions of yen)

| | Undiscounted total lease payments | Unearned finance income relating to the lease payments receivable | Discounted unguaranteed residual value | Uncollected amount of net lease investments |
|---|---|---|---|---|
| Within 1 year | **¥ 13,190** | **¥ (65)** | **¥ –** | **¥ 13,125** |
| 1 to 2 years | **7,592** | **(31)** | **–** | **7,561** |
| 2 to 3 years | **3,173** | **(14)** | **–** | **3,159** |
| 3 to 4 years | **459** | **(6)** | **–** | **453** |
| 4 to 5 years | **76** | **(5)** | **–** | **71** |
| Over 5 years | **23** | **(7)** | **–** | **16** |
| Total | **¥ 24,513** | **¥ (128)** | **¥ –** | **¥ 24,385** |

(Thousands of U.S. dollars)

| | Undiscounted total lease payments | Unearned finance income relating to the lease payments receivable | Discounted unguaranteed residual value | Uncollected amount of net lease investments |
|---|---|---|---|---|
| Within 1 year | **$ 98,780** | **$ (487)** | **$ –** | **$ 98,293** |
| 1 to 2 years | **56,856** | **(232)** | **–** | **56,624** |
| 2 to 3 years | **23,763** | **(105)** | **–** | **23,658** |
| 3 to 4 years | **3,437** | **(45)** | **–** | **3,392** |
| 4 to 5 years | **569** | **(37)** | **–** | **532** |
| Over 5 years | **172** | **(53)** | **–** | **119** |
| Total | **$183,577** | **$ (959)** | **$ –** | **$182,618** |

## (2) Operating leases

Analysis of maturities for operating leases is as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Within 1 year | ¥ 27,696 | **¥ 30,819** | **$ 230,802** |
| 1 to 2 years | 16,667 | **16,815** | **125,927** |
| 2 to 3 years | 5,596 | **8,044** | **60,241** |
| 3 to 4 years | 589 | **878** | **6,575** |
| 4 to 5 years | 565 | **642** | **4,808** |
| Over 5 years | 2,401 | **2,198** | **16,461** |
| Total | ¥ 53,514 | **¥ 59,396** | **$ 444,814** |

Lease income (excluding income relating to variable lease payments that do not depend on an index or a rate) from operating leases for the fiscal year ended March 31, 2023 is ¥59,728 million ($447,300 thousand) (for the fiscal year ended March 31, 2022: ¥58,665 million). Of this amount, income from subleases is ¥8,452 million ($63,297 thousand) (for the fiscal year ended March 31, 2022: ¥9,460 million).

Changes in historical cost, changes in accumulated depreciation and impairment losses, and the carrying amounts of property, plant and equipment underlying operating leases are described in "(2) Assets subject to operating leases as lessor included in property, plant and equipment" under "Note 14. Property, plant and equipment."

## 18. Major subsidiaries

### (1) Organizational structure

The Company's major subsidiaries are as follows:

Major subsidiaries as of March 31, 2023

| | | | Ownership percentage of voting rights (%) | |
|---|---|---|---|---|
| Company Name | Reportable segments | Location | As of March 31, 2022 | **As of March 31, 2023** |
| SoftBank Group Capital Limited | Investment Business of Holding Companies | U.K. | 100 | **100** |
| SoftBank Group Japan Corporation | Investment Business of Holding Companies | Tokyo | 100 | **100** |
| Delaware Project 1 L.L.C. | Investment Business of Holding Companies | U.S. | 66.7 | **66.7** |
| Delaware Project 2 L.L.C. | Investment Business of Holding Companies | U.S. | 66.7 | **66.7** |
| Delaware Project 3 L.L.C. | Investment Business of Holding Companies | U.S. | 66.7 | **66.7** |
| SB Northstar LP*1 | Investment Business of Holding Companies | Cayman | – | **–** |
| SB Group US, Inc. | Investment Business of Holding Companies | U.S. | 100 | **100** |
| Shiodome Project 17 GK | Investment Business of Holding Companies | Tokyo | – | **100** |
| Shiodome Project 9 GK | Investment Business of Holding Companies | Tokyo | 100 | **100** |
| SB Pan Pacific Corporation | Investment Business of Holding Companies | Micronesia | 100 | **100** |
| STARFISH I PTE. LTD. | Investment Business of Holding Companies | Singapore | 100 | **100** |
| Hayate Corporation | Investment Business of Holding Companies | Micronesia | 100 | **100** |
| SB Investment Advisers (UK) Limited | SoftBank Vision Funds | U.K. | 100 | **100** |
| SB Global Advisers Limited | SoftBank Vision Funds | U.K. | 100 | **100** |
| SoftBank Vision Fund L.P.*1 | SoftBank Vision Funds | Bailiwick of Jersey | – | **–** |
| SoftBank Vision Fund (AIV S1) L.P.*1 | SoftBank Vision Funds | U.S. | – | **–** |
| SoftBank Vision Fund (AIV M1) L.P.*1 | SoftBank Vision Funds | U.S. | – | **–** |
| SoftBank Vision Fund (AIV M2) L.P.*1 | SoftBank Vision Funds | U.S. | – | **–** |
| SoftBank Vision Fund (AIV M3) L.P.*1 | SoftBank Vision Funds | U.S. | – | **–** |
| SoftBank Vision Fund II-2 L.P.*1 | SoftBank Vision Funds | Bailiwick of Jersey | – | **–** |
| SBLA Latin America Fund LLC | SoftBank Vision Funds | U.S. | 100 | **100** |
| SoftBank Corp.*2 | SoftBank | Tokyo | 40.7 | **40.5** |
| A Holdings Corporation*3 | SoftBank | Tokyo | 50.0 | **50.0** |
| Z Holdings Corporation | SoftBank | Tokyo | 64.8 | **64.5** |
| Yahoo Japan Corporation | SoftBank | Tokyo | 100 | **100** |
| LINE Corporation | SoftBank | Tokyo | 100 | **100** |
| PayPay Corporation | SoftBank | Tokyo | 100 | **100** |
| LINE SOUTHEAST ASIA CORP.PTE.LTD. | SoftBank | Singapore | 100 | **100** |

| Company Name | Reportable segments | Location | Ownership percentage of voting rights (%) As of March 31, 2022 | **As of March 31, 2023** |
|---|---|---|---|---|
| ZOZO, Inc. | SoftBank | Chiba | 51.0 | **51.0** |
| PayPay Bank Corporation*4 | SoftBank | Tokyo | 46.6 | **46.6** |
| ASKUL Corporation*5 | SoftBank | Tokyo | 44.5 | **45.0** |
| Arm Limited | Arm | U.K. | 100 | **100** |
| Arm PIPD Holdings One, LLC | Arm | U.S. | 100 | **100** |
| Arm PIPD Holdings Two, LLC | Arm | U.S. | 100 | **100** |
| Fortress Investment Group LLC | – | U.S. | 100 | **100** |
| Fukuoka SoftBank HAWKS Corp. | – | Fukuoka | 100 | **100** |
| SB Energy Corp.*6 | – | Tokyo | 100 | **100** |
| SoftBank Ventures Asia Corp.*7 | – | South Korea | 100 | **100** |
| SoftBank Robotics Group Corp. | – | Tokyo | 87.8 | **87.8** |

*1 Limited partnerships are deemed as structured entities and the voting rights are not described.

*2 The Company does not own a majority of SoftBank Corp.'s voting rights. However, the Company has determined that it has substantial control over SoftBank Corp. and included it in the scope of consolidation, considering the fact that the Company holds 40.5% of the voting rights of SoftBank Corp., the dispersion of voting rights in SoftBank Corp. and the voting patterns exercised in SoftBank Corp.'s past shareholders meetings.

*3 The Company does not own a majority of A Holdings Corporation's voting rights. However, the Company has determined that it has substantial control over A Holdings Corporation and included it in the scope of consolidation, considering the fact that the Company holds 50.0% of the voting rights of A Holdings Corporation and appoints the majority of the members of A Holdings Corporation's Board of Directors.

*4 The Company does not own a majority of PayPay Bank Corporation's voting rights. However, the Company has determined that it has substantial control over PayPay Bank Corporation and included it in the scope of consolidation, considering the fact that the Company holds 46.6% of the voting rights of PayPay Bank Corporation and directors from the Company constitute the majority of the members of PayPay Bank Corporation's Board of Directors.

*5 The Company does not own a majority of ASKUL Corporation's voting rights. However, the Company has determined that it has substantial control over ASKUL Corporation and included it in the scope of consolidation, considering the fact that the Company holds 45.0% of the voting rights of ASKUL Corporation, the dispersion of voting rights in ASKUL Corporation and the voting patterns exercised in ASKUL Corporation's past shareholders meetings.

*6 On April 28, 2023, the Company sold 85% of shares in SB Energy Corp., a wholly-owned subsidiary of the Company. As a result, SB Energy Corp. is excluded from the consolidation of the Company and became an equity method associate on the same date. Consequently, SB Energy changed its name to Terras Energy Corporation on April 28, 2023.

*7 On June 14, 2023, the Company sold all of its shares in SoftBank Ventures Asia Corp., a wholly-owned subsidiary of the Company, to The EDGEof Korea Co., Ltd. As a result, SoftBank Ventures Asia Corp. is excluded from the consolidation of the Company on the same date. The details of the sale contract are described in "*13" in "d. Other related party transactions, for the fiscal year ended March 31, 2023" in "(1) Related party transactions and balances" under "Note 45. Related party transactions."

**(2) Summarized consolidated financial information and other information on subsidiaries with significant non-controlling interests**

a. SoftBank Corp. (SoftBank Corp. and its group companies)

(a) General information

| | As of March 31, 2022 | As of March 31, 2023 |
|---|---|---|
| Ownership ratio of the non-controlling interests (%) | 59.3 | **59.5** |

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Accumulated amount attributable to the non-controlling interests of subsidiary group | ¥ 1,939,862 | **¥1,943,804** | **$14,557,058** |

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Net income allocated to the non-controlling interests of subsidiary group | ¥ 373,731 | **¥ 239,463** | **$ 1,793,327** |

(b) Summarized consolidated financial information

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Current assets | ¥ 4,131,076 | **¥4,948,095** | **$37,056,055** |
| Non-current assets | 9,295,265 | **9,754,035** | **73,047,517** |
| Current liabilities | 5,342,753 | **6,372,638** | **47,724,392** |
| Non-current liabilities | 4,476,814 | **4,626,476** | **34,647,464** |
| Equity | 3,606,774 | **3,703,016** | **27,731,716** |

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Net sales | ¥ 5,690,606 | **¥5,911,999** | **$44,274,687** |
| Net income | 583,952 | **654,125** | **4,898,712** |
| Comprehensive income | 611,531 | **844,222** | **6,322,340** |

Dividends paid to non-controlling interests by SoftBank Corp. for the fiscal year ended March 31, 2023 are ¥240,881 million ($1,803,947 thousand) (for the fiscal year ended March 31, 2022: ¥238,931 million).

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Net cash provided by operating activities | ¥ 1,215,918 | **¥ 1,155,750** | **$ 8,655,359** |
| Net cash used in investing activities | (957,693) | **(154,773)** | **(1,159,088)** |
| Net cash used in financing activities | (305,072) | **(495,260)** | **(3,708,979)** |
| Effect of exchange rate changes on cash and cash equivalents | 8,747 | **6,658** | **49,861** |
| (Decrease) increase in cash and cash equivalents | ¥ (38,100) | **¥ 512,375** | **$ 3,837,153** |

b. Delaware Project 1 L.L.C., Delaware Project 2 L.L.C., and Delaware Project 3 L.L.C.

Delaware Project 1 L.L.C., Delaware Project 2 L.L.C., and Delaware Project 3 L.L.C. ("Delaware subsidiaries") made investments in SB Northstar, the asset management subsidiary of the Company, and the ownership ratio from Delaware subsidiaries to SB Northstar is 100%. Investment amounts and ownership ratio from non-controlling interests to each Delaware subsidiaries and investment amounts and ownership ratio from each Delaware subsidiaries to SB Northstar are the same. Financial figures of each Delaware subsidiaries are combined and presented as (b) Summarized consolidated financial information. The financial figures are different from the amounts recorded in the consolidated financial statements of the Company and the financial figures of SB Northstar as these figures are affected by borrowing from SoftBank Group Corp., interest expenses, and other items.

In addition, non-controlling interests in Delaware subsidiaries are from Son Asset Management LLC as of March 31, 2022 and from Son Wealth Management Inc as of March 31, 2023. Both are entities of which Masayoshi Son, Chairman & CEO of SoftBank Group Corp., holds more than one-half of the voting rights.

(a) General information

| | As of March 31, 2022 | As of March 31, 2023 |
|---|---|---|
| Ownership ratio of the non-controlling interests (%) | 33.3 | **33.3** |

| | | (Millions of yen) | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Accumulated amount attributable to the non-controlling interests of subsidiary group | ¥ (316,037) | **¥ (399,190)** | **$ (2,989,515)** |

| | | (Millions of yen) | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Net loss allocated to the non-controlling interests of subsidiary group | ¥ (105,685) | **¥ (55,491)** | **$ (415,570)** |

(b) Summarized consolidated financial information

| | | (Millions of yen) | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Current assets | ¥ 181 | **¥ 553** | **$ 4,141** |
| Non-current assets | 336,561 | **97,764** | **732,150** |
| Current liabilities | 1,281,218 | **–** | **–** |
| Non-current liabilities | – | **1,294,008** | **9,690,766** |
| Equity | (944,476) | **(1,195,691)** | **(8,954,475)** |

| | | (Millions of yen) | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Net sales | ¥ – | **¥ –** | **$ –** |
| Net loss | (309,595) | **(166,459)** | **(1,246,604)** |
| Comprehensive income | (309,595) | **(166,459)** | **(1,246,604)** |

No dividends were paid to non-controlling interests by Delaware subsidiaries for the fiscal year ended March 31, 2022 and for the fiscal year ended March 31, 2023.

| | | (Millions of yen) | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Net cash (used in) provided by operating activities | ¥ (96,289) | **¥ 8** | **$ 60** |
| Net cash provided by investing activities | 298,494 | **120,127** | **899,626** |
| Net cash used in financing activities | (202,400) | **(119,740)** | **(896,727)** |
| Effect of exchange rate changes on cash and cash equivalents | 22 | **(23)** | **(173)** |
| (Decrease) increase in cash and cash equivalent | ¥ (173) | **¥ 372** | **$ 2,786** |

## 19. Investments accounted for using the equity method

### (1) Summarized consolidated financial information and other information on the significant associates

Alibaba Group Holding Limited

a. General information

Alibaba (registered in Cayman) operates online marketplaces such as "Taobao Marketplace," "Tmall," "Alibaba.com," and others through its group company.

For the three-month period ended September 30, 2022, a part of prepaid forward contracts was settled by Alibaba shares based on the board resolution in August 2022. As a result, the Company lost significant influence over Alibaba via voting rights and Alibaba ceased to be an equity method associate of the Company. Therefore, summarized consolidated financial information and other information as of March 31, 2023 and for the fiscal year ended March 31, 2023 are not disclosed.

b. Summarized consolidated financial information

IFRSs summarized consolidated financial information for Alibaba is as follows.

The Company applies the equity method to the consolidated financial statements of Alibaba on a three-month time lag, as it is impracticable to conform the reporting period of Alibaba to that of the Company due to the contract with Alibaba. Also, this note discloses the summarized consolidated financial information of Alibaba on a three-month time lag. Adjustments are made for significant transactions or events which occurred during the intervening period and which were publicly announced by Alibaba.

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Current assets | ¥ 13,001,675 | ¥ – | $ – |
| Non-current assets | 19,847,700 | – | – |
| Current liabilities | 7,904,882 | – | – |
| Non-current liabilities | 4,604,469 | – | – |
| Equity | | | |
| Total equity attributable to owners of the parent | 18,661,592 | – | – |
| Non-controlling interests | 1,678,432 | – | – |

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Net sales | ¥ 14,736,682 | ¥ – | $ – |
| Net income | 1,409,479 | – | – |
| Other comprehensive income, net of tax | (239,859) | – | – |
| Total comprehensive income | ¥ 1,169,620 | ¥ – | $ – |

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Net income attributable to owners of the parent | ¥ 1,551,353 | ¥ – | $ – |
| Other comprehensive income attributable to owners of the parent, net of tax | (208,446) | – | – |
| Total comprehensive income attributable to owners of the parent | ¥ 1,342,907 | ¥ – | $ – |

There were no dividends received from Alibaba for the fiscal year ended March 31, 2022 and for the fiscal year ended March 31, 2023.

The reconciliation between total equity attributable to owners of the parent based on the summarized consolidated financial information above and the carrying amount of the interests in Alibaba is as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Total equity attributable to owners of the parent | ¥18,661,592 | ¥ – | $ – |
| Interest ratio (%) | 24.28 | – | – |
| Interests of the Company | 4,531,034 | – | – |
| Goodwill | 338,223 | – | – |
| Accumulated amortization of goodwill on the IFRSs transition date*1 | (6,590) | – | – |
| Warrants | (236,325) | – | – |
| Other*2 | (54,213) | – | – |
| Carrying amount of the interests in Alibaba | ¥ 4,572,129 | ¥ – | $ – |

*1 Goodwill recorded by Alibaba from business combinations before the IFRSs transition date was amortized over the periods in which economic benefits were reasonably expected to be realized, when the Company applied the equity method to the investment in Alibaba under its previous accounting principles (JGAAP). The adjustment amount above reflects the accumulated amortization of goodwill at the date of transition to IFRSs.

*2 Other relates to adjustments mainly associated with organization restructurings such as the transfer of Taobao shares in 2005 and the purchase of treasury stocks by Alibaba from Yahoo! Inc. in the U.S. in 2012.

c. Fair value of investment in Alibaba

The fair value of the investment in Alibaba based on market price is ¥8,665,799 million as of March 31, 2022.

### (2) Aggregated information on investment in insignificant associates and joint ventures

The aggregated information of insignificant investments accounted for using the equity method (total amount of the Company's interests), other than (1) above, is as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Carrying amount of the interests | | | |
| Associates | ¥620,188 | **¥669,499** | **$5,013,847** |
| Joint ventures | 42,202 | **60,941** | **456,384** |
| Total | ¥662,390 | **¥730,440** | **$5,470,231** |

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Net income (loss) | | | |
| Associates | ¥ (32,916) | **¥ (47,101)** | **$ (352,737)** |
| Joint ventures | (13,610) | **(24,182)** | **(181,098)** |
| Total | ¥ (46,526) | **¥ (71,283)** | **$ (533,835)** |
| Other comprehensive income, net of tax | | | |
| Associates | 161 | **(351)** | **(2,629)** |
| Joint ventures | 189 | **267** | **2,000** |
| Total | ¥ 350 | **¥ (84)** | **$ (629)** |
| Total comprehensive income | | | |
| Associates | (32,755) | **(47,452)** | **(355,366)** |
| Joint ventures | (13,421) | **(23,915)** | **(179,098)** |
| Total | ¥ (46,176) | **¥ (71,367)** | **$ (534,464)** |

## 20. Structured entities

### (1) Consolidated structured entities

The Company owns investment funds which are structured entities consolidated by the Company. These funds are structured as venture funds in the form of partnerships and limited partnerships for investment, and designed so that the voting rights or similar rights are not determinant in evaluating control. The Company evaluated that it controls the operation of those structured entities.

The details for major consolidated structured entities are described in "*1" in "(1) Organizational structure" under "Note 18. Major subsidiaries."

In addition, please refer to "a. Consolidation of SVF1, SVF2, and LatAm Funds by the Company" in "(20) Significant accounting policies for the SoftBank Vision Funds segment" under "Note 3. Significant accounting policies" for the following entities that comprise the SVF1 and SVF2 business.

| Company Name | Location |
|---|---|
| SoftBank Vision Fund L.P. | Bailiwick of Jersey |
| SoftBank Vision Fund (AIV M1) L.P. | U.S. |
| SoftBank Vision Fund (AIV M2) L.P. | U.S. |
| SoftBank Vision Fund (AIV M3) L.P. | U.S. |
| SoftBank Vision Fund (AIV S1) L.P. | U.S. |
| SoftBank Vision Fund II-2 L.P. | Bailiwick of Jersey |

The Company is engaged in investment commitment contracts with certain consolidated structured entities.

The Company has not provided, nor intends to provide, any significant financial support or other significant support to the consolidated structured entities without contractual obligation.

### (2) Unconsolidated structured entities

The Company owns investment funds, which are structured entities that are not consolidated by the Company. These funds are structured as venture funds in the form of partnerships, limited partnerships for investment and investment trusts, and designed so that the voting rights or similar rights are not determinant in evaluating control. Third parties control the operation of these structured entities. The funds are financed by the subscription by its partners.

The scale of the structured entities which are not consolidated, the carrying amount of the investment in the entities by the Company, and the potential maximum loss exposure to the Company are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Total assets of the unconsolidated structured entities (aggregate amount) | ¥3,622,044 | **¥3,988,392** | **$29,868,883** |
| The maximum loss exposure to the Company | | | |
| The carrying amount of the investment recognized by the Company | 702,381 | **651,058** | **4,875,743** |
| Commitment contracts related to additional investment | 112,050 | **83,735** | **627,088** |
| Total | ¥ 814,431 | **¥ 734,793** | **$ 5,502,831** |

The investments recognized by the Company are included in "Investments accounted for using the equity method," "Investments from SVF (FVTPL)," or "Investment securities" in the consolidated statement of financial position. The Company did not recognize any liabilities related to unconsolidated structured entities.

The potential maximum loss exposure incurred from the involvement with the structured entities is limited to the total of the carrying amount of the Company's investment and commitment regarding additional investment.

The Company's maximum loss exposure represents the potential maximum loss amount, and does not indicate any estimated loss amount by being involved with structured entities.

The Company has not provided, nor intends to provide, any financial support or other significant support to the unconsolidated structured entities above without contractual obligation.

## 21. Income taxes

### (1) Tax expenses

The components of income tax expenses are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Current tax expenses | ¥(317,084) | **¥(800,779)** | **$(5,996,997)** |
| Deferred tax expenses | (275,553) | **480,105** | **3,595,484** |
| Total | ¥(592,637) | **¥(320,674)** | **$(2,401,513)** |

Current tax expenses include benefit arising from tax loss, tax credit and the certain temporary differences in the previous years that were previously unrecognized. The reduction of current tax expense for the fiscal year ended March 31, 2023 was ¥537,341 million ($4,024,122 thousand) (for the fiscal year ended March 31, 2022: ¥345,861 million).

Current tax expenses for the fiscal year ended March 31, 2022 include adjustments for current tax of prior periods of ¥45,024 million (decrease of tax expenses) which arose primarily at foreign subsidiaries.

Deferred tax expenses include the amount of deferred tax expenses arising from write-off of deferred tax assets or reversal of the write-off of deferred tax assets recorded in the previous years. As a result, the decrease in deferred tax expenses for the fiscal year ended March 31, 2023 was ¥423,933 million ($3,174,815 thousand) (for the fiscal year ended March 31, 2022: ¥5,783 million).

### (2) Reconciliation of the statutory effective tax rate and actual tax rate

The reconciliation of the statutory effective tax rate and actual tax rate is as follows. The actual tax rate represents the ratio of income tax expenses to income before income tax.

(Unit :%)

| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** |
|---|---|---|
| Statutory effective tax rate*1 | 31.5 | **31.5** |
| Effect from profit or loss that does not impact taxable gain or loss | (117.1) | **(307.1)** |
| Effect from evaluating recoverability of deferred tax assets | (27.4) | **146.4** |
| Income and loss on equity method investments | (2.3) | **26.9** |
| Aggregation of income earned by controlled foreign companies | 6.0 | **8.9** |
| Distribution from SVF*2 | 15.3 | **8.4** |
| Difference of tax rate adopted by subsidiaries | 9.2 | **7.8** |
| Foreign Tax Credit | 0.1 | **7.1** |
| Taxation at foreign locations | 11.1 | **(3.8)** |
| Effect from the enactment of the Finance Act 2021 in the UK*3 | 3.7 | **–** |
| Other*2 | 1.7 | **5.5** |
| Actual tax rate | (68.2) | **(68.4)** |

*1 The Company is subject to corporate taxes, residence taxes and deductible enterprise taxes. The statutory effective tax rate for the fiscal year ended March 31, 2023 based on these taxes is 31.5% (for the fiscal year ended March 31, 2022: 31.5%), except for foreign subsidiaries which are subject to income taxes at their respective locations.

*2 In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the adjustment of tax rate related to LatAm Funds distributions, which was included in "Others" in the past fiscal year, is reclassified and presented as "Distribution from SVF."

*3 Due to the enactment of the UK Finance Act of 2021 in June 2021, the corporate tax rate of the UK was increased from 19% to 25% on or after April 1, 2023. As a result, for the fiscal year ended March 31, 2022, the Company reversed a deferred tax liability of ¥38,029 million (translated at the exchange rate as of March 31, 2021). In addition, credits of income taxes (profit) and other comprehensive income (profit) were recorded for ¥31,953 million and ¥5,890 million, respectively. This is primarily due to the fact that certain subsidiaries based in the UK, which were applicable for the calculation of aggregation of income earned by controlled foreign companies in SoftBank Group Corp., will be expected to be exempt from the calculation on or after April 1, 2023.

### (3) Movement of deferred tax assets and deferred tax liabilities

The movement of deferred tax assets and deferred tax liabilities is as follows:

For the fiscal year ended March 31, 2022

(Millions of yen)

| | As of April 1, 2021 | Recognized in profit or loss | Recognized in other comprehensive income | Exchange differences | Other | As of March 31, 2022 |
|---|---|---|---|---|---|---|
| Deferred tax assets | | | | | | |
| Property, plant and equipment | ¥ 45,151 | ¥ (10,291) | ¥ – | ¥ 134 | ¥ (22) | ¥ 34,972 |
| Intangible assets | 23,994 | 18,491 | – | 306 | (203) | 42,588 |
| Accrued expenses and other liabilities | 123,275 | (2,786) | (18) | 699 | (868) | 120,302 |
| Net operating loss carryforwards and tax credit carryforwards*1 | 82,306 | 9,725 | – | 5,131 | (7,472) | 89,690 |
| Temporary difference associated with investment in subsidiaries, associates and joint ventures | 5,437 | 2,828 | 28 | 462 | – | 8,755 |
| Unrealized gain | 79,237 | (11,109) | – | – | – | 68,128 |
| Allowance for doubtful accounts | 17,544 | 2,791 | – | – | (54) | 20,281 |
| Other | 69,670 | 822 | 166 | 2,360 | 894 | 73,912 |
| Total | 446,614 | 10,471 | 176 | 9,092 | (7,725) | 458,628 |
| Deferred tax liabilities | | | | | | |
| Customer relationships | (191,086) | 8,557 | – | (2,222) | 1,531 | (183,220) |
| Trademarks | (117,218) | (2,948) | – | (45) | 3,134 | (117,077) |
| Technologies | (89,909) | (13,184) | – | (11,189) | – | (114,282) |
| Temporary difference associated with investment in subsidiaries, associates and joint ventures*2 | (1,140,066) | (354,913) | (165,316) | (9,757) | (1,206) | (1,671,258) |
| Investment securities | (471,998) | 14,998 | 550 | (7,752) | (33) | (464,235) |
| Derivative financial assets | (83,698) | 81,027 | – | (241) | – | (2,912) |
| Contract assets and costs to obtain contracts | (86,475) | (20,169) | – | – | – | (106,644) |
| Other | (90,746) | 608 | 10,794 | (2,222) | 9,787 | (71,779) |
| Total | (2,271,196) | (286,024) | (153,972) | (33,428) | 13,213 | (2,731,407) |
| Net | ¥ (1,824,582) | ¥ (275,553) | ¥ (153,796) | ¥ (24,336) | ¥ 5,488 | ¥ (2,272,779) |

*1 The Company recognizes deferred tax assets of ¥1,557 million as of March 31, 2022 at entities that recorded a loss in either the fiscal year ended March 31, 2021 or 2022. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be utilized.

*2 The changes in deferred tax liabilities from "Temporary difference associated with investment in subsidiaries, associates and joint ventures" for the fiscal year ended March 31, 2022 are mainly due to the increase of ¥719,338 million in relation to the increase of temporary differences on investment in Alibaba shares and the decrease of ¥181,167 million following the decrease in reserved profits of SVF1 and SVF2.

For the fiscal year ended March 31, 2023

(Millions of yen)

| | As of April 1, 2022 | Recognized in profit or loss | Recognized in other comprehensive income | Exchange differences | Other | **As of March 31, 2023** |
|---|---|---|---|---|---|---|
| Deferred tax assets | | | | | | |
| Property, plant and equipment | ¥ 34,972 | ¥ 4,336 | ¥ – | ¥ 204 | ¥ 51 | ¥ 39,563 |
| Intangible assets | 42,588 | 4,910 | – | 186 | (1) | 47,683 |
| Accrued expenses and other liabilities | 120,302 | 7,953 | (30) | 310 | (733) | 127,802 |
| Net operating loss carryforwards and tax credit carryforwards*1 | 89,690 | 521,501 | (1) | 4,038 | (1,470) | 613,758 |
| Temporary difference associated with investment in subsidiaries, associates and joint ventures | 8,755 | 3,838 | (32) | 397 | (79) | 12,879 |
| Derivative financial liabilities | – | 60,392 | – | – | – | 60,392 |
| Unrealized gain | 68,128 | (11,141) | – | – | (2) | 56,985 |
| Allowance for doubtful accounts | 20,281 | 734 | – | – | 2 | 21,017 |
| Other | 73,912 | 28,429 | (1,482) | 1,735 | 5,904 | 108,498 |
| Total | 458,628 | 620,952 | (1,545) | 6,870 | 3,672 | 1,088,577 |
| Deferred tax liabilities | | | | | | |
| Customer relationships | (183,220) | 12,578 | – | (2,093) | (2,772) | (175,507) |
| Trademarks | (117,077) | (5,247) | – | (43) | – | (122,367) |
| Technologies | (114,282) | 9,561 | – | (10,543) | – | (115,264) |
| Temporary difference associated with investment in subsidiaries, associates and joint ventures*2 | (1,671,258) | 1,457,582 | 192,710 | (3,302) | (5,827) | (30,095) |
| Investment securities*2 | (464,235) | (1,402,671) | 2,978 | (7,079) | (151) | (1,871,158) |
| Derivative financial assets | (2,912) | (203,239) | – | (135) | 557 | (205,729) |
| Contract assets and costs to obtain contracts | (106,644) | 640 | – | – | – | (106,004) |
| Other | (71,779) | (10,051) | 1,943 | (280) | (20) | (80,187) |
| Total | (2,731,407) | (140,847) | 197,631 | (23,475) | (8,213) | (2,706,311) |
| Net | ¥ (2,272,779) | ¥ 480,105 | ¥ 196,086 | ¥ (16,605) | ¥ (4,541) | ¥ (1,617,734) |

(Thousands of U.S. dollars)

| | As of April 1, 2022 | Recognized in profit or loss | Recognized in other comprehensive income | Exchange differences | Other | As of March 31, 2023 |
|---|---|---|---|---|---|---|
| Deferred tax assets | | | | | | |
| Property, plant and equipment | $ 261,904 | $ 32,472 | $ – | $ 1,528 | $ 381 | $ 296,285 |
| Intangible assets | 318,940 | 36,770 | – | 1,393 | (7) | 357,096 |
| Accrued expenses and other liabilities | 900,936 | 59,560 | (225) | 2,322 | (5,490) | 957,103 |
| Net operating loss carryforwards and tax credit carryforwards*1 | 671,684 | 3,905,497 | (7) | 30,240 | (11,009) | 4,596,405 |
| Temporary difference associated with investment in subsidiaries, associates and joint ventures | 65,566 | 28,743 | (240) | 2,973 | (592) | 96,450 |
| Derivative financial liabilities | – | 452,273 | – | – | – | 452,273 |
| Unrealized gain | 510,207 | (83,434) | – | – | (15) | 426,758 |
| Allowance for doubtful accounts | 151,883 | 5,497 | – | – | 15 | 157,395 |
| Other | 553,524 | 212,903 | (11,098) | 12,993 | 44,216 | 812,538 |
| Total | 3,434,644 | 4,650,281 | (11,570) | 51,449 | 27,499 | 8,152,303 |
| Deferred tax liabilities | | | | | | |
| Customer relationships | (1,372,126) | 94,196 | – | (15,675) | (20,758) | (1,314,363) |
| Trademarks | (876,784) | (39,295) | – | (322) | – | (916,401) |
| Technologies | (855,853) | 71,602 | – | (78,956) | – | (863,207) |
| Temporary difference associated with investment in subsidiaries, associates and joint ventures*2 | (12,515,974) | 10,915,764 | 1,443,196 | (24,728) | (43,638) | (225,380) |
| Investment securities*2 | (3,476,634) | (10,504,539) | 22,302 | (53,014) | (1,131) | (14,013,016) |
| Derivative financial assets | (21,808) | (1,522,047) | – | (1,011) | 4,171 | (1,540,695) |
| Contract assets and costs to obtain contracts | (798,652) | 4,793 | – | – | – | (793,859) |
| Other | (537,550) | (75,271) | 14,551 | (2,097) | (150) | (600,517) |
| Total | (20,455,381) | (1,054,797) | 1,480,049 | (175,803) | (61,506) | (20,267,438) |
| Net | $ (17,020,737) | $ 3,595,484 | $ 1,468,479 | $ (124,354) | $ (34,007) | $ (12,115,135) |

*1 The Company recognizes deferred tax assets of ¥29,484 million ($220,804 thousand) as of March 31, 2023 at entities that recorded a loss in either the fiscal year ended March 31, 2022 or 2023. Deferred tax assets are recognized to the extent that it is probable that taxable income will be available against which deductible temporary differences, net operating loss carryforwards and tax credit carryforwards can be utilized.

*2 As a result of the exclusion of Alibaba from associates, deferred tax liabilities decreased by ¥1,607,135 million ($12,035,760 thousand) under "Temporary difference associated with investment in subsidiaries, associates and joint ventures," as an extinguishment of temporary difference associated with investment in Alibaba, and deferred tax liabilities for investment in Alibaba increased by ¥1,457,576 million ($10,915,719 thousand) under "Investment securities."

Deferred tax assets and liabilities recorded in the consolidated statement of financial position are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Deferred tax assets | ¥ 163,255 | **¥ 210,823** | **$ 1,578,844** |
| Deferred tax liabilities | (2,436,034) | **(1,828,557)** | **(13,693,979)** |
| Net | ¥(2,272,779) | **¥(1,617,734)** | **$(12,115,135)** |

### (4) Deductible temporary differences, net operating loss carryforwards and tax credit carryforwards for which no deferred tax assets have been recognized

Deductible temporary differences, net operating loss carryforwards, and tax credit carryforwards for which no deferred tax assets have been recognized are as follows. The amounts below are on a tax basis.

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Deductible temporary differences | ¥ 477,829 | **¥ 521,979** | **$ 3,909,077** |
| Net operating loss carryforwards | 1,098,227 | **341,916** | **2,560,593** |
| Tax credit carryforwards | 7,275 | **5,886** | **44,080** |
| Total | ¥ 1,583,331 | **¥ 869,781** | **$ 6,513,750** |

Expiration schedule of net operating loss carryforwards and tax credit carryforwards for which no deferred tax assets have been recognized is as follows. For deductible temporary differences as of March 31, 2023, the deductible temporary difference of ¥3,102 million ($23,231 thousand) (on a tax basis) is set to expire in the 5th year and thereafter (as of March 31, 2022: The deductible temporary difference of ¥43,967 million (on a tax basis) is set to expire in the 7th year). Other than the above, there is no deductible temporary difference with an expiry date.

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| Net operating loss carryforwards (tax basis) | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| 1st year | ¥ 2,619 | **¥ 409** | **$ 3,063** |
| 2nd year | 4,280 | **3,562** | **26,676** |
| 3rd year | 4,562 | **2,589** | **19,389** |
| 4th year | 2,153 | **10,079** | **75,481** |
| 5th year and thereafter and no expiry date | 1,084,613 | **325,277** | **2,435,984** |
| Total | ¥1,098,227 | **¥ 341,916** | **$2,560,593** |

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| Tax credit carryforwards (tax basis) | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| 1st year | ¥ – | **¥ –** | **$ –** |
| 2nd year | – | **–** | **–** |
| 3rd year | – | **–** | **–** |
| 4th year | – | **–** | **–** |
| 5th year and thereafter and no expiry date | 7,275 | **5,886** | **44,080** |
| Total | ¥ 7,275 | **¥ 5,886** | **$ 44,080** |

In addition to the above, total future deductible temporary differences (before multiplying by the tax rate) for which no deferred tax assets have been recognized that are related to the investment in subsidiaries, associates and joint ventures as of March 31, 2023 are ¥7,158,046 million ($53,606,276 thousand) (as of March 31, 2022: ¥3,331,893 million).

### (5) Future taxable temporary differences for which no deferred tax liabilities have been recognized that are related to the investment in subsidiaries

Total future taxable temporary differences (before multiplying by the tax rate) for which no deferred tax liabilities have been recognized that are related to the investment in subsidiaries as of March 31, 2023 are ¥4,965,331 million ($37,185,134 thousand) (as of March 31, 2022: ¥3,629,798 million).

## 22. Interest-bearing debt

### (1) Components of interest-bearing debt

The components of interest-bearing debt are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) | | |
|---|---|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** | Average interest rate (%)*1 | Maturity*2 |
| Current | | | | | |
| Short-term borrowings*3 | ¥ 1,551,238 | **¥ 900,502** | **$ 6,743,818** | 0.48 | – |
| Commercial paper | 527,201 | **283,001** | **2,119,381** | 0.18 | – |
| Current portion of long-term borrowings*4,5 | 2,377,864 | **2,955,480** | **22,133,453** | 4.44 | – |
| Current portion of corporate bonds*7 | 519,870 | **653,237** | **4,892,062** | 2.11 | – |
| Current portion of financial liabilities relating to sale of shares by prepaid forward contracts*6 | 2,352,539 | **336,730** | **2,521,755** | 0.39 | – |
| Current portion of installment payables | 150 | **97** | **727** | 1.90 | – |
| Total | ¥ 7,328,862 | **¥ 5,129,047** | **$ 38,411,196** | | |
| Non-current | | | | | |
| Long-term borrowings*3,5 | 5,472,605 | **4,164,682** | **31,189,111** | 2.21 | May. 2024-Apr. 2047 |
| Corporate bonds*7 | 6,471,624 | **6,257,455** | **46,861,791** | 2.54 | Jun. 2024-Jun. 2056 |
| Financial liabilities relating to sale of shares by prepaid forward contracts*6 | 2,184,034 | **3,926,873** | **29,408,170** | 2.07 | May. 2024-Apr. 2025 |
| Installment payables | 307 | **137** | **1,027** | 1.90 | Apr. 2024-Jul. 2025 |
| Total | ¥14,128,570 | **¥14,349,147** | **$107,460,099** | | |

*1 Average interest rate represents the weighted-average interest rate to the balance as of March 31, 2023.

*2 Maturity represents the maturity of the outstanding balance as of March 31, 2023.

*3 For the fiscal year ended March 31, 2022, Kronos I (UK) Limited, a wholly-owned subsidiary of the Company, entered into a facility agreement with financial institutions and made a borrowing of $8.0 billion in total (combination of term facility loans of $7.1 billion and bridge facility loans of $0.9 billion) providing 75.01% (other than 24.99% held by SVF1) of Arm Limited shares held by a wholly-owned subsidiary of the Company other than Kronos I (UK) Limited, all of Kronos I (UK) Limited's assets except for certain assets specified in the agreement and the equity interests of wholly-owned subsidiaries of the Company which were established for this facility purpose as collateral. As of March 31, 2022, the term facility loans of ¥852,570 million and the bridge facility loans of ¥108,948 million are included in long-term borrowings and short-term borrowings, respectively. In addition, for the fiscal year ended March 31, 2023, the bridge facility loans were fully repaid and an additional $1.4 billion of borrowing was made as term facility loans. As of March 31, 2023, the term facility loans are recorded for ¥1,126,619 million ($8,437,198 thousand) in current portion of long-term borrowings.

The term facility loans and the bridge facility loans shall be repaid in full on their maturity, which is the earlier of the date falling three months after the effective date of the listing of Arm and the date falling twenty-four months after the initial borrowing for the term facility loans, and the earlier of the date falling three months after the effective date of the listing of Arm and the date falling three months after the borrowing for the bridge facility loans, with an up to twelve months extension option for term facility loans which requires lender's consent, and an up to three months extension option for the bridge facility loans. The interest rates of both facility loans shall step up based on the term of the loans.

