

This English translation of the financial report was prepared for reference purposes only and is qualified in its entirety by the original Japanese version.

SoftBank Group Corp.
Consolidated Financial Report
For the Six-Month Period Ended September 30, 2024 (IFRS)

Tokyo, November 12, 2024

1. Financial Highlights

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

(1) Results of Operations

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

	Net sales		Income before income tax		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Six-month period ended September 30, 2024	¥3,469,922	7.5	¥1,461,143	-	¥1,237,366	-	¥1,005,319	-	¥(61,842)	-
Six-month period ended September 30, 2023	¥3,227,060	1.4	¥(907,425)	-	¥(1,105,153)	-	¥(1,408,727)	-	¥669,159	(73.7)

	Basic earnings per share (Yen)	Diluted earnings per share (Yen)
Six-month period ended September 30, 2024	¥680.70	¥679.37
Six-month period ended September 30, 2023	¥(971.65)	¥(974.03)

(2) Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets (%)
As of September 30, 2024	¥45,346,920	¥12,807,197	¥10,746,634	23.7
As of March 31, 2024	¥46,724,243	¥13,237,169	¥11,162,125	23.9

2. Dividends

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

Notes:

- On October 21, 2024, the Company announced that the interim dividend for the fiscal year ending March 31, 2025 was determined under the resolution passed at the Board of Directors meeting held on the same date.
- Revision of the latest forecasts on the dividends: No

*** Notes**

(1) Significant changes in scope of consolidation during the period: Yes

Newly consolidated: 81 companies (SBE Global, LP and its 80 subsidiaries)

Excluded from consolidation: 427 companies (Fortress Investment Group LLC and its 426 subsidiaries)

(2) Changes in accounting policies and accounting estimates

[1] Changes in accounting policies required by IFRS: No

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

[3] Changes in accounting estimates: No

(3) Number of shares issued (common stock)

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

As of September 30, 2024: 1,469,995,230 shares

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

[2] Number of shares of treasury stock:

As of September 30, 2024: 22,932,129 shares

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

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

As of September 30, 2024: 1,463,279,788 shares

As of September 30, 2023: 1,464,122,067 shares

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

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

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

On November 12, 2024 (JST), the Company will hold an earnings results briefing for the media, institutional investors, and financial institutions. This earnings results briefing will be broadcasted live on the Company's website in both Japanese and English at <https://group.softbank/en/ir>. The data sheet will also be posted on the website on the same date at the same site.

(Appendix)

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Disclaimer

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

Notice Regarding PFIC Status

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

Definition of Company Names and Abbreviations Used in This Appendix

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

Company names/Abbreviations	Definition
SoftBank Group Corp. or SBG	SoftBank Group Corp. (stand-alone basis)
The Company	SoftBank Group Corp. and its subsidiaries
<i>*Each of the following names or abbreviations indicates the respective company and its subsidiaries, if any.</i>	
SB Northstar or asset management subsidiary	SB Northstar LP
SoftBank Vision Fund 1 or SVF1	SoftBank Vision Fund L.P. and its alternative investment vehicles
SoftBank Vision Fund 2 or SVF2	SoftBank Vision Fund II-2 L.P.
SoftBank Latin America Funds or LatAm Funds	SBLA Latin America Fund LLC
SoftBank Vision Funds or SVF	SVF1, SVF2, and LatAm Funds
SBIA	SB Investment Advisers (UK) Limited
SBGA	SB Global Advisers Limited
Arm	Arm Holdings plc
SBE Global	SBE Global, LP
Fortress	Fortress Investment Group LLC
WeWork	WeWork Inc.
T-Mobile	T-Mobile US, Inc.
Alibaba	Alibaba Group Holding Limited
MgmtCo	MASA USA LLC
The first quarter	Three-month period ended June 30, 2024
The second quarter	Three-month period ended September 30, 2024
The period	Six-month period ended September 30, 2024
The second quarter-end	September 30, 2024
The fiscal year	Fiscal year ending March 31, 2025
The previous fiscal year	Fiscal year ended March 31, 2024
The previous fiscal year-end	March 31, 2024

Exchange Rates Used for Translations

USD/JPY	Fiscal year ended March 31, 2024				Fiscal year ending March 31, 2025	
	Q1	Q2	Q3	Q4	Q1	Q2
Average rate for the quarter	¥138.11	¥145.44	¥147.00	¥147.87	¥156.53	¥150.26
Rate at the end of the period				¥151.41		¥142.73

1. Results of Operations

(1) Overview of Results of Operations

1. Results highlights

◆ ¥2,651.0 billion investment gain (¥963.6 billion loss for the same period of the previous fiscal year)

- ¥2,116.8 billion investment gain at Investment Business of Holding Companies
 - Investment gains of ¥1,280.1 billion on Alibaba shares and ¥566.2 billion^{*1} on T-Mobile shares
 - Investment gain of ¥1,280.1 billion on Alibaba shares was offset by a derivative loss of ¥1,405.4 billion, which arose from prepaid forward contracts using Alibaba shares (recorded separately under “derivative loss (excluding gain (loss) on investments)”).
- ¥599.8 billion investment gain at SoftBank Vision Funds (excluding gains associated with SVF’s investments in the Company’s subsidiaries)
 - The fair values of a portion of investments, including ByteDance and Coupang, increased.
 - Since inception, the gross performance has been a gain of \$22.6 billion for SVF1 and a loss of \$21.0 billion for SVF2.^{*2}

Note: Changes in the fair value of the shares of consolidated subsidiaries, including Arm and SoftBank Corp., are not recorded in the Company’s consolidated statement of profit or loss.

◆ ¥1,461.1 billion income before income tax (improvement of ¥2,368.6 billion YoY)

reflecting the recordings of:

- Selling, general and administrative expenses of ¥1,433.1 billion
- Finance cost of ¥283.7 billion
- Foreign exchange gain of ¥289.0 billion. This was due to the yen’s appreciation in exchange rates used for translation at the second quarter-end compared with the previous fiscal year-end, amid a net excess of U.S. dollar-denominated liabilities over U.S. dollar-denominated cash and cash equivalents and loans receivable, primarily within SBG.
- Derivative loss (excluding gain (loss) on investments) of ¥1,478.0 billion. This arose from a loss relating to prepaid forward contracts using Alibaba shares following an increase in Alibaba’s share price. This loss offset the investment gain on Alibaba shares as mentioned above.
- Increase in third-party interests in SVF of ¥421.2 billion. This was mainly due to the recording of an investment gain of ¥896.4 billion at SVF1 (on an SVF segment basis), where the proportion of third-party interests is significant, resulting in an increase in third-party interests of ¥363.1 billion (attributable to investors entitled to performance-based distribution).

◆ ¥1,005.3 billion net income attributable to owners of the parent (improvement of ¥2,414.0 billion YoY)

reflecting the recordings of:

- Income taxes of ¥223.8 billion
- Net income attributable to non-controlling interests of ¥232.0 billion

2. Sequentially implement investments for growth

◆ SBG and its wholly owned subsidiaries

Total investment of ¥419.5 billion^{*3}

Examples of investments during the period:

- Investment in Wayve Technologies, a U.K. company developing autonomous driving platforms based on data learning using AI
- Acquisition of additional interests in equity method associate SBE Global, which constructs and operates solar power plants in the U.S., converting it to a subsidiary
- Acquisition of U.K.-based company Graphcore, a designer and developer of semiconductor chips specialized for AI and machine learning, also converting it to a subsidiary

◆ SVF

Total investment of \$1.23 billion,^{*4} primarily in the Enterprise and Frontier Tech sectors, net of follow-on investments in the Company’s subsidiaries that were eliminated in consolidation

3. Refinance of bonds and execution of loan financings

◆ Domestic straight bonds

The Company issued domestic straight bonds of ¥100.0 billion to wholesale markets in April 2024 and ¥550.0 billion to retail markets in June 2024. The Company redeemed domestic straight bonds of ¥450.0 billion upon maturity in June 2024.