The facility agreement includes mandatory prepayment provisions for a part or whole loans, which may be triggered under certain circumstances such as sales of Arm shares upon occurrence of a listing and adjusted EBITDA of Arm being lower than the threshold, and an additional cash collateral provision, which may be triggered if a fair value of Arm shares pledged as collateral decreases significantly at designated test date. In addition, Kronos I (UK) Limited is required to reserve an amount equivalent to interest for a certain period in the designated account. The borrowings of Kronos I (UK) Limited are nonrecourse debts, and therefore, SoftBank Group Corp. will not be responsible for the borrowings.

*4 A wholly-owned subsidiary of the Company had made a borrowing by using Alibaba shares pledged as collateral. For the fiscal year ended March 31, 2023, the wholly-owned subsidiary of the Company repaid all of its borrowing of $6.0 billion before the maturity date and the collateral for Alibaba shares was released. The borrowings are recorded for ¥731,517 million as "Current portion of long-term borrowings" and Alibaba shares pledged as collateral are recorded for ¥1,154,179 million as "Investments accounted for using the equity method" in the consolidated statement of financial position as of March 31, 2022.

*5 The current portion of long-term borrowings and long-term borrowings as of March 31, 2023 include ¥5,526 million ($41,384 thousand) and ¥547,156 million ($4,097,626 thousand) (as of March 31, 2022: ¥11,500 million of short-term borrowings, ¥120,447 million of current portion of long-term borrowings, and ¥204,588 million of long-term borrowings) of borrowings in SVF1. The current portion of long-term borrowings as of March 31, 2023 includes ¥770,004 million ($5,766,524 thousand) (as of March 31, 2022: ¥13,183 million of current portion of long-term borrowings and ¥718,357 million of long-term borrowings) of borrowings in SVF2.

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

*7 A summary of the issuance conditions of the bonds is as follows:

| Company name / Name of bond | Date of issuance | Balance of issue amount*8 | As of March 31, 2022 (Millions of yen)*9 | **As of March 31, 2023 (Millions of yen)*9** | **As of March 31, 2023 (Thousands of U.S. dollars)*9** | Interest rate (%) | Date of maturity |
|---|---|---|---|---|---|---|---|
| SoftBank Group Corp. | | | | | | | |
| 48th Unsecured Straight Bond | Dec. 10, 2015 | ¥ – | ¥ 336,617 (336,617) | **¥ –** | **$ –** | 2.13 | Dec. 9, 2022 |
| 49th Unsecured Straight Bond | Apr. 20, 2016 | ¥ 19,500 million | 19,487 | **19,500 (19,500)** | **146,035 (146,035)** | 1.94 | Apr. 20, 2023 |
| 50th Unsecured Straight Bond | Apr. 20, 2016 | ¥ 30,000 million | 29,939 | **29,954** | **224,324** | 2.48 | Apr. 20, 2026 |
| 51st Unsecured Straight Bond | Mar. 16, 2017 | ¥ 352,612 million | 351,388 | **352,027 (352,027)** | **2,636,314 (2,636,314)** | 2.03 | Mar. 15, 2024 |
| 52nd Unsecured Straight Bond | Mar. 8, 2017 | ¥ 47,300 million | 47,241 | **47,272 (47,272)** | **354,018 (354,018)** | 2.03 | Mar. 8, 2024 |
| 53rd Unsecured Straight Bond | Jun. 20, 2018 | ¥ 410,000 million | 408,142 | **408,999** | **3,062,975** | 1.57 | Jun. 14, 2024 |
| 54th Unsecured Straight Bond | Jun. 12, 2018 | ¥ 40,000 million | 39,936 | **39,966** | **299,304** | 1.57 | Jun. 12, 2024 |
| 55th Unsecured Straight Bond | Apr. 26, 2019 | ¥ 500,000 million | 496,871 | **497,914** | **3,728,855** | 1.64 | Apr. 25, 2025 |
| 56th Unsecured Straight Bond | Sep. 20, 2019 | ¥ 400,000 million | 396,838 | **397,554** | **2,977,264** | 1.38 | Sep.17, 2026 |
| 57th Unsecured Straight Bond | Sep. 12, 2019 | ¥ 100,000 million | 99,725 | **99,787** | **747,300** | 1.38 | Sep.11, 2026 |
| 58th Unsecured Straight Bond | Dec. 16, 2022 | ¥ 385,000 million | – | **380,398** | **2,848,783** | 2.84 | Dec.14, 2029 |
| USD-denominated Senior Notes due 2022 | Jul. 28, 2015 | $ – | 62,724 (62,724) | **–** | **–** | 5.38 | Jul. 30, 2022 |
| USD-denominated Senior Notes due 2023 | Apr. 20, 2018 | $ 164 million | 20,040 | **21,920 (21,920)** | **164,158 (164,158)** | 5.50 | Apr. 20, 2023 |
| USD-denominated Senior Notes due 2024*10 | Sep. 19, 2017 | $ 783 million | 101,693 | **104,277** | **780,926** | 4.75 | Sep. 19, 2024 |
| USD-denominated Senior Notes due 2025 | Jul. 28, 2015 | $ 575 million | 69,997 | **76,498** | **572,890** | 6.00 | Jul. 30, 2025 |
| USD-denominated Senior Notes due 2025*10 | Apr. 20, 2018 | $ 340 million | 45,241 | **45,192** | **338,440** | 6.13 | Apr. 20, 2025 |
| USD-denominated Senior Notes due 2025*10 | Jul. 6, 2021 | $ 450 million | 66,708 | **59,708** | **447,150** | 3.13 | Jan. 6, 2025 |
| USD-denominated Senior Notes due 2026*10 | Jul. 6, 2021 | $ 673 million | 96,957 | **89,210** | **668,090** | 4.00 | Jul. 6, 2026 |
| USD-denominated Senior Notes due 2027*10 | Sep. 19, 2017 | $ 1,666 million | 216,833 | **221,202** | **1,656,572** | 5.13 | Sep. 19, 2027 |
| USD-denominated Senior Notes due 2028*10 | Apr. 3, 2018 | $ 467 million | 60,737 | **61,996** | **464,285** | 6.25 | Apr. 15, 2028 |
| USD-denominated Senior Notes due 2028*10 | Jul. 6, 2021 | $ 803 million | 121,137 | **106,296** | **796,046** | 4.63 | Jul. 6, 2028 |
| USD-denominated Senior Notes due 2031*10 | Jul. 6, 2021 | $ 1,350 million | 179,215 | **178,583** | **1,337,400** | 5.25 | Jul. 6, 2031 |
| Euro-denominated Senior Notes due 2022 | Jul. 28, 2015 | € – | 25,544 (25,544) | **–** | **–** | 4.00 | Jul. 30, 2022 |
| Euro-denominated Senior Notes due 2023 | Apr. 20, 2018 | € 635 million | 86,578 | **92,531 (92,531)** | **692,960 (692,960)** | 4.00 | Apr. 20, 2023 |
| Euro-denominated Senior Notes due 2024*10 | Jun. 6, 2021 | € 640 million | 101,643 | **92,814** | **695,080** | 2.13 | Jul. 6, 2024 |
| Euro-denominated Senior Notes due 2025 | Jul. 28, 2015 | € 633 million | 86,042 | **91,873** | **688,033** | 4.75 | Jul. 30, 2025 |
| Euro-denominated Senior Notes due 2025*10 | Sep. 19, 2017 | € 702 million | 110,222 | **101,904** | **763,154** | 3.13 | Sep. 19, 2025 |
| Euro-denominated Senior Notes due 2025*10 | Apr. 20, 2018 | € 272 million | 41,129 | **39,499** | **295,806** | 4.50 | Apr. 20, 2025 |
| Euro-denominated Senior Notes due 2027 | Jul. 28, 2015 | € 211 million | 28,570 | **30,500** | **228,413** | 5.25 | Jul. 30, 2027 |

| Company name / Name of bond | Date of issuance | Balance of issue amount*[8] | As of March 31, 2022 (Millions of yen)*[9] | **As of March 31, 2023** (Millions of yen)*[9] | **As of March 31, 2023** (Thousands of U.S. dollars)*[9] | Interest rate (%) | Date of maturity |
|---|---|---|---|---|---|---|---|
| Euro-denominated Senior Notes due 2027*[10] | Jul. 6, 2021 | € 445 million | ¥ 106,643 | **¥ 64,360** | **$ 481,989** | 2.88 | Jan. 6, 2027 |
| Euro-denominated Senior Notes due 2028*[10] | Apr. 3, 2018 | € 1,058 million | 159,256 | **153,258** | **1,147,742** | 5.00 | Apr. 15, 2028 |
| Euro-denominated Senior Notes due 2029*[10] | Sep. 19, 2017 | € 584 million | 93,221 | **84,466** | **632,562** | 4.00 | Sep. 19, 2029 |
| Euro-denominated Senior Notes due 2029*[10] | Jul. 6, 2021 | € 504 million | 107,817 | **72,735** | **544,709** | 3.38 | Jul. 6, 2029 |
| Euro-denominated Senior Notes due 2032*[10] | Jul. 6, 2021 | € 446 million | 80,071 | **64,312** | **481,630** | 3.88 | Jul. 6, 2032 |
| 3rd Unsecured Subordinated Corporate Bond | Sep. 30, 2021 | ¥ 450,000 million | 443,794 | **444,761** | **3,330,795** | 2.40 | Sep. 29, 2028 |
| 4th Unsecured Subordinated Corporate Bond | Sep. 16, 2021 | ¥ 50,000 million | 49,705 | **49,751** | **372,583** | 2.40 | Sep. 15, 2028 |
| 5th Unsecured Subordinated Corporate Bond | Feb. 4, 2022 | ¥ 550,000 million | 541,927 | **543,108** | **4,067,310** | 2.48 | Feb. 2, 2029 |
| 2nd Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision)*[11,12] | Sep. 16, 2016 | ¥ 15,400 million | 15,279 | **15,285** | **114,468** | 3.50 | Sep. 16, 2043 |
| 4th Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision)*[11,13] | Feb. 4, 2021 | ¥ 177,000 million | 175,555 | **175,598** | **1,315,045** | 3.00 | Feb. 4, 2056 |
| 5th Unsecured Subordinated Bonds with interest deferrable clause and early redeemable option (with a subordination provision)*[11,14] | Jun. 21, 2021 | ¥ 405,000 million | 397,803 | **398,014** | **2,980,707** | 2.75 | Jun. 21, 2056 |
| Subtotal | | | 5,918,265<br>(424,885) | **5,753,022<br>(533,250)** | **43,084,116<br>(3,993,485)** | | |
| Z Holdings Corporation | | | | | | | |
| 10th Unsecured Straight Bond | Jul. 31, 2019 | ¥ – | 59,985<br>(59,985) | **–** | **–** | 0.04 | Jul. 29, 2022 |
| 11th Unsecured Straight Bond | Jul. 31, 2019 | ¥ 50,000 million | 49,922 | **49,957** | **374,126** | 0.18 | Jul. 31, 2024 |
| 12th Unsecured Straight Bond | Jul. 31, 2019 | ¥ 70,000 million | 69,856 | **69,890** | **523,403** | 0.37 | Jul. 31, 2026 |
| 13th Unsecured Straight Bond | Jul. 31, 2019 | ¥ 50,000 million | 49,857 | **49,877** | **373,527** | 0.46 | Jul. 31, 2029 |
| 15th Unsecured Straight Bond | Jun. 11, 2020 | ¥ 80,000 million | 79,911 | **79,987<br>(79,987)** | **599,019<br>(599,019)** | 0.35 | Jun. 9, 2023 |
| 16th Unsecured Straight Bond | Jun. 11, 2020 | ¥ 70,000 million | 69,850 | **69,897** | **523,455** | 0.60 | Jun. 11, 2025 |
| 19th Unsecured Straight Bond | Jul. 28, 2021 | ¥ 50,000 million | 49,853 | **49,888** | **373,609** | 0.35 | Jul. 28, 2026 |
| 23rd Unsecured Straight Bond | Sep. 28, 2022 | ¥ 50,000 million | – | **49,746** | **372,545** | 0.76 | Sep. 28, 2027 |
| Other Unsecured Straight Bonds | Feb. 28, 2017 - Sep. 15, 2022 | ¥ 160,000 million | 174,743<br>(25,000) | **159,745<br>(30,000)** | **1,196,323<br>(224,668)** | 0.20 - 0.90 | Dec. 6, 2023 - Jul. 28, 2031 |
| Subtotal | | | 603,977<br>(84,985) | **578,987<br>(109,987)** | **4,336,007<br>(823,687)** | | |
| SoftBank Corp. | | | | | | | |
| 6th Unsecured Straight Bond | Jul. 29, 2020 | ¥ 70,000 million | 70,000 | **70,000** | **524,227** | 0.36 | Jul. 29, 2025 |
| 8th Unsecured Straight Bond | Dec. 3, 2020 | ¥ 80,000 million | 80,000 | **80,000** | **599,116** | 0.35 | Dec. 3, 2025 |
| 19th Unsecured Straight Bond | Mar. 10, 2023 | ¥ 120,000 million | – | **119,312** | **893,522** | 0.98 | Mar. 10, 2028 |
| Other Unsecured Straight Bonds | Mar. 18, 2020 - Jan. 27, 2022 | ¥ 310,000 million | 319,252<br>(10,000) | **309,371<br>(10,000)** | **2,316,865<br>(74,890)** | 0.10 - 0.62 | Jul. 28, 2023 - Jan 27, 2032 |
| Subtotal | | | 469,252<br>(10,000) | **578,683<br>(10,000)** | **4,333,730<br>(74,890)** | | |
| Total | | | ¥6,991,494<br>(519,870) | **¥6,910,692<br>(653,237)** | **$51,753,853<br>(4,892,062)** | | |

*8 Balance of issue amount is as of March 31, 2023.
*9 Figures in parentheses as of March 31, 2022 and March 31, 2023 represent the current portion.
*10 SoftBank Group Corp. purchased a portion of the foreign-currency-denominated Senior Notes through the market. Accordingly, the purchases were completed, and as a result, these notes were derecognized as the requirement for the extinguishment was satisfied on the same date.
*11 The interest rate stated above is at the time of issuance. The bond has a step-up coupon provision and its interest rate may increase in the future.
*12 The bond has an early redeemable option at the Company's discretion from September 16, 2023 and at each interest date on or after September 16, 2023.
*13 The bond has an early redeemable option at the Company's discretion from February 4, 2026 and at each interest date on or after February 4, 2026.
*14 The bond has an early redeemable option at the Company's discretion from June 21, 2026 and at each interest date on or after June 21, 2026.

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

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

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

The aforementioned prepaid forward contracts are classified as hybrid financial instruments with embedded derivatives. The Company accounts for the contracts by bifurcating the main contracts and embedded derivatives, and the main contracts are recognized as financial liabilities relating to sale of shares by prepaid forward contracts then measured at amortized cost while the embedded derivatives are measured at fair value. Also, the call spread contracts are measured at fair value as well. In addition, for the derivative financial assets and the derivative financial liabilities recognized from the prepaid forward contracts and the call spread contracts, a tax effect is recognized. The ending balance of the derivative financial assets and the derivative financial liabilities recognized from the prepaid forward contracts and the call spread contracts are described in "(b) Price risk" in "a. Market risk" in "(2) Financial risk management" under "Note 28. Financial instruments."

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

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

Entities for fund procurement by using Alibaba shares procured $10.5 billion (¥1,353,700 million) in total by entering into forward contracts for the three-month period ended June 30, 2022, $7.9 billion (¥1,089,793 million) in total by entering into forward contracts for the three-month period ended September 30, 2022, $6.1 billion (¥857,246 million) in total by entering into forward contracts for the three-month period ended December 31, 2022, and $11.0 billion (¥1,471,152 million) in total by entering into forward contracts for the three-month period ended March 31, 2023.

In contrast, for the three-month period ended September 30, 2022, a portion of prepaid forward contracts was settled by Alibaba shares from August to September 2022 based on the board resolution in August 2022 ("Physical settlement under the board resolution in August 2022"), and most of them were early termination. As a result of the Physical settlement under the board resolution in August 2022, the Company lost significant influence over Alibaba via voting rights and Alibaba ceased to be an equity method associate of the Company. The details are described in "*1" in "(1) Gain and loss on investments at Investment Business of Holding Companies" under "Note 38. Gain on investments." Consequently, ¥891,249 million ($6,674,523 thousand) of current portion of financial liabilities relating to sale of shares by prepaid forward contracts, ¥2,930,540 million ($21,946,679 thousand) of financial liabilities relating to sale of shares by prepaid forward contracts, ¥304,895 million ($2,283,345 thousand) of "Derivative financial assets (current)," ¥478,934 million ($3,586,715 thousand) of "Derivative financial assets (non-current)," ¥13,376 million ($100,172 thousand) of "Derivative financial liabilities (non-current)," and ¥2,609,895 million ($19,545,383 thousand) of Alibaba shares included in "Investments accounted for using the equity method" or "Investment securities," which was recognized as a result of the remeasurement, were derecognized from the consolidated statement of financial position as of the settlement date.

Prior to the settlement per the board resolution in August 2022 mentioned above, certain prepaid forward contracts matured and were settled by Alibaba shares for the three-month period ended June 30, 2022 and the three-month period ended September 30, 2022. As a result, ¥741,568 million ($5,553,568 thousand) of current portion of financial liabilities relating to sale of shares by prepaid forward contracts, ¥480,155 million ($3,595,859 thousand) of "Derivative financial assets (current)," and ¥152,653 million ($1,143,211 thousand) of Alibaba shares included in "Investments accounted for using the equity method" were derecognized from the consolidated statement of financial position as of the settlement date, and ¥132,157 million ($989,718 thousand) of "Gain on investments at Investment Business of Holding Companies" was recorded in the consolidated statement of profit or loss.

Furthermore, for the three-month period ended December 31, 2022, certain prepaid forward contracts reached its settlement date and they were settled by Alibaba shares. As a result, ¥974,790 million ($7,300,157 thousand) of current portion of financial liabilities relating to sale of shares by prepaid forward contracts, ¥610,321 million ($4,570,666 thousand) of "Derivative financial assets (current)," and ¥364,469 million ($2,729,492 thousand) of Alibaba shares included in "Investment securities" were derecognized from the consolidated statement of financial position as of the settlement date.

In addition to the above, Entities for fund procurement by using Alibaba shares procured $4.4 billion in total by entering into forward contracts for the period on or after April 1, 2023.

As of March 31, 2023, the Company set ¥4,141,336 million ($31,014,274 thousand) of Alibaba shares, which is recognized as "Investment securities," (as of March 31, 2022: ¥1,420,349 million recognized as "Investments accounted for using the equity method "), in the consolidated statement of financial position, as collateral for ¥336,730 million ($2,521,755 thousand) of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥3,486,934 million ($26,113,488 thousand) of financial liabilities relating to sale of shares by prepaid forward contracts (as of March 31, 2022: ¥2,352,539 million and ¥1,843,601 million, respectively).

### (3) Financial covenants

a. Financial covenants on interest-bearing debts of SoftBank Group Corp.

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

As of March 31, 2022

(a) The amount of SoftBank Group Corp.'s net assets at the end of the fiscal year plus dividends from its wholly owned subsidiaries paid by the end of the first quarter of the following fiscal year must not fall below 75% of SoftBank Group Corp.'s net assets at the end of the previous year.

(b) The consolidated statement of financial position of the Company at the end of the fiscal year must not show a net capital deficiency. The statement of financial position of SoftBank Corp. at the end of the fiscal year must not show a net capital deficiency.

(c) In the Company's consolidated statement of profit or loss, income (loss) before income tax or net income (loss) attributable to the owner of the parent company must not result in losses for two consecutive years.

As of March 31, 2023

- The consolidated statement of financial position of the Company at the end of the fiscal year must not show a net capital deficiency.

In addition, for the fiscal year ended March 31, 2023, the above-mentioned financial covenants (a) and (c) as of March 31, 2022 were extinguished due to the renewal of the commitment lines entered into by SoftBank Group Corp. and the full repayment of the senior loan entered into in November 2017.

b. Financial covenants on interest-bearing debts of SoftBank Corp.

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

(a) The amount of SoftBank Corp.'s equity in the consolidated statement of financial position at the end of the fiscal year and at the end of the second quarter must not fall below 75% of SoftBank Corp.'s equity at the end of the previous year and the second quarter.

(b) The amount of SoftBank Corp.'s net assets in the non-consolidated balance sheet at the end of the fiscal year and at the end of the second quarter must not fall below 75% of SoftBank Corp.'s net assets at the same dates during the previous year and the second quarter.

(c) In the SoftBank Corp.'s consolidated statement of income, operating income (loss) or net income (loss) must not result in losses for two consecutive years.

(d) In the SoftBank Corp.'s non-consolidated statement of income, operating income (loss) or net income (loss) must not result in losses for two consecutive years.

(e) Net leverage ratios*1 of SoftBank Corp. must not exceed certain numbers at the end of the fiscal year and at the end of the second quarter.

*1 Net leverage ratio:
Net debt*2 / adjusted EBITDA*3
*2 Net debt:
The total amount of interest-bearing debt shown in the consolidated statement of financial position of SoftBank Corp. after deducting cash and cash equivalents adjusted for certain items. Interest-bearing debt is adjusted for certain items, such as an exclusion of interest-bearing debt resulting from financing transactions using an asset securitization scheme.
*3 Adjusted EBITDA:
EBITDA adjusted for certain items as specified in the loan agreement with the financial institutions.

c. Financial covenants on interest-bearing debts of Z Holdings Corporation

Z Holdings Corporation's interest-bearing debt includes financial covenants and the major financial covenants are as follows:

(a) The amount of net assets in Z Holdings Corporation's statement of financial position at the end of each fiscal year from the second quarter ended September 30, 2020 must not fall below 75% of Z Holdings Corporation's net assets at the same dates during the previous year.

(b) The amount of equity in Z Holdings Corporation's consolidated statement of financial position at the end of each fiscal year and at the end of the second quarter of each year from the second quarter ended September 30, 2020 must not fall below 75% of Z Holdings Corporation's net assets at the same dates during the previous year.

(c) The balance sheet of Z Holdings Corporation at the end of each fiscal year from the second quarter ended September 30, 2020, must not show a net capital deficiency.

(d) The consolidated statement of financial position of Z Holdings Corporation at the end of each fiscal year and at the end of the second quarter of each year from the second quarter ended September 30, 2020 must not show a net capital deficiency.

(e) In Z Holdings Corporation's statement of profit or loss, operating income (loss) or net income (loss) at the end of each fiscal year from the fiscal year ended March 31, 2021, must not result in losses for two consecutive years.

(f) In Z Holdings Corporation's consolidated statement of profit or loss, operating income (loss) or net income (loss) at the end of each fiscal year from the fiscal year ended March 31, 2021, must not result in losses for two consecutive years.

(g) Net leverage ratios*[1] of Z Holdings Corporation must not exceed certain respective amounts or numbers at the end of each fiscal year and the end of the second quarter of each year from the second quarter ended September 30, 2020.

*1 Net leverage ratio:
Net debt*[2] / Adjusted EBITDA*[3]

*2 Net debt:
The total amount of interest-bearing debt shown in the consolidated statement of financial position of Z Holdings Corporation after deducting cash and cash equivalents. Interest-bearing debt is adjusted for certain items, such as an exclusion of interest-bearing debt resulting from financing transactions using an asset securitization scheme. Interest-bearing debt and cash and cash equivalents are adjusted not to include those of PayPay Bank Corporation.

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

### (4) Borrowings related to equity-securities lending contract

The Company entered into a securities lending contract regarding the stocks of a certain subsidiary. As of March 31, 2023, the amount of the cash received as collateral under the contract is recognized as short-term borrowings of ¥20,100 million ($150,528 thousand) (as of March 31, 2022: ¥71,300 million) and included in "Interest-bearing debt (current)."

### (5) Assets pledged as collateral

Assets pledged as collateral for liabilities are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Cash and cash equivalents | ¥ 133 | **¥ 35** | **$ 262** |
| Trade and other receivables | 14,337 | **14,367** | **107,594** |
| Other financial assets (current) | 1,241 | **1,308** | **9,796** |
| Property, plant and equipment | 4,912 | **4,768** | **35,707** |
| Investments accounted for using the equity method*[1,2] | 2,600,646 | **1,306** | **9,781** |
| Investments from SVF (FVTPL)*[3,4,5] | 1,613,481 | **1,323,436** | **9,911,151** |
| Investment securities*[2,6,7,8] | 1,510,575 | **5,382,849** | **40,311,907** |
| Other financial assets (non-current) | 3,956 | **6,818** | **51,060** |
| Other non-current assets | – | **200** | **1,497** |
| Total | ¥5,749,281 | **¥6,735,087** | **$50,438,755** |

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the presentation for the consolidated financial statements has been changed for the fiscal year ended March 31, 2023. In order to reflect the change in presentation, assets pledged as collateral for liabilities as of March 31, 2022 are presented in accordance with the change. The details are described in "(4) Changes in presentation" under "Note 2. Basis of preparation of consolidated financial statements."

Liabilities related to these assets pledged as collateral are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Interest-bearing debt | | | |
| Short-term borrowings*[3] | ¥ 11,500 | **¥ –** | **$ –** |
| Current portion of long-term borrowings*[1,4,5,9] | 1,230,634 | **139,496** | **1,044,679** |
| Current portion of financial liabilities relating to sale of shares by prepaid forward contracts*[2] | 2,352,539 | **336,730** | **2,521,755** |
| Long-term borrowings*[4,5,6,7,9] | 849,244 | **1,549,767** | **11,606,133** |
| Financial liabilities relating to sale of shares by prepaid forward contracts*[2,8,10] | 2,184,034 | **3,926,873** | **29,408,170** |
| Trade and other payables | – | **426** | **3,191** |
| Other current liabilities | – | **399** | **2,989** |
| Total | ¥6,627,951 | **¥5,953,691** | **$44,586,917** |

*1 For the fiscal year ended March 31, 2023, a wholly-owned subsidiary of the Company repaid all of its borrowing of $6.0 billion with Alibaba shares pledged as collateral before the maturity date and current portion of long-term borrowings decreased by ¥731,517 million ($5,478,297 thousand). Accordingly, on the same date, the collateral for Alibaba shares was released. Alibaba shares pledged as collateral are recorded for ¥1,154,179 million as "Investments accounted for using the equity method" in the consolidated statement of financial position as of March 31, 2022.

*2 ¥4,141,336 million ($31,014,274 thousand) of Alibaba shares included in "Investment securities" in the consolidated statement of financial position (as of March 31, 2022: ¥1,420,349 million of Alibaba shares included in "Investments accounted for using the equity method") is pledged as collateral for ¥336,730 million ($2,521,755 thousand) of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥3,486,934 million ($26,113,488 thousand) of financial liabilities relating to sale of shares by prepaid forward contracts as of March 31, 2023 (as of March 31,2022: ¥2,352,539 million and ¥1,843,601 million, respectively). The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts."

*3 For the fiscal year ended March 31, 2023, short-term borrowings decreased by ¥11,500 million ($86,123 thousand) due to a repayment for all of its borrowings using listed shares held by SVF1 and pledged as collateral. Accordingly, on the same date, the collaterals for the listed shares were released. The listed shares pledged as collateral are recorded for ¥1,006,303 million as "Investments from SVF (FVTPL)" in the consolidated statement of financial position as of March 31, 2022.

*4 As of March 31, 2023, certain shares and equity interests held by SVF1 are pledged as collateral for long-term borrowings. The facility agreements for the long-term borrowings include mandatory prepayment clauses, which may be triggered under certain circumstances such as a significant decrease in the fair value of investments that are pledged as collateral and other SVF1 investments that are stipulated in the facility agreements. The creditors would be able to enforce security and dispose of the pledged shares and equity interests if the mandatory prepayment clauses were triggered and SVF1 did not pay the relevant amounts to creditors when due. The long-term borrowings are limited-recourse debts.

¥946,893 million ($7,091,238 thousand) of the listed shares held by SVF1 (the carrying amounts of assets as of March 31, 2023), Arm Limited shares (24.99% held by SVF1), which is a subsidiary of the Company, the equity interests of four subsidiaries of SVF1 and the equity interests of one subsidiary of the Company held by SVF1 are pledged as collateral for ¥547,156 million ($4,097,626 thousand) of long-term borrowings and ¥5,526 million ($41,384 thousand) of current portion of long-term borrowings as of March 31, 2023. The listed shares pledged as collateral are included in "Investments from SVF (FVTPL)" in the consolidated statement of financial position as of March 31, 2023.

*5 Certain listed shares held by SVF2 are pledged as collateral for long-term borrowings. The creditors would be able to enforce security and dispose of the pledged listed shares if SVF2 did not pay the relevant amounts to creditors when due. The long-term borrowings are limited-recourse debts.

¥376,543 million ($2,819,913 thousand) of the listed shares held by SVF2 (the carrying amounts of assets as of March 31, 2023) (as of March 31, 2022: ¥592,737 million) is pledged as collateral for ¥133,530 million ($1,000,000 thousand) of current portion of long-term borrowings as of March 31, 2023 (as of March 31, 2022: ¥122,390 million of long-term borrowings). The listed shares pledged as collateral are included in "Investments from SVF (FVTPL)" in the consolidated statement of financial position.

*6 As of March 31, 2022, ¥567,478 million of T-Mobile shares held by a wholly-owned subsidiary of the Company was pledged as collateral for ¥251,587 million of long-term borrowings. The shares pledged as collateral are included in "Investment securities" in the consolidated statement of financial position as of March 31, 2022.

For the fiscal year ended March 31, 2023, the wholly-owned subsidiary of the Company repaid all of its borrowings and the collateral for T-Mobile shares was released. In addition, "T-Mobile" indicates T-Mobile US, Inc. after merging with Sprint.

*7 As of March 31, 2023, ¥729,483 million ($5,463,064 thousand) (as of March 31, 2022: ¥517,960 million) of Deutsche Telekom AG ("Deutsche Telekom") shares held by the wholly-owned subsidiary of the Company is pledged as collateral for ¥441,326 million ($3,305,070 thousand) (as of March 31, 2022: ¥413,702 million) of long-term borrowings by collar transactions using Deutsche Telekom shares. Deutsche Telekom shares pledged as collateral are included in "Investment securities" in the consolidated statement of financial position.

*8 As of March 31, 2023, ¥479,644 million ($3,592,032 thousand) (as of March 31, 2022: ¥389,577 million) of T-Mobile shares held by a wholly-owned subsidiary of the Company is pledged as collateral for ¥376,217 million ($2,817,472 thousand) (as of March 31, 2022: ¥340,433 million) of financial liabilities relating to the sale of shares by prepaid forward contracts. T-Mobile shares pledged as collateral are included in "Investment securities" in the consolidated statement of financial position.

*9 As of March 31, 2022, 929,022,669 shares out of 1,914,858,070 shares of SoftBank Corp. held by the Company were pledged as collateral for ¥498,676 million of current portion of long-term borrowings of a wholly-owned subsidiary of the Company. The borrowings include an early settlement clause and an early settlement may be elected by the creditors under certain circumstances such as a significant decrease in the fair value of pledged SoftBank Corp. shares. The creditors would be able to dispose of the asset pledged as collateral in the event where the early settlement is demanded and the wholly-owned subsidiary of the Company does not repay the borrowings, accordingly. The borrowings are non-recourse debts, and therefore, SoftBank Group Corp. will not be responsible for the borrowings.

Furthermore, in February 2023, repayments were made for the matured borrowings and a new borrowing of ¥500,000 million ($3,744,477 thousand) was procured. As of March 31, 2023, 906,289,633 shares out of 1,914,858,070 shares of SoftBank Corp. held by the Company are pledged as collateral for ¥497,416 million ($3,725,125 thousand) of long-term borrowings. In addition to the aforementioned conditions, the borrowings include a provision for cash pledged as collateral under certain circumstances such as a significant decrease in the fair value of pledged SoftBank Corp. shares.

*10 As of March 31, 2023, 47,000,000 shares out of 1,914,858,070 shares of SoftBank Corp. held by the Company are pledged as collateral for ¥63,722 million ($477,211 thousand) of financial liabilities relating to the sale of shares by prepaid forward contracts, which a wholly-owned subsidiary of the Company has entered into, by using SoftBank Corp. shares.

The Company has the option to settle the sale of shares by prepaid forward contracts by delivering cash, SoftBank Corp. shares, or a combination of cash and SoftBank Corp. shares. The Company granted the right of use to the creditors with respect to SoftBank Corp. shares that are collateralized in accordance with the sale of shares by prepaid forward contracts. However, the collateral can be released by cash settlement at the discretion of the Company. Therefore, SoftBank Corp. continues to be a consolidated subsidiary of the Company.

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

a. SB Northstar

As of March 31, 2022, for acquisition of investments financed through borrowings and credit transactions, ¥1,927 million of securities pledged as collateral and ¥131,474 million of restricted cash are pledged as collateral mainly for ¥32,919 million of short-term borrowings and ¥125,004 million of borrowed securities.

As of March 31, 2023, there are no assets pledged as collateral.

b. SVF2

As of March 31, 2023, mainly the equity interests of subsidiaries of SVF2 are pledged as collateral for ¥636,474 million ($4,766,524 thousand) of current portion of long-term borrowings (as of March 31, 2022: ¥595,967 million of long-term borrowings and ¥13,183 million of current portion of long-term borrowing). The facility agreement for the long-term borrowings includes a margin call provision and a mandatory prepayment clause, which may be triggered under certain circumstances such as a significant decrease in the fair value of investments SVF2 holds. The creditors would be able to enforce security and dispose of the equity interests of subsidiaries of SVF2 if the margin call clause or the mandatory prepayment clause were triggered and SVF2 did not pay the relevant amounts to creditors when due. The long-term borrowings are limited-recourse debts.

c. Arm

As of March 31, 2023, for current portion of long-term borrowings of ¥1,126,619 million ($8,437,198 thousand) and interest payable of ¥450 million ($3,370 thousand) (as of March 31, 2022: ¥852,570 million of long-term borrowings and ¥108,948 million of short-term borrowings) under the facility agreement entered into on March 28, 2022 by Kronos I (UK) Limited, a wholly-owned subsidiary of the Company, 75.01% (other than 24.99% held by SVF1) of shares of Arm Limited which is a subsidiary of the Company, all of Kronos I (UK) Limited's assets except for certain assets specified in the agreement and the equity interests of wholly-owned subsidiaries of the Company which were established for this facility purpose are pledged as collateral. The primary asset held by Kronos I (UK) Limited as of March 31, 2023 is a restricted cash of ¥44,055 million ($329,926 thousand) (as of March 31, 2022: ¥14,862 million). The details of the facility loans are described in "*3" under "(1) Components of interest-bearing debt."

d. Fortress

As of March 31, 2023, based on a term loan agreement of $0.7 billion (as of March 31, 2022: $0.9 billion) which was entered into to finance the acquisition of Fortress, the equity interests of Fortress and four wholly-owned subsidiaries within the acquisition structure are pledged as collateral.

e. Other

As of March 31, 2023, ¥97,265 million ($728,413 thousand) (as of March 31, 2022: ¥53,433 million) of "Investment securities" is pledged as collateral for financing and exchange settlement by a subsidiary operating banking business. Also, "Other financial assets (non-current)" include ¥125,200 million ($937,617 thousand) (as of March 31, 2022: ¥125,200 million) of margin deposits with central counterparties.

(6) Assets with restrictions on rights

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

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

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Property, plant and equipment | ¥ 632,965 | **¥ 731,125** | **$ 5,475,361** |

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

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Interest-bearing debt | | | |
| Current portion of long-term borrowings | ¥ 163,606 | **¥ 206,823** | **$ 1,548,888** |
| Long-term borrowings | 423,333 | **420,145** | **3,146,446** |
| Total | ¥ 586,939 | **¥ 626,968** | **$ 4,695,334** |

b. Assets under lease contracts for intangible assets

Assets that are restricted to be transferred, subleased or pledged as collateral by the Company because they are acquired under lease contracts for the intangible assets are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Intangible assets | ¥ 360,664 | **¥ 354,452** | **$ 2,654,475** |

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

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Interest-bearing debt | | | |
| Current portion of long-term borrowings | ¥ 118,236 | **¥ 114,956** | **$ 860,900** |
| Long-term borrowings | 223,295 | **199,600** | **1,494,795** |
| Total | ¥ 341,531 | **¥ 314,556** | **$ 2,355,695** |

### (7) Components of proceeds and repayment of short-term interest-bearing debt, net

The components of "Repayment of short-term interest-bearing debt, net" in the consolidated statement of cash flows are as follows:

| | Fiscal year ended March 31, 2022 | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2023 |
|---|---|---|---|
| | (Millions of yen) | | (Thousands of U.S. dollars) |
| Net (decrease) increase in short-term borrowings | ¥ (1,280,587) | **¥ 58,429** | **$ 437,572** |
| Net increase (decrease) in commercial paper | 106,800 | **(131,800)** | **(987,044)** |
| Total | ¥ (1,173,787) | **¥ (73,371)** | **$ (549,472)** |

### (8) Components of proceeds from interest-bearing debt

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

| | Fiscal year ended March 31, 2022 | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2023 |
|---|---|---|---|
| | (Millions of yen) | | (Thousands of U.S. dollars) |
| Proceeds from borrowings | ¥ 8,144,423 | **¥ 3,778,352** | **$ 28,295,904** |
| Proceeds from issuance of corporate bonds | 2,580,245 | **565,000** | **4,231,259** |
| Proceeds from procurement by prepaid forward contracts using shares* | 2,156,317 | **4,832,760** | **36,192,316** |
| Total | ¥12,880,985 | **¥ 9,176,112** | **$ 68,719,479** |

* Primarily, the amount was procured under the prepaid forward contracts using Alibaba shares. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts."

### (9) Components of repayment of interest-bearing debt

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

| | Fiscal year ended March 31, 2022 | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2023 |
|---|---|---|---|
| | (Millions of yen) | | (Thousands of U.S. dollars) |
| Repayment of borrowings | ¥ (7,209,092) | **¥(5,534,321)** | **$(41,446,274)** |
| Redemption of corporate bonds | (1,267,059) | **(755,911)** | **(5,660,983)** |
| Repayment for settlement of prepaid forward contracts using shares* | (321,537) | **(4,759)** | **(35,640)** |
| Total | ¥ (8,797,688) | **¥(6,294,991)** | **$(47,142,897)** |

* Primarily, for the fiscal year ended March 31, 2022, the amount was paid due to the early settlement related to the prepaid forward contract using Alibaba shares.

## 23. Deposits for banking business

The components of deposits for a banking business are as follows:

| | As of March 31, 2022 | As of March 31, 2023 | As of March 31, 2023 |
|---|---|---|---|
| | (Millions of yen) | | (Thousands of U.S. dollars) |
| Ordinary deposits | ¥ 1,224,237 | **¥ 1,363,844** | **$ 10,213,765** |
| Time deposits | 107,148 | **108,416** | **811,922** |
| Total | ¥ 1,331,385 | **¥ 1,472,260** | **$ 11,025,687** |

## 24. Trade and other payables

The components of trade and other payables are as follows:

| | As of March 31, 2022 | As of March 31, 2023 | As of March 31, 2023 |
|---|---|---|---|
| | (Millions of yen) | | (Thousands of U.S. dollars) |
| Trade payables | ¥ 1,559,849 | **¥ 1,810,333** | **$ 13,557,500** |
| Other | 409,015 | **606,539** | **4,542,343** |
| Total | ¥ 1,968,864 | **¥ 2,416,872** | **$ 18,099,843** |

## 25. Other financial liabilities

The components of other financial liabilities are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Current | | | |
| Allowance for financial guarantee contract losses*1 | ¥ 22,280 | **¥152,365** | **$1,141,054** |
| Borrowed securities in asset management subsidiaries | 125,004 | **–** | **–** |
| Non-controlling interests subject to possible redemption*2 | 307,144 | **–** | **–** |
| Derivative financial liabilities in asset management subsidiaries | 1,880 | **–** | **–** |
| Other | 98,506 | **27,826** | **208,388** |
| Total | ¥554,814 | **¥180,191** | **$1,349,442** |
| Non-current | | | |
| Long-term Time Deposits | 17,014 | **15,689** | **117,494** |
| Long-term guarantee deposited | 9,325 | **8,745** | **65,491** |
| Other | 103,510 | **34,111** | **255,456** |
| Total | ¥129,849 | **¥ 58,545** | **$ 438,441** |

*1 Allowance for financial guarantee contract losses related to a credit facility for WeWork provided by financial institutions.
*2 The details are described in "Note 8. Special purpose acquisition companies sponsored by the Company."

## 26. Other current liabilities and other non-current liabilities

The components of other current liabilities and other non-current liabilities are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Current | | | |
| Short-term accrued employee benefits | ¥ 276,262 | **¥ 238,028** | **$1,782,581** |
| Contract liabilities | 130,403 | **164,250** | **1,230,061** |
| Withholding income tax* | 73,555 | **94,858** | **710,387** |
| Consumption tax payable and other | 43,726 | **58,846** | **440,695** |
| Accrued interest expenses | 48,973 | **46,673** | **349,532** |
| Other | 47,341 | **73,265** | **548,678** |
| Total | ¥ 620,260 | **¥ 675,920** | **$5,061,934** |
| Non-current | | | |
| Contract liabilities | 134,873 | **171,648** | **1,285,463** |
| Defined benefit liabilities | 33,647 | **35,046** | **262,458** |
| Long-term accrued employee benefits | 23,045 | **26,638** | **199,491** |
| Other | 21,059 | **21,609** | **161,829** |
| Total | ¥ 212,624 | **¥ 254,941** | **$1,909,241** |

* Withholding income tax as of March 31, 2023 includes the amount of ¥83,953 million ($628,720 thousand) (as of March 31, 2022: ¥61,279 million) which is related to dividends within the group companies. The Company paid the withholding income tax in April 2023 (as of March 31, 2022: paid in April 2022.)

## 27. Provisions

The changes in the provisions are as follows:

(Millions of yen)

| | Asset retirement obligations | Asbestos claims liabilities | Provision for loss on contract | Other | Total |
|---|---|---|---|---|---|
| As of April 1, 2022 | ¥ 85,908 | ¥ – | ¥ 40,951 | ¥ 15,158 | ¥ 142,017 |
| Recognition of provisions | 3,864 | – | 24,705 | 20,097 | 48,666 |
| Business combinations | 52 | 89,364 | – | – | 89,416 |
| Interest due to passage of time | 177 | 1,271 | – | 654 | 2,102 |
| Used | (8,974) | (4,957) | (8,402) | (8,034) | (30,367) |
| Reversal of provisions | – | (6,801) | – | – | (6,801) |
| Change in estimate*1,2 | 20,274 | (2,808) | (13,127) | – | 4,339 |
| Exchange differences | 563 | (3,112) | – | 673 | (1,876) |
| Other | (4,294) | – | – | (7,225) | (11,519) |
| As of March 31, 2023 | ¥ 97,570 | ¥ 72,957 | ¥ 44,127 | ¥ 21,323 | ¥ 235,977 |
| Current liabilities | ¥ 22,345 | ¥ 7,703 | ¥ 21,014 | ¥ 21,288 | ¥ 72,350 |
| Non-current liabilities | 75,225 | 65,254 | 23,113 | 35 | 163,627 |
| Total | ¥ 97,570 | ¥ 72,957 | ¥ 44,127 | ¥ 21,323 | ¥ 235,977 |

(Thousands of U.S. dollars)

| | Asset retirement obligations | Asbestos claims liabilities | Provision for loss on contract | Other | Total |
|---|---|---|---|---|---|
| As of April 1, 2022 | $ 643,361 | $ – | $ 306,680 | $ 113,518 | $ 1,063,559 |
| Recognition of provisions | 28,937 | – | 185,014 | 150,506 | 364,457 |
| Business combinations | 389 | 669,243 | – | – | 669,632 |
| Interest due to passage of time | 1,326 | 9,518 | – | 4,898 | 15,742 |
| Used | (67,206) | (37,123) | (62,922) | (60,166) | (227,417) |
| Reversal of provisions | – | (50,932) | – | – | (50,932) |
| Change in estimatev*1,2 | 151,831 | (21,029) | (98,307) | – | 32,495 |
| Exchange differences | 4,216 | (23,305) | – | 5,040 | (14,049) |
| Other | (32,157) | – | – | (54,109) | (86,266) |
| As of March 31, 2023 | $ 730,697 | $ 546,372 | $ 330,465 | $ 159,687 | $ 1,767,221 |
| Current liabilities | $ 167,341 | $ 57,687 | $ 157,373 | $ 159,425 | $ 541,826 |
| Non-current liabilities | 563,356 | 488,685 | 173,092 | 262 | 1,225,395 |
| Total | $ 730,697 | $ 546,372 | $ 330,465 | $ 159,687 | $ 1,767,221 |

*1 Regarding the revised estimates of "Asset retirement obligations," SoftBank Corp. revised estimates of restoration costs for certain equipment based on the increased probability of the removal of certain network equipment after consideration of the efficient operation of network equipment and due to changing environment such as rise in prices.

*2 Regarding the revised estimates of "Provision for loss on contract," SoftBank Corp. reviewed the exercise rate and the period of trade-in program, as well as the expected sales price of devices based on past performance.

*Asset retirement obligations*
Asset retirement obligations are recognized by the reasonably estimated amount required for the removal of equipment, such as part of base stations, certain offices (including the head office), data centers, and network centers. The estimate of the amount for the removal of equipment and the timing of the payment is based on the current business plans and assumption and is subject to change depending on revised future assumptions.

*Asbestos claims liabilities*
Fortress acquired and consolidated an entity that holds asbestos claims liabilities and related insurance assets. The subsidiary is named as a defendant in cases filed alleging injury or death as a result of exposure to asbestos. The subsidiary estimates the settlement or indemnity costs for the cases and recognizes asbestos claims liabilities. The estimation of the indemnity costs and payment terms are based on the recent historical factors, such as the number of new mesothelioma claims filed, the average settlement costs for mesothelioma claims, and the aggregate defense costs incurred. Therefore, the estimation may fluctuate from changes in the factors.

*Provision for loss on contract*
In mobile services, provision for loss on contract is recognized by estimating the losses based on forecasts of the exercise rate and period of trade-in programs in order to prepare for losses resulting from the difference between the sales price of devices received from customers and residual installment receivables from customers. The sales price of the devices and the amount of the residual installment receivables may fluctuate due to changes in the market environment and other factors.

## 28. Financial instruments

### (1) Capital management

Our policy is to realize and maintain optimum capital composition to maintain mid- and long-term sustainable growth and maximize our corporate value.
Major indicators used for our capital management are as follows:

- Equity capital
- Equity capital ratio

Note:
Equity capital is the amount of "Equity attributable to owners of the parent." Equity capital ratio is calculated by dividing "Equity attributable to owners of the parent" by "Total liabilities and equity."

Equity capital and the equity capital ratio are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Equity capital | ¥9,975,674 | **¥9,029,849** | **$67,624,122** |
| Equity capital ratio (%) | 21.0 | **20.6** | **20.6** |

The Company is not subject to regulatory capital requirements imposed by outside institutions other than general capital requirements under the Companies Act of Japan and other laws. The details regarding the financial covenants related to interest-bearing debt are described in "(3) Financial covenants" under "Note 22. Interest-bearing debt."

### (2) Financial risk management

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

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

a. Market risk

(a) Foreign exchange risk

The Company is engaged in international businesses through investments, financial contributions and the establishment of joint ventures. At investment business, the Company holds a large number of investments which includes investments denominated in foreign currencies, mainly through foreign subsidiaries. Also, the Company undertakes transactions denominated in foreign currencies with foreign parties and through lending to and borrowing from foreign subsidiaries. Consequently, there is foreign exchange risk that arises from changes in currency rates mainly in the U.S. dollars, Chinese yuan and Euro currencies.

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

i. Foreign exchange sensitivity analysis

Exposure to foreign exchange risk on financial instruments for SoftBank Group Corp. and its subsidiaries whose functional currency is Japanese yen is as follows:

U.S. dollars (Functional currency: Japanese yen)

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Net exposure affecting income before income tax [in asset (liability) position] | ¥(4,773,598) | **¥ 252,697** | **$ 1,892,436** |
| Net exposure affecting other comprehensive income [in asset position] | 22,690 | **15,023** | **112,507** |

Euro currencies (Functional currency: Japanese yen)

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Net exposure affecting income before income tax [in liability position] | ¥ (370,527) | **¥ (240,852)** | **$ (1,803,729)** |
| Net exposure affecting other comprehensive income [in asset position] | 2,705 | **2,763** | **20,692** |

Other than the table presented above, primary exposures to foreign exchange risk on subsidiaries whose functional currency is not Japanese yen are as follows:

Chinese Yuan (Functional currency: U.S. dollars)

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Net exposure affecting income before income tax [in asset position] | ¥ 1,481,962 | **¥1,314,842** | **$ 9,846,791** |

Euro currencies (Functional currency: U.S. dollars)

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Net exposure affecting income before income tax [in asset position] | ¥ 428,567 | **¥ 545,989** | **$ 4,088,886** |
| Net exposure affecting other comprehensive income [in asset position] | – | **3,125** | **23,403** |

Indian Rupee (Functional currency: U.S. dollars)

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Net exposure affecting income before income tax [in asset position] | ¥ 545,093 | **¥ 530,481** | **$ 3,972,748** |

Norwegian Krone (Functional currency: U.S. dollars)

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Net exposure affecting income before income tax [in asset position] | ¥ 532,258 | **¥ 312,261** | **$ 2,338,508** |

Net exposure affecting income before income tax comprises the foreign exchange risk exposures from monetary financial instruments denominated in a foreign currency (including those used in internal transactions) whose exchange differences are recognized in profit or loss and the foreign exchange risk exposures from derivatives related to forecast transactions.

Net exposure affecting other comprehensive income comprises the foreign exchange risk exposures from available-for-sale financial assets whose exchange differences are recognized in other comprehensive income and the foreign exchange risk exposures from derivatives (cash flow hedge) related to forecasted transactions.

The table below presents the effect of a 1% appreciation of the Japanese yen on income before income tax and other comprehensive income (before tax effect) regarding the financial instruments with the above foreign exchange risk exposure, assuming that all other factors remain constant. The analysis does not include the effect of translating assets and liabilities of foreign operations into the presentation currency, which is detailed in "(3) Foreign exchange sensitivity analysis for exchange difference on translating foreign operations" under "Note 32. Foreign currency exchange rates."

U.S. dollars

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Increase (decrease) in income before income tax. . . . . . . . . . . . | ¥ 47,736 | **¥ (2,527)** | **$ (18,925)** |
| Decrease in other comprehensive income before tax effect. . . . . . . | (227) | **(150)** | **(1,123)** |

Euro currencies

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Increase in income before income tax . . . . . . . . . . . . . . . . . | ¥ 3,705 | **¥ 2,409** | **$ 18,041** |
| Decrease in other comprehensive income before tax effect . . . . . . . | (27) | **(28)** | **(210)** |

The table below presents the effect of a 1% U.S. dollar's appreciation against the Chinese Yuan on income before income tax:

Chinese Yuan

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Decrease in income before income tax . . . . . . . . . . . . . . . . . | ¥(14,820) | **¥(13,148)** | **$ (98,465)** |

The table below presents the effect of a 1% U.S. dollar's appreciation against the Euro currencies on income before income tax and other comprehensive income (before tax effect):

Euro currencies

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Decrease in income before income tax . . . . . . . . . . . . . . . . . | ¥ (4,286) | **¥ (5,460)** | **$(40,890)** |
| Decrease in other comprehensive income before tax effect . . . . . . . | – | **(31)** | **(232)** |

The table below presents the effect of a 1% U.S. dollar's appreciation against the Indian Rupee on income before income tax:

Indian Rupee

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Decrease in income before income tax . . . . . . . . . . . . . . . . . | ¥ (5,451) | **¥ (5,305)** | **$(39,729)** |

The table below presents the effect of a 1% U.S. dollar's appreciation against the Norwegian Krone on income before income tax:

Norwegian Krone

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Decrease in income before income tax . . . . . . . . . . . . . . . . . | ¥ (5,323) | **¥ (3,123)** | **$(23,388)** |

ii. Foreign currency exchange contracts

Foreign currency forward contracts, and foreign currency swap contracts are entered into, to reduce exposure to foreign exchange risk on the amount to be paid or received in certain transactions denominated in foreign currencies.

The details of foreign currency exchange contracts are as follows.

*Foreign currency exchange contracts to which hedge accounting is applied*

As of March 31, 2022

(Millions of yen)

| | Contract amounts (of which: maturing in more than one year) | Carrying amount (fair value) | | Changes in the fair value of hedging instruments used for recognition of the ineffective portion of hedging instruments | Average rate |
|---|---|---|---|---|---|
| | | Assets | Liabilities | | |
| Currency swap contracts | | | | | |
| Receipt in U.S. dollars / payment in yen . . . . . . . . | ¥ 534,205 (470,557) | ¥ 48,211 | ¥ (2,651) | ¥ 29,163 | ¥113.00 per $1 |
| Receipt in Euro currencies/ payment in yen . . . . . . . . | 615,006 (589,679) | 5,064 | (3,057) | 1,554 | ¥132.56 per €1 |
| Total . . . . . . . . . . . . . . | ¥1,149,211 (1,060,236) | ¥ 53,275 | ¥ (5,708) | ¥ 30,717 | |

As of March 31, 2023

(Millions of yen)

| | Contract amounts (of which: maturing in more than one year) | Carrying amount (fair value) | | Changes in the fair value of hedging instruments used for recognition of the ineffective portion of hedging instruments | Average rate |
|---|---|---|---|---|---|
| | | Assets | Liabilities | | |
| Forward contracts | | | | | |
| Buy - U.S. dollars (Functional Currency: Yen). . . . . . . . . . | **¥ 1,935 (–)** | **¥ 15** | **¥ (16)** | **¥ (1)** | **¥130.16 per $1** |
| Buy - Great Britain pound (Functional Currency: U.S. dollars). . . . . . . . . . . . . . . | **54,921 (–)** | **1,311** | **(68)** | **1,243** | **$0.83 per £1** |
| Currency swap contracts | | | | | |
| Receipt in U.S. dollars / payment in yen . . . . . . . . . | **444,932 (427,265)** | **67,846** | **–** | **22,286** | **¥111.63 per $1** |
| Receipt in Euro currencies/ payment in yen . . . . . . . . . | **542,504 (458,375)** | **10,985** | **(6,628)** | **2,350** | **¥132.51 per €1** |
| Total . . . . . . . . . . . . . . . | **¥1,044,292 (885,640)** | **¥ 80,157** | **¥ (6,712)** | **¥ 25,878** | |

(Thousands of U.S. dollars)

| | Contract amounts (of which: maturing in more than one year) | Carrying amount (fair value) | | Changes in the fair value of hedging instruments used for recognition of the ineffective portion of hedging instruments |
|---|---|---|---|---|
| | | Assets | Liabilities | |
| Forward contracts | | | | |
| Buy - U.S. dollars (Functional Currency: Yen). . . . . . . . . . | **$ 14,491 (–)** | **$ 112** | **$ (120)** | **$ (8)** |
| Buy - Great Britain pound (Functional Currency: U.S. dollars). . . . . . . . . . . . . . . | **411,301 (–)** | **9,818** | **(509)** | **9,309** |
| Currency swap contracts | | | | |
| Receipt in U.S. dollars / payment in yen . . . . . . . . . | **3,332,076 (3,199,768)** | **508,096** | **–** | **166,899** |
| Receipt in Euro currencies/ payment in yen . . . . . . . . . | **4,062,787 (3,432,749)** | **82,266** | **(49,637)** | **17,599** |
| Total . . . . . . . . . . . . . . . | **$7,820,655 (6,632,517)** | **$600,292** | **$(50,266)** | **$193,799** |

The carrying amounts of the derivative instruments designated as hedging instruments are recorded as "Derivative financial assets" and "Derivative financial liabilities" in the consolidated statement of financial position. The outstanding balance of those maturing in more than one year are classified as non-current assets and non-current liabilities.

The above foreign currency exchange contracts are designated as cash flow hedges. At the inception of the hedging relationship, the appropriate hedge ratio of the hedging relationship is determined based on the quantity of the hedged items and the quantity of the hedging instruments, basically in the ratio of one to one.

For the purpose of hedge effectiveness assessment, the Company conducts the qualitative assessments as to whether the significant conditions of hedged items and hedging instruments are met or closely matched, or the quantitative assessments as to whether the changes in values of the hedged items and hedging instruments offset each other against the same risk. The Company confirms if there is an economic relationship between the hedged items and hedging instruments through them. Any ineffective portion of the hedge has no significance in amounts. The change in values of hedged items used as a basis to recognize the ineffective portion are similar to the changes in fair value of hedging instruments.

Changes in the accumulated other comprehensive income after tax related to the derivatives designated as hedging instruments are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Forward contracts | | | |
| Balance at the beginning of the period | ¥ – | **¥ –** | **$ –** |
| Amount incurred | – | **1,023** | **7,661** |
| Reclassification adjustments*1 | – | **–** | **–** |
| Balance at the end of the period*2 | – | **1,023** | **7,661** |
| Currency swap contracts | | | |
| Balance at the beginning of the period | 46,935 | **4,659** | **34,891** |
| Amount incurred | 41,510 | **26,650** | **199,581** |
| Reclassification adjustments*1 | (83,786) | **(101,170)** | **(757,658)** |
| Balance at the end of the period*2 | 4,659 | **(69,861)** | **(523,186)** |
| Total | ¥ 4,659 | **¥ (68,838)** | **$(515,525)** |

*1 Reclassification adjustments are the amounts of accumulated other comprehensive income transferred to profit or loss relating to the hedged item when the hedged item affects profit or loss, and are recorded as "Derivative gain (excluding gain (loss) on investments)" in the consolidated statement of profit or loss. For the fiscal year ended March 31, 2023, the amount of ¥1,773 million ($13,278 thousand) (for the fiscal year ended March 31, 2022: ¥2,348 million) transferred from cash flow hedges to profit or loss is included in reclassification adjustments. The transfer arises from discontinued hedging relationships when a forecasted transaction is no longer expected to occur, although hedge accounting has been applied.

*2 As of March 31, 2023, accumulated other comprehensive income after tax includes ¥3,811 million ($28,540 thousand) (as of March 31, 2022: ¥5,584 million) related to discontinued hedging accounting.

### *Foreign currency exchange contracts to which hedge accounting is not applied*

| | (Millions of yen) | | | | | | (Thousands of U.S. dollars) | | |
|---|---|---|---|---|---|---|---|---|---|
| | As of March 31, 2022 | | | **As of March 31, 2023** | | | **As of March 31, 2023** | | |
| | Contract amounts (of which: maturing in more than one year) | Carrying amount (fair value) Assets | Carrying amount (fair value) Liabilities | Contract amounts (of which: maturing in more than one year) | Carrying amount (fair value) Assets | Carrying amount (fair value) Liabilities | Contract amounts (of which: maturing in more than one year) | Carrying amount (fair value) Assets | Carrying amount (fair value) Liabilities |
| Foreign currency forward contracts | ¥ 262,707<br>(–) | ¥ 1,101 | ¥ (2,163) | **¥ 348,910<br>(50,693)** | **¥ 3,222** | **¥ (689)** | **$2,612,971<br>(379,637)** | **$ 24,129** | **$ (5,160)** |
| Currency swap contracts | 450,719<br>(295,223) | 13,387 | (2,788) | **101,443<br>(40,692)** | **1,746** | **(1,585)** | **759,702<br>(304,741)** | **13,076** | **(11,870)** |
| Foreign exchange margin transactions* | 215,586<br>(–) | 3,608 | (1,320) | **354,597<br>(–)** | **4,614** | **(1,330)** | **2,655,560<br>(–)** | **34,554** | **(9,960)** |
| Total | ¥ 929,012<br>(295,223) | ¥ 18,096 | ¥ (6,271) | **¥ 804,950<br>(91,385)** | **¥ 9,582** | **¥ (3,604)** | **$6,028,233<br>(684,378)** | **$ 71,759** | **$ (26,990)** |

* Contract amounts include contract amounts related to transactions with customers and contract amounts for cover transactions with financial institutions to mitigate related risks.

(b) Price risk

As part of the business strategy, the Company holds securities traded in active markets, including listed stock, and is exposed to market price fluctuation risk.

The Company manages this risk by continuously monitoring the financial condition of security issuers and stock market fluctuations.

i. Price sensitivity analysis for securities

The tables below present the effect of a 10% decrease in market price regarding the securities traded in active markets (excluding securities subject to insignificant risk of change in value such as MMF) on income before income tax and other comprehensive income before tax effect, assuming that all other factors remain constant.

( i ) Securities held for sale

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Decrease in income before income tax. . . . . . . . . . . . . . . . . | ¥ (16,002) | **¥ (2,363)** | **$ (17,696)** |

( ii ) Other securities

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Decrease in income before income tax. . . . . . . . . . . . . . . . . | ¥ (673,789) | **¥(988,841)** | **$(7,405,385)** |
| Decrease in other comprehensive income before tax effect . . . . . . | (3,213) | **(2,787)** | **(20,872)** |

ii. Price sensitivity analysis for derivative instruments (excluding contracts classified within level 3 of the fair value hierarchy)

The Company entered into prepaid forward contracts which are settled by Alibaba shares held by the Company. The contracts include collar transactions where a cap and a floor are set for the number of shares settled, floor transactions where a floor is set for the number of shares settled and forward transactions where the number of shares settled is fixed. Also, the Company entered into call spread contracts associated with the prepaid forward contracts which are settled by Alibaba shares. The collar transactions, the floor transactions, the forward transactions and the call spread contracts are classified as a derivative instrument and their fair values are affected by the price of Alibaba shares. Derivative gain and loss, which occurs depending on fluctuation of the price of Alibaba shares, are recognized through profit or loss.

Fair values of the collar transactions, the floor transactions, the forward transactions and the call spread transactions are composed of intrinsic value and time value. As of March 31, 2023, the effect of a 10% increase and a 10% decrease in the price of Alibaba shares on income before income tax due to fluctuation of intrinsic value are a loss of ¥397,717 million ($2,978,484 thousand) (as of March 31, 2022: ¥238,819 million) and a gain of ¥400,792 million ($3,001,513 thousand) (as of March 31, 2022: ¥243,818 million), respectively, assuming that all other factors remain constant.

The details of the prepaid forward contracts and the call spread contracts are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 22. Interest-bearing debt."

iii. Option contracts

The details of option contracts are as follows:

*Option contracts to which hedge accounting is not applied*

| | As of March 31, 2022 Carrying amount (fair value) | | As of March 31, 2023 Carrying amount (fair value) (Millions of yen) | | As of March 31, 2023 Carrying amount (fair value) (Thousands of U.S. dollars) | |
|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities |
| Prepaid forward contracts using Alibaba shares*1 | ¥1,379,801 | ¥ – | **¥ 397,127** | **¥ –** | **$ 2,974,066** | **$ –** |
| Call spread contracts relating to prepaid forward contracts using Alibaba shares*1 | 2,302 | – | **590** | **–** | **4,418** | **–** |
| Contingent consideration relating to acquisition of T-Mobile shares*2 | 591,429 | – | **833,770** | **–** | **6,244,065** | **–** |
| Short call option for T-Mobile shares to Deutsche Telekom*3 | – | (103,754) | **–** | **(55,056)** | **–** | **(412,312)** |
| Contingent value rights relating to sale of T-Mobile shares*4 | 44,681 | – | **67,308** | **–** | **504,067** | **–** |
| Prepaid forward contracts using T-Mobile shares*5 | 1,428 | (1,707) | **–** | **(25,485)** | **–** | **(190,856)** |
| Long call option of listed stocks in asset management subsidiaries | 48,466 | – | **24** | **–** | **180** | **–** |
| Long call option | 42,426 | – | **13,383** | **–** | **100,225** | **–** |
| Short call option | – | (73,127) | **–** | **(25,186)** | **–** | **(188,617)** |
| Others | 10,807 | (2,212) | **18,240** | **(1,283)** | **136,598** | **(9,608)** |
| Total | ¥2,121,340 | ¥ (180,800) | **¥ 1,330,442** | **¥ (107,010)** | **$ 9,963,619** | **$ (801,393)** |

*1 The details of prepaid forward contracts using Alibaba shares and call spread contracts relating to prepaid forward contracts using Alibaba shares are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 22. Interest bearing debt."

*2 Acquired due to the merger transaction with Sprint and T-Mobile US, Inc. on April 1, 2020. The Company has the right to acquire 48,751,557 T-Mobile shares for no additional consideration if certain conditions are met.

*3 The decrease is primarily due to the partial exercise of the call options by Deutsche Telekom. The details are described in "*3" in "(1) Gain and loss on investments at Investment Business of Holding Companies" under "Note 38. Gain on investments."

*4 Contingent value rights were received in relation to the disposal of T-Mobile shares in a private placement through a trust. In addition, the rights have been vested on June 1, 2023 and the Company received 3,566,400 T-Mobile shares.

*5 The prepaid forward contracts using T-Mobile shares are settled by reference to the market price of the T-Mobile shares at the valuation dates prior to the settlement dates. They are collar contracts which a cap and a floor are set for the price of shares settled.

iv. Swap contracts

The details of swap contracts are as follows:

*Swap contracts to which hedge accounting is not applied*

| | As of March 31, 2022 (Millions of yen) | | As of March 31, 2023 (Millions of yen) | | As of March 31, 2023 (Thousands of U.S. dollars) | |
|---|---|---|---|---|---|---|
| | Carrying amount (fair value) | | Carrying amount (fair value) | | Carrying amount (fair value) | |
| | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities |
| Swap contracts related to electricity sales price | ¥ – | ¥ (20,831) | **¥ –** | **¥ –** | **$ –** | **$ –** |

v. Forward contracts

The details of forward contracts are as follows:

*Forward contracts to which hedge accounting is not applied*

| | As of March 31, 2022 (Millions of yen) | | As of March 31, 2023 (Millions of yen) | | As of March 31, 2023 (Thousands of U.S. dollars) | |
|---|---|---|---|---|---|---|
| | Carrying amount (fair value) | | Carrying amount (fair value) | | Carrying amount (fair value) | |
| | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities |
| Prepaid forward contracts using Alibaba shares* | ¥ 190,334 | ¥ (67,672) | **¥ –** | **¥(805,039)** | **$ –** | **$(6,028,900)** |
| Stock forward contracts | – | (8,480) | **1** | **–** | **7** | **–** |
| Forward contracts related to listed stocks and others in asset management subsidiaries | – | (1,880) | **–** | **–** | **–** | **–** |
| Total | ¥ 190,334 | ¥ (78,032) | **¥ 1** | **¥(805,039)** | **$ 7** | **$(6,028,900)** |

* The details of prepaid forward contracts using Alibaba shares are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 22. Interest-bearing debt."

vi. Collar contracts using shares

The details of collar contracts using shares are as follows:

*Collar contracts using shares to which hedge accounting is not applied*

| | As of March 31, 2022 (Millions of yen) | | As of March 31, 2023 (Millions of yen) | | As of March 31, 2023 (Thousands of U.S. dollars) | |
|---|---|---|---|---|---|---|
| | Carrying amount (fair value) | | Carrying amount (fair value) | | Carrying amount (fair value) | |
| | Assets | Liabilities | Assets | Liabilities | Assets | Liabilities |
| Collar contracts using Deutsche Telekom shares | ¥ 44,568 | ¥ – | **¥ –** | **¥ (57,350)** | **$ –** | **$ (429,492)** |

(c) Interest rate risk

The Company raises funds through issuing interest-bearing debt. Certain interest-bearing debt is issued with floating interest rates and is exposed to interest rate risk.

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

i. Interest rate sensitivity analysis

The table below presents the effect of a 1% increase in interest rates regarding the floating interest rate debt on "Income before income tax" in the consolidated statement of profit or loss, assuming that all other factors are constant. The analysis does not include floating interest rate debt whose interests are fixed by interest rate swaps and other derivative transactions.

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Decrease in income before income tax . . . . . . . . . . . . . | ¥ (56,166) | **¥ (44,398)** | **$ (332,495)** |

ii. Interest rate contracts

The details of interest rate contracts are as follows:

***Interest rate contracts to which hedge accounting is applied***

| | (Millions of yen) | | | | | | | | | | (Thousands of U.S. dollars) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | As of March 31, 2022 | | | | | **As of March 31, 2023** | | | | | **As of March 31, 2023** | | | |
| | Contract amounts (of which: maturing in more than one year) | Carrying amount (fair value) Assets | Carrying amount (fair value) Liabilities | Changes in the fair value of hedging instruments used for recognition of the ineffective portion of hedging instruments | Average rate | Contract amounts (of which: maturing in more than one year) | Carrying amount (fair value) Assets | Carrying amount (fair value) Liabilities | Changes in the fair value of hedging instruments used for recognition of the ineffective portion of hedging instruments | Average rate | Contract amounts (of which: maturing in more than one year) | Carrying amount (fair value) Assets | Carrying amount (fair value) Liabilities | Changes in the fair value of hedging instruments used for recognition of the ineffective portion of hedging instruments |
| Interest rate swap Receipt in floating rate/ Payment in fixed rate . . . . . . . . . | ¥700,000 (700,000) | ¥ – | ¥ (3,331) | ¥1,916 | 1.81% | **¥844,500 (715,000)** | **¥ 100** | **¥(2,241)** | **¥1,190** | **1.75%** | **$6,324,421 (5,354,602)** | **$ 749** | **$(16,783)** | **$8,912** |

The carrying amounts of the derivative instruments designated as hedging instruments are recorded as "Derivative financial assets" and "Derivative financial liabilities" in the consolidated statement of financial position. The outstanding balance of those maturing in more than one year are classified as non-current assets and non-current liabilities.

The above interest rate contracts are designated as cash flow hedges. At the inception of the hedging relationship, the appropriate hedge ratio of the hedging relationship is determined based on the quantity of the hedged items and the quantity of the hedging instruments, basically in the ratio of one to one.

For the purpose of hedge effectiveness assessment, the Company conducts the qualitative assessments as to whether the significant conditions of hedged items and hedging instruments are met or closely matched, or the quantitative assessments as to whether the changes in values of the hedged items and hedging instruments offset each other against the same risk. The Company confirms if there is an economic relationship between the hedged items and hedging instruments through them. Any ineffective portion of the hedge has no significance in amounts. The change in values of hedged items used as a basis to recognize the ineffective portion are similar to the changes in fair value of hedging instruments.

Changes in the accumulated other comprehensive income after tax related to the derivatives designated as hedging instruments are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Interest rate swap | | | |
| Balance at the beginning of the period | ¥ (3,973) | **¥(2,963)** | **¥(22,190)** |
| Amount incurred | 663 | **(473)** | **(3,542)** |
| Reclassification adjustments* | 347 | **676** | **5,063** |
| Balance at the end of the period | ¥ (2,963) | **¥(2,760)** | **¥(20,669)** |

* Reclassification adjustments represent amounts of accumulated other comprehensive income transferred to profit or loss when the hedged item affects profit or loss, and are recorded as "Derivative gain (excluding gain (loss) on investments)" in the consolidated statement of profit or loss. For the fiscal years ended March 31, 2022 and 2023, there were no transactions for which hedge accounting was discontinued because the hedged transactions had not been expected to occur.

*Interest rate contracts to which hedge accounting is not applied*

| | (Millions of yen) | | | | | | (Thousands of U.S. dollars) | | |
|---|---|---|---|---|---|---|---|---|---|
| | As of March 31, 2022 | | | **As of March 31, 2023** | | | **As of March 31, 2023** | | |
| | Contract amounts (of which:maturing in more than one year) | Carrying amount (fair value) Assets | Carrying amount (fair value) Liabilities | Contract amounts (of which:maturing in more than one year) | Carrying amount (fair value) Assets | Carrying amount (fair value) Liabilities | Contract amounts (of which:maturing in more than one year) | Carrying amount (fair value) Assets | Carrying amount (fair value) Liabilities |
| Interest rate swap | ¥ 85,673 (–) | ¥ – | ¥ (473) | **¥ – (–)** | **¥ –** | **¥ –** | **$ – (–)** | **$ –** | **$ –** |

b. Credit risk

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

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

The carrying amount of financial instruments, net of impairment, which is presented in the consolidated statement of financial position, the amount of lending commitments and the amount of guaranteed obligations represent the Company's maximum exposure to credit risk on financial assets. The values of collateral held and other credit enhancements are not included.

For trade receivables and contract assets, the Company measures the lifetime expected credit risk. For receivables, lending commitments and others other than trade receivables and contract assets, the Company measures future expected credit losses in consideration of the assessment of a significant increase of credit risk. The Company determines whether a significant increase of credit risk has been achieved or not based on the movement of occurrence of default. In the determination process, past due information, deterioration of operating results, and external credit ratings are considered. For receivables, lending commitments and others other than trade receivables and contract assets, the Company measures the expected credit losses at the amount of the 12-month expected credit losses. However, when there is a significant increase of credit risk after initial recognition, the expected credit losses are measured at the amount of lifetime expected credit losses.

The Company groups financial assets with no individual significance based on the characteristics of credit risk and the type of transactions. The Company then assesses the existence of objective evidence of impairment for each group considering the past default rate. The Company measures expected credit losses individually for each receivable as financial assets that have been impaired when the events of default as detailed below have occurred, resulting in estimated negative future cash flows of the financial assets.

• Significant financial difficulty of the issuer or borrower
• Breach of contract, such as a default or delinquency in interest or principal payments
• High possibility of bankruptcy or entering financial reorganization

For credit-impaired financial assets, when it is probable that the Company will not collect the entire amount of or a part of the financial assets, the impairment losses are directly deducted from the carrying amount.

Details of lending commitments and credit guarantees are described in "(1) Lending commitments" and "(2) Credit guarantees" under "Note 46. Contingency."

There were no significant financial or non-financial assets acquired as a result of foreclosure of collateral or enforcement of other credit enhancements during the years ended March 31, 2022 and 2023.

(a) Carrying amounts of financial assets subject to allowance for doubtful accounts

i.Trade receivables

Exposure to credit risk on contract assets is included in trade receivables. In addition, since trade receivables generated by the credit card business include interest income, the Company measures expected credit losses for those receivables by using the same method for the receivables other than trade receivables. As a result, exposure to credit risk on trade receivables generated by the credit card business is included in the receivables other than trade receivables.

The table below presents the carrying amounts related to an aging analysis of trade receivables and allowance for doubtful accounts.

As of March 31, 2022

(Millions of yen)

| | | Past due | | | | | |
|---|---|---|---|---|---|---|---|
| | Before due | Within 1 month | 1 month to 3 months | 3 months to 6 months | 6 months to 1 year | More than 1 year | Total |
| Trade receivables | ¥1,152,460 | ¥ 59,887 | ¥ 19,110 | ¥ 26,749 | ¥ 6,928 | ¥ 15,794 | ¥ 1,280,928 |
| Allowance for doubtful accounts | (7,201) | (992) | (1,668) | (2,688) | (3,356) | (4,131) | (20,036) |
| Total | | | | | | | ¥ 1,260,892 |

As of March 31, 2023

(Millions of yen)

| | | Past due | | | | | |
|---|---|---|---|---|---|---|---|
| | Before due | Within 1 month | 1 month to 3 months | 3 months to 6 months | 6 months to 1 year | More than 1 year | Total |
| Trade receivables | **¥1,312,602** | **¥ 67,767** | **¥ 8,560** | **¥ 5,514** | **¥ 6,416** | **¥ 11,049** | **¥ 1,411,908** |
| Allowance for doubtful accounts | **(9,840)** | **(482)** | **(790)** | **(2,089)** | **(1,282)** | **(2,603)** | **(17,086)** |
| Total | | | | | | | **¥ 1,394,822** |

(Thousands of U.S. dollars)

| | | Past due | | | | | |
|---|---|---|---|---|---|---|---|
| | Before due | Within 1 month | 1 month to 3 months | 3 months to 6 months | 6 months to 1 year | More than 1 year | Total |
| Trade receivables | **$9,830,017** | **$ 507,504** | **$ 64,105** | **$ 41,294** | **$ 48,049** | **$ 82,745** | **$10,573,714** |
| Allowance for doubtful accounts | **(73,691)** | **(3,610)** | **(5,916)** | **(15,644)** | **(9,601)** | **(19,494)** | **(127,956)** |
| Total | | | | | | | **$10,445,758** |

ii. Financial assets other than trade receivables

The table below presents an aging analysis of financial assets other than trade receivables. The amounts in the analysis are presented at the carrying amount before netting the allowance for doubtful accounts.

As of March 31, 2022

(Millions of yen)

| | Carrying amounts | | | | | |
|---|---|---|---|---|---|---|
| | 12 month expected credit losses | | Lifetime expected credit losses | | | |
| | Before due | Past due | Other than credit-impaired financial assets | Credit-impaired financial assets | Purchased or originated credit-impaired financial assets | Total |
| Other receivables | ¥ 1,116,550 | ¥ 29,505 | ¥ 1,732 | ¥ 14,919 | ¥ – | ¥ 1,162,706 |
| Investment securities | 298,319 | – | – | – | – | 298,319 |
| Other financial assets | 2,038,967 | 8,619 | 49,612 | 48,354 | 21,241 | 2,166,793 |
| Total | ¥ 3,453,836 | ¥ 38,124 | ¥ 51,344 | ¥ 63,273 | ¥ 21,241 | ¥ 3,627,818 |

Investment securities are mostly debt financial assets at FVTOCI.

As of March 31, 2023

(Millions of yen)

| | Carrying amounts | | | | | |
|---|---|---|---|---|---|---|
| | 12 month expected credit losses | | Lifetime expected credit losses | | | |
| | Before due | Past due | Other than credit-impaired financial assets | Credit-impaired financial assets | Purchased or originated credit-impaired financial assets | Total |
| Other receivables | **¥ 1,203,776** | **¥ 35,785** | **¥ 1,228** | **¥ 7,944** | **¥ –** | **¥ 1,248,733** |
| Investment securities | **285,624** | **–** | **–** | **–** | **–** | **285,624** |
| Other financial assets | **2,116,614** | **14,112** | **125,570** | **54,334** | **9,033** | **2,319,663** |
| Total | **¥ 3,606,014** | **¥ 49,897** | **¥ 126,798** | **¥ 62,278** | **¥ 9,033** | **¥ 3,854,020** |

(Thousands of U.S. dollars)

| | Carrying amounts | | | | | |
|---|---|---|---|---|---|---|
| | 12 month expected credit losses | | Lifetime expected credit losses | | | |
| | Before due | Past due | Other than credit-impaired financial assets | Credit-impaired financial assets | Purchased or originated credit-impaired financial assets | Total |
| Other receivables | **$ 9,015,024** | **$ 267,992** | **$ 9,196** | **$ 59,492** | **$ –** | **$ 9,351,704** |
| Investment securities | **2,139,025** | **–** | **–** | **–** | **–** | **2,139,025** |
| Other financial assets | **15,851,224** | **105,684** | **940,388** | **406,905** | **67,648** | **17,371,849** |
| Total | **$ 27,005,273** | **$ 373,676** | **$ 949,584** | **$ 466,397** | **$ 67,648** | **$ 28,862,578** |

Investment securities are mostly debt financial assets at FVTOCI.

(b) Changes in allowance for doubtful accounts

Allowance for doubtful accounts related to contract assets is included in trade receivables. In addition, since trade receivables generated by the credit card business includes interest income, the Company measures expected credit losses for those receivables by using the same method for the receivables other than trade receivables. As a result, the allowance for doubtful accounts related to the trade receivables generated by the credit card business is included in the financial assets other than trade receivables.

i. Trade receivables

The table below presents changes in the allowance for doubtful accounts for trade receivables.

For the fiscal year ended March 31, 2022

(Millions of yen)

| | Allowance for doubtful accounts | | |
|---|---|---|---|
| | Lifetime expected credit losses | | |
| | Other than credit-impaired financial assets | Credit-impaired financial assets | Total |
| Balance at the beginning of the period | ¥ 5,294 | ¥ 6,714 | ¥ 12,008 |
| Provisions | 4,786 | 5,367 | 10,153 |
| Utilized | (508) | (3,421) | (3,929) |
| Other | 289 | 1,515 | 1,804 |
| Balance at the end of the period | ¥ ¥9,861 | ¥ 10,175 | ¥ 20,036 |

For the fiscal year ended March 31, 2023

(Millions of yen)

| | Allowance for doubtful accounts | | |
|---|---|---|---|
| | Lifetime expected credit losses | | |
| | Other than credit-impaired financial assets | Credit-impaired financial assets | Total |
| Balance at the beginning of the period | **¥ 9,861** | **¥ 10,175** | **¥ 20,036** |
| Provisions | **4,488** | **1,388** | **5,876** |
| Utilized | **(592)** | **(3,277)** | **(3,869)** |
| Other | **(2,645)** | **(2,312)** | **(4,957)** |
| Balance at the end of the period | **¥ 11,112** | **¥ 5,974** | **¥ 17,086** |

(Thousands of U.S. dollars)

| | Allowance for doubtful accounts | | |
|---|---|---|---|
| | Lifetime expected credit losses | | |
| | Other than credit-impaired financial assets | Credit-impaired financial assets | Total |
| Balance at the beginning of the period | **$ 73,849** | **$ 76,200** | **$150,049** |
| Provisions | **33,610** | **10,395** | **44,005** |
| Utilized | **(4,433)** | **(24,542)** | **(28,975)** |
| Other | **(19,809)** | **(17,314)** | **(37,123)** |
| Balance at the end of the period | **$ 83,217** | **$ 44,739** | **$127,956** |

ii. Financial assets other than trade receivables

The table below presents changes in the allowance for doubtful accounts for financial assets other than trade receivables. The allowance for doubtful accounts is mainly for loans.