◆ Foreign currency-denominated senior notes

In July 2024, the Company issued U.S. dollar-denominated senior notes of \$900 million and euro-denominated senior notes of 900 million euros. In the same month, the Company also redeemed U.S. dollar-denominated senior notes of \$767 million prior to maturity and euro-denominated senior notes of 638 million euros upon maturity.

◆ Term loans

The Company borrowed \$2.9 billion through a term loan in September 2024.

◆ Commitment lines

The Company renewed its commitment line agreement in September 2024. After the renewal, the drawdown limits are \$5,465 million for the U.S. dollar-denominated tranche and ¥35.6 billion for the yen-denominated tranche. As of the second quarter-end, the entire amount remained undrawn.

4. Share repurchase

Under the share repurchase program with a maximum of ¥500.0 billion authorized in August 2024, the Company purchased a cumulative total of ¥153.8 billion by the second quarter-end and a cumulative total of ¥174.8 billion by October 31, 2024.

Notes:

1. Includes derivative gains and losses on investments and effects of foreign exchange translation
2. Gross amounts before deductions, such as third-party interests and taxes
3. The amount comprises the investment outlay by SBG and its primary wholly owned subsidiaries (excluding investments in U.S. Treasury Bonds), recorded under "Payments for acquisition of investments," with the addition of net outlays associated with the subsidiary conversion of SBE Global and Graphcore Limited ("Graphcore"), recorded under "Payments (net) for acquisition of control over subsidiaries," both of which are presented within the consolidated statement of cash flows.
4. The amounts recorded in the consolidated statement of cash flows

PAYMENT OF SECOND INSTALLMENT OF CONSIDERATION FOR INTRAGROUP TRANSACTION OF ARM SHARES

In August 2024, the Company made the second installment payment of \$4.1 billion as part of the total consideration for the acquisition of Arm's ordinary shares, which took place in August 2023, prior to Arm's initial public offering in September 2023, when the Company's wholly owned subsidiary purchased the ordinary shares of Arm held by SVF1 (equivalent to 24.99% of Arm's outstanding shares) for \$16.1 billion (the "Transaction Consideration"). The Transaction Consideration is being paid in four installments, with the first installment of \$4.1 billion having been paid at the completion of the transaction in August 2023. These installment payments do not have any impact on the consolidated financial statements as they are settlements of claims and obligations pertaining to consideration for transfer of shares of the Company's subsidiary within the group.

Timing and amount of installments of the Transaction Consideration

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

a. Consolidated Results of Operations

(Millions of yen)

	Six months ended September 30		Change	Change %	
	2023	2024			
Net sales	3,227,060	3,469,922	242,862	7.5%	A
Gross profit	1,732,317	1,851,144	118,827	6.9%	
Gain on investments					
Gain (loss) on investments at Investment Business of Holding Companies	(413,530)	2,116,759	2,530,289	-	B
Gain (loss) on investments at SoftBank Vision Funds	(583,282)	599,778	1,183,060	-	C
Gain (loss) on other investments	33,257	(65,511)	(98,768)	-	
Total gain (loss) on investments	(963,555)	2,651,026	3,614,581	-	
Selling, general and administrative expenses	(1,354,072)	(1,433,070)	(78,998)	5.8%	D
Finance cost	(295,184)	(283,710)	11,474	(3.9%)	E
Foreign exchange gain (loss)	(648,086)	289,044	937,130	-	F
Derivative gain (loss) (excluding gain (loss) on investments)	701,718	(1,477,966)	(2,179,684)	-	G
Change in third-party interests in SVF	(226,265)	(421,217)	(194,952)	86.2%	H
Other gain	145,702	285,892	140,190	96.2%	I
Income before income tax	(907,425)	1,461,143	2,368,568	-	
Income taxes	(197,728)	(223,777)	(26,049)	13.2%	J
Net income	(1,105,153)	1,237,366	2,342,519	-	
Net income attributable to non-controlling interests	303,574	232,047	(71,527)	(23.6%)	
Net income attributable to owners of the parent	(1,408,727)	1,005,319	2,414,046	-	
Total comprehensive income	669,159	(61,842)	(731,001)	-	
Comprehensive income attributable to owners of the parent	377,178	(281,127)	(658,305)	-	

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

A Net Sales

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

B Gain on Investments at Investment Business of Holding Companies

Investment gain of ¥2,116,759 million was recorded at Investment Business of Holding Companies. This primarily included investment gains of ¥1,280,056 million on Alibaba shares and ¥566,247 million on T-Mobile shares (including derivative gains and losses on investments and effects of foreign exchange translation). For details, see “(a) Investment Business of Holding Companies Segment” under “b. Results by Segment.”

C Gain on Investments at SoftBank Vision Funds

Investment gain of ¥599,778 million was recorded at SoftBank Vision Funds. This comprised a gain of ¥841,915 million at SVF1, a loss of ¥232,636 million at SVF2, and a gain of ¥19,211 million at LatAm Funds, and a loss of ¥28,712 million on other investments.

The investment gain at SVF1 was primarily due to unrealized valuation gains (net) totaling ¥850,711 million for investments held at the second quarter-end. Of this, an unrealized gain (net) totaling ¥650,209 million was recorded for public portfolio companies, mainly attributed to higher share prices of Coupang, Inc. (“Coupang”) and DiDi Global Inc. (“DiDi”). For private portfolio companies, an unrealized gain (net) totaling ¥200,502 million was recorded, mainly due to increases in the fair value of portfolio companies such as Bytedance Ltd. (“ByteDance”), which saw a valuation rise due to share price increases among its market comparable companies and its strong performance, despite decreases in the fair values of some other investments primarily due to their weaker performances.

The investment loss at SVF2 was primarily due to unrealized valuation losses (net) totaling ¥243,702 million for investments held at the second quarter-end. This was largely due to a decline in the share prices of public portfolio companies, including AutoStore Holdings Ltd. (“AutoStore”) and Symbotic Inc. (“Symbotic”), as well as a decrease in the fair values of private portfolio companies, mainly reflecting markdowns due to weaker performances.

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

Primarily as a result of B and C, the total gain on investments was ¥2,651,026 million.

D Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by ¥63,408 million year on year to ¥1,019,922 million in the SoftBank segment and by ¥51,546 million year on year to ¥265,945 million in the Arm segment. The increase in the SoftBank segment was primarily due to higher sales-related costs driven by strengthened efforts to acquire smartphone contracts and promote continued use of commerce services by existing customers. Additionally, it was impacted by the increase in license fees and outsourcing costs incurred by LY Corporation in response to security incidents. The increase in the Arm segment was primarily due to higher personnel expenses, including share-based compensation, driven by the growth in the number of engineers and other employees, mainly to enhance its R&D capability.

E Finance Cost

Interest expenses at SBG¹ increased by ¥15,364 million year on year to ¥217,317 million. In contrast, interest expenses at SVF decreased by ¥32,079 million year on year to ¥17,552 million, due to a significant decrease in borrowings. The increase at SBG was primarily due to an increase in interest payments on domestic bonds following an increase in the outstanding balance as well as higher interest expenses from prepaid forward contracts using Alibaba shares, driven by the yen’s depreciation in the average exchange rates used for translation for the period compared with the same period of the previous fiscal year.

F Foreign Exchange Gain

Foreign exchange gain of ¥289,044 million (net) was recorded due to the yen’s appreciation in exchange rates used for translation at the second quarter-end compared with the previous fiscal year-end. This was mainly because SBG and domestic subsidiaries used for fund procurement had U.S. dollar-denominated liabilities, such as borrowings

from subsidiaries and foreign currency-denominated senior notes, that exceeded their U.S. dollar-denominated cash and cash equivalents and loans receivable.