For the fiscal year ended March 31, 2022

(Millions of yen)

| | Allowance for doubtful accounts | | | | |
|---|---|---|---|---|---|
| | | Lifetime expected credit losses | | | |
| | 12 month expected credit losses | Other than credit-impaired financial assets | Credit-impaired financial assets | Purchased or originated credit-impaired financial assets | Total |
| Balance at the beginning of the period | ¥ 8,246 | ¥ 39,020 | ¥ 45,848 | ¥ 8,925 | ¥102,039 |
| Provisions | 4,989 | 1,343 | 10,810 | 1,921 | 19,063 |
| Utilized | (271) | (2,704) | (10,266) | – | (13,241) |
| Reversal | (1,963) | (16,029) | (19) | – | (18,011) |
| Other | (529) | 3,129 | 2,519 | – | 5,119 |
| Balance at the end of the period | ¥10,472 | ¥ 24,759 | ¥ 48,892 | ¥10,846 | ¥ 94,969 |

For the fiscal year ended March 31, 2022, there are no significant changes in gross carrying amounts of financial assets other than trade receivables that affected the allowance for doubtful accounts.

For the fiscal year ended March 31, 2023

(Millions of yen)

| | Allowance for doubtful accounts | | | | |
|---|---|---|---|---|---|
| | | Lifetime expected credit losses | | | |
| | 12 month expected credit losses | Other than credit-impaired financial assets | Credit-impaired financial assets | Purchased or originated credit-impaired financial assets | Total |
| Balance at the beginning of the period | ¥ 10,472 | ¥ 24,759 | ¥ 48,892 | ¥ 10,846 | ¥ 94,969 |
| Provisions | 5,500 | 104,393* | 22,028 | – | 131,921 |
| Utilized | (124) | (635) | (28,157) | – | (28,916) |
| Reversal | (395) | (30) | (200) | (1,827) | (2,452) |
| Other | 1,492 | (3,960) | 6,281 | – | 3,813 |
| Balance at the end of the period | ¥ 16,945 | ¥ 124,527 | ¥ 48,844 | ¥ 9,019 | ¥ 199,335 |

(Thousands of U.S. dollars)

| | Allowance for doubtful accounts | | | | |
|---|---|---|---|---|---|
| | | Lifetime expected credit losses | | | |
| | 12 month expected credit losses | Other than credit-impaired financial assets | Credit-impaired financial assets | Purchased or originated credit-impaired financial assets | Total |
| Balance at the beginning of the period | $ 78,424 | $ 185,419 | $ 366,150 | $ 81,225 | $ 711,218 |
| Provisions | 41,189 | 781,794* | 164,967 | – | 987,950 |
| Utilized | (929) | (4,755) | (210,866) | – | (216,550) |
| Reversal | (2,958) | (225) | (1,498) | (13,682) | (18,363) |
| Other | 11,174 | (29,656) | 47,038 | – | 28,556 |
| Balance at the end of the period | $126,900 | $ 932,577 | $ 365,791 | $ 67,543 | $1,492,811 |

* For the fiscal year ended March 31, 2023, ¥77,191 million ($578,080 thousand) of provision for allowance for doubtful accounts related to unsecured notes issued by WeWork was recorded. The details are described in "*6" under "Note 41. Other gain (loss)."

Provisions for and reversal of allowance for doubtful accounts are recorded in "Selling, general and administrative expenses" and "Other gain (loss)" in the consolidated statement of profit or loss.

c. Liquidity risk

In order to prevent and reduce liquidity risk, the Company maintains access to diversified fundraising sources including both indirect financing, such as bank loans and leases, and direct financing, such as the issuance of bonds and commercial paper and securitization, taking market conditions and its current/non-current debt ratios into consideration. As for fund management, the Company invests its funds in short-term deposits and MMF.

The Company also continuously monitors its forecasted and actual cash flows and liquid funds.

(a) Commitment lines of credit and other credit facilities

The Company has entered into commitment lines of credit and other credit facilities with various financial institutions to reduce liquidity risk. As of March 31, 2023, the undrawn amounts of the Company's credit facilities are ¥1,165,526 million ($8,728,570 thousand) (as of March 31, 2022: ¥1,394,649 million).

In addition, the asset management subsidiary is engaged in transactions for acquisition of investments using borrowings and has entered into agreement with various financial institutions in order to borrow funds in response to the net position of investments and indebtedness of the asset management subsidiary. As of March 31, 2023, the amounts that could be additionally borrowed were ¥11,204 million ($83,906 thousand) (as of March 31, 2022: ¥69,327 million).

Note:
Certain commitments above contain financial covenants. The details are described in "(3) Financial covenants" under "Note 22. Interest-bearing debt."

(b) Analysis of financial liabilities by maturities

The table below presents the analysis of financial liabilities (including derivatives) by maturities. The receivables and payables arising from derivative transactions are shown on a net basis:

As of March 31, 2022

(Millions of yen)

| | Carrying amount | Aggregation of redemption schedule | Within 1 year | 1 year to 2 years | 2 years to 3 years | 3 years to 4 years | 4 years to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|---|
| Non-derivative financial liabilities | | | | | | | | |
| Interest-bearing debt | | | | | | | | |
| Short-term borrowings | ¥ 1,551,238 | ¥ 1,554,211 | ¥ 1,554,211 | ¥ – | ¥ – | ¥ – | ¥ – | ¥ – |
| Commercial paper | 527,201 | 527,201 | 527,201 | – | – | – | – | – |
| Long-term borrowings (including current portion) | 7,850,469 | 7,899,857 | 2,384,300 | 2,631,013 | 1,582,798 | 756,266 | 215,789 | 329,691 |
| Corporate bonds (including current portion) | 6,991,494 | 7,042,490 | 520,346 | 646,307 | 806,998 | 1,074,593 | 935,632 | 3,058,614 |
| Financial liabilities relating to sale of shares by prepaid forward contract | 4,536,573 | 4,571,057 | 2,355,835 | 1,259,068 | 956,154 | – | – | – |
| Installment payables | 457 | 457 | 150 | 142 | 112 | 45 | 6 | 2 |
| Lease liabilities | 866,148 | 866,148 | 240,241 | 145,219 | 84,162 | 69,576 | 60,315 | 266,635 |
| Deposits for banking business*1 | 1,348,399 | 1,348,455 | 1,331,397 | 6,233 | 4,573 | 1,445 | 1,063 | 3,744 |
| Third-party interests in SVF | 5,640,498 | 5,640,498*2 | – | – | – | – | – | 5,640,498*3 |
| Trade and other payables | 1,968,864 | 1,968,864 | 1,958,592 | 7,552 | 873 | 56 | 832 | 959 |
| Other financial liabilities | 665,769 | 665,769 | 544,715 | 48,756 | 10,879 | 6,263 | 3,312 | 51,844 |
| Total | ¥31,947,110 | ¥32,085,007 | ¥11,416,988 | ¥4,744,290 | ¥3,446,549 | ¥1,908,244 | ¥1,216,949 | ¥ 9,351,987 |
| Derivative financial liabilities*4 | | | | | | | | |
| Derivative financial liabilities | | | | | | | | |
| Foreign currency exchange contracts*5 | ¥ 11,979 | ¥ 11,979 | ¥ 3,233 | ¥ (1,343) | ¥ (1,794) | ¥ 7,315 | ¥ (454) | ¥ 5,022 |
| Option contracts | 180,800 | 180,800 | 105,801 | 73,292 | 1,707 | – | – | – |
| Interest rate contracts | 3,804 | 3,765 | 2,176 | 943 | 451 | 166 | 50 | (21) |
| Swap contracts | 20,831 | 22,910 | – | 4,542 | 3,636 | 3,107 | 3,048 | 8,577 |
| Forward contracts*6 | 78,032 | 115,203 | 47,276 | 67,927 | – | – | – | – |
| Other | 29 | 29 | 29 | – | – | – | – | – |
| Total | ¥ 295,475 | ¥ 334,686 | ¥ 158,515 | ¥ 145,361 | ¥ 4,000 | ¥ 10,588 | ¥ 2,644 | ¥ 13,578 |

*1 Deposits for the banking business payable on demand are included in "Within 1 year."
*2 The amount represents the amounts that would have been distributed to Third-Party Investors in accordance with the limited partnership agreement if SVF1, SVF2, and LatAm Funds had been liquidated as of March 31, 2022.
*3 When disposal of investments becomes relatively certain, the portion of third-party interests in SVF1, SVF2, and LatAm Funds which is available for distributions and repayments will be broken down by corresponding maturity dates.
*4 Only if the contractual maturities are essential for an understanding of the timing of the cash flow, derivative financial liabilities are included in the above chart and disclosed.
*5 Aggregation of redemption schedule and the breakdown by maturity are presented on a discounted cash flow basis for currency swap contracts included in the foreign currency exchange contracts.
*6 For forward contracts to purchase equity investments included in the forward contracts, the amounts in aggregation of redemption schedule and the breakdown by maturity are contractual amounts to be paid to purchase equity investments.

As of March 31, 2023

(Millions of yen)

| | Carrying amount | Aggregation of redemption schedule | Within 1 year | 1 year to 2 years | 2 years to 3 years | 3 years to 4 years | 4 years to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|---|
| Non-derivative financial liabilities | | | | | | | | |
| Interest-bearing debt | | | | | | | | |
| Short-term borrowings | ¥ 900,502 | ¥ 900,502 | ¥ 900,502 | ¥ – | ¥ – | ¥ – | ¥ – | ¥ – |
| Commercial paper | 283,001 | 283,001 | 283,001 | – | – | – | – | – |
| Long-term borrowings (including current portion) | 7,120,162 | 7,158,208 | 2,972,119 | 1,798,920 | 1,463,590 | 388,087 | 260,616 | 274,876 |
| Corporate bonds (including current portion) | 6,910,692 | 6,955,860 | 653,864 | 792,863 | 1,076,326 | 884,739 | 483,179 | 3,064,889 |
| Financial liabilities relating to sale of shares by prepaid forward contract | 4,263,603 | 4,408,237 | 337,622 | 3,740,546 | 330,069 | – | – | – |
| Installment payables | 234 | 234 | 97 | 99 | 38 | – | – | – |
| Lease liabilities | 836,997 | 836,997 | 184,105 | 117,680 | 89,762 | 79,292 | 66,182 | 299,976 |
| Deposits for banking business*[1] | 1,487,949 | 1,487,987 | 1,472,272 | 5,466 | 3,852 | 944 | 1,409 | 4,044 |
| Third-party interests in SVF | 4,499,369 | 4,499,369*[2] | – | – | – | – | – | 4,499,369*[3] |
| Trade and other payables | 2,416,872 | 2,416,872 | 2,403,824 | 8,323 | 2,119 | 1,352 | 1,022 | 232 |
| Other financial liabilities | 223,047 | 223,047 | 180,191 | 6,254 | 762 | 327 | 292 | 35,221 |
| Total | ¥ 28,942,428 | ¥ 29,170,314 | ¥ 9,387,597 | ¥ 6,470,151 | ¥ 2,966,518 | ¥ 1,354,741 | ¥ 812,700 | ¥ 8,178,607 |
| Derivative financial liabilities*[4] | | | | | | | | |
| Derivative financial liabilities | | | | | | | | |
| Foreign currency exchange contracts*[5] | ¥ 10,316 | ¥ 10,339 | ¥ 1,006 | ¥ (641) | ¥ (710) | ¥ (556) | ¥ 1,137 | ¥ 10,103 |
| Option contracts | 107,010 | 107,010 | 80,242 | 26,768 | – | – | – | – |
| Interest rate contracts | 2,241 | 1,606 | 2,064 | 561 | (104) | (297) | (342) | (276) |
| Forward contracts | 805,039 | 805,039 | – | 655,132 | 149,907 | – | – | – |
| Collar contracts using shares | 57,350 | 57,350 | – | 9,176 | 40,527 | 7,647 | – | – |
| Other | 7 | 7 | 7 | – | – | – | – | – |
| Total | ¥ 981,963 | ¥ 981,351 | ¥ 83,319 | ¥ 690,996 | ¥ 189,620 | ¥ 6,794 | ¥ 795 | ¥ 9,827 |

(Thousands of U.S. dollars)

| | Carrying amount | Aggregation of redemption schedule | Within 1 year | 1 year to 2 years | 2 years to 3 years | 3 years to 4 years | 4 years to 5 years | More than 5 years |
|---|---|---|---|---|---|---|---|---|
| Non-derivative financial liabilities | | | | | | | | |
| Interest-bearing debt | | | | | | | | |
| Short-term borrowings | $ 6,743,818 | $ 6,743,818 | $ 6,743,818 | $ – | $ – | $ – | $ – | $ – |
| Commercial paper | 2,119,381 | 2,119,381 | 2,119,381 | – | – | – | – | – |
| Long-term borrowings (including current portion) | 53,322,564 | 53,607,489 | 22,258,062 | 13,472,029 | 10,960,757 | 2,906,366 | 1,951,741 | 2,058,534 |
| Corporate bonds (including current portion) | 51,753,853 | 52,092,113 | 4,896,757 | 5,937,714 | 8,060,556 | 6,625,769 | 3,618,505 | 22,952,812 |
| Financial liabilities relating to sale of shares by prepaid forward contract | 31,929,925 | 33,013,083 | 2,528,436 | 28,012,776 | 2,471,871 | – | – | – |
| Installment payables | 1,754 | 1,754 | 727 | 741 | 286 | – | – | – |
| Lease liabilities | 6,268,232 | 6,268,232 | 1,378,754 | 881,300 | 672,223 | 593,814 | 495,634 | 2,246,507 |
| Deposits for banking business*1 | 11,143,181 | 11,143,466 | 11,025,777 | 40,935 | 28,847 | 7,070 | 10,552 | 30,285 |
| Third-party interests in SVF | 33,695,567 | 33,695,567*2 | – | – | – | – | – | 33,695,567*3 |
| Trade and other payables | 18,099,843 | 18,099,843 | 18,002,127 | 62,331 | 15,869 | 10,125 | 7,654 | 1,737 |
| Other financial liabilities | 1,670,389 | 1,670,389 | 1,349,442 | 46,836 | 5,707 | 2,449 | 2,187 | 263,768 |
| Total | $216,748,507 | $218,455,135 | $70,303,281 | $48,454,662 | $22,216,116 | $10,145,593 | $ 6,086,273 | $61,249,210 |
| Derivative financial liabilities*4 | | | | | | | | |
| Derivative financial liabilities | | | | | | | | |
| Foreign currency exchange contracts*5 | $ 77,256 | $ 77,428 | $ 7,534 | $ (4,800) | $ (5,318) | $ (4,164) | $ 8,515 | $ 75,661 |
| Option contracts | 801,393 | 801,393 | 600,929 | 200,464 | – | – | – | – |
| Interest rate contracts | 16,783 | 12,027 | 15,457 | 4,201 | (779) | (2,224) | (2,561) | (2,067) |
| Forward contracts | 6,028,900 | 6,028,900 | – | 4,906,253 | 1,122,647 | – | – | – |
| Collar contracts using shares | 429,492 | 429,492 | – | 68,719 | 303,505 | 57,268 | – | – |
| Other | 51 | 51 | 51 | – | – | – | – | – |
| Total | $ 7,353,875 | $ 7,349,291 | $ 623,971 | $ 5,174,837 | $ 1,420,055 | $ 50,880 | $ 5,954 | $ 73,594 |

*1 Deposits for the banking business payable on demand are included in "Within 1 year."
*2 The amount represents the amounts that would have been distributed to Third-Party Investors in accordance with the limited partnership agreement if SVF1, SVF2, and LatAm Funds had been liquidated as of March 31, 2023.
*3 When disposal of investments becomes relatively certain, the portion of third-party interests in SVF1, SVF2, and LatAm Funds which is available for distributions and repayments will be broken down by corresponding maturity dates.
*4 Only if the contractual maturities are essential for an understanding of the timing of the cash flow, derivative financial liabilities are included in the above chart and disclosed.
*5 Aggregation of redemption schedule and the breakdown by maturity are presented on a discounted cash flow basis for currency swap contracts included in the foreign currency exchange contracts.

In addition, the Company has lending commitments and credit guarantees, which are detailed in "(1) Lending commitments" and "(2) Credit guarantees" under "Note 46. Contingency."

Average interest rates of the interest-bearing debts and lease liabilities are described in "(1) Component of interest-bearing debt" under "Note 22. Interest-bearing debt" and "Note 17. Leases."

### (3) Categories of financial instruments

Components of financial instruments (excluding cash and cash equivalents) by category are as follows:

As of March 31, 2022

(Millions of yen)

| | Financial assets at FVTPL | Derivatives designated as hedges | Debt financial assets at FVTOCI | Equity financial assets at FVTOCI | Financial assets at amortized cost | Total |
|---|---|---|---|---|---|---|
| Financial assets | | | | | | |
| Current assets | | | | | | |
| Trade and other receivables | ¥ – | ¥ – | ¥ – | ¥ – | ¥ 2,361,149 | ¥ 2,361,149 |
| Derivative financial assets | 1,050,249 | 197 | – | – | – | 1,050,446 |
| Other financial assets | 538,764 | – | 75,460 | 300 | 356,601 | 971,125 |
| Non-current assets | | | | | | |
| Investments from SVF (FVTPL) | 14,909,614 | – | – | – | – | 14,909,614 |
| Investment securities | 2,607,635 | – | 276,634 | 177,783 | 23,317 | 3,085,369 |
| Derivative financial assets | 1,280,709 | 53,078 | – | – | – | 1,333,787 |
| Other financial assets | 159,965 | – | – | 171 | 2,070,479 | 2,230,615 |
| Total | ¥20,546,936 | ¥ 53,275 | ¥ 352,094 | ¥ 178,254 | ¥ 4,811,546 | ¥ 25,942,105 |

| | Financial liabilities at FVTPL | Derivatives designated as hedges | Financial liabilities at amortized cost | Financial guarantee contracts | Total |
|---|---|---|---|---|---|
| Financial liabilities | | | | | |
| Current liabilities | | | | | |
| Interest-bearing debt | ¥ – | ¥ – | ¥ 7,328,862 | ¥ – | ¥ 7,328,862 |
| Lease liabilities | – | – | 240,241 | – | 240,241 |
| Deposits for banking business | – | – | 1,331,385 | – | 1,331,385 |
| Trade and other payables | – | – | 1,968,864 | – | 1,968,864 |
| Derivative financial liabilities | 118,962 | 630 | – | – | 119,592 |
| Other financial liabilities | 172,199 | – | 360,335 | 22,280 | 554,814 |
| Non-current liabilities | | | | | |
| Interest-bearing debt | – | – | 14,128,570 | – | 14,128,570 |
| Lease liabilities | – | – | 625,907 | – | 625,907 |
| Third-party interests in SVF | – | – | 5,640,498 | – | 5,640,498 |
| Derivative financial liabilities | 165,594 | 8,409 | – | – | 174,003 |
| Other financial liabilities | 53,117 | – | 74,130 | 2,602 | 129,849 |
| Total | ¥ 509,872 | ¥ 9,039 | ¥31,698,792 | ¥ 24,882 | ¥32,242,585 |

As of March 31, 2023

(Millions of yen)

| | Financial assets at FVTPL | Derivatives designated as hedges | Debt financial assets at FVTOCI | Equity financial assets at FVTOCI | Financial assets at amortized cost | Total |
|---|---|---|---|---|---|---|
| Financial assets | | | | | | |
| Current assets | | | | | | |
| Trade and other receivables | ¥ – | ¥ – | ¥ – | ¥ – | ¥ 2,594,736 | ¥ 2,594,736 |
| Derivative financial assets | 235,888 | 13,526 | – | – | – | 249,414 |
| Other financial assets | 78,892 | – | 57,935 | 300 | 234,186 | 371,313 |
| Non-current assets | | | | | | |
| Investments from SVF (FVTPL) | 10,489,722 | – | – | – | – | 10,489,722 |
| Investment securities | 7,244,298 | – | 219,179 | 175,215 | 67,809 | 7,706,501 |
| Derivative financial assets | 1,104,114 | 66,731 | – | – | – | 1,170,845 |
| Other financial assets | 59,552 | – | – | 114 | 2,243,954 | 2,303,620 |
| Total | ¥ 19,212,466 | ¥ 80,257 | ¥ 277,114 | ¥ 175,629 | ¥ 5,140,685 | ¥ 24,886,151 |

| | Financial liabilities at FVTPL | Derivatives designated as hedges | Financial liabilities at amortized cost | Lending commitments and financial guarantee contracts | Total |
|---|---|---|---|---|---|
| Financial liabilities | | | | | |
| Current liabilities | | | | | |
| Interest-bearing debt | ¥ – | ¥ – | ¥ 5,129,047 | ¥ – | ¥ 5,129,047 |
| Lease liabilities | – | – | 184,105 | – | 184,105 |
| Deposits for banking business | – | – | 1,472,260 | – | 1,472,260 |
| Trade and other payables | – | – | 2,416,872 | – | 2,416,872 |
| Derivative financial liabilities | 82,274 | 338 | – | – | 82,612 |
| Other financial liabilities | 18,694 | – | 9,116 | 152,381 | 180,191 |
| Non-current liabilities | | | | | |
| Interest-bearing debt | – | – | 14,349,147 | – | 14,349,147 |
| Lease liabilities | – | – | 652,892 | – | 652,892 |
| Third-party interests in SVF | – | – | 4,499,369 | – | 4,499,369 |
| Derivative financial liabilities | 890,736 | 8,615 | – | – | 899,351 |
| Other financial liabilities | 5,633 | – | 52,912 | – | 58,545 |
| Total | ¥ 997,337 | ¥ 8,953 | ¥ 28,765,720 | ¥ 152,381 | ¥ 29,924,391 |

(Thousands of U.S. dollars)

| | Financial assets at FVTPL | Derivatives designated as hedges | Debt financial assets at FVTOCI | Equity financial assets at FVTOCI | Financial assets at amortized cost | Total |
|---|---|---|---|---|---|---|
| Financial assets | | | | | | |
| Current assets | | | | | | |
| Trade and other receivables | $ – | $ – | $ – | $ – | $ 19,431,858 | $ 19,431,858 |
| Derivative financial assets | 1,766,554 | 101,296 | – | – | – | 1,867,850 |
| Other financial assets | 590,819 | – | 433,873 | 2,246 | 1,753,808 | 2,780,746 |
| Non-current assets | | | | | | |
| Investments from SVF (FVTPL) | 78,557,043 | – | – | – | – | 78,557,043 |
| Investment securities | 54,252,213 | – | 1,641,422 | 1,312,177 | 507,818 | 57,713,630 |
| Derivative financial assets | 8,268,659 | 499,745 | – | – | – | 8,768,404 |
| Other financial assets | 445,982 | – | – | 854 | 16,804,868 | 17,251,704 |
| Total | $ 143,881,270 | $ 601,041 | $ 2,075,295 | $ 1,315,277 | $ 38,498,352 | $ 186,371,235 |

| | Financial liabilities at FVTPL | Derivatives designated as hedges | Financial liabilities at amortized cost | Lending commitments and financial guarantee contracts | Total |
|---|---|---|---|---|---|
| Financial liabilities | | | | | |
| Current liabilities | | | | | |
| Interest-bearing debt | $ – | $ – | $ 38,411,196 | $ – | $ 38,411,196 |
| Lease liabilities | – | – | 1,378,754 | – | 1,378,754 |
| Deposits for banking business | – | – | 11,025,687 | – | 11,025,687 |
| Trade and other payables | – | – | 18,099,843 | – | 18,099,843 |
| Derivative financial liabilities | 616,146 | 2,531 | – | – | 618,677 |
| Other financial liabilities | 139,999 | – | 68,269 | 1,141,174 | 1,349,442 |
| Non-current liabilities | | | | | |
| Interest-bearing debt | – | – | 107,460,099 | – | 107,460,099 |
| Lease liabilities | – | – | 4,889,478 | – | 4,889,478 |
| Third-party interests in SVF | – | – | 33,695,567 | – | 33,695,567 |
| Derivative financial liabilities | 6,670,681 | 64,517 | – | – | 6,735,198 |
| Other financial liabilities | 42,185 | – | 396,256 | – | 438,441 |
| Total | $ 7,469,011 | $ 67,048 | $ 215,425,149 | $ 1,141,174 | $ 224,102,382 |

The Company generally classifies equity instruments as "Financial assets at FVTPL." Certain equity instruments are used as business investments to generate business synergies. As a result, for such investments, the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income, not in profit or loss, and classified them as "Equity financial assets at FVTOCI."

In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the presentation of consolidated financial statements is changed for the fiscal year ended March 31, 2023. Accordingly, components of financial instruments (excluding cash and cash equivalents) by category as of March 31, 2022 is reclassified. The details are described in "(4) Changes in presentation" under "Note 2. Basis of preparation of consolidated financial statements."

Major components and fair values of the equity financial assets at FVTOCI are as follows.

As of March 31, 2022

| Names | Fair value (Millions of yen) |
|---|---|
| Ampere Computing Holdings LLC | ¥ 50,933 |
| SNOW Corporation | 19,573 |
| Visional, Inc.. | 14,526 |
| WORKS MOBILE Corporation | 7,316 |
| HOPU-ARM Innovation Fund, L.P. | 6,734 |
| Other | 79,172 |
| Total | ¥ 178,254 |

As of March 31, 2023

| | (Millions of yen) | (Thousands of U.S. dollars) |
|---|---|---|
| Names | Fair value | Fair value |
| Ampere Computing Holdings LLC | **¥ 48,488** | **$ 363,124** |
| SNOW Corporation | **21,842** | **163,574** |
| Visional, Inc. | **14,218** | **106,478** |
| HOPU-ARM Innovation Fund, L.P. | **7,426** | **55,613** |
| WORKS MOBILE Corporation | **6,756** | **50,595** |
| Other | **76,899** | **575,893** |
| Total | **¥175,629** | **$1,315,277** |

The Company sells (or derecognizes) equity financial assets at FVTOCI when those assets no longer match the Company's investment strategies. The table below presents fair value on the date of sale and accumulated gains or losses related to the sales of equity financial assets at FVTOCI that were sold during the year.

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Fair value on the date of sale | ¥ 4,695 | **¥ 7,942** | **$ 59,477** |
| Accumulated gains related to the sales | 185 | **2,675** | **20,033** |

When equity financial assets at FVTOCI are derecognized or there is a significant or prolonged decline in fair value below the cost, cumulative gains and losses recognized in other comprehensive income are directly transferred to retained earnings. For the fiscal year ended March 31, 2023, ¥2,183 million ($16,349 thousand) (For the fiscal year ended March 31, 2022: ¥ (123) million) was transferred from "Accumulated other comprehensive income" to "Retained earnings."

## 29. Fair value of financial instruments

### (1) Categorization by level within the fair value hierarchy

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

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

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

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

Level 3: Fair value is measured using unobservable inputs.

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

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

There were no transfers between Level 1 and Level 2 during the fiscal year ended March 31, 2022 and 2023.

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

As of March 31, 2022

(Millions of yen)

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets | | | | |
| Investments from SVF (FVTPL) | ¥4,940,364 | ¥ – | ¥ 9,969,250 | ¥14,909,614 |
| Equity securities (excluding investments from SVF (FVTPL)) | 1,985,018 | – | 528,635 | 2,513,653 |
| Bonds and loans (excluding investments from SVF (FVTPL)) | 8,330 | 229,112 | 186,299 | 423,741 |
| Derivative financial assets | | | | |
| Foreign currency exchange contracts | 855 | 70,516 | – | 71,371 |
| Option contracts | 456 | 1,487,331 | 633,553 | 2,121,340 |
| Forward contracts | – | 190,334 | – | 190,334 |
| Collar contracts using shares | – | 44,568 | – | 44,568 |
| Other | 5,086 | – | – | 5,086 |
| Other | 330,725 | 6,565 | 513,562 | 850,852 |
| Total | ¥7,270,834 | ¥2,028,426 | ¥11,831,299 | ¥21,130,559 |
| Financial liabilities | | | | |
| Derivative financial liabilities | | | | |
| Foreign currency exchange contracts | ¥ 1,618 | ¥ 10,361 | ¥ – | ¥ 11,979 |
| Option contracts | 2,212 | 178,539 | 49 | 180,800 |
| Interest rate contracts | – | 3,804 | – | 3,804 |
| Swap contracts | – | – | 20,831 | 20,831 |
| Forward contracts | – | 69,096 | 8,936 | 78,032 |
| Other | 29 | – | – | 29 |
| Borrowed securities | 125,004 | – | – | 125,004 |
| Other | – | – | 98,432 | 98,432 |
| Total | ¥ 128,863 | ¥ 261,800 | ¥ 128,248 | ¥ 518,911 |

As of March 31, 2023

(Millions of yen)

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets | | | | |
| Investments from SVF (FVTPL) | **¥ 3,373,503** | **¥ –** | **¥7,116,219** | **¥10,489,722** |
| Equity securities (excluding investments from SVF (FVTPL))* | **6,563,457** | **–** | **459,317** | **7,022,774** |
| Bonds and loans (excluding investments from SVF (FVTPL)) | **4,804** | **162,411** | **83,843** | **251,058** |
| Derivative financial assets | | | | |
| Foreign currency exchange contracts | **987** | **88,752** | **–** | **89,739** |
| Option contracts | **24** | **472,901** | **857,517** | **1,330,442** |
| Interest rate contracts | **–** | **100** | **–** | **100** |
| Other | **1** | **–** | **1** | **2** |
| Other | **57,257** | **300** | **504,072** | **561,629** |
| Total | **¥10,000,033** | **¥ 724,464** | **¥9,020,969** | **¥19,745,466** |
| Financial liabilities | | | | |
| Derivative financial liabilities | | | | |
| Foreign currency exchange contracts | **¥ 279** | **¥ 10,037** | **¥ –** | **¥ 10,316** |
| Option contracts | **–** | **107,010** | **–** | **107,010** |
| Interest rate contracts | **–** | **2,241** | **–** | **2,241** |
| Forward contracts | **–** | **805,039** | **–** | **805,039** |
| Collar contracts using shares | **–** | **57,350** | **–** | **57,350** |
| Other | **7** | **–** | **–** | **7** |
| Other | **–** | **–** | **24,327** | **24,327** |
| Total | **¥ 286** | **¥ 981,677** | **¥ 24,327** | **¥ 1,006,290** |

(Thousands of U.S. dollars)

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Financial assets | | | | |
| Investments from SVF (FVTPL) | $25,264,008 | $ – | $53,293,035 | $78,557,043 |
| Equity securities (excluding investments from SVF (FVTPL))* | 49,153,426 | – | 3,439,804 | 52,593,230 |
| Bonds and loans (excluding investments from SVF (FVTPL)) | 35,977 | 1,216,288 | 627,896 | 1,880,161 |
| Derivative financial assets | | | | |
| Foreign currency exchange contracts | 7,392 | 664,659 | – | 672,051 |
| Option contracts | 180 | 3,541,534 | 6,421,905 | 9,963,619 |
| Interest rate contracts | – | 749 | – | 749 |
| Other | 7 | – | 8 | 15 |
| Other | 428,795 | 2,247 | 3,774,972 | 4,206,014 |
| Total | $74,889,785 | $5,425,477 | $67,557,620 | $147,872,882 |
| Financial liabilities | | | | |
| Derivative financial liabilities | | | | |
| Foreign currency exchange contracts | $ 2,089 | $ 75,167 | $ – | $ 77,256 |
| Option contracts | – | 801,393 | – | 801,393 |
| Interest rate contracts | – | 16,783 | – | 16,783 |
| Forward contracts | – | 6,028,900 | – | 6,028,900 |
| Collar contracts using shares | – | 429,492 | – | 429,492 |
| Other | 51 | – | – | 51 |
| Other | – | – | 182,184 | 182,184 |
| Total | $ 2,140 | $7,351,735 | $ 182,184 | $ 7,536,059 |

Note:
In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the presentation of consolidated financial statements is changed for the fiscal year ended March 31, 2023. Accordingly, the table for financial instruments measured at fair value on a recurring basis by level within the fair value hierarchy as of March 31, 2022 is reclassified. The details are described in "(4) Changes in presentation" under "Note 2. Basis of preparation of consolidated financial statements."

* Mainly as a result Alibaba ceased to be an equity method associate of the Company and Alibaba shares have been included in "Investment securities", the amount of Level 1 increased. The details are described in "*1" in "(1) Gain and loss on investments at Investment Business of Holding Companies" under "Note 38. Gain on investments."

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

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

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

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

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

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

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

b. Derivative financial assets and derivative financial liabilities

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

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

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

a. Valuation techniques and inputs

The following table shows information about the valuation techniques used and the significant unobservable inputs used in the Level 3 fair value measurements.

(a) Investments from SVF (FVTPL)

For Level 3 fair value measurements of investments from SVF (FVTPL), the Company mainly uses the discounted cash flow method, the market comparable company multiple method and price of the recent transactions method. The following table shows the fair value of the investments measured by each valuation technique. When a combination of multiple valuation techniques is applied, aggregated amounts of fair value are presented for each combination of valuation techniques.

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | | | Fair value |
| Valuation techniques | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Discounted cash flow | ¥ 1,418,010 | **¥ 2,308,146** | **$ 17,285,599** |
| Market comparable companies | 960,574 | **2,293,491** | **17,175,848** |
| Discounted cash flow / Market comparable companies | 2,448,711 | **1,686,770** | **12,632,143** |
| Recent Transactions | 4,280,012 | **526,638** | **3,943,968** |
| Other | 861,943 | **301,174** | **2,255,477** |
| Total | ¥ 9,969,250 | **¥ 7,116,219** | **$ 53,293,035** |

The valuation techniques and the inputs are as follows.

| | | Ranges of unobservable inputs | |
|---|---|---|---|
| Valuation techniques | Unobservable inputs | As of March 31, 2022 | **As of March 31, 2023** |
| Discounted cash flow | Cost of capital | 17.0% - 161.0% | **15.3% - 172.1%** |
| | EBITDA multiple*[1] | x8.0 - x30.0 | **x6.0 - x36.0** |
| | Revenue multiple*[1] | x1.0 - x16.0 | **x0.9 - x15.0** |
| | Gross merchandise value multiple*[1] | x1.2 | **–** |
| | Gross profit multiple*[1] | x5.0 - x8.0 | **x2.0 - x25.0** |
| | Price to earnings ratio*[1] | x11.0 | **x20.0 - x40.0** |
| | EBIT multiple *[1] | – | **x15.0** |
| Market comparable companies | Revenue multiple | x0.6 - x16.2 | **x0.3 - x16.4** |
| | EBITDA multiple | x10.5 - x12.6 | **x7.0 - x20.0** |
| | Gross profit multiple | – | **x2.0 - x15.0** |
| | Price to earnings ratio | – | **x13.0 - x13.5** |
| | Price to sales ratio | x7.6 - x10.3 | **x1.0 - x7.0** |

Note:
In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the presentation of consolidated financial statements is changed for the fiscal year ended March 31, 2023. Accordingly, fair value for each valuation technique and information about unobservable inputs for Level 3 fair value measurements as of March 31, 2022 are reclassified. The details are described in "(4) Changes in presentation" under "Note 2. Basis of preparation of consolidated financial statements."

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

(b) Financial instruments including "Investment securities"

For Level 3 fair value measurements of financial instruments, the market comparable company multiple method, the discounted cash flow method, price of the recent transactions method and Monte Carlo method are mainly adopted. The following table shows information about the major valuation techniques with unobservable inputs and the significant unobservable inputs used in the fair value measurement.

| | | Ranges of unobservable inputs | |
|---|---|---|---|
| Valuation techniques | Unobservable inputs | As of March 31, 2022 | **As of March 31, 2023** |
| Equity securities | | | |
| Market comparable companies | Revenue multiple | x1.0 - x18.0 | **x0.8 - x14.5** |
| Discounted cash flow | Cost of capital | 11.4% - 34.5% | **13.2% - 41.7%** |
| | Capitalization rate*[2] | 5.1% - 10.2% | **5.2% - 10.9%** |
| | Revenue multiple*[2] | x4.0 | **x3.0 - x4.0** |
| | EBITDA multiple*[2] | x14.0 | **x12.0 - x20.3** |
| Derivative financial assets | | | |
| Monte Carlo simulation | Volatility | 25.0% | **22.5%** |

Note:
In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the presentation of consolidated financial statements is changed for the fiscal year ended March 31, 2023. Accordingly, fair value for each valuation technique and information about unobservable inputs for Level 3 fair value measurements as of March 31, 2022 are reclassified. The details are described in "(4) Changes in presentation" under "Note 2. Basis of preparation of consolidated financial statements."

*2 EBITDA multiple of market comparable companies, revenue multiple of market comparable companies and capitalization rate considering the most recent performance are used for the measurement of the terminal value.

b. Sensitivity Analysis

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

In contrast, the cost of capital and the capitalization rate have a negative correlation with the fair value of financial assets subject to the valuation.

c. Valuation processes

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

The valuations are prepared by the valuation team of SBIA under IFRS 13 "Fair Value Measurement", in accordance with the SBIA Global Valuation Policy and International Private Equity and Venture Capital Valuation Guidelines on a quarterly basis, using the most appropriate valuation techniques and inputs that reflect the nature, characteristics and risks of the financial instruments that are subject to fair value measurement. The valuation team of SBIA may engage external specialists with a high level of knowledge and experience as needed, in determining the fair value of certain complex financial instruments. The valuations are then reviewed by the Valuation and Financial Risk Committee ("VFRC"), established as a committee of SBIA, SBGA, and SBLA. The VFRC reviews the reasonableness of significant inputs and assumptions as well as the valuation results. In addition, the VFRC considers the appropriateness of the choice of valuation methodology. The valuations of the portfolio companies performed by the aforementioned procedures are then reviewed and approved by SBIA's Board of Directors as manager of SVF1 and SBGA's Board of Directors as manager of SVF2 and LatAm Funds with overall responsibility for valuations on a quarterly basis.

(b) Valuation processes at entities other than SVF1, SVF2, and LatAm Funds
Fair value is measured by the Company's personnel in the finance, treasury and accounting departments based on internal guidelines on a quarterly basis, using the most appropriate valuation techniques and inputs that reflect the nature, characteristics and risks of the financial instruments subject to fair value measurement. For the fair value measurements of the financial instruments that require both high level of knowledge and experiences where amounts are material, the Company may engage external specialists. Thereafter, management responsible for the valuation processes approves the results of fair value measurements by the Company's personnel and the valuation by the external specialists performed at the end of each quarter after reviewing the analysis of fair value changes and other content.

d. Roll forward of financial instruments categorized as Level 3
Roll forward of financial instruments categorized as Level 3 is as follows:

For the fiscal year ended March 31, 2022

(Millions of yen)

| Financial assets | Investments from SVF (FVTPL) | Equity securities (excluding investments from SVF (FVTPL)) | Bonds and loans (excluding investments from SVF (FVTPL)) | Derivative financial assets | Other |
|---|---|---|---|---|---|
| As of April 1, 2021 | ¥7,311,718 | ¥ 826,918 | ¥ 132,146 | ¥477,479 | ¥388,492 |
| Gains or (losses) | | | | | |
| Net income | 2,622,374 | 256,096 | (111,856) | 120,778 | 106,311 |
| Other comprehensive income | 1,006,605 | 64,285 | 19,672 | 40,117 | 36,106 |
| Purchases | 4,536,031 | 165,984 | 158,278 | – | 59,673 |
| Sales | (445,201) | (45,608) | (9,705) | – | (71,502) |
| Investments transferred from the Company to SVF2 | 416,784 | (396,021) | – | (20,763) | – |
| Transfers to Level 1 due to listing | (5,555,694) | (359,684) | – | – | – |
| Other | 76,633 | 16,665 | (2,236) | 15,942 | (5,518) |
| As of March 31, 2022 | ¥9,969,250 | ¥ 528,635 | ¥ 186,299 | ¥633,553 | ¥513,562 |
| Gains or (losses) recognized in net income on financial instruments held at March 31, 2022 | ¥ 784,664 | ¥ 8,518 | ¥(111,807) | ¥119,571 | ¥101,177 |

| Financial liabilities | Derivative financial liabilities | Other |
|---|---|---|
| As of April 1, 2021 | ¥ 84,318 | ¥ 37,309 |
| (Gains) or losses | | |
| Net income | 56,605 | (15,636) |
| Other comprehensive income | 2,754 | 5,583 |
| Other* | (113,861) | 71,176 |
| As of March 31, 2022 | ¥ 29,816 | ¥ 98,432 |
| (Gains) or losses recognized in net income on financial instruments held at March 31, 2022 | ¥ 9,472 | ¥ (15,636) |

* The decrease in derivative financial liabilities was mainly due to the reversal of liabilities as a result of the completion of a tender offer to purchase WeWork common shares and preferred shares. A wholly-owned subsidiary of the Company other than SVF1 launched a tender offer for up to $922 million in March 2021 to purchase WeWork common shares and preferred shares from certain shareholders of WeWork, other than the Company at a price of $19.19 per share. It was considered as a forward contract and accounted for as a derivative. The difference between the fair value of the common shares and preferred shares scheduled for acquisition and the planned acquisition amount was recorded as "Derivative financial liabilities (current)" in the consolidated statement of financial position as of March 31, 2021. For the fiscal year ended March 31, 2022, as the tender offer was completed in April 2021, the derivative financial liability was derecognized and the amount was deducted from the initial recognition amount of WeWork common shares and preferred shares acquired through the tender offer.

For the fiscal year ended March 31, 2023

(Millions of yen)

| Financial assets | Investments from SVF (FVTPL) | Equity securities (excluding investments from SVF (FVTPL)) | Bonds and loans (excluding investments from SVF (FVTPL)) | Derivative financial assets | Other |
|---|---|---|---|---|---|
| As of April 1, 2022 | ¥9,969,250 | ¥ 528,635 | ¥ 186,299 | ¥ 633,553 | ¥ 513,562 |
| Gains or (losses) | | | | | |
| Net income | (3,622,977) | (108,019) | (68,572) | 167,984 | (45,991) |
| Other comprehensive income | 906,834 | 30,779 | 14,516 | 55,965 | 28,234 |
| Purchases | 395,769 | 34,705 | 1,580 | – | 62,506 |
| Sales | (119,692) | (11,221) | (49,718) | – | (56,378) |
| Transfers to Level 1 due to listing | (416,823) | (5,986) | – | – | – |
| Other | 3,858 | (9,576) | (262) | 16 | 2,139 |
| As of March 31, 2023 | ¥7,116,219 | ¥ 459,317 | ¥ 83,843 | ¥ 857,518 | ¥ 504,072 |
| Gains or (losses) recognized in net income on financial instruments held at March 31, 2023 | ¥(3,610,537) | ¥ (104,445) | ¥ (68,811) | ¥ 169,956 | ¥ (46,303) |

| Financial liabilities | Derivative financial liabilities | Other |
|---|---|---|
| As of April 1, 2022 | ¥ 29,816 | ¥ 98,432 |
| (Gains) or losses | | |
| Net income | (740) | (40,310) |
| Other comprehensive income | 5,350 | – |
| Other | (34,426) | (33,795) |
| As of March 31, 2023 | ¥ – | ¥ 24,327 |
| (Gains) or losses recognized in net income on financial instruments held at March 31, 2023 | ¥ (750) | ¥ (40,310) |

(Thousands of U.S. dollars)

| Financial assets | Investments from SVF (FVTPL) | Equity securities (excluding investments from SVF (FVTPL)) | Bonds and loans (excluding investments from SVF (FVTPL)) | Derivative financial assets | Other |
|---|---|---|---|---|---|
| As of April 1, 2022 | $ 74,659,253 | $ 3,958,923 | $1,395,185 | $ 4,744,649 | $ 3,846,042 |
| Gains or (losses) | | | | | |
| Net income | (27,132,307) | (808,949) | (513,533) | 1,258,024 | (344,424) |
| Other comprehensive income | 6,791,238 | 230,503 | 108,710 | 419,119 | 211,443 |
| Purchases | 2,963,896 | 259,904 | 11,833 | – | 468,105 |
| Sales | (896,368) | (84,034) | (372,336) | – | (422,212) |
| Transfers to Level 1 due to listing | (3,121,568) | (44,829) | – | – | – |
| Other | 28,891 | (71,714) | (1,963) | 121 | 16,018 |
| As of March 31, 2023 | $ 53,293,035 | $ 3,439,804 | $ 627,896 | $ 6,421,913 | $ 3,774,972 |
| Gains or (losses) recognized in net income on financial instruments held at March 31, 2023 | $(27,039,145) | $ (782,184) | $ (515,322) | $ 1,272,793 | $ (346,761) |

| Financial liabilities | Derivative financial liabilities | Other |
|---|---|---|
| As of April 1, 2022 | $ 223,291 | $ 737,153 |
| (Gains) or losses | | |
| Net income | (5,542) | (301,880) |
| Other comprehensive income | 40,066 | – |
| Other | (257,815) | (253,089) |
| As of March 31, 2023 | $ – | $ 182,184 |
| (Gains) or losses recognized in net income on financial instruments held at March 31, 2023 | $ (5,617) | $ (301,880) |

Note:
In connection with the integration of the Latin America Funds segment into the SoftBank Vision Funds segment, the presentation of consolidated financial statements is changed for the fiscal year ended March 31, 2023. Accordingly, roll forward of financial instruments categorized as Level 3 for the fiscal year ended March 31, 2022 is reclassified. The details are described in "(4) Changes in presentation" under "Note 2. Basis of preparation of consolidated financial statements."

Gains or losses recognized in net income are included in "Gain on investments at Investment Business of Holding Companies," "Loss on investments at SoftBank Vision Funds," "Gain (loss) on other investments," "Derivative gain (excluding gain (loss) on investments)," and "Other gain (loss)" in the consolidated statement of profit or loss. Gains or losses recognized in other comprehensive income, net of tax, are included in "Equity financial assets at FVTOCI," "Debt financial assets at FVTOCI" and "Exchange differences on translating foreign operations" in the consolidated statement of comprehensive income.

### (3) Carrying amounts and fair values of financial instruments

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

As of March 31, 2022

(Millions of yen)

| | Carrying amount | Fair value | | | |
|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Total |
| Other financial liabilities (Current) | | | | | |
| Non-controlling interests subject to possible redemption | ¥ 307,144 | ¥ 314,275 | ¥ – | ¥ – | ¥ 314,275 |
| Interest-bearing debt (Non-current) | | | | | |
| Long-term borrowings | 5,472,605 | – | 2,912,585 | 2,610,814 | 5,523,399 |
| Corporate bonds | 6,471,624 | – | 6,343,253 | – | 6,343,253 |

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

As of March 31, 2023

(Millions of yen)

| | Carrying amount | Fair value | | | |
|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Total |
| Interest-bearing debt (Non-current) | | | | | |
| Long-term borrowings | **¥ 4,164,682** | **¥ –** | **¥ 3,003,771** | **¥ 1,058,013** | **¥ 4,061,784** |
| Corporate bonds | **6,257,455** | **–** | **5,977,812** | **–** | **5,977,812** |

(Thousands of U.S. dollars)

| | Carrying amount | Fair value | | | |
|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Total |
| Interest-bearing debt (Non-current) | | | | | |
| Long-term borrowings | **$31,189,111** | **$ –** | **$22,495,103** | **$ 7,923,410** | **$30,418,513** |
| Corporate bonds | **46,861,791** | **–** | **44,767,558** | **–** | **44,767,558** |

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

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

a. Non-controlling interests subject to possible redemption
The fair value of the non-controlling interests subject to possible redemption is measured using quoted prices in active markets. The details of the non-controlling interests subject to possible redemption are described in "Note 8. Special purpose acquisition companies sponsored by the Company."

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

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

## 30. Transfers of financial assets

The Company enters into securitization transactions involving trade and installment receivables.

The major securitization transactions involve the securitization of receivables related to installment receivables recognized from the mobile devices sales business.

For the transactions, the Company transfers receivables to financial institutions and acquires cash and a subordinate interest in the transferred receivables for financing purposes. The receivables sold are not derecognized because the Company retains a subordinate interest in each transaction. Therefore, the Company substantially retains all the risks and rewards of ownership of the transferred assets. Cash received from transferring the receivables are included in "Interest-bearing debt" under current liabilities and non-current liabilities as borrowings.

The following table presents the carrying amount of financial assets and related liabilities that are transferred but do not meet the derecognition criteria, as well as the fair value where related liabilities have recourse only to the transferred assets:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Carrying amount of transferred assets | ¥ 843,146 | **¥ 833,976** | **$ 6,245,608** |
| Carrying amount of related liabilities | (796,115) | **(802,334)** | **(6,008,642)** |
| (Fair value of financial assets and financial liabilities where related liabilities have recourse only to the transferred assets) | | | |
| Fair value of transferred assets | ¥ 843,146 | **¥ 833,976** | **$ 6,245,608** |
| Fair value of related liabilities | (796,385) | **(802,022)** | **(6,006,306)** |
| Net position | ¥ 46,761 | **¥ 31,954** | **$ 239,302** |

The difference between transferred assets and related liabilities is mainly the subordinate interest which the Company retains on securitization.

In addition, the Company enters into securitization transactions involving a portion of the monthly lump sum payment receivables included in loans in the card business. However, there are securitization receivables for which the Company bears a credit risk until collection and is obligated to pay retrospectively if a debtor does not pay. Those securitization receivables are not derecognized because they do not meet the derecognition criteria. Cash received from transferring the receivables are included in "Interest-bearing debt" under current liabilities as borrowings.

The carrying amount of the receivables transferred by the method not meeting the derecognition criteria and the related liability as of March 31, 2023 is ¥6,169 million ($46,199 thousand) and ¥170,000 million ($1,273,122 thousand), respectively (as of March 31, 2022, ¥2,663 million and ¥85,000 million respectively). The liability is settled without significant delay when a debtor pays for receivables transferred, but the Company cannot utilize the receivables transferred until the settlement of the liability or payment from the debtor is completed. The discrepancy between receivables transferred and related liabilities are mainly due to the amount of loan collection in card business.

## 31. Offsetting financial assets and liabilities

The following table presents the amount of financial assets and liabilities offset in the consolidated statement of financial position, as well as the amount of financial assets and liabilities that are under enforceable master netting agreements or similar contracts, but are presented gross, because they do not meet certain or all criteria of offsetting.

Rights to offset based on the enforceable master netting agreements or similar contracts are enforceable only in certain events such as bankruptcy or obligation default of the counterparty.

As of March 31, 2022

(Millions of yen)

| Financial assets | Gross amount of financial assets | Gross amount of financial liabilities offset against financial assets | Net amount of financial assets presented in the consolidated statement of financial position | Amount not offset in the consolidated statement of financial position* | Net amount |
|---|---|---|---|---|---|
| Cash and cash equivalents | ¥ 40,458 | ¥ – | ¥ 40,458 | ¥ (13,783) | ¥ 26,675 |
| Trade and other receivables | 178,793 | (92,185) | 86,608 | (21,993) | 64,615 |
| Derivative financial assets | 66,898 | – | 66,898 | (6,842) | 60,056 |
| Other financial assets | 131,474 | – | 131,474 | (125,004) | 6,470 |
| Total | ¥417,623 | ¥ (92,185) | ¥325,438 | ¥ (167,622) | ¥157,816 |

(Millions of yen)

| Financial liabilities | Gross amount of financial liabilities | Gross amount of financial assets offset against financial liabilities | Net amount of financial liabilities presented in the consolidated statement of financial position | Amount not offset in the consolidated statement of financial position* | Net amount |
|---|---|---|---|---|---|
| Interest-bearing debt | ¥ 33,515 | ¥ – | ¥ 33,515 | ¥ (13,783) | ¥ 19,732 |
| Trade and other payables | 301,085 | (92,185) | 208,900 | (20,841) | 188,059 |
| Derivative financial liabilities | 7,813 | – | 7,813 | (7,492) | 321 |
| Other financial liabilities | 125,709 | – | 125,709 | (125,506) | 203 |
| Total | ¥468,122 | ¥ (92,185) | ¥375,937 | ¥ (167,622) | ¥208,315 |

* SB Northstar entered into a prime brokerage agreement with brokers. Based on the agreement, in the event of a default by one party, the other party has a right to offset its claims and obligations against the defaulting party. In relation to this prime brokerage agreement, ¥ (13,783) million, ¥ (125,004) million, ¥ (13,783) million, and ¥ (125,004) million are included in "Cash and cash equivalents," "Other financial assets," "Interest-bearing debt," and "Other financial liabilities," respectively.

As of March 31, 2023

(Millions of yen)

| Financial assets | Gross amount of financial assets | Gross amount of financial liabilities offset against financial assets | Net amount of financial assets presented in the consolidated statement of financial position | Amount not offset in the consolidated statement of financial position | Net amount |
|---|---|---|---|---|---|
| Trade and other receivables | ¥ 190,254 | ¥ (97,420) | ¥ 92,834 | ¥ (21,547) | ¥ 71,287 |
| Derivative financial assets | 82,305 | – | 82,305 | (7,961) | 74,344 |
| Total | ¥ 272,559 | ¥ (97,420) | ¥ 175,139 | ¥ (29,508) | ¥ 145,631 |

(Millions of yen)

| Financial liabilities | Gross amount of financial liabilities | Gross amount of financial assets offset against financial liabilities | Net amount of financial liabilities presented in the consolidated statement of financial position | Amount not offset in the consolidated statement of financial position | Net amount |
|---|---|---|---|---|---|
| Trade and other payables | ¥ 285,707 | ¥ (97,420) | ¥ 188,287 | ¥ (21,053) | ¥ 167,234 |
| Derivative financial liabilities | 8,196 | – | 8,196 | (7,979) | 217 |
| Other financial liabilities | 712 | – | 712 | (476) | 236 |
| Total | ¥ 294,615 | ¥ (97,420) | ¥ 197,195 | ¥ (29,508) | ¥ 167,687 |

(Thousands of U.S. dollars)

| Financial assets | Gross amount of financial assets | Gross amount of financial liabilities offset against financial assets | Net amount of financial assets presented in the consolidated statement of financial position | Amount not offset in the consolidated statement of financial position | Net amount |
|---|---|---|---|---|---|
| Trade and other receivables | $ 1,424,803 | $ (729,574) | $ 695,229 | $ (161,364) | $ 533,865 |
| Derivative financial assets | 616,378 | – | 616,378 | (59,620) | 556,758 |
| Total | $ 2,041,181 | $ (729,574) | $ 1,311,607 | $ (220,984) | $ 1,090,623 |

(Thousands of U.S. dollars)

| Financial liabilities | Gross amount of financial liabilities | Gross amount of financial assets offset against financial liabilities | Net amount of financial liabilities presented in the consolidated statement of financial position | Amount not offset in the consolidated statement of financial position | Net amount |
|---|---|---|---|---|---|
| Trade and other payables | $ 2,139,647 | $ (729,574) | $ 1,410,073 | $ (157,665) | $ 1,252,408 |
| Derivative financial liabilities | 61,379 | – | 61,379 | (59,754) | 1,625 |
| Other financial liabilities | 5,332 | – | 5,332 | (3,565) | 1,767 |
| Total | $ 2,206,358 | $ (729,574) | $ 1,476,784 | $ (220,984) | $ 1,255,800 |

## 32. Foreign currency exchange rates

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

### (1) Rate at the end of the period

(Yen)

| | As of March 31, 2022 | **As of March 31, 2023** |
|---|---|---|
| U.S. dollars | ¥ 122.39 | **¥ 133.53** |
| Chinese yuan* | 19.26 | **–** |

### (2) Average rate for the quarter

For the fiscal year ended March 31, 2022

(Yen)

| | Three-month period ended June 30, 2021 | Three-month period ended September 30, 2021 | Three-month period ended December 31, 2021 | Three-month period ended March 31, 2022 |
|---|---|---|---|---|
| U.S. dollars | ¥ 110.00 | ¥ 110.47 | ¥ 113.60 | ¥ 117.10 |
| Chinese yuan | 17.01 | 17.09 | 17.75 | 18.43 |

For the fiscal year ended March 31, 2023

(Yen)

| | **Three-month period ended June 30, 2022** | **Three-month period ended September 30, 2022** | **Three-month period ended December 31, 2022** | **Three-month period ended March 31, 2023** |
|---|---|---|---|---|
| U.S. dollars | **¥ 129.04** | **¥ 138.68** | **¥ 141.16** | **¥ 133.26** |
| Chinese yuan* | **19.60** | **20.19** | **–** | **–** |

### (3) Foreign exchange sensitivity analysis for exchange differences on translating foreign operations

The table below presents the effect of a 1% appreciation of the Japanese yen against the U.S. dollars, which is the main foreign currency of the Company, regarding the translation of assets, liabilities, and interests in net assets of foreign operations into the presentation currency, assuming that all other factors are constant.

Impact of exchange differences on translating foreign operations (decrease in equity)

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| U.S. dollars | ¥ (170,059) | **¥ (143,546)** | **$ (1,075,009)** |
| Chinese yuan* | (45,721) | **–** | **–** |

* For the three-month period ended September 30, 2022, Alibaba ceased to be an equity method associate of the Company, and Chinese yuan is no longer considered as a major currency used for translating the financial statements of foreign operations. Accordingly, exchange rates of Chinese yuan are not presented since the three-month period ended December 31, 2022, and also it is excluded from the sensitivity analysis for the fiscal year ended March 31, 2023.

## 33. Equity

### (1) Common stock

a. Shares authorized

The number of shares authorized to be issued is as follows:

(Thousands of shares)

| | As of March 31, 2022 | **As of March 31, 2023** |
|---|---|---|
| Ordinary shares | 7,200,000 | **7,200,000** |

b. Shares issued

Changes in the number of shares issued are as follows:

(Thousands of shares)

| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** |
|---|---|---|
| Balance at the beginning of the year | 2,089,814 | **1,722,954** |
| Increase during the year | – | **–** |
| Decrease during the year*1,2 | (366,860) | **(252,959)** |
| Balance at the end of the year | 1,722,954 | **1,469,995** |

Notes:
1. Shares issued by the Company are common stock with no par value.
2. Shares issued have been fully paid.

*1 For the fiscal year ended March 31, 2022, the decrease was made under the resolutions passed at the Board of Directors meeting held on April 28, 2021 and May 12, 2021. The Company retired its treasury stock of 366,860 thousand shares in total on May 11, 2021 and May 20, 2021.
*2 For the fiscal year ended March 31, 2023, the decrease was made under the resolutions passed at the Board of Directors meeting held on January 27, 2023. The Company retired its treasury stock of 252,959 thousand shares in total on March 30, 2023.

### (2) Capital surplus

Capital surplus of the Company includes additional paid-in capital, which is legal capital surplus. Under the Companies Act of Japan (the "Companies Act"), at least 50% of the proceeds upon issuance of equity instruments shall be credited to common stock. The remainder of the proceeds shall be credited to additional paid-in capital. The Companies Act permits, upon approval at the general meeting of shareholders, the transfer of amounts from additional paid-in capital to common stock.

### (3) Other equity instruments

On July 19, 2017, the Company issued $2.75 billion of USD-denominated Undated Subordinated Non-Call 6 years Resettable Notes and $1.75 billion of USD-denominated Undated Subordinated Non-Call 10 years Resettable Notes (collectively, the "Hybrid Notes".)

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

On October 12, 2022, the Company purchased a portion of the above USD-denominated Undated Subordinated Non-Call 6 years Resettable Notes (the face value of $0.75 billion) and retired them on the same date. The amount of ¥21,776 million ($163,079 thousand) reduced from "Retained earnings" as "Redemption and cancellation of other equity instruments" in the consolidated statement of changes in equity is the difference between the issue amount and the purchase amount, including foreign exchange effects.

Payments of interest were completed on the interest payment dates, July 19, 2022 and January 19, 2023, and on October 12, 2022 for the aforementioned purchased notes, and "Retained earnings" decreased by ¥19,723 million ($147,705 thousand), ¥15,440 million ($115,629 thousand) and ¥1,517 million ($11,361 thousand) (for the fiscal year ended March 31, 2022: decreased by ¥15,676 million and ¥16,367 million on July 19, 2021 and January 19, 2022), respectively, as "Distribution to owners of other equity instruments" in the consolidated statement of changes in equity.

In addition, accrued interest, which is not recognized as a distribution to owners of other equity instruments because the payment has not yet been determined, is ¥6,418 million ($48,064 thousand) as of March 31, 2023 (¥6,984 million as of March 31, 2022.)

### (4) Retained earnings

Retained earnings of the Company include the reserve legally required as legal retained earnings. The Companies Act provides that 10% of the dividend from retained earnings shall be appropriated as legal capital surplus or as legal retained earnings until their aggregate amount equals 25% of common stock. The legal retained earnings may be used to eliminate or reduce a deficit or be transferred to retained earnings upon approval at the general meeting of shareholders.

### (5) Treasury stock

The Companies Act provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula.

Changes in treasury stock are as follows:

(Thousands of shares)

| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** |
|---|---|---|
| Balance at the beginning of the year | 351,298 | **76,164** |
| Increase during the year*1,2 | 93,240 | **185,702** |
| Decrease during the year*3,4 | (368,374) | **(254,918)** |
| Balance at the end of the year | 76,164 | **6,948** |

*1 For the fiscal year ended March 31, 2022, due to purchases of treasury stock under the resolution passed at the Board of Directors meetings held on July 30, 2020, the number of treasury stock increased by 25,980 thousand shares (amount purchased ¥257,777 million) as part of "SoftBank announces ¥4.5 trillion ($41 billion) program to repurchase shares and reduce debt" announced on March 23, 2020 (the "¥4.5 trillion program"). In addition, the purchases of treasury stock up to ¥2 trillion have been completed based on the "¥4.5 trillion program" with the completion of purchases of treasury stock under the resolution. Moreover, due to purchases of treasury stock under the resolution passed at the Board of Directors meeting held on November 8, 2021, the number of treasury stock increased by 67,258 thousand shares (amount purchased ¥344,573 million).

*2 For the fiscal year ended March 31, 2023, due to purchases of treasury stock under the resolutions passed at the Board of Directors meeting held on November 8, 2021 and August 8, 2022, the number of treasury stock increased by 185,701 thousand shares (amount purchased ¥1,055,426 million ($7,904,037 thousand)).

*3 For the fiscal year ended March 31, 2022, the decrease was made mainly under the resolutions passed at the Board of Directors meeting held on April 28, 2021 and May 12, 2021. The Company retired its treasury stock of 366,860 thousand shares in total on May 11, 2021 and May 20, 2021. As a result of the transaction, both retained earnings and treasury stock decreased by ¥2,475,817 million.

*4 For the fiscal year ended March 31, 2023, the decrease was made mainly under the resolution passed at the Board of Directors meeting held on January 27, 2023. The Company retired its treasury stock of 252,959 thousand shares in total on March 30, 2023. As a result of the transaction, both retained earnings and treasury stock decreased by ¥1,412,374 million ($10,577,204 thousand).

### (6) Accumulated other comprehensive income

The changes in the accumulated other comprehensive income are as follows.

(Millions of yen)

| | Remeasurements of defined benefit plan | Equity financial assets at FVTOCI | Debt financial assets at FVTOCI | Cash flow hedges | Exchange differences on translating foreign operations | Total |
|---|---|---|---|---|---|---|
| As of April 1, 2021 | ¥ – | ¥ 24,099 | ¥ 390 | ¥ 42,962 | ¥ 270,878 | ¥ 338,329 |
| Other comprehensive income (attributable to owners of the parent) | 9 | 22,116 | (92) | (41,266) | 2,176,948 | 2,157,715 |
| Transfer to retained earnings | (9) | 123 | – | – | – | 114 |
| As of March 31, 2022 | ¥ – | ¥ 46,338 | ¥ 298 | ¥ 1,696 | ¥ 2,447,826 | ¥ 2,496,158 |
| Other comprehensive income (attributable to owners of the parent) | **450** | **(954)** | **(156)** | **(73,294)** | **1,337,214** | **1,263,260** |
| Transfer to retained earnings | **(450)** | **(2,183)** | **–** | **–** | **–** | **(2,633)** |
| As of March 31, 2023 | **¥ –** | **¥ 43,201** | **¥ 142** | **¥ (71,598)** | **¥ 3,785,040** | **¥ 3,756,785** |

(Thousands of U.S. dollars)

| | Remeasurements of defined benefit plan | Equity financial assets at FVTOCI | Debt financial assets at FVTOCI | Cash flow hedges | Exchange differences on translating foreign operations | Total |
|---|---|---|---|---|---|---|
| As of April 1, 2022 | $ – | $ 347,023 | $ 2,232 | $ 12,701 | $ 18,331,656 | $ 18,693,612 |
| Other comprehensive income (attributable to owners of the parent) | **3,370** | **(7,144)** | **(1,169)** | **(548,895)** | **10,014,334** | **9,460,496** |
| Transfer to retained earnings | **(3,370)** | **(16,349)** | **–** | **–** | **–** | **(19,719)** |
| As of March 31, 2023 | **$ –** | **$ 323,530** | **$ 1,063** | **$ (536,194)** | **$ 28,345,990** | **$ 28,134,389** |

The above amount is presented net of the tax effect. The amount of income taxes on each item in other comprehensive income is described in “Note 42. Other comprehensive income.”

**34. Dividends**

In accordance with the Companies Act, SoftBank Group Corp. has prescribed in its articles of incorporation that semiannual interim dividends may be paid once a year upon resolution by the Board of Directors.

Dividends paid are as follows:

For the fiscal year ended March 31, 2022

| Resolution | Class of shares | Dividends per share (Yen) | Total dividends (Millions of yen) | Record date | Effective date |
|---|---|---|---|---|---|
| Shareholders' meeting held on June 23, 2021. . . . . . . . . . . . | Common stock | ¥ 22 | ¥ 38,247 | March 31, 2021 | June 24, 2021 |
| Board of directors' meeting held on October 21, 2021 . . . . . | Common stock | 22 | 37,700 | September 30, 2021 | December 8, 2021 |

For the fiscal year ended March 31, 2023

| | | Dividends per share | | Total dividends | | | |
|---|---|---|---|---|---|---|---|
| Resolution | Class of shares | (Yen) | (U.S. dollars) | (Millions of yen) | (Thousands of U.S. dollars) | Record date | Effective date |
| Shareholders' meeting held on June 24, 2022. . . . . . . . . . . . | Common stocks | **¥ 22** | **$ 0.16** | **¥ 36,229** | **$ 271,317** | March 31, 2022 | June 27, 2022 |
| Board of Directors' meeting held on October 28, 2022 . . . . . | Common stocks | **22** | **0.16** | **34,098** | **255,358** | September 30, 2022 | December 9, 2022 |

Dividends which will become effective during the fiscal year ending March 31, 2024 are as follows:

| | | Dividends per share | | Total dividends | | | |
|---|---|---|---|---|---|---|---|
| Resolution | Class of shares | (Yen) | (U.S. dollars) | (Millions of yen) | (Thousands of U.S. dollars) | Record date | Effective date |
| Shareholders' meeting held on June 21, 2023. . . . . . . . . . . . | Common stocks | **¥ 22** | **$ 0.16** | **¥ 32,187** | **$ 241,047** | March 31, 2023 | June 22, 2023 |

## 35. Share-based payment transactions

The Company grants stock options, restricted stock unit plans, restricted stock compensation plans and others as share-based payment awards.

Share-based payment awards are granted to the Company's directors and employees based on the terms resolved at the Company's shareholders' meeting or Board of Directors' meeting.

Share-based payment awards are accounted for as equity-settled share-based payments or cash-settled share-based payments. Expense and liability amounts recognized from share-based payment awards are as follows:

Expense arising from share-based payments

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Equity-settled | ¥ 16,347 | **¥ 43,886** | **$ 328,660** |
| Cash-settled | (2,643) | **30,983** | **232,030** |
| Total | ¥ 13,704 | **¥ 74,869** | **$ 560,690** |

Liability arising from share-based payments

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Liability arising from share-based payment | ¥ 3,598 | **¥ 42,931** | **$ 321,508** |
| Liability vested in the above | – | **28,007** | **209,743** |

### (1) Stock option plan

a. Details of the stock option plan

The Company grants stock options as equity-settled share-based payments. The details of the Company's stock option plan for the years ended March 31, 2022 and 2023 are as follows:

(a) SoftBank Group Corp.

SoftBank Group Corp. grants stock options to its directors and employees. Shares granted by the exercise of stock options are those issued by SoftBank Group Corp.

The Company conducted a share split at a ratio of two-for-one effective June 28, 2019. The amounts of "Stock options" for each fiscal year are recorded after adjustments of the share split.

| Year issued / Name | Grant date | Due date for exercise |
|---|---|---|
| 2016 July Stock Acquisition Rights*1,2 | July 28, 2016 | July 31, 2022 |
| 2017 February Stock Acquisition Rights*1 | February 27, 2017 | February 28, 2023 |
| 2017 July Stock Acquisition Rights*1 | July 28, 2017 | July 31, 2023 |
| 2018 August Stock Acquisition Rights*3 | August 31, 2018 | August 31, 2025 |
| 2019 July Stock Acquisition Rights*4 | August 13, 2019 | August 31, 2025 |
| 2019 November Stock Acquisition Rights*5 | December 23, 2019 | December 31, 2026 |
| 2020 August Stock Acquisition Rights*5 | August 28, 2020 | August 31, 2027 |
| 2021 August Stock Acquisition Rights*5 | August 27, 2021 | August 31, 2028 |
| 2022 August Stock Acquisition Rights*5 | August 29, 2022 | August 31, 2029 |

*1 Vesting condition

Stock options vest when the service period requirements are met, and the vesting period is approximately 2 years.
Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

*2 The 2016 July Stock Acquisition Rights expired upon the exercise expiration date of July 31, 2022 was reached.

*3 Vesting condition

Stock options vest when the service period requirements are met, and the vesting period is 3 years.
The amount of the stock acquisition rights exercisable by an entitled person is limited as prescribed in "i" through "iv" below when the number of shares granted by the stock acquisition rights initially allotted is over 800. Fractional points, if any, of the exercisable stock acquisition rights are rounded down.

i. from September 1, 2021 through August 31, 2022: 25% of the allocated amount of stock acquisition rights
ii. from September 1, 2022 through August 31, 2023: 50% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "i" above
iii. from September 1, 2023 through August 31, 2024: 75% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "i" and "ii" above
iv. from September 1, 2024 through August 31, 2025: 100% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "i" through "iii" above

Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

*4 Vesting condition

Stock options vest when the service period requirements are met, and the vesting period is approximately 2 years.
The amount of the stock acquisition rights exercisable by an entitled person is limited as prescribed in "i" through "iv" below when the number of shares granted by the stock acquisition rights initially allotted is over 800. Fractional points, if any, of the exercisable stock acquisition rights are rounded down.

i. from September 1, 2021 through August 31, 2022: 25% of the allocated amount of stock acquisition rights
ii. from September 1, 2022 through August 31, 2023: 50% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "i" above
iii. from September 1, 2023 through August 31, 2024: 75% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "i" and "ii" above
iv. from September 1, 2024 through August 31, 2025: 100% of the allocated amount of stock acquisition rights along with the stock acquisition rights exercised in the period "i" through "iii" above

Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

*5 Vesting condition

Stock options vest when the service period requirements are met, and the vesting period is approximately 3 years.
Vesting requires continuous service from the grant date to the vesting date. When an eligible person retires, vested acquisition rights are forfeited.

(b) SoftBank Corp.

SoftBank Corp. grants stock options to its directors and employees. Shares granted by the exercise of stock options are those issued by SoftBank Corp.

| Year issued / Name | Grant date | Due date for exercise |
|---|---|---|
| 2018 March Stock Acquisition Rights*1 | March 30, 2018 | March 31, 2025 |
| 2020 July Stock Acquisition Rights*2 | July 31, 2020 | July 31, 2027 |
| 2021 January Stock Acquisition Rights*3 | January 22, 2021 | March 31, 2028 |
| 2021 July Stock Acquisition Rights Item (i)*4 | July 20, 2021 | March 31, 2028 |
| 2021 July Stock Acquisition Rights Item (ii)*5 | July 20, 2021 | July 31, 2028 |
| 2022 July Stock Acquisition Rights Item*6 | July 20, 2022 | July 31, 2029 |

*1 Vesting condition
In case the common stock of SoftBank Corp. is newly listed by March 31, 2020 on the financial instruments market established by the financial instruments exchange, an entitled person is able to exercise these rights.
Also, the number of these rights which an entitled person is able to exercise is as follows:

i. Where the total number of shares granted by the stock acquisition rights initially allotted is from 3,000 to less than 12,000 shares, the number of the stock acquisition rights which an entitled person is able to exercise is limited to the following number during the following period.
a. up to 30% of the total allotted rights are exercisable from April 1, 2020 to March 31, 2021.
b. up to 60% of the total allotted rights including the rights exercised during the period of “a” are exercisable from April 1, 2021 to March 31, 2022.
c. up to 100% of the total allotted rights including the rights exercised during the period of “a” and “b” are exercisable from April 1, 2022 to March 31, 2025.

ii. Where the total number of shares granted by the stock acquisition rights initially allotted is 12,000 or more shares, the number of the stock acquisition rights which an entitled person is able to exercise is limited to the following number during the following period.
a. up to 20% of the total allotted rights are exercisable from April 1, 2020 to March 31, 2021.
b. up to 40% of the total allotted rights including the rights exercised during the period of “a” are exercisable from April 1, 2021 to March 31, 2022.
c. up to 60% of the total allotted rights including the rights exercised during the period of “a” and “b” are exercisable from April 1, 2022 to March 31, 2023.
d. up to 80% of the total allotted rights including the rights exercised during the period of “a”, “b”, and “c” are exercisable from April 1, 2023 to March 31, 2024.
e. up to 100% of the total allotted rights including the rights exercised during the period of “a”, “b”, “c”, and “d” are exercisable from April 1, 2024 to March 31, 2025.

When an eligible person (director, employee or executive officer) retires, the unexercised acquisition rights are forfeited. However, this shall not apply in the case of a good cause, such as resignation due to expiration of the term or mandatory retirement.

*2 Vesting condition
Stock options vest when the service period requirements are met, and the vesting period is approximately 2 years.
When an eligible person (director, employee or executive officer) retires, the unexercised acquisition rights are forfeited. However, this shall not apply in the case of a good cause, such as resignation due to expiration of the term or mandatory retirement.

*3 Vesting condition
The number of these rights which an entitled person is able to exercise is as follows:
i. where the total number of shares granted by the stock acquisition rights initially allotted is from 3,000 to less than 12,000 shares, the number of the stock acquisition rights which an entitled person is able to exercise is limited to the following number during the following period.
a. up to 30% of the total allotted rights are exercisable from April 1, 2023 to March 31, 2024.
b. up to 60% of the total allotted rights including the rights exercised during the period of “a” are exercisable from April 1, 2024 to March 31, 2025.
c. up to 100% of the total allotted rights including the rights exercised during the period of “a” and “b” are exercisable from April 1, 2025 to March 31, 2028.

ii. where the total number of shares granted by the stock acquisition rights initially allotted is 12,000 or more shares, the number of the stock acquisition rights which an entitled person is able to exercise is limited to the following number during the following period. Fractional points, if any, of the exercisable stock acquisition rights are rounded down.
a. up to 20% of the total allotted rights are exercisable from April 1, 2023 to March 31, 2024.
b. up to 40% of the total allotted rights including the rights exercised during the period of “a” are exercisable from April 1, 2024 to March 31, 2025.
c. up to 60% of the total allotted rights including the rights exercised during the period of “a” and “b” are exercisable from April 1, 2025 to March 31, 2026.
d. up to 80% of the total allotted rights including the rights exercised during the period of “a”, “b”, and “c” are exercisable from April 1, 2026 to March 31, 2027.
e. up to 100% of the total allotted rights including the rights exercised during the period of “a”, “b”, “c”, and “d” are exercisable from April 1, 2027 to March 31, 2028.

When an eligible person (director, employee or executive officer) retires, the unexercised acquisition rights are forfeited. However, this shall not apply in the case of a good cause, such as resignation due to expiration of the term or mandatory retirement.

*4 Vesting condition
The number of these rights which an entitled person is able to exercise during the following periods “i” through “v” is as follows:
i. up to 20% of the total allotted rights are exercisable from April 1, 2023 to March 31, 2024.
ii. up to 40% of the total allotted rights including the rights exercised during the period of “i” are exercisable from April 1, 2024 to March 31, 2025.
iii. up to 60% of the total allotted rights including the rights exercised during the period of “i” and “ii” are exercisable from April 1, 2025 to March 31, 2026.
iv. up to 80% of the total allotted rights including the rights exercised during the period of “i”, “ii”, and “iii” are exercisable from April 1, 2026 to March 31, 2027.
v. up to 100% of the total allotted rights including the rights exercised during the period of “i”, “ii”, “iii”, and “iv” are exercisable from April 1, 2027 to March 31, 2028.

When an eligible person (director, employee or executive officer) retires, the unexercised acquisition rights are forfeited. However, this shall not apply in the case of a good cause, such as resignation due to expiration of the term or mandatory retirement.

*5 Vesting condition
Stock options vest when the service period requirements are met, and the vesting period is approximately 2 years through July 31, 2023.
When an eligible person (director, employee or executive officer) retires, the unexercised acquisition rights are forfeited. However, this shall not apply in the case of a good cause, such as resignation due to expiration of the term or mandatory retirement.

*6 Vesting condition
Stock options vest when the service period requirements are met, and the vesting period is approximately 2 years through July 31, 2024.
When an eligible person (director, employee or executive officer) retires, the unexercised acquisition rights are forfeited. However, this shall not apply in the case of a good cause, such as resignation due to expiration of the term or mandatory retirement.

(c) Z Holdings Corporation

Z Holdings Corporation grants stock options to directors and employees of Z Holdings Corporation and its subsidiaries. Shares granted by the exercise of stock options are those issued by Z Holdings Corporation.

| Year issued / Name | Grant date | Due date for exercise |
|---|---|---|
| 2011*1,2 | From June 3, 2011 through February 17, 2012 | From May 20, 2021 through February 3, 2022 |
| 2012 1st*1,2 | May 16, 2012 | May 2, 2022 |
| 2020 LINE 22nd*3,4 | March 1, 2021 | From July 29, 2022 through July 8, 2029 |
| 2020 LINE 24th*3,5 | March 1, 2021 | From July 29, 2022 through July 8, 2029 |
| 2020 LINE 25th*3,5 | March 1, 2021 | From July 29, 2022 through July 8, 2029 |
| 2020 LINE 26th*3,6 | March 1, 2021 | From November 5, 2023 through November 5, 2030 |
| 2020 LINE 28th*7 | March 30, 2021 | From November 5, 2023 through November 5, 2030 |
| 2021 LINE 29th*8 | November 10, 2021 | From November 11, 2024 through October 24, 2031 |
| 2022 Z Holdings 1st*9 | August 18, 2022 | From August 19, 2025 through August 3, 2032 |

*1 Vesting condition
Share options mainly vest in stages beginning after two years from the grant date.
One-half of the total granted shares vests after two years from the grant date, and one-fourth vests per year for the subsequent two years.
Vesting requires continuous service from the grant date to the vesting date. When the holder of vested share options retires, those vested share options are forfeited.

*2 "2011" and "2012 1st" stock acquisition rights expired upon the exercise expiration date of February 3, 2022 and May 2, 2022, respectively, were reached.

*3 Stock acquisition rights to be provided for Z Holdings Corporation's participants
Based on the capital alliance contract stipulated under the Z Holdings Corp. group's governance control after business integration entered into on December 23, 2019, with the effective date of the share exchange of Z Holdings Corporation and LINE Corporation as the grant date, Z Holdings Corporation granted alternative stock options to directors and employees of Z Holdings Corporation and its group companies substituted for the stock options which A Holdings Corporation was granting to directors and employees of A Holdings Corporation and its group companies.