For SoftBank Vision Funds and other foreign subsidiaries and associates, whose functional currency is primarily U.S. dollars, the yen-translated value of net assets decreased due to the yen's appreciation in exchange rates used for translation at the second quarter-end compared with the previous fiscal year-end. However, this negative impact is not recognized as foreign exchange gains and losses; instead, it is reflected in the ¥1,308,691 million reduction in exchange differences from the translation of foreign operations, recorded under accumulated other comprehensive income in equity in the condensed interim consolidated statement of financial position.

G Derivative Loss (Excluding Gain or Loss on Investments)

Derivative loss of ¥1,405,393 million was recorded for the prepaid forward contracts and associated contracts using Alibaba shares.

H Change in Third-Party Interests in SVF

“Change in third-party interests in SVF” represents the gains and losses attributable to third-party investors, which are calculated based on the gains and losses on investments at SoftBank Vision Funds, net of management fees, performance-linked management fees, and performance fees payable to the fund managers (which are wholly owned subsidiaries of the Company) and operating and other expenses of SoftBank Vision Funds. In the consolidated statement of profit or loss, gains on investments at SoftBank Vision Funds typically lead to an increase in third-party interests (attributable to investors entitled to performance-based distributions), which negatively impacts profit. Conversely, losses on investments reduce third-party interests (attributable to investors entitled to performance-based distributions), thereby positively impacting profit. In addition, regardless of the investment gains or losses at SoftBank Vision Funds, increases in amounts attributable to investors entitled to fixed distributions are recorded as contributions to loss. This is based on the outstanding capital of preferred equity contributions from third-party investors.

In the period, third-party interests in SVF increased by ¥421,217 million, relative to a gain on investments at SoftBank Vision Funds of ¥599,778 million. This was primarily due to the recording of an investment gain of ¥896,444 million at SVF1 (on a segment basis), where the proportion of third-party interests is substantial. This resulted in a ¥363,129 million increase in third-party interests attributable to investors entitled to performance-based distributions. In addition, a ¥61,852 million increase in amounts attributable to investors entitled to fixed distributions also contributed to this increase.

I Other Gain

A gain of ¥93,139 million was recorded due to the loss of control over Fortress, after SBG sold all of its interests in Fortress, held through its subsidiary, to a subsidiary of Mubadala Investment Company PJSC in May 2024. In July 2024, SBG acquired additional interests in its equity method associate SBE Global, converting it into a subsidiary. As a result of measuring SBG's existing interests at fair value, the Company recorded a ¥55,553 million gain arising from the remeasurement relating to business combination. For further details, see “13. Other gain” under “(7) Notes to Condensed Interim Consolidated Financial Statements” in “2. Condensed Interim Consolidated Financial Statements and Primary Notes.”

Primarily as a result of A through I, income before income tax was ¥1,461,143 million, an improvement of ¥2,368,568 million year on year.

J Income Taxes

Operating companies such as SoftBank Corp. and LY Corporation recorded income tax expenses. Additionally, SBG and its wholly owned subsidiaries recorded income tax expenses, primarily due to an increase in the fair value of investment securities held.

While the top-up tax was estimated in accordance with the Income Inclusion Rule of the Global Minimum Tax, which was applied from the fiscal year, SBG did not record any tax expenses.

Primarily as a result of A through J, net income attributable to owners of the parent was ¥1,005,319 million, an improvement of ¥2,414,046 million year on year.

b. Results by Segment

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

The following is a summary of the reportable segments.

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

Note:

- On May 14, 2024, SBG sold all interests in Fortress, held through its subsidiary, to a subsidiary of Mubadala Investment Company PJSC. Following the completion of the transaction, Fortress ceased to be a subsidiary of SBG.

(a) Investment Business of Holding Companies Segment

- 1. Investment gain of ¥2,116.8 billion was recorded at Investment Business of Holding Companies due to investment gains of ¥1,280.1 billion on Alibaba shares and ¥566.2 billion^{*1} on T-Mobile shares.**
- 2. Segment income amounted to ¥664.4 billion after recording derivative loss of ¥1,405.4 billion related to prepaid forward contracts using Alibaba shares.**

Note:

1. Includes derivative gains and losses on investments and effects of foreign exchange translation

OVERVIEW

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

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

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

SB Northstar engages in the acquisition and sale of listed stocks, corporate bonds (primarily those of investment grades with short time to maturity), and other instruments, utilizing the surplus funds of SBG. Investment gain (including interest received from bond investments) at the asset management subsidiary for the period amounted to ¥17.0 billion, bringing the cumulative investment loss since inception to ¥934.1 billion.^{*1} The balance of investments at the second quarter-end stood at ¥594.1 billion, including ¥519.2 billion in corporate bonds.

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

Note:

1. The cumulative investment loss includes dividend income and interest received from bond investments, but excludes the impact of SB Northstar's investments in three Special Purpose Acquisition Companies controlled by SB Investment Advisers (US) Inc.

FINANCIAL RESULTS

(Millions of yen)

	Six months ended September 30		Change	Change %	
	2023	2024			
Gain (loss) on investments at Investment Business of Holding Companies	(413,530)	2,116,759	2,530,289	-	A
Realized gain (loss) on investments at asset management subsidiaries	(88,342)	355	88,697	-	
Unrealized gain on valuation of investments at asset management subsidiaries	30,003	7,965	(22,038)	(73.5%)	
Realized gain (loss) on investments ^{*1}	5,489	(29,617)	(35,106)	-	
Unrealized gain (loss) on valuation of investments	(313,771)	2,113,078	2,426,849	-	
Change in valuation for the fiscal year	(340,928)	1,954,299	2,295,227	-	
Reclassified to realized gain recorded in the past fiscal years ^{*1}	27,157	158,779	131,622	484.7%	
Derivative loss on investments	(66,495)	(8,453)	58,042	-	
Effect of foreign exchange translation ^{*2}	6,532	(11,066)	(17,598)	-	
Other	13,054	44,497	31,443	240.9%	
Selling, general and administrative expenses	(41,495)	(60,806)	(19,311)	46.5%	
Finance cost	(209,642)	(270,408)	(60,766)	29.0%	B
Foreign exchange gain (loss)	(650,131)	289,539	939,670	-	C
Derivative gain (loss) (excluding gain (loss) on investments)					
<i>Mainly due to prepaid forward contracts using Alibaba shares</i>	700,386	(1,472,334)	(2,172,720)	-	
Other gain	71,160	61,616	(9,544)	(13.4%)	
Segment income (income before income tax)	(543,252)	664,366	1,207,618	-	

Notes:

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

A Gain on investments at Investment Business of Holding Companies: ¥2,116,759 million

- On June 7, 2024, the Company sold 6.7 million T-Mobile shares for \$670 million in conjunction with the exercise of a portion of the call options on T-Mobile shares granted to Deutsche Telekom. As a result, in relation to T-Mobile shares, for the period, the Company recorded a realized gain of ¥78,277 million on investment, an unrealized loss of ¥50,043 million on the valuation of investment (the amount reclassified to realized gain from the amounts recorded in the past fiscal years), a derivative loss of ¥17,753 million on investment, and a loss of ¥11,066 million as an effect of foreign exchange translation. The remaining unexercised portion of the call options expired on June 22, 2024.
- Realized loss of ¥109,504 million and unrealized valuation gain of ¥207,113 million (the amount reclassified to realized loss from the amounts recorded in the past fiscal years) were recorded due to the physical settlement of a portion of the prepaid forward contracts using Alibaba shares.
- Unrealized gain of ¥2,113,078 million was recorded on the valuation of investments. Of this, ¥1,954,299 million was recorded as changes in valuation for the fiscal year, primarily consisting of gains on investments continued to be held at the second quarter-end, including ¥1,182,447 million on Alibaba shares, ¥560,265 million on T-Mobile shares, and ¥176,038 million on Deutsche Telekom shares.