*4 Vesting condition
If stock price of Z Holdings Corporation's common stock meets the following "i" to "iii", the number of shares of stock acquisition rights specified in "i", "ii", and "iii" is exercisable.
i. At any of July 29, 2022 through July 29, 2025, including 10 days before the last business day (excluding the day of unclosing transaction of Z Holdings Corporation's common stock. Same as the following "i" to "iii"), if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds ¥640 ("Basic Stock Price"); up to 20% of the total allotted rights is exercisable
ii. At any of July 29, 2023 through July 29, 2026, including 10 days before the last business day, if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds Basic Stock Price; up to 30% of the total allotted rights is exercisable
iii. At any of July 29, 2024 through July 29, 2027, including 10 days before the last business day, if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds Basic Stock Price; up to 50% of the total allotted rights is exercisable

Regardless of the exercise period (from July 29, 2022 to July 8, 2029. If the last day of the exercise period conflicts with a holiday of Z Holdings Corporation, its last business day shall be the last day of the exercise period), the holder of stock acquisition rights is able to exercise the stock acquisition rights during the period specified in "a", "b" and "c" (including the first day and the last day), to the extent the number specified in "a", "b" and "c", deducting the number of stock acquisition rights already exercised. In this case, if a fraction of less than one unit arises from the number of exercisable stock acquisition rights calculated based on such ratio, only the number of stock acquisition rights rounded down to the nearest whole number can be exercised.
a. up to 20% of the total allotted rights, exercisable from July 29, 2022 to July 8, 2029
b. up to 50% of the total allotted rights, exercisable from July 29, 2023 to July 8, 2029
c. up to 100% of the total allotted rights, exercisable from July 29, 2024 to July 8, 2029

*5 Vesting condition
Regardless of the exercise period (from July 29, 2022 to July 8, 2029. If the last day of the exercise period conflicts with a holiday of Z Holdings Corporation, its last business day shall be the last day of the exercise period), the holder of stock acquisition rights is able to exercise the stock acquisition rights during the period specified in "i", "ii" and "iii" (including the first day and the last day), to the extent the number specified in "i", "ii" and "iii", deducting the number of stock acquisition rights already exercised. In this case, if a fraction of less than one unit arises from the number of exercisable stock acquisition rights calculated based on such ratio, only the number of stock acquisition rights rounded down to the nearest whole number can be exercised.
i. up to 20% of the total allotted rights, exercisable from July 29, 2022 to July 8, 2029
ii. up to 50% of the total allotted rights, exercisable from July 29, 2023 to July 8, 2029
iii. up to 100% of the total allotted rights, exercisable from July 29, 2024 to July 8, 2029

*6 Vesting condition
If stock price of Z Holdings Corporation's common stock meets the following "i" to "iii", the number of shares of stock acquisition rights specified in "i", "ii", and "iii" is exercisable.
i. At any of November 5, 2023 through November 5, 2026, including 10 days before the last business day (excluding the day of unclosing transaction of Z Holdings Corporation's common stock. Same as the following "i" to "iii"), if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds ¥640 ("Basic Stock Price"); up to 20% of the total allotted rights is exercisable
ii. At any of November 5, 2024 through November 5, 2027, including 10 days before the last business day, if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds Basic Stock Price; up to 30% of the total allotted rights is exercisable
iii. At any of November 5, 2025 through November 5, 2028, including 10 days before the last business day, if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds Basic Stock Price; up to 50% of the total allotted rights is exercisable

Regardless of the exercise period (from November 5, 2023 to November 5, 2030. If the last day of the exercise period conflicts with a holiday of Z Holdings Corporation, its last business day shall be the last day of the exercise period), the holder of stock acquisition rights is able to exercise the stock acquisition rights during the period specified in "a", "b" and "c" (including the first day and the last day), to the extent the number specified in "a", "b" and "c", deducting the number of stock acquisition rights already exercised. In this case, if a fraction of less than one unit arises from the number of exercisable stock acquisition rights calculated based on such ratio, only the number of stock acquisition rights rounded down to the nearest whole number can be exercised.
a. up to 20% of the total allotted rights, exercisable from November 5, 2023 to November 5, 2030
b. up to 50% of the total allotted rights, exercisable from November 5, 2024 to November 5, 2030
c. up to 100% of the total allotted rights, exercisable from November 5, 2025 to November 5, 2030

*7 Vesting condition
Regardless of the exercise period (from November 5, 2023 to November 5, 2030. If the last day of the exercise period conflicts with a holiday of Z Holdings Corporation, its last business day shall be the last day of the exercise period), the holder of stock acquisition rights is able to exercise the stock acquisition rights during the period specified in "i", "ii" and "iii" (including the first day and the last day), to the extent the number specified in "i", "ii" and "iii", deducting the number of stock acquisition rights already exercised. In this case, if a fraction of less than one unit arises from the number of exercisable stock acquisition rights calculated based on such ratio, only the number of stock acquisition rights rounded down to the nearest whole number can be exercised.

i. up to 20% of the total allotted rights, exercisable from November 5, 2023 to November 5, 2030
ii. up to 50% of the total allotted rights, exercisable from November 5, 2024 to November 5, 2030
iii. up to 100% of the total allotted rights, exercisable from November 5, 2025 to November 5, 2030

*8 Vesting condition
If stock price of Z Holdings Corporation's common stock meets the following "i" to "iii", the number of shares of stock acquisition rights specified in "i", "ii", and "iii" is exercisable.
i. At any of November 11, 2024 through November 11, 2027, including 10 days before the last business day (excluding the day of unclosing transaction of Z Holdings Corporation's common stock. Same as the following "i" to "iii"), if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds ¥640 ("Basic Stock Price"); up to 20% of the total allotted rights is exercisable
ii. At any of November 11, 2025 through November 11, 2028, including 10 days before the last business day, if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds Basic Stock Price; up to 30% of the total allotted rights is exercisable
iii. At any of November 11, 2026 through November 11, 2029, including 10 days before the last business day, if the average of closing price of Z Holdings Corporation's common stock ordinary transaction on the Tokyo Stock Exchange exceeds Basic Stock Price; up to 50% of the total allotted rights is exercisable

Regardless of the exercise period (from November 11, 2024 to October 24, 2031. If the last day of the exercise period conflicts with a holiday of Z Holdings Corporation, its last business day shall be the last day of the exercise period), the holder of stock acquisition rights is able to exercise the stock acquisition rights during the period specified in "a", "b" and "c" (including the first day and the last day), to the extent the number specified in "a", "b" and "c", deducting the number of stock acquisition rights already exercised. In this case, if a fraction of less than one unit arises from the number of exercisable stock acquisition rights calculated based on such ratio, only the number of stock acquisition rights rounded down to the nearest whole number can be exercised.
a. up to 20% of the total allotted rights, exercisable from November 11, 2024 to October 24, 2031
b. up to 50% of the total allotted rights, exercisable from November 11, 2025 to October 24, 2031
c. up to 100% of the total allotted rights, exercisable from November 11, 2026 to October 24, 2031

*9 Vesting condition
An entitled person must hold a position of director, auditor, executive officer, or corporate executive officers, or be an employee of Z Holdings Corporation or its affiliated companies at the time of exercising the rights. However, this shall not apply in the case of a good cause, such as expiration of the term. Other conditions for the exercise of stock acquisition rights shall be as specified in the "Stock Acquisition Rights Allotment Agreement," which Z Holdings Corporation enters into with an entitled person.

b. Fair value of stock options granted during the period

Weighted-average fair value and fair value measurement at the measurement date of the stock options granted during the period are as follows:

(a) SoftBank Group Corp.

For the fiscal year ended March 31, 2023, the weighted-average fair value at the measurement date of the stock options granted during the period is ¥5,365 ($40.18) (for the fiscal year ended March 31, 2022: ¥6,049).

Fair value is measured as follows:

| | Fiscal year ended March 31, 2022 |
|---|---|
| Year issued / Name | 2021 August stock acquisition rights |
| Valuation method used | Black-Scholes model |
| Key inputs and assumptions: | (Yen) |
| Weighted-average stock price. . | ¥6,181 |
| Weighted-average exercise price . | ¥ 1 |
| Volatility of stock price* . . | 50.02% |
| Estimated residual period . | 3 years |
| Estimated dividend . . . . . . | ¥44/per share |
| Risk-free interest rate . . . . | (0.13%) |

| | **Fiscal year ended March 31, 2023** | |
|---|---|---|
| Year issued / Name | **2022 August stock acquisition rights** | |
| Valuation method used | **Black-Scholes model** | |
| Key inputs and assumptions: | **(Yen)** | **(USD)** |
| Weighted-average stock price . . | **¥5,496** | **$41.16** |
| Weighted-average exercise price . | **¥ 1** | **$ 0.01** |
| Volatility of stock price* . . | **50.82%** | |
| Estimated residual period . | **3 years** | |
| Estimated dividend . . . . . . | **¥44/per share** | **$0.33/per share** |
| Risk-free interest rate . . . . | **(0.08%)** | |

* Volatility of the stock price is calculated based on the performance of the stock price for the most recent period depending on the period to maturity.

(b) SoftBank Corp.

For the fiscal year ended March 31, 2023, the weighted-average fair value at the measurement date of the stock options granted during the period is ¥1,387 ($10.39) (for the fiscal year ended March 31, 2022: ¥71 and ¥1,295 for 2021 July stock acquisition rights Item (i) and 2021 July stock acquisition rights Item (ii), respectively).

Fair value is measured as follows:

| | Fiscal year ended March 31, 2022 | |
|---|---|---|
| Year issued / Name | 2021 July stock acquisition rights item (i) | 2021 July stock acquisition rights item (ii) |
| Valuation method used | Black-Scholes model | Black-Scholes model |
| Key inputs and assumptions: | (Yen) | (Yen) |
| Weighted-average stock price. . | ¥1,459 | ¥1,459 |
| Weighted-average exercise price. . . . . . . . . . | ¥1,497 | ¥ 1 |
| Volatility of stock price. . . . | 19.24%*1 | 15.96%*2 |
| Estimated residual period . | 2 – 6 years | 2 years |
| Estimated dividend . . . . . . | ¥86/per share | ¥86/per share |
| Risk-free interest rate . . . . | (0.14%) | (0.13%) |

| | **Fiscal year ended March 31, 2023** | |
|---|---|---|
| Year issued / Name | **2022 July stock acquisition rights item** | |
| Valuation method used | **Black-Scholes model** | |
| Key inputs and assumptions: | **(Yen)** | **(USD)** |
| Weighted-average stock price. . | **¥1,551** | **$11.62** |
| Weighted-average exercise price. . . . . . . . . . | **¥ 1** | **$ 0.01** |
| Volatility of stock price*2. . | **15.44%** | |
| Estimated residual period . | **2 years** | |
| Estimated dividend . . . . . . | **¥86/per share** | **$0.64/per share** |
| Risk-free interest rate . . . . | **(0.08%)** | |

*1 SoftBank Corp. was listed on December 19, 2018 and its listing period does not meet the estimated residual period for 2021 July stock acquisition rights item (i). Accordingly, volatility of the stock price is calculated based on the stock information of all the periods after the listing.

*2 Volatility of the stock price is calculated based on the performance of the stock price for the most recent period depending on the period to maturity.

(c) Z Holdings Corporation

For the fiscal year ended March 31, 2023, the weighted-average fair value at the measurement date of the stock options granted during the period is ¥158 ($1.18) (for the fiscal year ended March 31, 2022: ¥301).

Fair value is measured as follows:

| | Fiscal year ended March 31, 2022 |
|---|---|
| Year issued / Name | 2021 LINE 29th |
| Valuation method used | Binomial model |
| Key inputs and assumptions: | (Yen) |
| Stock price. . . . . . . . . . . . | ¥783.0 |
| Exercise price*1 . . . . . . . | ¥ 783 |
| Volatility of stock price*2 . | 35.47% |
| Duration to maturity . . . . | 9.96 years |
| Estimated dividend yield. . | 0.71% |
| Risk-free interest rate. . . . | 0.066% |

| | **Fiscal year ended March 31, 2023** | |
|---|---|---|
| Year issued / Name | **2022 Z Holdings 1st** | |
| Valuation method used | **Binomial model** | |
| Key inputs and assumptions: | **(Yen)** | **(USD)** |
| Stock price . . . . . . . . . . . | **¥440.4** | **$3.30** |
| Exercise price . . . . . . . . . | **¥ 454** | **$3.40** |
| Volatility of stock price*2 . | **35.43%** | |
| Duration to maturity . . . . | **9.97years** | |
| Estimated dividend yield . | **1.26%** | |
| Risk-free interest rate. . . . | **0.181%** | |

*1 The achievement probability of stock price conditions is reflected for 2021 LINE 29th.

*2 Volatility of the stock price is calculated based on the performance of the stock price for the most recent period depending on the period to maturity.

c. Changes in stock options during the period and the condition of stock options at the period end

Changes in stock options during the period and the condition of stock options at the period end are as follows:

(a) SoftBank Group Corp.

| | Fiscal year ended March 31, 2022 | | **Fiscal year ended March 31, 2023** | | |
|---|---|---|---|---|---|
| | Number of shares | Weighted-average exercise price (Yen) | Number of shares | Weighted-average exercise price (Yen) | (USD) |
| Beginning balance – Unexercised | 7,964,700 | ¥3,446 | **6,559,600** | **¥3,428** | **$25.67** |
| Granted | 152,400 | 1 | **126,400** | **1** | **0.01** |
| Forfeited | (44,100) | 1,587 | **(46,300)** | **2,493** | **18.67** |
| Exercised | (1,513,400) | 3,229 | **(1,959,700)** | **3,402** | **25.48** |
| Matured | – | – | **(77,200)** | **3,080** | **23.07** |
| Ending balance – Unexercised | 6,559,600 | ¥3,428 | **4,602,800** | **¥3,360** | **$25.16** |
| Ending balance – Exercisable | 5,167,000 | ¥4,352 | **3,493,600** | **¥4,427** | **$33.15** |

The unexercised options as of March 31, 2023 are as follows:

| Range of exercise price (Yen) | (USD) | Number of shares | Weighted-average exercise price (Yen) | (USD) | Weighted-average remaining contract period (year) |
|---|---|---|---|---|---|
| **¥ 1** | **$ 0.01** | **1,374,800** | **¥ 1** | **$ 0.01** | **3.4** |
| **4,791** | **35.88** | **3,228,000** | **4,791** | **35.88** | **0.3** |
| Total | | **4,602,800** | **¥3,360** | **$25.16** | **1.2** |

(b) SoftBank Corp.

| | Fiscal year ended March 31, 2022 | | **Fiscal year ended March 31, 2023** | | |
|---|---|---|---|---|---|
| | Number of shares | Weighted-average exercise price (Yen) | Number of Shares | Weighted-average exercise price (Yen) | (USD) |
| Beginning balance – Unexercised | 194,941,200 | ¥1,016 | **183,743,400** | **¥1,082** | **$ 8.10** |
| Granted | 12,078,800 | 1,425 | **547,400** | **1** | **0.01** |
| Forfeited | (3,186,200) | 1,195 | **(3,077,700)** | **1,246** | **9.33** |
| Exercised | (20,090,400) | 623 | **(22,825,500)** | **614** | **4.60** |
| Ending balance – Unexercised | 183,743,400 | ¥1,082 | **158,387,600** | **¥1,143** | **$ 8.56** |
| Ending balance – Exercisable | 22,083,700 | ¥ 623 | **25,058,600** | **¥ 621** | **$ 4.65** |

The unexercised options as of March 31, 2023 are as follows:

| Range of exercise price (Yen) | (USD) | Number of shares | Weighted-average exercise price (Yen) | (USD) | Weighted-average remaining contract period (year) |
|---|---|---|---|---|---|
| **¥ 1** | **$ 0.01** | **1,210,200** | **¥ 1** | **$ 0.01** | **5.7** |
| **623** | **4.67** | **47,370,100** | **623** | **4.67** | **2.0** |
| **1,366** | **10.23** | **98,307,300** | **1,366** | **10.23** | **5.0** |
| **1,497** | **11.21** | **11,500,000** | **1,497** | **11.21** | **5.0** |
| Total | | **158,387,600** | **¥1,143** | **$ 8.56** | **4.1** |

(c) Z Holdings Corporation

| | Fiscal year ended March 31, 2022 | | Fiscal year ended March 31, 2023 | | |
|---|---|---|---|---|---|
| | Number of shares | Weighted-average exercise price (Yen) | Number of shares | Weighted-average exercise price (Yen) | Weighted-average exercise price (USD) |
| Beginning balance – Unexercised | 197,698,050 | ¥383 | **220,003,100** | **¥ 448** | **$ 3.36** |
| Granted | 35,532,000 | 783 | **13,605,400** | **454** | **3.40** |
| Forfeited | (12,965,750) | 379 | **(7,950,050)** | **386** | **2.89** |
| Exercised | (172,700) | 269 | **(1,509,475)** | **298** | **2.23** |
| Matured | (88,500) | 271 | **(10,600)** | **254** | **1.90** |
| Ending balance – Unexercised | 220,003,100 | ¥448 | **224,138,375** | **¥ 452** | **$ 3.39** |
| Ending balance – Exercisable | 19,600 | ¥254 | **10,327,075** | **¥ 298** | **$ 2.23** |

The unexercised options as of March 31, 2023 are as follows:

| Range of exercise price (Yen) | Range of exercise price (USD) | Number of shares | Weighted-average exercise price (Yen) | Weighted-average exercise price (USD) | Weighted-average remaining contract period (year) |
|---|---|---|---|---|---|
| **¥201 - ¥300** | **$1.51 - $2.25** | **92,179,925** | **¥298** | **$2.23** | **6.3** |
| **401 - 500** | **3.00 - 3.74** | **96,426,450** | **477** | **3.57** | **7.9** |
| **701 - 800** | **5.25 - 5.99** | **35,532,000** | **783** | **5.86** | **8.6** |
| Total | | **224,138,375** | **¥452** | **$3.39** | **7.3** |

d. Stock options exercised during the period

Weighted-average stock prices at exercise for those stock options exercised during the period are as follows:

(a) SoftBank Group Corp.

| Fiscal year ended March 31, 2022 | | | Fiscal year ended March 31, 2023 | | | |
|---|---|---|---|---|---|---|
| Year issued / Name | Number of shares exercised | Weighted-average stock price at exercise (Yen) | Year issued / Name | Number of shares exercised | Weighted-average stock price at exercise (Yen) | Weighted-average stock price at exercise (USD) |
| 2016 – July Stock Acquisition Rights | 583,200 | ¥7,422 | 2016 - July Stock Acquisition Rights | **637,600** | **¥5,483** | **$41.06** |
| 2017 – February Stock Acquisition Rights | 2,000 | 7,613 | 2017 - February Stock Acquisition Rights | **44,800** | **6,010** | **45.01** |
| 2017 – July Stock Acquisition Rights | 643,000 | 7,606 | 2017 - July Stock Acquisition Rights | **940,200** | **5,941** | **44.49** |
| 2018 – August Stock Acquisition Rights | 256,200 | 6,254 | 2018 - August Stock Acquisition Rights | **245,600** | **5,797** | **43.41** |
| 2019 – July Stock Acquisition Rights | 29,000 | 6,293 | 2019 - July Stock Acquisition Rights | **56,000** | **5,720** | **42.84** |
| | | | 2019 - November Stock Acquisition Rights | **35,500** | **5,862** | **43.90** |

(b) SoftBank Corp.

| Fiscal year ended March 31, 2022 | | | Fiscal year ended March 31, 2023 | | | |
|---|---|---|---|---|---|---|
| Year issued / Name | Number of shares exercised | Weighted-average stock price at exercise (Yen) | Year issued / Name | Number of shares exercised | Weighted-average stock price at exercise (Yen) | Weighted-average stock price at exercise (USD) |
| 2018 March Stock Acquisition Rights | 20,090,400 | ¥ 1,468 | 2018 March Stock Acquisition Rights | **22,507,000** | **¥1,500** | **$11.23** |
| | | | 2020 July Stock Acquisition Rights | **318,500** | **1,514** | **11.34** |

(c) Z Holdings Corporation

| Fiscal year ended March 31, 2022 | | | **Fiscal year ended March 31, 2023** | | | |
|---|---|---|---|---|---|---|
| Year issued / Name | Number of shares exercised | Weighted-average stock price at exercise (Yen) | Year issued / Name | Number of shares exercised | Weighted-average stock price at exercise (Yen) | Weighted-average stock price at exercise (USD) |
| 2011 | 138,200 | ¥ 545 | 2011 | **–** | **¥ –** | **$ –** |
| 2012 | 34,500 | 541 | 2012 | **9,000** | **515** | **3.86** |
| | | | 2020 | **1,500,475** | **440** | **3.30** |

## (2) Restricted stock unit plan

The Company adopts restricted stock unit ("RSU") plans where the Company grants shares as compensation on the vesting date if certain conditions are met, and they are accounted for as equity-settled share-based payment.

The details of the Company's RSU plans for the fiscal year ended March 31, 2022 and 2023 are primarily as follows:

### Arm

(For the fiscal year ended March 31, 2022)

In December 2019, Arm introduced a share-based compensation plan for all employees of Arm and its group companies. Under this plan, it is determined whether to be settled by stock of Arm Limited or cash dependent on future conditions based on the terms of the plan.

For the fiscal year ended March 31, 2020, the Company considered it to be settled by stock of Arm Limited on the premise of a future IPO and accounted for the RSU plan where Arm grants shares as compensation on the vesting date as an equity-settled share-based payment transaction. Then in September 2020, the Company entered into a definitive agreement with NVIDIA Corporation ("NVIDIA") to sell all of its shares in Arm. As a result of the agreement, the likelihood of the plan being settled by cash increased. Therefore, for the fiscal year ended March 31, 2021, the plan was treated as Phantom stock and the Company changed its accounting treatment and accounted for it as cash-settled share-based payment transaction.

Furthermore, since the agreement with NVIDIA to sell all of its shares in Arm was terminated in February 2022, for the fiscal year ended March 31, 2022, the Company considered it to be settled by stock of Arm Limited on the premise of a future IPO and accounted for the compensation plan as an equity-settled share-based payment transaction again. RSUs vest upon the achievement of certain performance thresholds of the enterprise value. The fair value of the RSUs is measured using the Monte Carlo option pricing model at the time of grant. The RSUs are forfeited if the employee leaves the Arm Group before the RSUs vest.

The number of RSUs granted for the fiscal year ended March 31, 2022 was 566,482. The weighted-average fair value of RSUs granted for the fiscal year ended March 31, 2022 was $13.68 per unit. The number of RSUs granted under the plan as of March 31, 2022 was 13,326,100.

(For the fiscal year ended March 31, 2023)

December 2019 Plan

In December 2019, Arm introduced a share-based compensation plan for all employees of Arm and its group companies. Under this plan, it is determined whether to be settled by stock of Arm Limited or cash dependent on future conditions based on the terms of the plan. As of March 31, 2023, the Company considers it to be settled by stock of Arm Limited on the premise of a future IPO and accounted for the compensation plan as an equity-settled share-based payment transaction.

RSUs vest upon the achievement of certain performance thresholds of the enterprise value at a future IPO. The fair value of the RSUs is measured using the Monte Carlo option pricing model at the time of grant. The RSUs are forfeited if the employee leaves the Arm Group before the RSUs vest.

The number of RSUs granted for the fiscal year ended March 31, 2023 was 194,559. The weighted-average fair value of RSUs granted for the fiscal year ended March 31, 2023 was $15.71 per unit. The number of RSUs outstanding under the plan as of March 31, 2023 was 11,455,864.

June 2022 Plan

In June 2022, Arm introduced a share-based compensation plan for all employees of Arm and its group companies. Under this plan, vested RSUs are basically to be settled by stock of Arm Limited while Arm has an option to settle them by cash instead of stock of Arm Limited. As of March 31, 2023, the Company accounted for the compensation plan, except for certain units expected to be settled by cash, as an equity-settled share-based payment transaction. For units expected to be settled by cash, the Company accounted them as a cash-settled share-based payment transaction.

RSUs vest gradually upon passage of time based on the schedule set forth in the contract. The RSUs are forfeited if the employee leaves the Arm Group before the RSUs vest. The fair value of the RSUs accounted as an equity-settled share-based payment transaction is measured by taking into account the lack of marketability to a calculated entity valuation at the time of grant while the fair value of the RSUs accounted as a cash-settled share-based payment transaction is measured at every quarter.

The number of RSUs granted for the fiscal year ended March 31, 2023 was 17,905,331. The weighted-average fair value of RSUs granted for the fiscal year ended March 31, 2023 was $36.44 per unit. The number of RSUs outstanding under the plan as of March 31, 2023 was 16,527,639. Of the outstanding RSUs, 5,502,240 units were vested as of March 31, 2023 and are expected to be settled by cash.

### (3) Restricted stock compensation plan

The Company adopts restricted stock compensation plans where the Company grants stocks, the transfer of which is restricted, and they are accounted for as equity-settled share-based payment.

The details of the Company's restricted stock compensation plans for the fiscal year ended March 31, 2022 and 2023 are primarily as follows:

#### SoftBank Corp.

SoftBank Corp. adopts a restricted stock compensation plan where SoftBank Corp. grants stocks, the transfer of which is restricted. The fair value of restricted stocks granted is calculated based on the common stock price of SoftBank Corp. on the grant date. The plan is accounted for as equity-settled share-based payment.

The plan is vested on the day when shares of restricted stocks are granted, and the granted shares of restricted stocks shall not be transferred, pledged as collateral or disposed of from the grant day to the day of resignation from the eligible directors of SoftBank Corp.

The details of the plan for the fiscal year ended March 31, 2022 and 2023 are as follows:

| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** |
|---|---|---|
| Eligible director(s) . . . . . . . . . . . . . | Five directors<br>Four corporate executive officers | **Five directors**<br>**Four corporate executive officers** |
| Number of shares granted . . . . . . | 725,700 | **1,421,700** |
| Weighted-average fair value of shares granted . . . . . . . . . . . . . . | ¥1,471 | **¥1,541**<br>**($11.54)** |

## 36. Net sales

### (1) Breakdown of net sales

The components of net sales are as follows.

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| SoftBank segment | | | |
| Consumer business | | | |
| Service revenues | | | |
| Mobile communications . . . . . . . . . | ¥1,599,137 | **¥1,502,112** | **$11,249,247** |
| Broadband . . . . . . . . . . . . . . . . . . . | 404,609 | **396,745** | **2,971,205** |
| Electricity . . . . . . . . . . . . . . . . . . . . | 239,106 | **392,550** | **2,939,789** |
| Revenues from sales of goods and others. | 630,872 | **579,765** | **4,341,833** |
| Enterprise business . . . . . . . . . . . . . . . . . | 693,144 | **729,494** | **5,463,147** |
| Distribution business. . . . . . . . . . . . . . . . | 447,740 | **516,188** | **3,865,708** |
| Yahoo! JAPAN/LINE business*1,2 | | | |
| Media. . . . . . . . . . . . . . . . . . . . . . . . . . | 628,646 | **627,569** | **4,699,835** |
| Commerce . . . . . . . . . . . . . . . . . . . . . . | 793,174 | **819,913** | **6,140,291** |
| Strategy . . . . . . . . . . . . . . . . . . . . . . . . | 60,005 | **72,476** | **542,769** |
| Other . . . . . . . . . . . . . . . . . . . . . . . . . . | 13,172 | **13,035** | **97,619** |
| Financial business*2. . . . . . . . . . . . . . . . . | 103,189 | **174,135** | **1,304,089** |
| Other*2. . . . . . . . . . . . . . . . . . . . . . . . . . | 117,278 | **129,392** | **969,011** |
| Subtotal . . . . . . . . . . . . . . . . . . . . . | 5,730,072 | **5,953,374** | **44,584,543** |
| Arm segment | | | |
| License revenue . . . . . . . . . . . . . . . . . . . | 112,053 | **124,000** | **928,630** |
| Royalty revenue . . . . . . . . . . . . . . . . . . . | 173,294 | **241,714** | **1,810,185** |
| Other . . . . . . . . . . . . . . . . . . . . . . . . . . . | 14,169 | **16,032** | **120,063** |
| Subtotal . . . . . . . . . . . . . . . . . . . . . | 299,516 | **381,746** | **2,858,878** |
| Other*2 . . . . . . . . . . . . . . . . . . . . . . . . . . . | 191,946 | **235,319** | **1,762,293** |
| Total . . . . . . . . . . . . . . . . . . . . . . . . | ¥6,221,534 | **¥6,570,439** | **$49,205,714** |

The above amount of net sales for the fiscal year ended March 31, 2023 includes ¥148,353 million ($1,111,009 thousand) (for the fiscal year ended March 31, 2022: ¥125,795 million) of revenue arising from other sources than those arising from IFRS 15 "Revenue from Contracts with Customers", such as lease contracts at the SoftBank segment.

*1 For the fiscal year ended March 31, 2023, the service categories of Yahoo! JAPAN and LINE business changed and certain services are categorized differently from prior year. Accordingly, sales of "Yahoo! JAPAN/LINE business" for the fiscal year ended March 31, 2022 are reclassified among "Media," "Strategy" and "Other."
*2 For the fiscal year ended March 31, 2023, "Financial business" category is newly added as a result of the reevaluation of business category when PayPay Corporation became a consolidated subsidiary of SoftBank Corporation. "Financial business" is mainly composed of sales of PayPay Corporation, PayPay Card Corporation, SB Payment Service Corporation and PayPay Securities Corporation. Formerly, sales of PayPay Corporation, PayPay Card Corporation, SB Payment Service Corporation and PayPay Securities Corporation were included in "Other," "Yahoo! JAPAN/LINE business," "Other" in SoftBank segment and "Other" in SoftBank segment, respectively. Sales for the fiscal year ended March 31, 2022 are reclassified accordingly.

### (2) Contract balance

The components of contract balances are as follows.

| | (Millions of yen) | | | (Thousands of U.S. dollars) |
|---|---|---|---|---|
| | As of April 1, 2021 | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Receivables arising from contracts with customers | ¥959,189 | ¥1,015,459 | **¥1,102,918** | **$8,259,702** |
| Contract assets | 32,298 | 51,883 | **50,549** | **378,559** |
| Contract liabilities | 250,813 | 265,276 | **335,898** | **2,515,525** |

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

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

For the fiscal year ended March 31, 2023, impairment loss on receivables related to revenue from contracts with customers was ¥6,216 million ($46,551 thousand) (for the fiscal year ended March 31, 2022: ¥12,808 million.)

Of the amount of net sales recognized for the fiscal year ended March 31, 2023, ¥124,938 million ($935,655 thousand) was included in the beginning balance of contract liabilities as of that date (for the fiscal year ended March 31, 2022: ¥105,972 million.)

### (3) Transaction price allocated to unsatisfied performance obligations

The aggregate amount of transaction prices allocated to unsatisfied (or partially unsatisfied) performance obligations as of March 31, 2023 is ¥378,510 million ($2,834,644 thousand) (as of March 31, 2022: ¥350,936 million.)

Of this, the unsatisfied performance obligations of ¥227,023 million ($1,700,165 thousand) as of March 31, 2023 (as of March 31, 2022: ¥207,230 million) arise primarily from license contracts related to Arm's technology in the Arm segment and of ¥150,980 million ($1,130,682 thousand) as of March 31, 2023 (as of March 31, 2022: ¥143,328 million) arise primarily from mobile services and mobile device rental services in the SoftBank segment.

The unsatisfied performance obligations in the Arm segment include performance obligations under a license agreement entered into by and between Arm and NVIDIA in September 2020 which will be recognized as revenue over a twenty-year period from the execution date. Other than the license agreement of NVIDIA, majority of the unsatisfied performance obligations in the Arm segment are expected to be recognized as revenue within two years.

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

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

## 37. Cost of sales and selling, general and administrative expenses

The components of cost of sales and selling, general and administrative expenses are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Cost of goods sold | ¥(1,507,006) | **¥(1,765,752)** | **$(13,223,635)** |
| Depreciation and amortization | (852,424) | **(893,488)** | **(6,691,290)** |
| Employees benefit cost | (829,848) | **(870,743)** | **(6,520,954)** |
| Sales commissions and sales promotion expenses | (544,571) | **(465,489)** | **(3,486,026)** |
| Service outsourcing expenses | (317,712) | **(363,876)** | **(2,725,051)** |
| Telecommunications equipment usage fees | (231,937) | **(251,752)** | **(1,885,359)** |
| Amortization of contract acquisition cost and contract performance cost | (217,500) | **(247,887)** | **(1,856,414)** |
| Other | (1,006,684) | **(1,078,738)** | **(8,078,619)** |
| Total | ¥(5,507,682) | **¥(5,937,725)** | **$(44,467,348)** |

"Depreciation and amortization" includes disposal of "Property, plant and equipment," "Right-of-use assets," and "Intangible assets" as well as amortization of long-term prepaid expenses which are recorded in "Other non-current assets" in the consolidated statement of financial position.

## 38. Gain on investments

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

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

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Gain relating to settlement of prepaid forward contracts using Alibaba shares*[1,2] | ¥199,972 | **¥4,838,251** | **$36,233,438** |
| Gain relating to sales of T-Mobile shares*[3] | 3,149 | **24,842** | **186,041** |
| Realized gain (loss) on investments at asset management subsidiaries | 54,853 | **(73,950)** | **(553,808)** |
| Unrealized loss on valuation of investments at asset management subsidiaries | (393,404) | **(67,122)** | **(502,674)** |
| Derivative gain (loss) on investments at asset management subsidiaries | 89,476 | **(5,102)** | **(38,209)** |
| Realized gain (loss) on investments*[1,2] | 79,336 | **(237,980)** | **(1,782,221)** |
| Unrealized loss on valuation of investments*[2] | (50,179) | **(142,380)** | **(1,066,277)** |
| Derivative gain on investments*[4] | 101,524 | **205,506** | **1,539,025** |
| Other | 19,640 | **18,435** | **138,059** |
| Total | ¥104,367 | **¥4,560,500** | **$34,153,374** |

*1 During the course of the Physical settlement under the board resolution in August 2022, the Company lost significant influence over Alibaba because the voting power against Alibaba held by the Company decreased to below 20%, and Alibaba ceased to be an equity method associate of the Company. At the same time, Alibaba shares held by the Company as of the date the Company lost significant influence over Alibaba ("remaining Alibaba shares") were remeasured based on the stock price of that day and were included in "Investment securities" in the consolidated statement of financial position.
As a result of the Physical settlement under the board resolution in August 2022 and the remeasurement of remaining Alibaba shares, for the three-month period ended September 30, 2022, ¥584,796 million ($4,379,510 thousand) of gain on settlement of prepaid forward contracts using Alibaba shares and ¥3,996,668 million ($29,930,862 thousand) of gain from remeasurement of Alibaba shares were recognized.
In the schedule above, gain on settlement of prepaid forward contracts using Alibaba shares is divided into "Gain relating to settlement of prepaid forward contracts using Alibaba shares" and "Realized gain (loss) on investments," depending on whether a physical settlement is completed before Alibaba ceases to be an equity method associate of the Company or not, and the gain from remeasurement of remaining Alibaba shares is included in "Gain relating to settlement of prepaid forward contracts using Alibaba shares."
Also, before the Physical settlement under the board resolution in August 2022, for the six-month period ended September 30, 2022, certain prepaid forward contracts using Alibaba shares were settled by Alibaba shares and ¥132,157 million ($989,718 thousand) of gain on settlement of prepaid forward contracts using Alibaba shares was recognized. The gain is included in "Gain relating to settlement of prepaid forward contracts using Alibaba shares."

*2 "Gain relating to settlement of prepaid forward contracts using Alibaba shares" is composed of (1) gain on settlement of prepaid forward contracts using Alibaba shares, which a settlement is completed before Alibaba ceases to be an equity method associate of the Company and (2) the effect of the remeasurement of remaining Alibaba shares recorded as of the date when Alibaba ceases to be an equity method associate of the Company. Effects of stock price changes after Alibaba ceases to be an equity method associate of the Company are included in "Realized gain (loss) on investments" or "Unrealized gain (loss) on valuation of investments" rather than "Gain relating to settlement of prepaid forward contracts using Alibaba shares." For the fiscal year ended March 31, 2023, ¥210,919 million ($1,579,563 thousand) of realized loss on investments and ¥254,356 million ($1,904,860 thousand) of unrealized loss on valuation of investments were recognized related to the remaining Alibaba shares, respectively.

*3 On September 23, 2021, Deutsche Telekom exercised options to purchase T-Mobile shares granted by the Company to Deutsche Telekom. In connection with the exercise, a wholly-owned subsidiary of the Company acquired newly issued 225,000,000 shares of Deutsche Telekom in exchange for T-Mobile shares. As a result, ¥3,149 million of gain relating to sales of T-Mobile shares was recorded for the fiscal year ended March 31, 2022. Cumulative losses on T-Mobile shares and the call options associated with this transaction were ¥13,447 million. Of this, ¥16,596 million of loss was recorded for the fiscal year ended March 31, 2021.
On April 12, 2022, Deutsche Telekom exercised options to purchase T-Mobile shares granted by the Company to Deutsche Telekom and the Company sold 21,153,145 of T-Mobile shares held by the wholly-owned subsidiary of the Company to Deutsche Telekom. In connection with the exercise, the wholly-owned subsidiary of the Company received $2.40 billion as consideration for the sale of T-Mobile shares. As a result, ¥24,842 million ($186,041 thousand) of gain relating to sales of T-Mobile shares was recorded for the fiscal year ended March 31, 2023. Cumulative gains on T-Mobile shares and the options associated with this transaction are ¥22,528 million ($168,711 thousand). Of this, ¥6,012 million ($45,024 thousand) of loss was recorded for the fiscal year ended March 31, 2021, and ¥3,698 million ($27,694 thousand) of gain was recorded for the fiscal year ended March 31, 2022

*4 For the fiscal year ended March 31, 2023, ¥189,874 million ($1,421,958 thousand) (for the fiscal year ended March 31, 2022: ¥93,039 million) of derivative gain on investments was recorded due to changes in the fair value of contingent consideration related to the acquisition of T-Mobile shares through the merger transaction with Sprint and T-Mobile US, Inc. The details of contingent consideration are described in "*2" in "Option contracts to which hedge accounting is not applied" in "iii. Option contracts" in "(b) Price risk" in "a. Market risk" in "(2) Financial risk management" under "Note 28. Financial instruments."

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

The details of gain and loss on investments at SoftBank Vision Funds are described in "(1) Income and loss arising from the SoftBank Vision Funds business" under "Note 7. SoftBank Vision Funds business."

## 39. Finance cost

The components of finance cost are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Interest expenses* | ¥ (382,512) | **¥ (555,902)** | **$ (4,163,124)** |

* "Interest expenses" are incurred mainly by financial liabilities measured at amortized cost. For the fiscal year ended March 31, 2023, the increase was mainly due to the full amortization of the unamortized cost of the financial liabilities relating to sale of shares by prepaid forward contracts in connection with the early settlement of prepaid forward contracts using Alibaba shares. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 22. Interest-bearing debt."
For the fiscal year ended March 31, 2023, the amount of lease expenses incurred from lease liabilities which was recorded in "Interest expenses" was ¥ (13,586) million ($ (101,745) thousand) (for the fiscal year ended March 31, 2022: ¥ (14,566) million.)

## 40. Derivative gain (excluding gain (loss) on investments)

For the fiscal year ended March 31, 2023, derivative gain of ¥24,933 million ($186,722 thousand) (for the fiscal year ended March 31, 2022: derivative gain of ¥1,132,994 million) was recorded for the prepaid forward contracts using Alibaba shares and the call spread contracts relating to prepaid forward contracts using Alibaba shares. The details of the contracts are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 22. Interest-bearing debt." The above gain includes ¥790,145 million ($5,917,359 thousand) of derivative gain recorded for the three-month period ended September 30, 2022 related to the prepaid forward contracts using Alibaba shares subject to the Physical settlement under the board resolution in August 2022. The details of the physical settlement are described in "*1" in "(1) Gain and loss on investments at Investment Business of Holding Companies" under "Note 38. Gain on investments."

## 41. Other gain (loss)

The components of other gain and loss are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Interest income | ¥ 35,047 | **¥ 114,368** | **$ 856,497** |
| Dilution gain from changes in equity interest*[1] | 71,741 | **84,799** | **635,056** |
| Gain on redemption of corporate bonds*[2] | 818 | **44,063** | **329,986** |
| Gain (loss) on liabilities for short put options over non-controlling interests*[3] | (15,808) | **40,310** | **301,880** |
| Gain relating to loss of control over subsidiaries*[4] | 121,690 | **22,872** | **171,287** |
| Provision for allowance for financial guarantee contract losses*[5] | – | **(142,226)** | **(1,065,124)** |
| Provision for allowance for doubtful accounts*[6] | (2,834) | **(110,409)** | **(826,848)** |
| Impairment loss on equity method investments*[7,8] | (26,436) | **(67,162)** | **(502,973)** |
| Provision for allowance for loan commitment losses*[9] | – | **(20,444)** | **(153,104)** |
| Provision for loss relating to litigation*[10] | – | **(19,176)** | **(143,608)** |
| Gain relating to the agreement for sale of Arm shares*[11] | 146,375 | **–** | **–** |
| Reversal of impairment loss on equity method investments*[8] | 35,706 | **–** | **–** |
| Other | 27,000 | **28,867** | **216,182** |
| Total | ¥393,299 | **¥ (24,138)** | **$ (180,769)** |

*1 The amount is primarily related to the dilution gain arising from changes in Alibaba's equity interest held by the Company due to the exercise of stock options in Alibaba, before Alibaba ceased to be an equity method associate.