B Finance cost: ¥270,408 million (increase of ¥60,766 million year on year)

- Interest expenses at SBG¹ to entities outside of the group increased by ¥15,364 million year on year to ¥217,317 million. This was primarily due to an increase in interest payments on domestic bonds following an increase in the outstanding balance, as well as higher interest expenses from prepaid forward contracts using Alibaba shares, driven by the yen's depreciation in average exchange rates used for translation for the period compared with the same period of the previous fiscal year.
- An amortized cost of ¥51,661 million was recognized for the unpaid portion of the consideration for the acquisition of Arm shares from SVF1 in August 2023. This amortized cost is eliminated in consolidation.

C Foreign exchange gain: ¥289,539 million

Foreign exchange gain of ¥289,539 million (net) was recorded due to the yen's appreciation in exchange rates used for translation at the second quarter-end compared to the previous fiscal year-end. This was primarily because U.S. dollar-denominated liabilities (such as borrowings from subsidiaries and foreign currency-denominated senior notes) of SBG and domestic subsidiaries used for fund procurement exceeded their U.S. dollar-denominated cash and cash equivalents and loans receivable.

Reference: Impact of the asset management subsidiary on the condensed interim consolidated statement of financial position

	(Millions of yen)
	September 30, 2024
Cash and cash equivalents	499,225
Investments from asset management subsidiaries	594,076
including corporate bonds	519,201
Derivative financial assets at asset management subsidiaries	9
Other financial assets	1,569
Other	6,774
Total assets	1,101,653
Other financial liabilities	1,569
Other	151
Total liabilities	1,720
Investments from Delaware subsidiaries ^{*1}	1,971,699
Equivalent amount of cash investments by SBG in Delaware subsidiaries	39,786
Equivalent amount of loans to Delaware subsidiaries held by SBG (the amount entrusted by SBG related to asset management)	1,912,020
Equivalent amount of cash investments by Masayoshi Son in Delaware subsidiaries	19,893 A
Retained earnings	(975,060) B
Exchange differences	103,294
Equity	1,099,933 C

Note:

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

(Calculation of non-controlling interests)

	(Millions of yen)
Equivalent amount of cash investments by Masayoshi Son in Delaware subsidiaries	19,893 A
Cumulative loss attributable to non-controlling interests ^{*2}	(324,921)
Exchange differences on translating foreign operations	40,943
Non-controlling interests (interests of Masayoshi Son)	(264,085) D

Note:

2. One-third of B in the above table

(Interests in equity (C above))

	(Millions of yen)
Interests of SBG	1,364,018
Non-controlling interests (interests of Masayoshi Son)	(264,085) D
Equity	1,099,933 C

Main interest-bearing debt and lease liabilities in this segment

Borrower	Type	Balance as of September 30, 2024 in condensed interim consolidated statement of financial position
SBG	Borrowings	¥891.4 billion
	Corporate bonds	¥6,321.1 billion
	Lease liabilities	¥8.7 billion
	Commercial paper	¥198.0 billion
Wholly owned subsidiaries conducting fund procurement	Borrowings using Arm shares (margin loan)	¥1,203.6 billion
	Prepaid forward contracts using Alibaba shares (collar and forward contracts)	¥3,566.2 billion
	Borrowings using SoftBank Corp. shares (margin loan)	¥499.5 billion
	Collar transactions using Deutsche Telekom shares	¥484.3 billion

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

(b) SoftBank Vision Funds Segment
1. Since inception, SVF1 has had a gross gain of \$22.6 billion; SVF2 has had a gross loss of \$21.0 billion.*¹
SVF1: \$112.1 billion in cumulative returns*² on \$89.5 billion investments, with \$22.6 billion gross gain

- Investment gain was \$5.8 billion (¥896.4 billion) for the period.
- The fair value of investments held at the second quarter-end increased by 6.7% from the previous quarter-end.*³
 - Up 16.8% QoQ for public portfolio companies,*⁴ primarily driven by an increase in the share prices of Coupang and DiDi
 - Down 0.3% QoQ for private portfolio companies,*⁴ mainly due to decrease in fair values of certain investments reflecting their weaker performance. This was partially offset by the increase in the fair values of some other investments due to share price increases among market comparable companies.

SVF2: \$32.6 billion in cumulative returns on \$53.6 billion investments, with \$21.0 billion gross loss

- Investment loss was \$1.7 billion (¥276.5 billion) for the period.
- The fair value of investments held at the second quarter-end increased by 3.0% from the previous quarter-end.
 - Up 0.2% QoQ for public portfolio companies, primarily due to an increase in the share price of Ola Electric, which listed its shares in August 2024, despite a decrease in the share prices of investments such as Symbotic and AutoStore
 - Up 3.4% QoQ for private portfolio companies, primarily reflecting valuation increases in certain investments in their recent transactions, as well as share price increases among market comparable companies

(As of September 30, 2024; in billions of U.S. dollars)

	Since Inception			The Fiscal Year* ⁵	
	Investment cost* ⁶	Returns* ⁶	Gain/loss	Gain/loss Jul - Sep	Gain/loss Apr - Sep
SVF1					
Exited investments	44.1	65.8	21.7	0.0	(4.4)
Investments before exit	45.4	43.9	(1.5)	2.8	5.6
<i>Reversal of valuation gain/loss recorded in prior periods for exited investments in the fiscal year</i>				0.2	4.6
Derivatives/Interests/Dividends	(0.0)	2.4	2.4	0.0	0.0
Total	89.5	112.1	22.6	3.0	5.8
				¥453.9 billion	¥896.4 billion
SVF2					
Exited investments	7.0	3.4	(3.6)	(0.3)	(3.9)
Investments before exit	46.6	29.2	(17.4)	0.8	(1.8)
<i>Reversal of valuation gain/loss recorded in prior periods for exited investments in the fiscal year</i>				0.3	3.9
Derivatives/Interests/Dividends	(0.0)	(0.0)	(0.0)	0.1	0.1
Total	53.6	32.6	(21.0)	0.9	(1.7)
				¥137.2 billion	¥(276.5) billion

Note:

In June 2024, following WeWork's emergence from Chapter 11 of the U.S. Bankruptcy Code, the WeWork stocks previously held by SVF1 and SVF2 were canceled. Additionally, a portion of the prepetition claims SVF2 held against WeWork was also canceled, while the remaining portion of these claims was converted into stocks of the newly restructured WeWork. As a result, the investments in the old WeWork stocks, warrants, and notes held by SVF1 and SVF2 were considered realized, and the unrealized investment losses of \$6.71 billion (SVF1: \$3.18 billion, SVF2: \$3.53 billion) recorded in past fiscal years were reclassified as realized losses.

2. Continued investment and monetization under a disciplined approach

- SVF2 made investments totaling \$1.24 billion² in sectors such as Enterprise and Frontier Tech during the period.
- SVF1 and SVF2 sold investments for a total of \$1.85 billion² in the period, including full exits from 10 portfolio companies, including SenseTime and Paytm, and partial exits from several portfolio companies.

Notes:

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

OVERVIEW

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

Outline of principal funds in the segment

As of September 30, 2024

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

	SVF1	SVF2	LatAm Funds
Primary limited partnership	SoftBank Vision Fund L.P.	SoftBank Vision Fund II-2 L.P.	SBLA Latin America Fund LLC
Total committed capital (billions of U.S. dollars)	98.6	60.8 ^{*2}	7.8 ^{*2}
	The Company: 33.1 ^{*1} Third-party investors: 65.5	The Company: 58.2 Third-party investor (MgmtCo): 2.6 ^{*3}	The Company: 7.4 Third-party investor (MgmtCo): 0.4 ^{*3}
Manager	SBIA (The Company’s wholly owned U.K. subsidiary)	SBGA (The Company’s wholly owned U.K. subsidiary)	
Investment period	Ended on September 12, 2019	To be determined by the manager	
Fund life	Until November 20, 2029 + up to two one-year extensions option by SBIA	Until October 4, 2032 + up to two one-year extensions option by SBGA	

Notes:

1. The Company’s committed capital to SVF1 includes approximately \$8.2 billion of an obligation that was satisfied by using Arm shares (all said shares have been contributed) and \$2.5 billion to be used for an incentive scheme related to SVF1.
2. Effective September 27, 2023, SBGA, the manager of SVF2 and LatAm Funds, may allocate an amount of committed capital from SVF2 to LatAm Funds up to the remaining amount of the \$4.0 billion upside of the additional commitment subscription letter entered into on May 11, 2023, and, in such circumstances, the total commitment to SVF2 will be reduced correspondingly.

3. A co-investment program has been introduced for SVF2 and LatAm Funds for the Company's management. MgmtCo, an investment entity for the co-investment program, participates in the two funds. The interest attributable to MgmtCo is treated as a third-party interest in the Company's consolidated financial statements. For details, see "(1) Co-investment program with restricted rights to receive distributions" under "16. Related party transactions" in "(7) Notes to Condensed Interim Consolidated Financial Statements" in "2. Condensed Interim Consolidated Financial Statements and Primary Notes."

Financing at SVF

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

Fair value measurement of investments

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

FINANCIAL RESULTS

	(Millions of yen)				
	Six months ended September 30				
	2023	2024	Change	Change %	
Gain on investments at SoftBank Vision Funds ^{*1}	181,136	610,388	429,252	237.0%	A
Gain on investments at SVF1, SVF2, and LatAm Funds	168,466	639,100	470,634	279.4%	
Realized gain (loss) on investments ^{*2}	855,769	(1,298,092)	(2,153,861)	-	
Unrealized gain (loss) on valuation of investments	(634,182)	1,672,305	2,306,487	-	
Change in valuation for the fiscal year	(633,520)	583,014	1,216,534	-	
Reclassified to realized gain (loss) recorded in the past fiscal years ^{*2}	(662)	1,089,291	1,089,953	-	
Interest and dividend income from investments	20,812	6,937	(13,875)	(66.7%)	
Derivative gain on investments	4,427	13,418	8,991	203.1%	
Effect of foreign exchange translation	(78,360)	244,532	322,892	-	
Gain (loss) on other investments	12,670	(28,712)	(41,382)	-	
Selling, general and administrative expenses	(44,688)	(36,065)	8,623	(19.3%)	
Finance cost	(52,532)	(20,671)	31,861	(60.7%)	
Change in third-party interests in SVF	(226,265)	(421,217)	(194,952)	86.2%	B
Other gain (loss)	(55,474)	36,406	91,880	-	
Segment income (income before income tax)	(197,823)	168,841	366,664	-	

Notes:

1. Gains and losses on investments associated with the change in valuation of SoftBank Vision Funds' investments in shares in the Company's subsidiaries (mainly Arm and PayPay Corporation) are included in segment income of the SoftBank Vision Funds segment as gains and losses on investments at SoftBank Vision Funds but are eliminated in consolidation and not included in gains and losses on investments at SoftBank Vision Funds in the consolidated statement of profit or loss.

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

Investments and disposals by SVF1 and SVF2

	Investments made during the fiscal year			(Billions of U.S. dollars)		
	Q1	Q2	YTD	Disposals ³ made during the fiscal year		
				Q1	Q2	YTD
SVF1	-	-	-	0.81	0.96	1.77
SVF2	0.62	0.62	1.24	0.03	0.05	0.08
Total	0.62	0.62	1.24	0.84	1.01	1.85

Note: Investments include new and follow-ons.

Segment income

A Gain on investments at SoftBank Vision Funds: ¥610,388 million

	(Millions of yen)		
	Six months ended September 30		
	2023	2024	Change
Gain on investments at SVF1	482,174	896,444	414,270
Loss on investments at SVF2	(347,102)	(276,475)	70,627
Gain on investments at LatAm Funds	33,394	19,211	(14,183)
Gain (loss) on other investments, etc.	12,670	(28,792)	(41,462)
Gain on investments at SoftBank Vision Funds	181,136	610,388	429,252

B Change in third-party interests in SVF: ¥(421,217) million

This represents the gains and losses attributable to third-party investors, which are calculated based on the gains and losses on investments at each fund, net of (i) management and performance fees payable to SBIA from SVF1; (ii) management and performance-linked management fees payable to SBGA from SVF2; (iii) management fees, performance-linked management fees, and performance fees payable to SBGA from LatAm Funds; and (iv) operating and other expenses of SVF. For details, see “(2) Third-party interests in SVF” under “4. SoftBank Vision Funds business” in “(7) Notes to Condensed Interim Consolidated Financial Statements” in “2. Condensed Interim Consolidated Financial Statements and Primary Notes.”

Investment performance

As of September 30, 2024

SVF1

(Billions of U.S. dollars)

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

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative gain ^{*1}	Investment gain recorded for the fiscal year	
					Jul - Sep	Apr - Sep
	102	89.5	112.1	22.6	3.0	5.8

(Reference)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative gain ^{*1}
<i>Effects of share exchanges^{*2}</i>	(4)	(2.0)	(2.0)	-
<i>Effects of dividends in kind^{*3}</i>	(4)	-	-	-
<i>Net of the above effects</i>	94	87.5	110.1	22.6

(1) Exited investments

	Number of investments	Investment cost	Exit price	Cumulative realized gain ^{*1}	Realized gain (loss) recorded for the fiscal year	
					Jul - Sep	Apr - Sep
Partial exit	-	5.7	16.3	10.6		0.5
Full exit ^{*4}	40	38.4	49.5	11.1		(4.9)
Total	40	44.1	65.8	21.7	0.0	(4.4)

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

	Number of investments	Investment cost	Fair value	Cumulative unrealized valuation loss ^{*7}	Unrealized valuation gain (loss) recorded for the fiscal year	
					Jul - Sep	Apr - Sep
Public ^{*6}	18	21.2	19.8	(1.4)	2.8	4.3
Private	44	24.2	24.1	(0.1)	(0.0)	1.3
Total	62	45.4	43.9	(1.5)	2.8	5.6

(3) Derivatives

	Derivative cost	Fair value/settlement price	Cumulative derivative gain	Derivative gain (loss) recorded for the fiscal year	
				Jul - Sep	Apr - Sep
Unsettled	0.0	0.0	0.0		(0.0)
Settled	(0.0)	1.4	1.4		0.0
Total	(0.0)	1.4	1.4	(0.0)	0.0

(4) Interest and dividend income from investments

	Interest and dividend income	Cumulative income	Interest and dividend income recorded for the fiscal year	
			Jul - Sep	Apr - Sep
Total	1.0	1.0	0.0	0.0

Notes:

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

- Before deducting third-party interests, taxes, and expenses
- For investments involving share exchanges, the acquisition costs of the new investments and the disposal prices (sale prices) of the initially held investments are deducted for the purpose of presenting the cumulative net investment performance. These include share exchanges between Uber Advanced Technologies Group and Aurora Innovation Inc.; PT Tokopedia and PT GoTo Gojek Tokopedia Tbk; Grofers International Pte. Ltd. and Zomato Limited; Zymergen, Inc. and Ginkgo Bioworks Holdings, Inc.; and Candy Digital, Inc. and Fanatics Holdings, Inc. (an existing portfolio company). In addition, SVF1 exchanged all shares in two portfolio companies for shares in their affiliated companies in prior years, which are also existing portfolio companies. The acquisition costs and disposal prices (sale prices) of these investments are also deducted in this section.
- Investments acquired through dividends in kind from existing portfolio companies are deducted from the investment count. These include two investments acquired from Arm (Treasure Data, Inc. and Acetone Limited (an intermediate holding company that owns approximately 48% of the equity interest in Arm Technology (China) Co., Ltd.)) and two investments acquired from Reef Global

Inc. (REEF Proximity Aggregator LLC and Parking Aggregator LLC).