*2 The amount is related to foreign-currency-denominated notes purchased by SoftBank Group Corp.

*3 The Company recognizes short put options granted to owners of non-controlling interests in subsidiaries of the Company as financial liabilities at fair value through profit or loss. The amount primarily represents the valuation gain or loss due to the fluctuation of fair value in the financial liabilities related to Fortress.

*4 For the fiscal year ended March 31, 2022, primarily, the gain was recognized as Boston Dynamics became no longer a subsidiary of the Company.

*5 ¥142,226 million ($1,065,124 thousand) of provision for allowance for financial guarantee contract losses related to a credit facility for WeWork provided by financial institutions was recorded mainly due to an increase in the credit spread for WeWork's unsecured notes distributed in the market from March 31, 2022. Previously, SoftBank Group Corp. provided the credit support for the credit facility for WeWork provided by financial institutions. SVF2 has provided credit support for $1.107 billion since December 2022 and additionally $0.47 billion since February 2023 for the credit facility for WeWork provided by financial institutions. The amount of credit facility outstanding was reduced to $1.43 billion as of March 31, 2023.

*6 For the fiscal year ended March 31, 2023, ¥77,191 million ($578,080 thousand) of provision for allowance for doubtful accounts related to unsecured notes issued by WeWork (as of March 31, 2023: the face value of $1.65 billion) was recorded as the expected credit losses were higher than the amount recorded as of March 31, 2022 due to an increase in the credit spread for WeWork's unsecured notes distributed in the market. In April 2023, the unsecured notes were transferred to SVF2 at fair value and, in May, they were exchanged into shares and convertible bonds newly issued by WeWork.

*7 For the fiscal year ended March 31, 2023, ¥31,304 million ($234,434 thousand) of impairment loss was recorded as the carrying amount of equity method investments in DEMAE-CAN CO., LTD. was reduced to the recoverable amount.

*8 For the fiscal year ended March 31, 2022, ¥35,706 million of reversal of impairment losses was recorded as the fair value of WeWork shares accounted for using the equity method increased. For the fiscal year ended March 31, 2023, ¥22,809 million ($170,816 thousand) of impairment loss was recorded as the fair value of WeWork common shares accounted for using the equity method decreased.

*9 ¥20,444 million ($153,104 thousand) of provision for allowance for loan commitment losses related to acquiring senior secured notes up to $0.5 billion to be issued by WeWork was recorded. SVF2 became a party to the loan commitment contract related to acquiring the notes instead of a wholly-owned subsidiary of the Company other than SVF, effective from December 2022. In January 2023, SVF2 purchased $0.25 billion of senior secured notes.
In April 2023, SVF2 purchased an additional $0.05 billion of senior secured notes. In May, the purchased $0.3 billion of senior secured notes were redeemed by WeWork and the remaining $0.2 billion of unfunded loan commitment for the senior secured notes was canceled. In addition, SVF2 newly entered into a loan commitment contract with WeWork whereby SVF2 is obliged to purchase up to $0.3 billion in the notes to be issued by WeWork.

*10 The amount was recorded based on the ruling of the Tokyo District Court delivered on September 9, 2022, related to litigation in which SoftBank Corp. was involved as a party, associated with a project to migrate the communications network connecting 27,000 sites (postal offices, etc.) countrywide to a new network, the 5th PNET. In addition, the case was appealed to the Tokyo High Court on September 22, 2022. The details are described in "Note 46. Contingency."

*11 On September 13, 2020 (U.S. time), SoftBank Group Capital Limited ("SBGC"), a wholly-owned subsidiary, and SVF1 entered into a definitive agreement (the "Agreement") with NVIDIA, a U.S.-based semiconductor manufacturer, whereby the Company would sell all of its shares in Arm, a wholly-owned subsidiary, held by SBGC and SVF1 to NVIDIA (the "Transaction"). However, NVIDIA and the Company have agreed to terminate the Agreement on February 8, 2022, because of significant regulatory challenges preventing the consummation of the Transaction, despite good faith efforts by the parties. In accordance with the terms of the Agreement, the deposit of $1.25 billion received by SBGC at the time of signing was non-refundable and therefore such amount was recorded as profit. 24.99% of that profit was attributable to SVF1 in accordance with the ownership ratio of Arm shares.

## 42. Other comprehensive income

The table below presents the amount arising during the year, reclassification adjustments to profit or loss and the income tax effect of each item in other comprehensive income.

For the fiscal year ended March 31, 2022

(Millions of yen)

| | Amount arising during the year | Reclassification adjustments | Before tax effect | Income tax effect | After tax effect |
|---|---|---|---|---|---|
| Items that will not be reclassified to profit or loss | | | | | |
| Remeasurements of defined benefit plan | ¥ (342) | ¥ – | ¥ (342) | ¥ 228 | ¥ (114) |
| Equity financial assets at FVTOCI | 30,192 | – | 30,192 | 135 | 30,327 |
| Total | 29,850 | – | 29,850 | 363 | 30,213 |
| Items that may be reclassified subsequently to profit or loss | | | | | |
| Debt financial assets at FVTOCI | (1,837) | (180) | (2,017) | 639 | (1,378) |
| Cash flow hedges | 31,559 | (83,049) | (51,490) | 10,528 | (40,962) |
| Exchange differences on translating foreign operations | 2,401,148 | (7,897) | 2,393,251 | (175,782) | 2,217,469 |
| Share of other comprehensive income of associates | (62,388) | – | (62,388) | 10,456 | (51,932) |
| Total | 2,368,482 | (91,126) | 2,277,356 | (154,159) | 2,123,197 |
| Total other comprehensive income | ¥ 2,398,332 | ¥ (91,126) | ¥ 2,307,206 | ¥ (153,796) | ¥ 2,153,410 |

For the fiscal year ended March 31, 2023

(Millions of yen)

| | Amount arising during the year | Reclassification adjustments | Before tax effect | Income tax effect | After tax effect |
|---|---|---|---|---|---|
| Items that will not be reclassified to profit or loss | | | | | |
| Remeasurements of defined benefit plan | ¥ 4,088 | ¥ – | ¥ 4,088 | ¥ (848) | ¥ 3,240 |
| Equity financial assets at FVTOCI | 4,098 | – | 4,098 | 2,096 | 6,194 |
| Share of other comprehensive income of associates | 356 | – | 356 | – | 356 |
| Total | 8,542 | – | 8,542 | 1,248 | 9,790 |
| Items that may be reclassified subsequently to profit or loss | | | | | |
| Debt financial assets at FVTOCI | (1,491) | 629 | (862) | 264 | (598) |
| Cash flow hedges | 25,830 | (100,494) | (74,664) | 1,873 | (72,791) |
| Exchange differences on translating foreign operations | 512,039 | 497,325 | 1,009,364 | 211,885 | 1,221,249 |
| Share of other comprehensive income of associates | 28,416 | 91,059 | 119,475 | (19,184) | 100,291 |
| Total | 564,794 | 488,519 | 1,053,313 | 194,838 | 1,248,151 |
| Total other comprehensive income | ¥ 573,336 | ¥ 488,519 | ¥ 1,061,855 | ¥ 196,086 | ¥ 1,257,941 |

(Thousands of U.S. dollars)

| | Amount arising during the year | Reclassification adjustments | Before tax effect | Income tax effect | After tax effect |
|---|---|---|---|---|---|
| Items that will not be reclassified to profit or loss | | | | | |
| Remeasurements of defined benefit plan | $ 30,615 | $ – | $ 30,615 | $ (6,351) | $ 24,264 |
| Equity financial assets at FVTOCI | 30,690 | – | 30,690 | 15,697 | 46,387 |
| Share of other comprehensive income of associates | 2,666 | – | 2,666 | – | 2,666 |
| Total | 63,971 | – | 63,971 | 9,346 | 73,317 |
| Items that may be reclassified subsequently to profit or loss | | | | | |
| Debt financial assets at FVTOCI | (11,166) | 4,711 | (6,455) | 1,977 | (4,478) |
| Cash flow hedges | 193,440 | (752,595) | (559,155) | 14,027 | (545,128) |
| Exchange differences on translating foreign operations | 3,834,636 | 3,724,444 | 7,559,080 | 1,586,797 | 9,145,877 |
| Share of other comprehensive income of associates | 212,806 | 681,936 | 894,742 | (143,668) | 751,074 |
| Total | 4,229,716 | 3,658,496 | 7,888,212 | 1,459,133 | 9,347,345 |
| Total other comprehensive income | $ 4,293,687 | $ 3,658,496 | $ 7,952,183 | $ 1,468,479 | $ 9,420,662 |

## 43. Earnings per share

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

### (1) Basic earnings per share

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Net income attributable to ordinary shareholders of the parent | | | |
| Net income attributable to owners of the parent | ¥ (1,708,029) | **¥ (970,144)** | **$ (7,265,364)** |
| Net income not-attributable to ordinary shareholders of the parent*1 | (32,709) | **(36,113)** | **(270,448)** |
| Net income used in the calculation of basic earnings per share | ¥ (1,740,738) | **¥ (1,006,257)** | **$ (7,535,812)** |

| | (Thousands of shares) | |
|---|---|---|
| Weighted-average number of ordinary shares | 1,708,989 | **1,542,474** |

| | (Yen) | (Yen) | (USD) |
|---|---|---|---|
| Basic earnings per share | ¥ (1,018.58) | **¥ (652.37)** | **$ (4.89)** |

### (2) Diluted earnings per share

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Diluted net income attributable to ordinary shareholders of the parent | | | |
| Net income from used in the calculation of basic earnings per share | ¥ (1,740,738) | **¥ (1,006,257)** | **$ (7,535,812)** |
| Effect of dilutive securities issued by subsidiaries and associates | (12,127) | **(15,500)** | **(116,079)** |
| Total | ¥ (1,752,865) | **¥ (1,021,757)** | **$ (7,651,891)** |

| | (Thousands of shares) | |
|---|---|---|
| Weighted-average number of ordinary shares used in the calculation of diluted earnings per share | | |
| Weighted-average number of ordinary shares | 1,708,989 | **1,542,474** |
| Adjustments | | |
| Stock acquisition rights*2 | – | **–** |
| Total | 1,708,989 | **1,542,474** |

| | (Yen) | (Yen) | (USD) |
|---|---|---|---|
| Diluted earnings per share | ¥ (1,025.67) | **¥ (662.41)** | **$ (4.96)** |

*1 Net income not-attributable to ordinary shareholders of the parent represents net income attributable to owners of other equity instruments.

*2 For the fiscal year ended March 31, 2022 and 2023, stock acquisition rights are not included in the calculation for "Diluted earnings per share" as it has an antidilutive effect for the calculation.

## 44. Supplemental information to the consolidated statement of cash flows

### (1) Scope of purchase of property, plant and equipment and intangible assets

"Purchase of property, plant and equipment, and intangible assets" includes cash outflows from long-term prepaid expenses that are included in "Other non-current assets" in the consolidated statement of financial position.

### (2) Income taxes paid and income taxes refunded

For the fiscal year ended March 31, 2022

Payment of withholding income tax related to dividends within the group companies is ¥283,477 million and this is included in "Income taxes paid." In addition, refunded withholding income tax related to dividends within the group companies of ¥247,259 million is included in "Income taxes refunded."

For the fiscal year ended March 31, 2023

Payment of withholding income tax related to dividends within the group companies is ¥109,330 million ($818,767 thousand) and this is included in "Income taxes paid." In addition, refunded withholding income tax related to dividends within the group companies of ¥92,895 million ($695,686 thousand) is included in "Income taxes refunded."

### (3) Proceeds from sales/redemption of investments

For the fiscal year ended March 31, 2023

¥309,696 million ($2,319,299 thousand) of proceeds received from sales of T-Mobile shares is included in "Proceeds from sales/redemption of investments."

### (4) Proceeds from withdrawal of restricted cash

For the fiscal year ended March 31, 2022

¥359,038 million of proceeds, which was required to be maintained in a segregated custody account for the early termination of financial liabilities related to the settlement of prepaid forward contracts using Alibaba shares as of March 31, 2021, is included in "Proceeds from withdrawal of restricted cash."

### (5) Proceeds from withdrawal of trust accounts in SPACs

For the fiscal year ended March 31, 2023

"Proceeds from withdrawal of trust accounts in SPACs" is proceeds from withdrawal of proceeds, received from the Public Market Investors and held in trust accounts, in a SPAC sponsored by the Company. The proceeds were withdrawn for redemption to the Public Market Investors when the SPACs ceased all operations. The details are described in "Note 8. Special purpose acquisition companies sponsored by the Company."

### (6) Redemption of non-controlling interests subject to possible redemption

For the fiscal year ended March 31, 2023

"Redemption of non-controlling interests subject to possible redemption" is the repayment of all the proceeds to the Public Market Investors of the SPACs. The repayment was required because the SPACs sponsored by the Company were unable to complete a merger within 24 months from the date of the initial public offering and ceased all operations. The details are described in "Note 8. Special purpose acquisition companies sponsored by the Company."

### (7) Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities are as follows:

For the fiscal year ended March 31, 2022

(Millions of yen)

| | Interest-bearing debt | Lease liabilities | Derivatives related to corporate bond | Third-party interests in SVF | Non-controlling interests subject to possible redemption*4 |
|---|---|---|---|---|---|
| As of April 1, 2021 | ¥18,512,975 | ¥1,035,001 | ¥ (16,850) | ¥6,601,791 | ¥298,092 |
| (a) Changes arising from financing cash flows | | | | | |
| Repayment of short-term interest-bearing debt, net | (1,173,787) | – | – | – | – |
| Proceeds from interest-bearing debt | 12,880,985 | – | – | – | – |
| Repayment of interest-bearing debt | (8,797,688) | – | – | – | – |
| Repayment of lease liabilities | – | (330,276) | – | – | – |
| Contributions into SVF from third-party investors | – | – | – | 278,497 | – |
| Distribution/repayment from SVF to third-party investors | – | – | – | (1,228,703) | – |
| Other | – | – | – | – | 5,500 |
| (b) Changes from acquisition or loss of control over subsidiaries and other businesses | (130,428) | (5,009) | – | – | (36,692) |
| (c) The effect of changes in foreign exchange rates | 1,015,934 | 7,475 | – | 583,562 | 29,095 |
| (d) Changes in fair values | – | – | (30,720) | – | – |
| (e) Changes in third-party interests in SVF | – | – | – | (970,559) | – |
| (f) Non-cash transactions*1,2,3 | (784,197) | 196,803 | – | (19,104) | – |
| (g) Other changes*3 | (66,362) | (37,846) | 4 | 395,014 | 11,149 |
| As of March 31, 2022 | ¥21,457,432 | ¥ 866,148 | ¥ (47,566) | ¥5,640,498 | ¥307,144 |

*1 The decrease in interest-bearing debt is due to the physical settlement of prepaid forward contracts using Alibaba shares.

*2 The increase in lease liabilities is mainly as a result of remeasurement of the lease liabilities and the lease transactions executed during the period.

*3 The decrease in third-party interests in SVF as (f) Non-cash transactions is made due to the distribution/repayment to the third-party investor (offsetting against the receivables) in SVF2. The increase in third-party interests in SVF as (g) Other changes is mainly due to the acquisition of interest by third-party investor in SVF2 and LatAm Funds.

*4 The details of non-controlling interests subject to possible redemption are described in "Note 8. Special purpose acquisition companies sponsored by the Company."

For the fiscal year ended March 31, 2023

(Millions of yen)

| | Interest-bearing debt | Lease liabilities | Derivatives related to corporate bond | Third-party interests in SVF | Non-controlling interests subject to possible redemption*[3] |
|---|---|---|---|---|---|
| As of April 1, 2022 | **¥21,457,432** | **¥866,148** | **¥(47,566)** | **¥5,640,498** | **¥307,144** |
| (a) Changes arising from financing cash flows | | | | | |
| Repayment of short-term interest-bearing debt, net | **(73,371)** | **–** | **–** | **–** | **–** |
| Proceeds from interest-bearing debt | **9,176,112** | **–** | **–** | **–** | **–** |
| Repayment of interest-bearing debt | **(6,299,554)** | **–** | **4,563** | **–** | **–** |
| Repayment of lease liabilities | **–** | **(266,423)** | **–** | **–** | **–** |
| Contributions into SVF from third-party investors | **–** | **–** | **–** | **17,857** | **–** |
| Distribution/repayment from SVF to third-party investors | **–** | **–** | **–** | **(544,242)** | **–** |
| Redemption of non-controlling interests subject to possible redemption | **–** | **–** | **–** | **–** | **(319,401)** |
| Other | **–** | **–** | **3,374** | **–** | **(35,464)** |
| (b) Changes from acquisition or loss of control over subsidiaries and other businesses | **(158,534)** | **(32)** | **–** | **–** | **(2,448)** |
| (c) The effect of changes in foreign exchange rates | **1,019,581** | **5,064** | **–** | **513,205** | **32,380** |
| (d) Changes in fair values | **–** | **–** | **(32,922)** | **–** | **–** |
| (e) Changes in third-party interests in SVF | **–** | **–** | **–** | **(1,127,949)** | **–** |
| (f) Non-cash transactions*[1,2] | **(5,538,147)** | **270,186** | **–** | **–** | **–** |
| (g) Other changes | **(105,325)** | **(37,946)** | **347** | **–** | **17,789** |
| As of March 31, 2023 | **¥19,478,194** | **¥836,997** | **¥(72,204)** | **¥4,499,369** | **¥ –** |

(Thousands of U.S. dollars)

| | Interest-bearing debt | Lease liabilities | Derivatives related to corporate bond | Third-party interests in SVF | Non-controlling interests subject to possible redemption*3 |
|---|---|---|---|---|---|
| As of April 1, 2022 | **$160,693,717** | **$6,486,542** | **$(356,220)** | **$42,241,429** | **$2,300,187** |
| (a) Changes arising from financing cash flows | | | | | |
| Repayment of short-term interest-bearing debt, net | **(549,472)** | **–** | **–** | **–** | **–** |
| Proceeds from interest-bearing debt | **68,719,479** | **–** | **–** | **–** | **–** |
| Repayment of interest-bearing debt | **(47,177,069)** | **–** | **34,172** | **–** | **–** |
| Repayment of lease liabilities | **–** | **(1,995,230)** | **–** | **–** | **–** |
| Contributions into SVF from third-party investors | **–** | **–** | **–** | **133,730** | **–** |
| Distribution/repayment from SVF to third-party investors | **–** | **–** | **–** | **(4,075,803)** | **–** |
| Redemption of non-controlling interests subject to possible redemption | **–** | **–** | **–** | **–** | **(2,391,979)** |
| Other | **–** | **–** | **25,268** | **–** | **(265,588)** |
| (b) Changes from acquisition or loss of control over subsidiaries and other businesses | **(1,187,254)** | **(240)** | **–** | **–** | **(18,333)** |
| (c) The effect of changes in foreign exchange rates | **7,635,595** | **37,924** | **–** | **3,843,369** | **242,492** |
| (d) Changes in fair values | **–** | **–** | **(246,551)** | **–** | **–** |
| (e) Changes in third-party interests in SVF | **–** | **–** | **–** | **(8,447,158)** | **–** |
| (f) Non-cash transactions*1,2 | **(41,474,927)** | **2,023,410** | **–** | **–** | **–** |
| (g) Other changes | **(788,774)** | **(284,174)** | **2,599** | **–** | **133,221** |
| As of March 31, 2023 | **$145,871,295** | **$6,268,232** | **$(540,732)** | **$33,695,567** | **$ –** |

*1 The decrease in interest-bearing debt is due to the physical settlement of prepaid forward contracts using Alibaba shares. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 22. Interest-bearing debt."
*2 The increase in lease liabilities is mainly as a result of remeasurement of the lease liabilities and the lease transactions executed during the period.
*3 The details of non-controlling interests subject to possible redemption are described in "Note 8. Special purpose acquisition companies sponsored by the Company."

### (8) Cash outflows related to lease

For the fiscal year ended March 31, 2023, the total amount of cash outflows related to lease is ¥278,951 million ($2,089,051 thousand) (for the fiscal year ended March 31, 2022: ¥343,639 million.)

### (9) Significant non-cash transactions

Significant non-cash transactions (investing and financing transactions that do not require the use of cash and cash equivalents) are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Increase in right-of-use assets related to lease transactions | ¥192,976 | **¥267,680** | **$2,004,643** |

In addition to the above, the following non-cash transactions were conducted.

For the fiscal year ended March 31, 2022

a. Deutsche Telekom's exercise of call options for T-Mobile shares

Deutsche Telecom partially exercised the call option over T-Mobile shares which the Company granted in June 2020. Accordingly, the Company sold 45,366,669 shares of T-Mobile held, through a wholly-owned subsidiary, to Deutsche Telecom and received newly issued 225,000,000 shares of Deutsche Telecom as its consideration.

b. The physical settlement of prepaid forward contracts using Alibaba shares

The settlement date of a part of prepaid forward contracts arrived, and ¥784,197 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥436,641 million of "Derivative financial assets (current)" were settled by Alibaba shares.

For the fiscal year ended March 31, 2023

a. The physical settlement of prepaid forward contracts using Alibaba shares

Based on the board resolution in August 2022 or the reached settlement date for a portion of prepaid forward contracts, ¥5,538,147 million ($41,474,927 thousand) of financial liabilities relating to sale of shares by prepaid forward contracts, ¥1,874,305 million ($14,036,584 thousand) of derivative financial assets, and ¥13,376 million ($100,172 thousand) of derivative financial liabilities, were settled by Alibaba shares. The details are described in "(2) Transactions for sale of Alibaba shares by prepaid forward contracts" under "Note 22. Interest-bearing debt."

## 45. Related party transactions

### (1) Related party transactions and balances

For the fiscal year ended March 31, 2022, at the closing of the Annual General Meeting of Shareholders held on June 23, 2021, Ronald Fisher resigned from his position on the Board of Directors in SoftBank Group Corp.

On January 27, 2022, Marcelo Claure resigned from his positions as the Corporate Officer, Executive Vice President and COO in SoftBank Group Corp.

After the resignation, they are not related parties of the Company. However, transactions during the term in which they were related parties of the Company, which was from April 1, 2021 to the respective resignation date, and their balance as of March 31, 2022 are described.

For the fiscal year ended March 31, 2023, Rajeev Misra resigned from his position as the Corporate Officer, Executive Vice President in SoftBank Group Corp. on August 31, 2022.

After the resignation, he is not a related party of the Company. However, transactions during the term in which he was a related party of the Company and transactions during the term from the resignation date to date when the balances outstanding as of the resignation date were settled, and their balance as of March 31, 2023 are disclosed.

Related party transactions of the Company are as follows:

a. Co-investment program with restricted rights to receive distributions

The Board of Directors of SoftBank Group Corp. has resolved to introduce a co-investment program with restricted rights to receive distributions to SVF2 and LatAm Funds. As such, for the three-month period ended September 30, 2021, SVF2 LLC, a subsidiary of SVF2 and a subsidiary of the Company, and SLA LLC, a subsidiary of LatAm Funds and a subsidiary of the Company, have each entered into a definitive agreement with the Company and MgmtCo, a participant in the program, which resulted in MgmtCo becoming an investor in SVF2 LLC and SLA LLC.

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

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

## (a) Transactions between SVF2 and related parties

For the fiscal year ended March 31, 2022

(Millions of yen)

| Name of the company or individual | Nature of relationship | Nature of transaction | Fiscal year ended March 31, 2022 Amount of transaction | As of March 31, 2022 Balance at period-end |
|---|---|---|---|---|
| Masayoshi Son (MASA USA LLC (MgmtCo)) | Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights | Receipt of capital contribution in SVF2 LLC and related adjustments*1,2 | ¥326,942*3 | |
| | | The premium received on SVF2 LLC's receivables | 5,687*3 | |
| | | Offsetting settlement of distributions (return of contribution) from SVF2 LLC and receivables*4 | 19,104 | ¥342,663*5,6 |
| | | MgmtCo's Equity interests in SVF2 LLC*7,8 | – | 270,081 |
| | | Net balance at period end (Receivables in SVF2 LLC less MgmtCo's Equity interests in SVF2 LLC)*9 | | 72,582 |

(Thousands of U.S. dollars)

| Name of the company or individual | Nature of relationship | Nature of transaction | Fiscal year ended March 31, 2022 Amount of transaction*10 | As of March 31, 2022 Balance at period-end*10 |
|---|---|---|---|---|
| Masayoshi Son (MASA USA LLC (MgmtCo)) | Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights | Receipt of capital contribution in SVF2 LLC and related adjustments*1,2 | $2,923,150*3 | |
| | | The premium received on SVF2 LLC's receivables | 49,549*3 | |
| | | Offsetting settlement of distributions (return of contribution) from SVF2 LLC and receivables*4 | 172,935 | $2,799,764*5,6 |
| | | MgmtCo's Equity interests in SVF2 LLC*7,8 | – | 2,206,726 |
| | | Net balance at period end (Receivables in SVF2 LLC less MgmtCo's Equity interests in SVF2 LLC)*9 | | 593,038 |

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

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

*3 The amount of transaction with MgmtCo related to receipt of capital contribution
The amount of the transaction for "Receipt of capital contribution in SVF2 LLC and related adjustments" is MgmtCo's Equity Acquisition Amount in SVF2 LLC, which consists of $2,594 million (¥290,142 million) calculated based on MgmtCo's Equity interests of 17.25% in the SVF2's initial acquisition costs of the relevant portfolio companies held by SVF2 LLC and $314 million (¥35,150 million) of related adjustments calculated based on 17.25% interest in the increase in the portfolio companies' fair value from the initial acquisition costs at SVF2 to June 30, 2021, and $15 million (¥1,650 million) of the adjustment equivalent to interests for the period from the Company's contribution to SVF2 until June 30, 2021. As of March 31, 2022, capital contribution with respect to MgmtCo's committed capital and related adjustments to SVF2 LLC under the program have been completed.
MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time at its discretion from the date it became an investor in SVF2 LLC to the end of the company life of SVF2 LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. "The premium received on SVF2 LLC's receivables" refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount.

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

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

*6 Collateral and other credit protection for receivables
In order to secure the receivables of SVF2 LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SVF2 LLC held by MgmtCo are pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SVF2 LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceed the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of March 31, 2022, 8,897,100 shares of SoftBank Group Corp. are deposited in SVF2 LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only where the entire amount of receivables is settled. SVF2 LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SVF2 LLC after the enforcement of the collateral and personal guarantees by SVF2 LLC.

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

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

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

*10 The amounts represent the original transaction amounts and the outstanding balances recorded in U.S. dollars, and are not the translations of Japanese yen amounts into U.S. dollar amounts.

For the fiscal year ended March 31, 2023

(Millions of yen)

| Name of the company or individual | Nature of relationship | Nature of transaction | Fiscal year ended March 31, 2023<br>Amount of transaction | As of March 31, 2023<br>Balance at period-end |
|---|---|---|---|---|
| Masayoshi Son (MASA USA LLC (MgmtCo)) | Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights | Receipt of capital contribution in SVF2 LLC and related adjustments*1,2 | – | ¥384,870*3,4 |
| | | The premium received on SVF2 LLC's receivables | ¥11,185*3 | |
| | | MgmtCo's Equity interests in SVF2 LLC*5,6 | – | – |
| | | Net balance at period end (Receivables in SVF2 LLC less MgmtCo's Equity interests in SVF2 LLC)*7 | | 384,870 |

(Thousands of U.S. dollars)

| Name of the company or individual | Nature of relationship | Nature of transaction | Fiscal year ended March 31, 2023<br>Amount of transaction*8 | As of March 31, 2023<br>Balance at period-end*8 |
|---|---|---|---|---|
| Masayoshi Son (MASA USA LLC (MgmtCo)) | Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights | Receipt of capital contribution in SVF2 LLC and related adjustments*1,2 | – | $2,882,270*3,4 |
| | | The premium received on SVF2 LLC's receivables | $ 82,506*3 | |
| | | MgmtCo's Equity interests in SVF2 LLC*5,6 | – | – |
| | | Net balance at period end (Receivables in SVF2 LLC less MgmtCo's Equity interests in SVF2 LLC)*7 | | 2,882,270 |

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

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

*3 Balance at period end of receivables from MgmtCo for receipt of capital contribution and related adjustments
Balance at period end is the balance of SVF2 LLC's receivables which consists of the balance related to receipt of capital contribution, related adjustments and premiums received from MgmtCo, less any decrease in receivables due to offsetting settlement with distributions to MgmtCo. The amount of the transaction for "Receipt of capital contribution in SVF2 LLC and related adjustments" at the inception of the program is MgmtCo's Equity Acquisition Amount in SVF2 LLC, which consists of the amount calculated based on MgmtCo's Equity interests of 17.25% in the SVF2's initial acquisition costs of the relevant portfolio companies held by SVF2 LLC and related adjustments calculated based on 17.25% interest in the increase in the portfolio companies' fair value from the initial acquisition costs at SVF2 to June 30, 2021, and the adjustment equivalent to interests for the period from the Company's contribution to SVF2 until June 30, 2021.
MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time at its discretion from the date it became an investor in SVF2 LLC to the end of the company life of SVF2 LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. "The premium received on SVF2 LLC's receivables" refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount.
Any distributable amount from SVF2 LLC to MgmtCo is offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until the SVF2 LLC's receivables are paid in full.

*4 Collateral and other credit protection for receivables
In order to secure the receivables of SVF2 LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SVF2 LLC held by MgmtCo are pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SVF2 LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceed the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of March 31, 2023, 8,897,100 shares of SoftBank Group Corp. are deposited in SVF2 LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only where the entire amount of receivables is settled. SVF2 LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SVF2 LLC after the enforcement of the collateral and personal guarantees by SVF2 LLC.

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

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

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

*8 The amounts represent the original transaction amounts and the outstanding balances recorded in U.S. dollars, and are not the translations of Japanese yen amounts into U.S. dollar amounts.

## (b) Transactions between LatAm Funds and related parties

For the fiscal year ended March 31, 2022

(Millions of yen)

| Name of the company or individual | Nature of relationship | Nature of transaction | Fiscal year ended March 31, 2022 Amount of transaction | As of March 31, 2022 Balance at period-end |
|---|---|---|---|---|
| Masayoshi Son (MASA USA LLC (MgmtCo)) | Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights | Receipt of capital contribution in SLA LLC and related adjustments*1,2 | ¥71,450*3 | |
| | | The premium received on SLA LLC's receivables | 1,125*3 | ¥80,663*4,5 |
| | | MgmtCo's Equity interests in SLA LLC*6,7 | – | 80,663 |
| | | Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC)*8 | | – |

(Thousands of U.S. dollars)

| Name of the company or individual | Nature of relationship | Nature of transaction | Fiscal year ended March 31, 2022 Amount of transaction*9 | As of March 31, 2022 Balance at period-end*9 |
|---|---|---|---|---|
| Masayoshi Son (MASA USA LLC (MgmtCo)) | Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights | Receipt of capital contribution in SLA LLC and related adjustments*1,2 | $649,300*3 | |
| | | The premium received on SLA LLC's receivables | 9,766*3 | $659,066*4,5 |
| | | MgmtCo's Equity interests in SLA LLC*6,7 | – | 659,066 |
| | | Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC)*8 | | – |

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

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

*3 The amount of transaction with MgmtCo related to receipt of capital contribution
The amount of the transaction for "Receipt of capital contribution in SLA LLC and related adjustments" is MgmtCo's Equity Acquisition Amount in LatAm Fund, which consists of $375 million (¥41,266 million) calculated based on MgmtCo's Equity interests of 17.25% in the LatAm Funds' initial acquisition costs of the portfolio companies held by LatAm Funds and $268 million (¥29,498 million) of related adjustments calculated based on 17.25% interest in the increase in the portfolio companies' fair value from the initial acquisition costs at LatAm Funds to June 30, 2021, and $6 million (¥686 million) of the adjustment equivalent to interests for the period from the Company's contribution to LatAm Funds until June 30, 2021.
As of September 30, 2021, capital contribution with respect to MgmtCo's committed capital and related adjustments to SLA LLC under the program have been completed. However, in March 2022, the constitutional agreement has been amended in order to exclude certain investments from the portfolio of SLA LLC due to regulatory reasons. Accordingly, "Receipt of capital contribution in SLA LLC and related adjustments" has been changed from $691 million (¥76,367 million) to $649 million (¥71,450 million). The gains from the excluded portfolio companies between September 30, 2021 and the date of the exclusion have attributed to the Company and no Equity interests have been allocated to MgmtCo.
MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time at its discretion from the date it became an investor in SLA LLC to the end of the company life of SLA LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. "The premium received on SLA LLC's receivables" refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount. Any distributable amount from SLA LLC to MgmtCo are offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until the SLA LLC's receivables are paid in full.

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

*5 Collateral and other credit protection for receivables
In order to secure the receivables of SLA LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SLA LLC held by MgmtCo are pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SLA LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceed the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of March 31, 2022, 2,168,500 shares of SoftBank Group Corp. are deposited in SLA LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only where the entire amount of receivables is settled. SLA LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SLA LLC after the enforcement of the collateral and personal guarantees by SLA LLC.

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

*7 Management fees and performance fees to be charged to MgmtCo
The terms of the management fees and performance fees to be charged to MgmtCo are the same as those to be charged to the Company as an Equity investor in SLA LLC.

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

*9 The amounts represent the original transaction amounts and the outstanding balances recorded in U.S. dollars, and are not the translations of Japanese yen amounts into U.S. dollar amounts.

For the fiscal year ended March 31, 2023

(Millions of yen)

| Name of the company or individual | Nature of relationship | Nature of transaction | Fiscal year ended March 31, 2023<br>Amount of transaction | As of March 31, 2023<br>Balance at period-end |
|---|---|---|---|---|
| Masayoshi Son (MASA USA LLC (MgmtCo)) | Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights | Receipt of capital contribution in SLA LLC and related adjustments*1,2 | – | |
| | | The premium received on SLA LLC's receivables | ¥ 2,641*3 | ¥90,606*3,4 |
| | | MgmtCo's Equity interests in SLA LLC*5,6 | – | 28,652 |
| | | Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC)*7 | | 61,954 |

(Thousands of U.S. dollars)

| Name of the company or individual | Nature of relationship | Nature of transaction | Fiscal year ended March 31, 2023<br>Amount of transaction*8 | As of March 31, 2023<br>Balance at period-end*8 |
|---|---|---|---|---|
| Masayoshi Son (MASA USA LLC (MgmtCo)) | Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights | Receipt of capital contribution in SLA LLC and related adjustments*1,2 | – | |
| | | The premium received on SLA LLC's receivables | $19,479*3 | $678,545*3,4 |
| | | MgmtCo's Equity interests in SLA LLC*5,6 | – | 214,570 |
| | | Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC)*7 | | 463,975 |

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

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

*3 Balance at period end of receivables from MgmtCo for receipt of capital contribution and related adjustments
Balance at period end is the balance of SLA LLC's receivables which consists of the balance related to receipt of capital contribution, related adjustments, and premiums received. The amount of the transaction for "Receipt of capital contribution in SLA LLC and related adjustments" at the inception of the program is MgmtCo's Equity Acquisition Amount in SLA LLC, which consists of the amount calculated based on MgmtCo's Equity interests of 17.25% in the LatAm Funds' initial acquisition costs of the portfolio companies held by LatAm Funds and related adjustments calculated based on 17.25% interest in the increase in the portfolio companies' fair value from the initial acquisition costs at LatAm Funds to June 30, 2021, and the adjustment equivalent to interests for the period from the Company's contribution to LatAm Funds until June 30, 2021.
MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time at its discretion from the date it became an investor in SLA LLC to the end of the company life of SLA LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. "The premium received on SLA LLC's receivables" refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion on the same terms and conditions as Equity Acquisition Amount.
Any distributable amounts from SLA LLC to MgmtCo are offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until the SLA LLC's receivables are paid in full.

*4 Collateral and other credit protection for receivables
In order to secure the receivables of SLA LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SLA LLC held by MgmtCo are pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SLA LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceed the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of March 31, 2023, 2,168,500 shares of SoftBank Group Corp. are deposited in SLA LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only where the entire amount of receivables is settled. SLA LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SLA LLC after the enforcement of the collateral and personal guarantees by SLA LLC.

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

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

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

*8 The amounts represent the original transaction amounts and the outstanding balances recorded in U.S. dollars, and are not the translations of Japanese yen amounts into U.S. dollar amounts.

b. Incentive program

The Company provides loans to certain executives of the Company as a part of the incentive program, which was designated for use for the purchase of SoftBank Group Corp. shares. Such loan agreements with Marcelo Claure have continued after his resignation as Corporate Officer of the Company.

(a) Incentive program approved in April and July 2018

Regarding the incentive program approved in April and July 2018, the amount of the transactions between the Company and the related parties and the outstanding balance are as follows.

For the fiscal year ended March 31, 2022

(Millions of yen)

| Name of the company or individual | Nature of relationship | Nature of transaction | Fiscal year ended March 31, 2022<br>Amount of transaction | As of March 31, 2022<br>Balance at period-end |
|---|---|---|---|---|
| Yoshimitsu Goto | Director | Lending of funds*1,3,4 | ¥ – | ¥ 5,554 |
| | | Interest receipt*1,3,4 | 80 | 67 |
| | | Borrowing of funds *1 | 200 | 900 |
| | | Interest payment*1 | 11 | 9 |
| Ken Miyauchi | Director | Lending of funds*1,3,4 | – | 5,555 |
| | | Interest receipt*1,3,4 | 80 | 67 |
| Marcelo Claure | Former Corporate Officer | Lending of funds*2,3,4,5 | – | 11,109 |
| | | Interest receipt*2,3,4,5 | 270 | 273 |
| Rajeev Misra | Corporate Officer | Lending of funds*2,3,4,5 | – | 10,992 |
| | | Interest receipt*2,3,4,5 | 323 | 270 |

For the fiscal year ended March 31, 2023

(Millions of yen)

| Name of the company or individual | Nature of relationship | Nature of transaction | **Fiscal year ended March 31, 2023**<br>Amount of transaction | **As of March 31, 2023**<br>Balance at period-end |
|---|---|---|---|---|
| Yoshimitsu Goto | Director | Collection of loans receivable*1 | **¥ 5,554** | **¥ –** |
| | | Interest receipt*1 | **50** | **–** |
| | | Repayment of loans payable*1 | **900** | **–** |
| | | Interest payment*1 | **8** | **–** |
| Ken Miyauchi | Director | Lending of funds*1,3,4 | **–** | **5,555** |
| | | Interest receipt*1,3,4 | **80** | **67** |
| Rajeev Misra | Former Corporate Officer | Collection of loans receivable*2 | **10,992** | **–** |
| | | Interest receipt*2 | **187** | **–** |

(Thousands of U.S. dollars)

| Name of the company or individual | Nature of relationship | Nature of transaction | **Fiscal year ended March 31, 2023**<br>Amount of transaction | **As of March 31, 2023**<br>Balance at period-end |
|---|---|---|---|---|
| Yoshimitsu Goto | Director | Collection of loans receivable*1 | **$41,594** | **$ –** |
| | | Interest receipt*1 | **374** | **–** |
| | | Repayment of loans payable*1 | **6,740** | **–** |
| | | Interest payment*1 | **60** | **–** |
| Ken Miyauchi | Director | Lending of funds*1,3,4 | **–** | **41,601** |
| | | Interest receipt*1,3,4 | **599** | **502** |
| Rajeev Misra | Former Corporate Officer | Collection of loans receivable*2 | **82,319** | **–** |
| | | Interest receipt*2 | **1,400** | **–** |

*1 The interest rates for the loans are the 1.45% of fixed rate, which was rationally determined in reference to market interest rates and actual interest rates of SoftBank Group Corp. for other borrowings with periods similar to the period of the loans. The maturity date for the loans is May 31, 2023, and the borrowers are required to make a single payment at maturity. However, SoftBank Group Corp. and the borrowers may agree to extend the term of the loan for two additional five-year periods to May 31, 2033, and the borrowers may prepay all or any portion of the loans at any time voluntarily. Additionally, the borrowers may deposit with SoftBank Group Corp. any amount of cash equal to or less than the then-outstanding principal amount of the loans, and SoftBank Group Corp. will account for the deposit as loan payables on the balance sheet. The interest rates for the deposits are the same as the rates for the loans. As of the submission date of the annual securities report, the maturity date for the loan between the Company and Ken Miyauchi has been extended to May 31, 2028.