4. Includes disposals (sales) as a result of share exchanges and restructuring of portfolio companies
5. The classification of portfolio companies as public/private is based on their status as of the second quarter-end.
6. Includes DiDi, which is traded in the over-the-counter market
7. For a certain investment that was initially determined to be transferred from the Company to SVF1 but later canceled, any unrealized valuation gains and losses incurred for the fiscal year leading up to the decision to cancel the transfer are excluded in this section.

SVF2

(Billions of U.S. dollars)

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

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative loss ^{*1}	Investment loss recorded for the fiscal year	
					Jul - Sep	Apr - Sep
	291	53.6	32.6	(21.0)	0.9	(1.7)

(Reference)

	Cumulative number of investments	Cumulative investment cost	Cumulative investment return	Cumulative loss ^{*1}
<i>Effects of financial support to WeWork^{*2}</i>	(5)	-	-	-
<i>Effects of share exchanges^{*3}</i>	(2)	(0.0)	(0.0)	-
<i>Net of the above effects</i>	284	53.6	32.6	(21.0)

(1) Exited investments

	Number of investments	Investment cost	Exit price	Cumulative realized loss ^{*1}	Realized loss recorded for the fiscal year	
					Jul - Sep	Apr - Sep
Partial exit	-	0.5	0.3	(0.2)		(0.1)
Full exit ^{*4}	18	6.5	3.1	(3.4)		(3.8)
Total	18	7.0	3.4	(3.6)	(0.3)	(3.9)

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

	Number of investments	Investment cost ^{*6}	Fair value ^{*6}	Cumulative unrealized valuation loss	Unrealized valuation gain (loss) recorded for the fiscal year	
					Jul - Sep	Apr - Sep
Public	16	6.0	3.6	(2.4)	0.0	(1.0)
Private	257	40.6	25.6	(15.0)	0.8	(0.8)
Total	273	46.6	29.2	(17.4)	0.8	(1.8)

(3) Derivatives

	Derivative cost	Fair value/settlement price	Cumulative derivative gain (loss)	Derivative gain recorded for the fiscal year	
				Jul - Sep	Apr - Sep
Unsettled	(0.0)	0.1	0.1		0.1
Settled	(0.0)	(0.3)	(0.3)		0.0
Total	(0.0)	(0.2)	(0.2)	0.1	0.1

(4) Interest and dividend income from investments

	Interest and dividend income	Cumulative income	Interest and dividend income recorded for the fiscal year	
			Jul - Sep	Apr - Sep
Total	0.2	0.2	-	0.0

Notes:

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

1. Before deducting third-party interests, taxes, and expenses
2. The WeWork notes held by SVF2, which constituted four investments, along with the stocks of the newly restructured WeWork, converted from the prepetition claims that SVF2 held against WeWork (constituting one investment), are deducted from the investment count.

3. For investments involving share exchanges, the acquisition costs of the new investments and the disposal prices (sale prices) of the initially held investments are deducted for the purpose of presenting the cumulative net investment performance. These include the share exchange between XCOM Labs, Inc. and Globalstar, Inc., as well as the share exchange between ODA Group Holding AS and Mathem Holdings AB.
4. Includes disposals (sales) as a result of share exchanges and restructuring of portfolio companies
5. The classification of portfolio companies as public/private is based on their status as of the second quarter-end.
6. The investment cost and fair value of investments before exit in SVF2 include minor ownership percentages in another portfolio company, which were received as part of the consideration for SVF2's investment in a specific portfolio company.

LatAm Funds

At the second quarter-end, LatAm Funds posted \$6.4 billion in cumulative returns on \$7.4 billion in investments, with a gross loss of \$1.0 billion since inception. For the period, investment gain was \$0.1 billion (¥19.2 billion).

Capital deployment

As of September 30, 2024

SVF1

(Billions of U.S. dollars)

	Total	The Company	Third-party investors
Committed capital (A)	98.6	33.1	65.5
Drawn capital ⁴ (B)	87.2	29.9	57.3
Return of capital (non-recallable) (C)	42.5	9.2	33.3
Outstanding capital ^{*1} (D) = (B) – (C)	44.7	20.7	24.0
Remaining committed capital (E) = (A) – (B)	11.4	3.2	8.2

Notes:

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

1. At the second quarter-end, \$8.1 billion of the \$24.0 billion of outstanding capital from third-party investors was attributable to preferred equity commitment.

SVF2

(Billions of U.S. dollars)

	Total
Committed capital (A)	60.8
Drawn capital (B)	58.3
Remaining committed capital (C) = (A) – (B)	2.5

Note: Remaining committed capital includes recallable return of capital.

(Reference: Breakdown of committed capital as of September 30, 2024)

Total committed capital	60.8
The Company's equity commitment to investments outside the scope of the co-investment program	12.6
The Company's preferred equity commitment to SVF2 LLC ^{*1}	33.2
The Company's equity commitment to SVF2 LLC	12.4
MgmtCo's equity commitment to SVF2 LLC	2.6

Notes:

* At the second quarter-end, no capital has been paid by MgmtCo.

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

At the second quarter-end, total committed capital for LatAm Funds was \$7.8 billion, with drawn capital totaling \$7.5 billion.

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

(c) SoftBank Segment

Segment income increased by 4.8% YoY, driven by sustained profit growth in the media & EC, consumer, and enterprise businesses, along with PayPay and PayPay Card turning profitable.

(Millions of yen)

	Six months ended September 30		Change	Change %
	2023	2024		
Net sales	2,934,041	3,152,377	218,336	7.4%
Segment income (income before income tax)	515,232	539,892	24,660	4.8%
Depreciation and amortization	(362,898)	(358,023)	4,875	(1.3%)
Gain (loss) on investments	8,622	(16,843)	(25,465)	-
Finance cost	(33,021)	(41,124)	(8,103)	24.5%
Other gain	27,757	36,074	8,317	30.0%

OVERVIEW

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

FINANCIAL RESULTS

Segment income was ¥539,892 million, an increase of ¥24,660 million (4.8%) year on year. This was primarily driven by continued profit growth in the media & EC, consumer, and enterprise businesses, as well as the profitability achieved by the main subsidiaries of the financial business: PayPay Corporation and PayPay Card Corporation.

In the media & EC business, the increase in income was driven by robust commerce and media sales associated with the growth in account advertising, as well as a gain recorded from the loss of control over multiple subsidiaries (included in “Other gain” in the table above). In the consumer business, the increase in income was primarily due to higher mobile service revenue, product sales, and broadband service revenue. The increase in mobile service revenue was mainly because of a rise in the number of smartphone subscribers and an improvement in Average Revenue Per User. In the enterprise business, income grew primarily due to increased sales of cloud services and other products, spurred by the accelerated digitalization of enterprises. The profitability achieved by PayPay Corporation and PayPay Card Corporation was primarily driven by increased fee income resulting from the expansion of gross merchandise volume, as well as higher interest income due to the growth in the revolving credit balance. Additionally, improvements in profitability were further supported by optimizing fixed costs and streamlining sales promotion expenses primarily through changing campaign designs.

The recognition of loss on investments in the period was primarily due to the fair value measurement of written put options granted to certain equity holders other than LY Corporation of an equity method associate in the subsidiary of LY Corporation.

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

(d) Arm Segment

Arm's business continues to benefit from technology companies increasing investments in AI. Arm recorded its highest net sales (U.S. dollar-based) for the period.

- ◆ **Net sales increased by 23.2% YoY in U.S. dollar terms. In yen terms, net sales increased by 33.0%.**
 - Royalty revenue increased by 25.3% YoY (U.S. dollar-based) due to continued penetration of Arm's latest *Armv9* technology, which commands higher royalty revenue per chip.
 - License and other revenue increased by 20.8% YoY (U.S. dollar-based) with Arm recognizing revenue from a high value, long-term deal signed with a major technology company in the previous fiscal year. In addition, Arm signed multiple other deals with companies developing chips for a wide range of applications, including future smartphones, data centers, networking equipment, automotive, consumer electronics, and AI applications.
- ◆ **Positive segment income due to strong revenue growth**

(Millions of yen)

	Six months ended September 30		Change	Change %
	2023	2024		
Net sales	205,797	273,807	68,010	33.0%
Segment income (income before income tax)	(8,439)	3,824	12,263	-

Note: Segment income included amortization expenses of ¥33,997 million for the period and ¥32,149 million for the same period of the previous fiscal year. These expenses are related to intangible assets recognized in the purchase price allocation at the time of the acquisition of Arm.

OVERVIEW

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

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

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

FINANCIAL RESULTS

Net sales in U.S. dollars

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

(Millions of U.S. dollars)

	Six months ended September 30		Change	Change %
	2023	2024		
Royalty revenue	783	981	198	25.3%
License and other revenue	664	802	138	20.8%
Total	1,447	1,783	336	23.2%

Net sales for the period reached a record high, increasing by \$336 million (23.2%) year on year.

Royalty revenue

Royalty revenue increased by \$198 million (25.3%) year on year, reaching a record high. This was primarily driven by very strong growth in revenue from smartphones, combined with increasing *Armv9* technology replacing *Armv8*

technology, and with *Armv9*-based chips delivering around double the royalty revenue compared with equivalent *Armv8*-based chips. In addition, Arm saw good year-on-year revenue growth from automotive chips as cars are becoming smarter. The growth in revenues from smartphones and automotive was partially offset by weaker sales of chips in networking equipment and IoT devices, both of which are going through a period of inventory drawdown by end-customers. Commentary from chip companies suggests that the inventory downturn may be nearing its end, and Arm expects to see sequential industry growth in some areas in the second half of the fiscal year.

License and other revenue

License and other revenue increased by \$138 million (20.8%) year on year, reaching a record high. This was due to Arm recognizing revenue from a high value, long-term deal signed with a major technology company in the previous fiscal year. In addition, Arm continues to sign licenses with customers who are developing chips for a wide range of applications, including future smartphones, data centers, networking equipment, automotive, consumer electronic devices, and AI applications. The current strong demand for licensing is expected to lay the foundation of a future royalty stream from chips that are to be developed and introduced to the market in the coming years.

Segment income

Segment income was ¥3,824 million, improving by ¥12,263 million year on year. This was due to Arm’s strong revenue growth, which outpaced the increased costs associated with factors such as the growing number of engineers developing next-generation technology.

Starting from the fiscal year, Arm has discontinued its cash-based corporate bonus, with share-based compensation now serving as the primary incentive for employees. Share-based compensation is recorded as an expense in accordance with IFRS 2 “Share-based Payment.”

TECHNOLOGY DEVELOPMENT

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

- In April 2024, Google LLC announced the Google Axion Processors, its first custom Arm-based CPUs designed for the data center, which provide up to 50% better performance and up to 60% better energy efficiency than comparable current generation x86-based processors.
- In May 2024, Microsoft Corporation announced its Copilot+ PCs, designed for AI. These are the fastest, most intelligent Windows PCs ever built, and the first generation running on Arm’s energy-efficient, high-performance architecture.
- In May 2024, Arm announced the next generation of its CPU and GPU products for smartphones, laptops and consumer electronics. This includes a new compute subsystem that delivers more than a 35% performance improvement for software and games, and over 40% for on-device generative AI, including large language models.
- In September 2024, Meta Platforms Inc. and Arm announced a collaboration to optimize Llama 3.2 small and large language models (one billion to 90 billion parameters) to run on Arm-based platforms from consumer electronics to smartphones to data center servers.

For more information on Arm’s U.S. GAAP-based financial results and business operations, please refer to Arm’s website at <https://investors.arm.com/>.

(2) Overview of Financial Position

1. Status of investment assets

◆ **Carrying amount of investments from SVF (FVTPL)^{*1} decreased by ¥91.2 billion from the previous fiscal year-end to ¥10,923.3 billion.^{*2}**

- ¥226.2 billion increase at SVF1: The balance increased by \$4.01 billion on a U.S. dollar basis due to an increase of \$5.55 billion in the fair value of investments held at the second quarter-end, offset by a decrease of \$1.53 billion from divestments.
- ¥288.8 billion decrease at SVF2: The balance decreased by \$0.38 billion on a U.S. dollar basis, mainly due to decreases of \$1.53 billion in the fair value of investments held at the second quarter-end and \$0.07 billion from divestments.² This occurred despite new² and follow-on investments totaling \$1.22 billion.

◆ **Carrying amount of investment securities decreased by ¥310.8 billion from the previous fiscal year-end to ¥8,751.1 billion,^{*2} which included:**

- Carrying amount of Alibaba shares of ¥3,024.4 billion (a decrease of ¥732.7 billion)
- Carrying amount of T-Mobile shares of ¥2,514.2 billion (an increase of ¥238.4 billion)
- Carrying amount of Deutsche Telekom shares of ¥946.7 billion (an increase of ¥118.7 billion)

2. Changes in liabilities associated with financing activities

◆ **Interest-bearing debt of SBG increased by ¥623.4 billion from the previous fiscal year-end.**

- The Company issued domestic straight bonds of ¥100.0 billion to wholesale markets in April 2024 and ¥550.0 billion to retail markets in June 2024. The Company redeemed domestic straight bonds of ¥450.0 billion upon maturity in June 2024.
- The Company issued U.S. dollar-denominated senior notes of \$900 million and euro-denominated senior notes of 900 million euros in July 2024. In the same month, the Company also redeemed U.S. dollar-denominated senior notes of \$767 million prior to maturity and euro-denominated senior notes of 638 million euros upon maturity.
- The Company borrowed \$2.9 billion through a term loan in September 2024.

◆ **Interest-bearing debt of wholly owned subsidiaries conducting fund procurement decreased by ¥1,666.0 billion from the previous fiscal year-end.^{*2}**

- \$6.26 billion in financial liabilities relating to sale of shares by prepaid forward contracts was derecognized at the time of the physical settlement of a portion of these contracts using Alibaba shares.
- Financial liabilities relating to sale of shares by prepaid forward contracts decreased by \$2.85 billion due to the cash settlement of all of such contracts using T-Mobile shares.

3. Changes in equity

◆ **Total equity decreased by ¥430.0 billion from the previous fiscal year-end.**

- Retained earnings increased due to recording net income attributable to owners of the parent of ¥1,005.3 billion.
- Continued share repurchase: ¥153.8 billion worth of shares were acquired during the period.
- Exchange differences from the translation of foreign operations decreased by ¥1,308.7 billion due to the yen's appreciation in exchange rates used for translation compared to the previous fiscal year-end.