*2 The interest rate for the loan is 2.94% of the fixed rate, which was rationally determined in reference to market interest rates and actual interest rates of SoftBank Group Corp. for other borrowings with periods similar to the period of the loans. The maturity date for the loans is May 31, 2028, and the borrower is required to make a single payment at maturity. However, SoftBank Group Corp. and the borrower may agree to extend the term of the loan for an additional five-year period to May 31, 2033, and the borrower may prepay all or any portion of the loan at any time voluntarily. Additionally, the borrower may deposit with SoftBank Group Corp. any amount of cash equal to or less than the then-outstanding principal amount of the loan, and SoftBank Group Corp. will account for the deposit as loan payables on the balance sheet. The interest rate for the deposit is the same as the rate for the loan.

*3 The following assets of the borrower are pledged as collateral in the transactions.
- Shares of SoftBank Group Corp. purchased with the funds of loans, and all proceeds of the shares.
  Also, when default occurs, SoftBank Group Corp. is entitled to receive the part of future cash compensation for the borrowers payable by SoftBank Group Corp. and subsidiaries, as repayment of the loan.

*4 Total shortfall calculated by deducting the amount received through fully exercised rights in respect to collateral and rights to receive the part of future cash compensation for the borrowers payable by SoftBank Group Corp. and subsidiaries as repayment of the loan from all amounts that become due and payable by the borrowers is guaranteed by Masayoshi Son, who is Representative Director of SoftBank Group Corp.

*5 When the fair value of the collateral assets is less than 70% of the then-outstanding principal amount before the maturity date, SoftBank Group Corp. may require the borrowers to establish a collateral over additional property.

### (b) Incentive program approved in February 2020

Regarding the incentive program approved in February 2020, the amount of the transactions between the Company and the related parties and the outstanding balance are as follows.

For the fiscal year ended March 31, 2022

(Millions of yen)

| Name of the company or individual | Nature of relationship | Nature of transaction | Fiscal year ended March 31, 2022 Amount of transaction | As of March 31, 2022 Balance at period-end |
|---|---|---|---|---|
| Marcelo Claure (Claure Holdings LLC) | Former Corporate Officer and related entities of which he holds more than one-half of the voting rights | Lending of funds *6,7,8,9 | ¥ – | ¥17,131 |
| | | Interest receipt*6,7,8,9 | 268 | 43 |
| Rajeev Misra (Giantstep Holdings Limited) | Corporate Officer and related entities of which he holds more than one-half of the voting rights | Collection of loans receivable *6,7,8,9,10 | 16,065 | 1,066 |
| | | Interest receipt*6,7,8,9,10 | 323 | 3 |

For the fiscal year ended March 31, 2023

(Millions of yen)

| Name of the company or individual | Nature of relationship | Nature of transaction | **Fiscal year ended March 31, 2023** Amount of transaction | **As of March 31, 2023** Balance at period-end |
|---|---|---|---|---|
| Rajeev Misra (Giantstep Holdings Limited) | Former Corporate Officer and related entities of which he holds more than one-half of the voting rights | Collection of loans receivable *6 | **¥1,066** | **¥ –** |
| | | Interest receipt*6 | **0** | **–** |

(Thousands of U.S. dollars)

| Name of the company or individual | Nature of relationship | Nature of transaction | **Fiscal year ended March 31, 2023** Amount of transaction | **As of March 31, 2023** Balance at period-end |
|---|---|---|---|---|
| Rajeev Misra (Giantstep Holdings Limited) | Former Corporate Officer and related entities of which he holds more than one-half of the voting rights | Collection of loans receivable *6 | **$7,983** | **$ –** |
| | | Interest receipt*6 | **0** | **–** |

*6 The interest rate for the loan is 1.93% of the fixed rate, which was rationally determined in reference to market interest rates and actual interest rates of SoftBank Group Corp. for other borrowings with periods similar to the period of the loans. The borrower is required to pay the outstanding principal amount of the loan in a single payment on the seventh anniversary of the funding date. Additionally, the borrower may deposit with SoftBank Group Corp. any amount of cash equal to or less than the then-outstanding principal amount of the loan, and SoftBank Group Corp. will account for the deposit as loan payables on the balance sheet. The interest rate for the deposit is the same as the rate for the loan.

*7 The transfer of SoftBank Group Corp. shares purchased through the loan is restricted for the twelve-month period succeeding the effective date of the agreement. Then, the number of shares available for transfer will increase by 20% every three months, and all shares will become available for transfer after exceeding twenty four months.

*8 When default occurs, SoftBank Group Corp. is entitled to receive future cash compensation for the borrowers payable by SoftBank Group Corp. and subsidiaries, as repayment of the loan.

*9 Total shortfall calculated by deducting the amount received through fully exercised rights in respect to collateral and rights to receive the part of future cash compensation for the borrowers payable by SoftBank Group Corp. and subsidiaries as repayment of the loan from all amounts that become due and payable by the borrowers is guaranteed by Masayoshi Son, who is Representative Director of SoftBank Group Corp.

*10 The outstanding balance of loans and interest on loans as of March 31, 2022 was fully settled on April 5, 2022.

c. Transfer of T-Mobile shares

As a part of the transaction related to transfer of T-Mobile shares, the Company entered into agreements with certain executive for transferring T-Mobile shares and for the loan which was designated for the use for the purchase of T-Mobile shares in June 2020. Such loan agreements with Ronald Fisher and Marcelo Claure have continued after their resignation as Director and Corporate Officer, respectively, of the Company.

Regarding the transactions associated with the transfer of T-Mobile shares, the amount of the transactions between the Company and the related parties and the outstanding balance are as follows.

For the fiscal year ended March 31, 2022

(Millions of yen)

| Name of the company or individual | Nature of relationship | Nature of transaction | Fiscal year ended March 31, 2022<br>Amount of transaction | As of March 31, 2022<br>Balance at period-end |
|---|---|---|---|---|
| Ronald Fisher (T-Mo Fisher LLC) | Former Director and related entity of which he holds more than one-half of the voting rights | Lending of funds*1,2,3,5 | ¥ – | ¥ 4,412 ($36 million) |
| | | Interest receipt*1,2,3,5 | 18 ($0 million) | 152 ($1 million) |
| Marcelo Claure (CLAURE MOBILE LLC) | Former Corporate Officer and related entity of which he holds more than one-half of the voting rights | Lending of funds*1,2,3,4,6 | – | 63,031 ($515 million) |
| | | Interest receipt*1,2,3,5 | 933 ($8 million) | 2,109 ($17 million) |
| Rajeev Misra (Brightstart Consultants Limited) | Corporate Officer and related entity of which he holds more than one-half of the voting rights | Lending of funds*1,2,3,5 | – | 56,728 ($464 million) |
| | | Interest receipt*1,2,3,5 | 1,023 ($9 million) | 1,959 ($16 million) |

For the fiscal year ended March 31, 2023

(Millions of yen)

| Name of the company or individual | Nature of relationship | Nature of transaction | **Fiscal year ended March 31, 2023**<br>Amount of transaction | **As of March 31, 2023**<br>Balance at period-end |
|---|---|---|---|---|
| Rajeev Misra (Brightstart Consultants Limited) | Former Corporate Officer and related entity of which he holds more than one-half of the voting rights | Collection of loans receivable*1,2 | **¥59,012** | **¥ –** |
| | | Interest receipt*1,2 | **325** | **–** |

(Thousands of U.S. dollars)

| Name of the company or individual | Nature of relationship | Nature of transaction | **Fiscal year ended March 31, 2023**<br>Amount of transaction*8 | **As of March 31, 2023**<br>Balance at period-end |
|---|---|---|---|---|
| Rajeev Misra (Brightstart Consultants Limited) | Former Corporate Officer and related entity of which he holds more than one-half of the voting rights | Collection of loans receivable*1,2 | **$474,554** | **$ –** |
| | | Interest receipt*1,2 | **2,411** | **–** |

*1 The borrowers are entities of which certain executives or employees hold more than one-half of the voting rights. The repayment of the loan and interest is secured by a first priority pledge of 100% of the borrower's equity interests. (For Marcelo Claure and Ronald Fisher, this is only if their rights to collateralize equity interests is not prohibited by restrictions imposed by the T-Mobile board and others.) Each executive and employee guarantees the repayment of the loan and interest to full recourse. Also, the purchasers of T-Mobile shares are borrowers.

*2 The interest rate for the loan is 1.93% of the fixed rate, which was rationally determined in reference to market interest rates and actual interest rates of SoftBank Group Corp. for other borrowings with periods similar to the period of the loans. The maturity dates are July 1, 2024 for the loan made in June 2020 and September 1, 2024 for the loan made in August 2020, and the borrowers are required to make a single payment at maturity. Prior to the maturity date the borrowers may prepay all or any portion of the outstanding principal amount of the loan, along with any accrued but unpaid interest on such principal amount at any time. Additionally, on April 4, 2022, the Company and Brightstart Consultants Limited, which is a company controlled by Rajeev Misra, entered into an amended agreement regarding the loan interest rate. The amended loan interest rate will be the higher of 1.93% or HMRC Official Rate for each year. Also, on April 5, 2022, the Company loaned $11 million to Brightstart Consultants Limited at the same loan interest rate mentioned above. Additionally, the entire outstanding balance as of March 31, 2022 related to Brightstart Consultants Limited and the entire amount of this additional loan were repaid by June 14, 2022.

*3 Unless the borrowers have received the prior consent of the Company, the borrowers shall hold T-Mobile shares until paid in full except for below;

- The transfer is made by cash consideration with fair market value.

However, in this case, proceeds from this transfer are not subject to mandatory prepayment but, prior to maturity, the borrowers are prohibited from using such proceeds other than to invest in marketable securities or to voluntarily prepay the loan.

*4 Unless the borrower has received the prior consent of the Company, the borrower has no ability to pledge T-Mobile shares as collateral until the loans are paid in full.

*5 If certain conditions are met, such as entering into an intercreditor agreement with the Company, each borrower can borrow additional funds from third parties up to a certain amount with T-Mobile shares and others as collateral. Proceeds from this additional debt will not be subject to mandatory prepayment but, prior to maturity, the borrowers are prohibited from using such proceeds other than to invest in marketable securities or to voluntarily prepay the loan.

*6 CLAURE MOBILE LLC can choose limited recourse if certain conditions are met, such as the transfer restrictions being lifted without Marcelo Claure being appointed as a director of T-Mobile. And full recourse to Marcelo Claure will be canceled. In addition, when the limited recourse is selected, the Company will place the first lien on the T-Mobile shares purchased by CLAURE MOBILE LLC, if the T-Mobile shares can be directly collateralized. (However, if the security interest cannot be set to the T-Mobile shares due to legal restrictions such as the Federal Reserve System, the security interest will be set to a first priority pledge of 100% equity interests of CLAURE MOBILE LLC.)

Settlement of the loan and accrued interest with the transfer of T-Mobile shares when the limited recourse is selected is as follows;

a. If the T-Mobile share price at the time of transfer is less than 50% of the loan principal balance and accrued interest, CLAURE MOBILE LLC will fulfill payment obligations up to only the proceeds from the transfer of T-Mobile shares. Marcelo Claure will be obliged to pay the difference between the repayment amount and 50% of the loan balance and accrued interest.

b. If the T-Mobile share price at the time of transfer is 50% or more and 100% or less of the loan principal balance and accrued interest, CLAURE MOBILE LLC will fulfill payment obligations up to only the proceeds from the transfer of T-Mobile shares.

c. If the T-Mobile share price at the time of transfer exceeds 100% of the loan principal balance and accrued interest, proceeds from T-Mobile share transfer will be used to repay the loan and accrued interest, and CLAURE MOBILE LLC will receive remaining balance. However, if the T-Mobile share price at the time of transfer exceeds $150 per share, the transfer price after tax for the portion exceeding $150 per share will belong to the Company.

Other than the above, the Company entered into agreements with three employees for a loan which was designated for the use for the purchase of T-Mobile shares for the fiscal year ended March 31, 2021. These employees are not related parties who need to be disclosed herein according to IAS 24.

The amount of the transactions between the Company and the employees recognized and the outstanding balance are as follows.

Of the three employees, one employee resigned on November 30, 2020, and the transactions with the personnel after the resignation and the balances at period-end are not included in the following table. Also, the remaining two employees resigned on September 30, 2022 and November 10, 2022, respectively.

For the fiscal year ended March 31, 2022

(Millions of yen)

| | Fiscal year ended March 31, 2022 | As of March 31, 2022 |
|---|---|---|
| Nature of transaction | Amount of transaction | Balance at period-end |
| Lending of funds*1,2,3,7 | ¥ – | ¥ 5,672 ($46 million) |
| Interest receipt*1,2,3,7 | 102 ($1 million) | 179 ($1 million) |

*7 If certain conditions are met, such as entering into an intercreditor agreement with the Company, the borrower can borrow additional funds from third parties up to a certain amount with T-Mobile shares and such as collateral for $15 million of the loan. Proceeds from this additional debt will not be subject to mandatory prepayment but, prior to maturity, the borrower is prohibited from using such proceeds other than to invest in marketable securities or to voluntarily prepay the loan.

*8 The amounts represent the original transaction amounts recorded in U.S. dollars, and are not the translations of Japanese yen amounts into U.S. dollar amounts.

d. Other related party transactions

Related party transactions of the Company were as follows:

For the fiscal year ended March 31, 2022

(Millions of yen)

| | | | Fiscal year ended March 31, 2022 | As of March 31, 2022 |
|---|---|---|---|---|
| Name of the company or individual | Nature of relationship | Nature of transaction | Amount of transaction | Balance at period-end |
| WeWork | Associate | Receipt of WeWork warrants with exercise price of USD 0.01 per share*1 | ¥ 11,540 ($102 million) | ¥ 42,617 ($348 million) |
| | | Receipt of WeWork warrants with exercise price of USD 0.02 per share*2 | – | 4,221 ($34 million) |
| | | Purchase of unsecured notes*3 | 44,000 ($400 million) | 153,328 ($1,253 million) |
| | | Credit support for letter of credit facility*4 | – | – |
| | | Purchase of senior secured notes*5 | – | – |
| Masayoshi Son (Son Asset Management LLC and 6 other companies) | Representative Director of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights | Dividend paid from SoftBank Group Corp. | 22,099 | – |
| | | Exercise of stock acquisition rights of SoftBank Corp. | 498 | – |
| | | Advance payment for temporary expense | 365 | – |
| | | Payment for equipment usage*6 | 15 | 1 |
| | | Receipt of guarantees for claims against subsidiaries of the Company*7,8 | – | – |
| Ken Miyauchi | Director | Exercise of stock acquisition rights of SoftBank Corp. | 498 | – |
| | | Dividend paid from SoftBank Group Corp. | 111 | – |

(Millions of yen)

| Name of the company or individual | Nature of relationship | Nature of transaction | Fiscal year ended March 31, 2022<br>Amount of transaction | As of March 31, 2022<br>Balance at period-end |
|---|---|---|---|---|
| Yutaka Matsuo (AI & Company, Inc.) | Director and related entities of which he holds more than one-half of the voting rights | Receipt of capital contribution to a subsidiary*9 | ¥ 8 | ¥ 64*10 |
| Marcelo Claure (Claure Group LLC and 1 other company) | Former Corporate Officer and related entities of which he holds more than one-half of the voting rights | Dividend paid from SoftBank Group Corp. | 243 | – |
| | | Sale of shares of the Company's subsidiary*11 | 11,505 ($94 million) | – |
| | | Advance payment for temporary expense | 58 | – |
| Rajeev Misra | Corporate Officer | Advance payment for temporary expense | 25 | 63 |
| Taizo Son (Son Estate LLC and 3 other companies*12) | Relative of Representative Director of SoftBank Group Corp. and related entities of which the relative holds more than one-half of the voting rights | Dividend paid from SoftBank Group Corp. | 906 | – |
| | | Receipt of capital contribution to a subsidiary*13 | 50 | 382*10 |
| | | Receipt of deposits to a subsidiary*14 | – | 24 |

*1 WeWork warrants with an exercise price of $0.01 per share, which the Company received as a consideration for conversion of WeWork preferred shares into WeWork common shares of the new company at the time of the merger of WeWork and SPAC (39,133,649 shares) and for the extension of credit support for a letter of credit facility provided by financial institutions (11,923,567 shares).

*2 WeWork warrants which the Company received as a consideration for the purchase of unsecured notes issued by WeWork and for the credit support for a letter of credit facility provided by financial institutions. Exercise price of the warrants is changed from $0.01 per share to $0.02 per share at the time of the merger of WeWork and SPAC, and warrants that are convertible into common shares at an exercise price of $0.02 per share.

*3 The Company has purchased $2.2 billion in unsecured notes issued by WeWork for the fiscal year ended March 31, 2021 and the fiscal year ended March 31, 2022. Amount of transaction represents the amounts of unsecured notes which the Company purchased for the fiscal year ended March 31, 2022. The balance at period end represents the amount of unsecured notes in the consolidated statement of financial position as of March 31, 2022.

*4 The Company provides to WeWork the credit support for letter of credit facility provided by financial institutions. The details are described in "(2) Credit guarantees" under "Note 46. Contingency."

*5 The Company is obliged to purchase up to $0.55 billion in senior secured notes to be issued by WeWork. As of March 31, 2022, none of the senior secured notes had been purchased by the Company.

*6 Equipment usage fees are determined based on the ratio of usage.

*7 All indebtedness occurred by November 10, 2020 including indebtedness for or in respect of borrowed money, stock or securities lending, and any other guarantees and indemnities which Delaware subsidiaries, SB Northstar and its subsidiaries ("guaranteed subsidiaries") owe to the Company are guaranteed and indemnified by Masayoshi Son and Son Asset Management LLC as principal obligor, in proportion to the ownership interest against SB Northstar at the time the relevant guaranteed obligations were incurred. At the time of winding up of SB Northstar, Masayoshi Son and Son Asset Management LLC indemnify guaranteed obligations not being recoverable for any reason or any failure of guaranteed subsidiaries to perform any of its obligations or liabilities in proportion to the ownership interest against SB Northstar at the time the relevant guaranteed obligations were incurred.

Regarding any indebtedness occurred after November 11, 2020, it will be subject to this guarantee and indemnity agreement, to the extent that Masayoshi Son's prior consent has been obtained.

*8 In the event that Masayoshi Son is unable to perform, on a prolonged or permanent basis, his role with involvement in the investment management decisions of the SB Northstar, the Company has a call option to cause Masayoshi Son and Son Asset Management LLC to sell all of their interests in the Delaware subsidiaries at the fair market value. If the call option is exercised, SoftBank Group Corp. will discuss the termination of the guarantee and indemnity agreement mentioned above with Masayoshi Son and Son Asset Management LLC.

*9 This represents the received amount of contribution to DEEPCORE TOKYO 1 by AI & Company, Inc. and the terms and conditions of the transaction are determined as same as other limited liability union members.

*10 The balance at period end represents the total investment amount less cumulative investment partnership losses and added cumulative investment partnership gains as of March 31, 2022.

*11 In relation to Marcelo Claure's resignation, the Company sold to Marcelo Claure all shares of BGG Holdco, LLC, a wholly owned subsidiary of the Company that indirectly owns its affiliate, Brightstar Global Group, Inc. The sales price of the shares was determined based on the fair value of the shares as of December 31, 2021.

*12 Mr. Taizo Son, relative of Representative Director Masayoshi Son, holds over half of the voting rights of this company.

*13 This represents the received amount of contribution to DEEPCORE TOKYO 1 by Mistletoe Venture Partners, Inc. and the terms and conditions of the transaction are determined as same as other limited liability union members.

*14 This represents the received amount of deposits to PayPay Bank Corporation, a subsidiary of the Company, by GEUDA General Incorporated Association and the terms and conditions of the transactions are determined as same as other depositors.

For the fiscal year ended March 31, 2023

(Millions of yen)

| Name of the company or individual | Nature of relationship | Nature of transaction | Fiscal year ended March 31, 2023 Amount of transaction | As of March 31, 2023 Balance at period-end |
|---|---|---|---|---|
| WeWork | Associate | Receipt of WeWork warrants with exercise price of USD 0.01 per share*1 | ¥ – | ¥ 5,299 |
| | | Receipt of WeWork warrants with exercise price of USD 0.02 per share*2 | – | 525 |
| | | Purchase of unsecured notes*3 | – | 181,826 |
| | | Credit support for letter of credit facility*4 | – | – |
| | | Purchase of senior secured notes*5 | 33,315 | 32,959 |
| Masayoshi Son (Son Asset Management LLC and 7 other companies) | Representative Director of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights | Dividend paid from SoftBank Group Corp. | 21,871 | – |
| | | Dividend paid from SoftBank Corp. | 172 | – |
| | | Exercise of stock acquisition rights of SoftBank Corp. | 498 | – |
| | | Payment for equipment usage*6 | 7 | 1 |
| | | Receipt of guarantees for claims against subsidiaries of the Company*7,8 | – | – |
| Ken Miyauchi | Director | Exercise of stock acquisition rights of SoftBank Corp. | 498 | – |
| | | Dividend paid from SoftBank Group Corp. | 111 | – |
| | | Dividend paid from SoftBank Corp. | 208 | – |
| Yutaka Matsuo (AI & Company, Inc.) | Director and related entities of which he holds more than one-half of the voting rights | Receipt of capital contribution to a subsidiary*9 | 3 | 77*10 |
| Rajeev Misra | Former Corporate Officer | Advance payment for temporary expense | 69 | – |

(Millions of yen)

| Name of the company or individual | Nature of relationship | Nature of transaction | Fiscal year ended March 31, 2023 Amount of transaction | As of March 31, 2023 Balance at period-end |
|---|---|---|---|---|
| Taizo Son (Son Estate LLC and 6 other companies*11) | Relative of Representative Director of SoftBank Group Corp. and related entities of which the relative holds more than one-half of the voting rights*12 | Sale of shares of the Company's subsidiary*13 | ¥ – | ¥ – |
| | | Lending of funds*14 | – | – |
| | | Dividend paid from SoftBank Group Corp. | 146 | – |
| | | Receipt of capital contribution to a subsidiary*15 | 12 | 463*10 |
| | | Receipt of deposits to a subsidiary*16 | – | 9 |

(Thousands of U.S. dollars)

| Name of the company or individual | Nature of relationship | Nature of transaction | Fiscal year ended March 31, 2023 Amount of transaction | As of March 31, 2023 Balance at period-end |
|---|---|---|---|---|
| WeWork | Associate | Receipt of WeWork warrants with exercise price of USD 0.01 per share*1 | $ – | $ 39,684 |
| | | Receipt of WeWork warrants with exercise price of USD 0.02 per share*2 | – | 3,932 |
| | | Purchase of unsecured notes*3 | – | 1,361,687 |
| | | Credit support for letter of credit facility*4 | – | – |
| | | Purchase of senior secured notes*5 | 25,000*17 | 246,828 |

| Name of the company or individual | Nature of relationship | Nature of transaction | (Thousands of U.S. dollars) Fiscal year ended March 31, 2023 Amount of transaction | As of March 31, 2023 Balance at period-end |
|---|---|---|---|---|
| Masayoshi Son (Son Asset Management LLC and 7 other companies) | Representative Director of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights | Dividend paid from SoftBank Group Corp. | **$163,791** | **$ –** |
| | | Dividend paid from SoftBank Corp. | **1,288** | **–** |
| | | Exercise of stock acquisition rights of SoftBank Corp. | **3,729** | **–** |
| | | Payment for equipment usage*6 | **52** | **7** |
| | | Receipt of guarantees for claims against subsidiaries of the Company*7,8 | **–** | **–** |
| Ken Miyauchi | Director | Exercise of stock acquisition rights of SoftBank Corp. | **3,729** | **–** |
| | | Dividend paid from SoftBank Group Corp. | **831** | **–** |
| | | Dividend paid from SoftBank Corp. | **1,558** | **–** |
| Yutaka Matsuo (AI & Company, Inc.) | Director and related entities of which he holds more than one-half of the voting rights | Receipt of capital contribution to a subsidiary | **22** | **577*10** |
| Rajeev Misra | Former Corporate Officer | Advance payment for temporary expense | **513*17** | **–** |
| Taizo Son (Son Estate LLC and 6 other companies*11) | Relative of Representative Director of SoftBank Group Corp. and related entities of which the relative holds more than one-half of the voting rights*12 | Sale of shares of the Company's subsidiary*13 | **–** | **–** |
| | | Lending of funds*14 | **–** | **–** |
| | | Dividend paid from SoftBank Group Corp. | **1,093** | **–** |
| | | Receipt of capital contribution to a subsidiary*15 | **90** | **3,467*10** |
| | | Receipt of deposits to a subsidiary*16 | **–** | **67** |

*1 WeWork warrants that are convertible into common shares at an exercise price of $0.01 per share, which the Company received for the fiscal year ended March 31, 2022 as a consideration for conversion of WeWork preferred shares into WeWork common shares of the new company at the time of the merger of WeWork and SPAC (39,133,649 shares) and for the extension of credit support for a letter of credit facility provided by financial institutions (11,923,567 shares).

*2 WeWork warrants that are convertible into common shares at an exercise price of $0.02 per share, which the Company received for the fiscal year ended March 31, 2020 as a consideration for the purchase of unsecured notes issued by WeWork and for the credit support for a letter of credit facility provided by financial institutions.

*3 Balance at period end represents the outstanding balance of unsecured notes which the Company purchased in the consolidated statement of financial position as of March 31, 2023.

*4 SVF2 provides WeWork the credit support for letter of credit facility provided by financial institutions. The details are described in "(2) Credit guarantees" under "Note 46. Contingency."

*5 SVF2 is obliged to purchase up to $0.5 billion in senior secured notes to be issued by WeWork. Amount of transaction represents the amount of senior secured notes which SVF2 purchased for the fiscal year ended March 31, 2023. Balance at period end represents the outstanding balance of senior secured notes in the consolidated statement of financial position as of March 31, 2023. The details are described in "Note 41. Other gain (loss)."

*6 Equipment usage fees are determined based on the ratio of usage.

*7 All indebtedness occurred by November 10, 2020 including indebtedness for or in respect of borrowed money, stock or securities lending, and any other guarantees and indemnities which Delaware subsidiaries, SB Northstar and its subsidiaries ("guaranteed subsidiaries") owe to the Company are guaranteed and indemnified by Masayoshi Son, Son Asset Management LLC and Son Wealth Management Inc. as principal obligor, in proportion to the ownership interest against SB Northstar at the time the relevant guaranteed obligations were incurred. At the time of winding up of SB Northstar, Masayoshi Son, Son Asset Management LLC and Son Wealth Management Inc. indemnify guaranteed obligations not being recoverable for any reason or any failure of guaranteed subsidiaries to perform any of its obligations or liabilities in proportion to the ownership interest against SB Northstar at the time the relevant guaranteed obligations were incurred.

Regarding any indebtedness occurred after November 11, 2020, it will be subject to this guarantee and indemnity agreement, to the extent that Masayoshi Son's prior consent has been obtained.

*8 In the event that Masayoshi Son is unable to perform, on a prolonged or permanent basis, his role with involvement in the investment management decisions of the SB Northstar, the Company has a call option to cause Masayoshi Son, Son Asset Management LLC and Son Wealth Management Inc. to sell all of their interests in the Delaware subsidiaries at the fair market value. If the call option is exercised, SoftBank Group Corp. will discuss the termination of the guarantee and indemnity agreement mentioned above with Masayoshi Son, Son Asset Management LLC and Son Wealth Management Inc.

*9 This represents the received amount of contribution to DEEPCORE TOKYO 1 by AI & Company, Inc. and the terms and conditions of the transaction are determined as same as other limited liability union members.

*10 The balance at period end represents the total investment amount less cumulative investment partnership losses and added cumulative investment partnership gains as of March 31, 2023.

*11 Mr. Taizo Son, relative of Representative Director Masayoshi Son, holds over half of the voting rights of this company.

*12 For the fiscal year ended March 31, 2023, a service agreement was entered into between SBGA and Mr. Taizo Son and he has been a member of the investment committee of SVF2.

*13 The Company and The EDGEof Korea Co., Ltd. ("EDGEof Korea"), which is controlled by Mr. Taizo Son, entered into a definitive agreement to sell all of its 3,600,000 shares in SoftBank Ventures Asia Corp. ("SBVA") to EDGEof Korea for KRW 124,000 million. This transaction is subject to regulatory approvals and the satisfaction of other closing conditions. The transaction price was determined based on negotiation with reference to the corporate valuation by an independent third-party valuation agency. In June 2023, the regulatory approvals and the other closing conditions were satisfied and subsequently the Company sold all of its shares in SBVA to EDGEof Korea.

*14 In April 2023, the Company and EDGEof Korea entered into a loan agreement of KRW 60,760 million which is equivalent to 49% of sales price of shares in SBVA for which the interest rate is equal to the overdraft interest rate prescribed by Ordinance of the Ministry of Economy and Finance of Korea (as of March 31, 2023: 4.6%) and the maturity date is on the fifth anniversary of the closing date of the agreement. The loan is guaranteed by Mistletoe Singapore Pte. Ltd. and other two entities which are controlled by Mr. Taizo Son, and 49% of SBVA shares held by EDGEof Korea are pledged as collateral for the loan. The voting rights against SBVA are retained by EDGEof Korea.

*15 This represents the received amount of contribution to DEEPCORE TOKYO 1 by Mistletoe Venture Partners, Inc. and the terms and conditions of the transaction are determined as same as other limited liability union members.

*16 This represents the received amount of deposits to PayPay Bank Corporation, a subsidiary of the Company, by GEUDA General Incorporated Association and the terms and conditions of the transactions are determined as same as other depositors.

*17 The amounts represent the original contract amounts recorded in U.S. dollars, and are not the translations of Japanese yen amounts into U.S. dollar amounts.

### (2) Remuneration for executives

Remuneration for executives is as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | Fiscal year ended March 31, 2022 | **Fiscal year ended March 31, 2023** | **Fiscal year ended March 31, 2023** |
| Short-term benefits | ¥ 5,140 | **¥ 1,495** | **$ 11,196** |
| Share-based payments | 397 | **651** | **4,875** |
| Expenses resulting from the resignation of corporate officer | 4,567 | **–** | **–** |
| Retirement benefits | 6 | **–** | **–** |
| Other long-term benefits | 8,092 | **–** | **–** |
| Total | ¥18,202 | **¥ 2,146** | **$ 16,071** |

For the fiscal year ended March 31, 2022

Remuneration for major executives represents remuneration for the directors of SoftBank Group Corp. (including external directors), Marcelo Claure as the Corporate Officer, Executive Vice President and COO and Rajeev Misra as the Corporate Officer, Executive Vice President.

Marcelo Claure resigned from his position as the Corporate Officer, Executive Vice President and COO at SoftBank Group Corp. on January 27, 2022. He is not an executive of the Company from January 28, 2022. Expenses resulting from the resignation of corporate officer in the table above represent expenses which payment amounts are defined in relation to his resignation.

Other long-term benefits in the table above represent the long-term incentive plan for Marcelo Claure. The long-term incentive plan is linked to the performance of SBLA Latin America Fund (Cayman) L.P. and SBLA Holdings (Cayman) L.P. which constitute SoftBank Latin America Fund ("SoftBank Latin America Fund 1"). As this long-term incentive plan in principle allows retired directors and employees to continue to be eligible for this long-term incentive plan, Marcelo Claure will continue to be eligible for this long-term incentive plan. The amount of compensation under this long-term incentive plan will the amount by multiplying the Incentive Award Pool (Meaning Net proceeds from SoftBank Latin America Fund 1's proceeds, less allocations to limited partners, operating expenses and others, multiplied by 50%) by the plan participant's award percentage, and will vest on the earlier of the date of the liquidation of SoftBank Latin America Fund 1 or October 30, 2029. Marcelo Claure's award percentage is 30% of the Incentive Award Pool.

The other long-term benefits amount in the table above represents estimated compensation to Marcelo Claure calculated based on the performance of SoftBank Latin America Fund 1 as of March 31, 2022, and such amounts may increase or decrease depending on the future performance of SoftBank Latin America Fund 1. Payment of this long-term incentive plan compensation amounts will be made after the performance fee has been paid by SoftBank Latin America Fund 1 to the fund management company, and all compensation payments will be completed by March 15, 2030.

In addition to the remuneration in the table above, the Company sold shares of its subsidiary to Marcelo Claure. The details are described in "*11" in "d. Other related party transactions" in "For the fiscal year ended March 31, 2022" under "(1) Related party transactions and balances."

For the fiscal year ended March 31, 2023

Remuneration for major executives represents remuneration for the directors of SoftBank Group Corp. (including external directors) and Rajeev Misra as the Corporate Officer, Executive Vice President.

Rajeev Misra resigned from his position as the Corporate Officer, Executive Vice President at SoftBank Group Corp. on August 31, 2022. He is not an executive of the Company since September 1, 2022.

## 46. Contingency

### (1) Lending commitments

Lending commitments that the Company is engaged in are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Lending commitments | ¥7,135,014 | **¥12,270,942** | **$91,896,518** |
| Funded | 814,632 | **1,050,583** | **7,867,768** |
| Unfunded | ¥6,320,382 | **¥11,220,359** | **$84,028,750** |

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

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

Expected credit loss that could arise resulting from the execution of the above loan commitments are described in "b. Credit risk" in "(2) Financial risk management" under "Note 28. Financial instruments."

### (2) Credit guarantees

Guarantees that the Company provides are as follows:

| | (Millions of yen) | | (Thousands of U.S. dollars) |
|---|---|---|---|
| | As of March 31, 2022 | **As of March 31, 2023** | **As of March 31, 2023** |
| Total amount of financial guarantee contract | ¥ 232,324 | **¥ 196,243** | **$ 1,469,655** |
| Guarantee balance | 155,332 | **194,625** | **1,457,538** |

The Company has provided credit support (financial guarantee contract) for a $1.43 billion letter of credit facility to WeWork by financial institutions. As of March 31, 2023, the total amount of financial guarantee contract and the guarantee balance are ¥190,948 million ($1,430,001 thousand) (as of March 31, 2022: the total amount of financial guarantee contract of ¥214,183 million and the guarantee balance of ¥147,848 million) for this credit support. The credit support for letter of credit facility will expire on March 2025. In the event that the Company fulfills such joint and several liability, the Company will obtain the right of indemnification against WeWork.

As of March 31, 2023, the Company recorded allowance for financial guarantee contract losses of ¥152,365 million ($1,141,054 thousand) (as of March 31, 2022: ¥22,280 million) under "Other financial liabilities (current)" in the consolidated statement of financial position.

Previously, SoftBank Group Corp. provided the credit support for letter of credit facility to WeWork by financial institutions. SVF2 has provided the credit supports as of March 31, 2023.

### (3) Litigation

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

a. Credit Suisse Litigation

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

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

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

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

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

(b) On April 30, 2015, JPiT filed a lawsuit against SoftBank Corp. and Nomura Research Institute, Ltd. (“NRI”) as codefendants. In this lawsuit, JPiT alleges that SoftBank Corp. and NRI delayed performance of the ordered services related to the project for migration to the 5th PNET mentioned in (a) above and alleges that such delay caused damages to JPiT. JPiT made joint and several claims against both SoftBank Corp. and NRI for the alleged damages.

The order to consolidate lawsuit (b) above with lawsuit (a) above was made on July 29, 2015.

On September 9, 2022, the Tokyo District Court rendered a judgment ordering JPiT to pay ¥1,921 million ($14,386 thousand) as remuneration for the additional services and delay damages, and SoftBank Corp. to pay JPiT ¥10,854 million ($81,285 thousand) in damages and delay damages. SoftBank Corp. appealed this judgment to the Tokyo High Court on September 22, 2022. And as of March 31, 2023, SoftBank Corp. recorded a total of ¥19,176 million ($143,608 thousand), consisting of ¥8,984 million ($67,281 thousand) in damages and ¥10,192 million ($76,327 thousand) in delay damages, which offset against the amount allowed under this judgment, in “Provisions (current)” in the consolidated statement of financial position. For the fiscal year ended March 31, 2023, in the consolidated statement of profit or loss, provision for loss relating to litigation of ¥19,176 million ($143,608 thousand) was recorded in “Other gain (loss)”.

**47. Purchase commitments**

The Company had commitments to purchase services and goods of ¥992,152 million ($7,430,180 thousand) as of March 31, 2023 (¥1,051,023 million as of March 31, 2022). Purchase commitments are mainly outstanding contracts related to investments, purchases of telecommunications equipment, and purchases of mobile devices.

**48. Subsequent events**

There have been no significant subsequent events to date.

**49. Approval of consolidated financial statements**

The consolidated financial statements have been approved by the Company’s Representative Director, Corporate Officer, Chairman & CEO, Masayoshi Son, as of June 16, 2023.

# Independent Auditor's Report

SoftBank Group Corp. and its Consolidated Subsidiaries

Deloitte.

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of SoftBank Group Corp.:

**Opinion**

We have audited the consolidated financial statements of SoftBank Group Corp. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as of March 31, 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

**Convenience Translation**

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 2.(3) to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matter**

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.



**The reasonableness of the valuation of the investments from SVF (FVTPL) classified as Level 3**

(1) Key Audit Matter Description

The Company holds its investments primarily through SoftBank Vision Fund L.P. and its alternative investment vehicles and SoftBank Vision Fund II-2 L.P. and its alternative investment vehicles ("SVF"). The major global stock markets, including the NASDAQ, were sluggish during the current fiscal year, which significantly impacted the Company's profits and losses. The recorded investments from SVF (FVTPL) were ¥10,489,722 million in the consolidated statement of financial position as of March 31, 2023, which includes ¥7,116,219 million of Level 3 investments, whose fair values were measured using unobservable inputs as discussed in Note 29. The enterprise values to calculate the fair values of the investments from SVF (FVTPL) classified as Level 3 are calculated primarily based on the recent transactions method, the discounted cash flow method and the market comparable company multiple method. Calculations are determined utilizing one or more of these methods for each security.

For each valuation method, the following significant assumptions, which are subject to a high degree of management judgment, and the occurrence of the following events, are highly sensitive:

- business plan and capital cost that are used in the discounted cash flow method
- selection of peer companies as the basis for revenue multiples used for a market comparable company multiple method
- the subsequent events that provide additional evidence to fair value at the end of the reporting period
- weighted average ratio when more than one valuation methods described above are used

The calculated enterprise value is allocated to the equity value of each type of stock according to the capital structure of the investee to calculate the fair value. With the main consideration of shareholder's rights and their preferred rights, the option pricing method is used to determine the allocation ratio. In addition, the allocation ratio is determined by considering the possibility that the preferred stock will be converted into common stock through an initial public offering and other events. The estimates that are associated with high uncertainty in the future, such as a possibility of an initial public offering, significantly affect the allocation ratio.

Based on the above, we determined that the reasonableness of the valuation of the investments from SVF (FVTPL) classified as Level 3 is a key audit matter.

(2) How the Key Audit Matter Was Addressed in the Audit

We performed the following primary procedures to evaluate the reasonableness of the estimates related to valuation of the investments from SVF (FVTPL) classified as Level 3 by instructing the component auditors:

- We tested the reasonableness of the selection of valuation methods utilized by performing inquires of management, evaluating the consistency of the valuation methods previously utilized and evaluating the appropriateness of changes in such methods, if any.
- For the investments from SVF (FVTPL) classified as Level 3 where the discounted cash flow method is utilized, we performed retrospective reviews of performance against plan with reference to external reports (where available) in order to evaluate the reasonableness of the business plan. We evaluated the reasonableness of the capital cost used in the valuation with the assistance of our valuation specialists.
- For the investments from SVF (FVTPL) classified as Level 3 where the market comparable company multiple method is utilized, we evaluated the reasonableness of management's selection of peer companies, which serves as the basis for the revenue multiples selected by management, with the assistance of our valuation specialists.

- We performed inquiries of management, inspected publicly available information to identify if there are any new funding rounds, or listing of shares as a result of an initial public offering or merger with a special purpose acquisition company, and evaluated whether or not these events should be considered in estimating the fair value of the relevant investment at the end of the reporting period.
- In case the calculated enterprise value needs to be allocated to each class of shares, we verified whether the allocation is calculated based on the preferred-subordinate relationship defined in the contract, articles of incorporation and other information.
- For the investments from SVF (FVTPL) classified as Level 3 where more than one valuation methods are utilized, we evaluated the reasonableness of the weighted average ratio of more than one valuation methods, consistency with the weighted average ratio previously used and the appropriateness of changes in the ratio, if any.
- Regarding the estimates of the possibility of an initial public offering, we performed inquiries of management and inspected any publicly available filings to evaluate whether management's judgment was reasonable.
- With the assistance of our valuation specialists, we evaluated whether the fair value calculated by management deviated materially from the estimate of valuation assessed by us.

**Other Information**

Other information comprises the information included in the Company's disclosure documents accompanying the audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We determined that no such information existed and therefore, we did not perform any work thereon.

**Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with IFRSs and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with IFRSs, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

June 21, 2023

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SoftBank Group Corp.

TSE Prime Market: 9984

https://group.softbank/en/