◆ **Ratio of equity attributable to owners of the parent (equity ratio) was 23.7% at the second quarter-end, compared with 23.9% at the previous fiscal year-end.**

Notes:

1. Investments from SVF (FVTPL) do not include SVF's investments in the Company's subsidiaries (primarily PayPay Corporation) or investments that were transferred from the Company to the funds and continue to be accounted for using the equity method (and are included in "Investments accounted for using the equity method") prior to and after such transfer.
2. Includes decreases in the carrying amount due to a 5.7% appreciation of the yen against the U.S. dollar in the foreign currency exchange rate used for translations at the second quarter-end

	March 31, 2024	September 30, 2024	Change	Change %
Total assets	46,724,243	45,346,920	(1,377,323)	(2.9%)
Total liabilities	33,487,074	32,539,723	(947,351)	(2.8%)
Total equity	13,237,169	12,807,197	(429,972)	(3.2%)

(a) Assets

	(Millions of yen)		
	March 31, 2024	September 30, 2024	Change
Cash and cash equivalents	6,186,874	4,476,300	(1,710,574)
Trade and other receivables	2,868,767	2,747,583	(121,184)
Derivative financial assets	852,350	300,924	(551,426) A
Other financial assets	777,996	963,307	185,311 B
Inventories	161,863	198,330	36,467
Other current assets	550,984	422,232	(128,752)
Assets classified as held for sale	42,559	1,249,587	1,207,028 C
Total current assets	11,441,393	10,358,263	(1,083,130)
Property, plant and equipment	1,895,289	2,603,641	708,352 D
Right-of-use assets	746,903	843,315	96,412
Goodwill	5,709,874	5,605,437	(104,437) E
Intangible assets	2,448,840	2,353,366	(95,474)
Costs to obtain contracts	317,650	334,322	16,672
Investments accounted for using the equity method	839,208	611,780	(227,428)
Investments from SVF (FVTPL)	11,014,487	10,923,295	(91,192) F
SVF1	6,042,046	6,268,204	226,158
SVF2	4,096,880	3,808,036	(288,844)
LatAm Funds	875,561	847,055	(28,506)
Investment securities	9,061,972	8,751,145	(310,827) G
Derivative financial assets	385,528	126,091	(259,437)
Other financial assets	2,424,282	2,474,911	50,629
Deferred tax assets	245,954	187,711	(58,243)
Other non-current assets	192,863	173,643	(19,220)
Total non-current assets	35,282,850	34,988,657	(294,193)
Total assets	46,724,243	45,346,920	(1,377,323)

Reasons for changes by primary component

Components	Main reasons for changes from the previous fiscal year-end
<u>Current assets</u>	
A Derivative financial assets	Derivative financial assets related to the prepaid forward contracts using Alibaba shares decreased by ¥620,461 million (\$4.02 billion), due to an increase in the price of the shares and the physical settlement of a portion of the contracts. This was partially offset by an increase due to the reclassification of derivative financial assets from non-current assets to current assets, as the settlement date of the relevant contracts fell within one year.
B Other financial assets	Investments from the asset management subsidiary increased by ¥246,099 million, mainly due to the acquisition of corporate bonds (primarily those of investment grades with short time to maturity).
C Assets classified as held for sale	¥1,249,587 million (\$8.75 billion) worth of Alibaba shares were reclassified from investment securities to assets classified as held for sale, due to a decision made by September 30, 2024, to use them for physical settlement of a portion of the prepaid forward contracts maturing after October 2024.

Components	Main reasons for changes from the previous fiscal year-end
<u>Non-current assets</u>	
D Property, plant and equipment	In conjunction with the additional acquisition of interests in its equity method associate, SBE Global, in July 2024 to convert it into a subsidiary, property, plant and equipment of SBE Global in the amount of ¥636,521 million was recorded.
E Goodwill	Arm’s goodwill decreased by ¥205,463 million due to a 5.7% appreciation of the yen against the U.S. dollar in exchange rate used for translations at the second quarter-end.
F Investments from SVF (FVTPL)	<p>The carrying amount decreased mainly due to a 5.7% appreciation of the yen against the U.S. dollar in exchange rates used for translation at the second quarter-end.</p> <ul style="list-style-type: none"> · The carrying amount of investments at SVF1 increased by ¥226.2 billion (\$4.01 billion^{*1}). The result reflected an increase of \$5.55 billion in the fair value of investments held at the second quarter-end, despite a decrease of \$1.53 billion resulting from divestments. · The carrying amount of investments at SVF2 decreased by ¥288.8 billion (\$0.38 billion^{*1}). The result mainly reflected decreases of \$1.53 billion in the fair value of investments held at the second quarter-end and \$0.07 billion resulting from divestments,² despite new² and follow-on investments totaling \$1.22 billion. For details, see “(b) SoftBank Vision Funds Segment” under “b. Results by Segment” in “(1) Overview of Results of Operations.”
G Investment securities	<ul style="list-style-type: none"> · The carrying amount of Alibaba shares decreased by ¥732,692 million, with the balance at the second quarter-end being ¥3,024,371 million (\$21.19 billion). ¥1,249,587 million (\$8.75 billion) worth of Alibaba shares were reclassified from investment securities to assets classified as held for sale at the second quarter-end, as it was decided by September 30, 2024, to use them for physical settlement of a portion of the prepaid forward contracts maturing after October 2024. In addition, the Company derecognized ¥762,805 million (\$4.98 billion) at the time of the physical settlement of a portion of the prepaid forward contracts during the period. These factors outweighed an increase in the carrying amount due to an increase in Alibaba share price (Reference: the share price rose from \$72.36 per share as of March 31, 2024 to \$106.12 per share as of September 30, 2024). · The carrying amount of T-Mobile shares increased by ¥238,378 million, with the balance at the second quarter-end being ¥2,514,205 million (\$17.62 billion). This mainly reflected an increase in the company’s share price (Reference: the share price increased from \$163.22 per share as of March 31, 2024 to \$206.36 per share as of September 30, 2024), despite the Company selling 6.7 million shares due to a partial exercise of the call options on T-Mobile shares granted to Deutsche Telekom. · The carrying amount of Deutsche Telekom shares^{*2} increased by ¥118,652 million due to an increase in the company’s share price, with the balance at the second quarter-end being ¥946,688 million (\$6.63 billion) (Reference: the share price rose from 22.50 euro per share as of March 31, 2024 to 26.39 euro per share as of September 30, 2024). <p>The carrying amounts of these investment securities also reflected a decrease caused by a 5.7% appreciation of the yen against the U.S. dollar in exchange rates used for translations at the second quarter-end.</p>

Notes:

1. Includes the impact of changes in exchange rates between local currencies and the U.S. dollar
2. Includes the impact of changes in exchange rates between the euro and the U.S. dollar, as the Deutsche Telekom shares are held by a U.S. subsidiary of the Company

Reference: Cash and cash equivalents by entity

Consolidated cash and cash equivalents decreased by ¥1,710.6 billion from the previous fiscal year-end to ¥4,476.3 billion. For details, see “(3) Overview of Cash Flows.”

	(Millions of yen)		
	March 31, 2024	September 30, 2024	Change
Investment Business of Holding			
Companies segment^{*1}	3,359,514	2,254,452	(1,105,062)
SBG	2,198,869	1,491,011	(707,858)
Wholly owned subsidiaries conducting fund procurement	27,223	21,961	(5,262)
SB Northstar	794,508	499,225	(295,283)
Others	338,914	242,255	(96,659)
SoftBank Vision Funds segment	229,887	149,823	(80,064)
SVF1	65,748	47,664	(18,084)
SVF2	102,063	32,832	(69,231)
LatAm Funds	3,084	4,315	1,231
SBIA, SBGA, SBLA Advisers Corp.	58,992	65,012	6,020
SoftBank segment	1,992,873	1,660,618	(332,255)
SoftBank Corp.	482,763	352,435	(130,328)
LY Corporation	325,391	248,529	(76,862)
PayPay Corporation, PayPay Bank Corporation, ^{*2} PayPay Card Corporation	739,759	586,380	(153,379)
Others	444,960	473,274	28,314
Arm segment	291,127	213,743	(77,384)
Arm and its subsidiaries	291,127	213,743	(77,384)
Others^{*1}	313,473	197,664	(115,809)
Total	6,186,874	4,476,300	(1,710,574)

Notes:

* The figures are after eliminations in consolidation.

1. From the fiscal year, items have been presented by reportable segment. A portion of the amounts previously included in “Others” at the bottom section of the table is now classified as “Others” in the Investment Business of Holding Companies segment.
2. Cash and cash equivalents of PayPay Bank Corporation at the second quarter-end were ¥341,764 million.

(b) Liabilities

	(Millions of yen)		
	March 31, 2024	September 30, 2024	Change
Interest-bearing debt	8,271,143	8,935,772	664,629
Lease liabilities	149,801	159,135	9,334
Deposits for banking business	1,643,155	1,717,908	74,753
Trade and other payables	2,710,529	2,563,309	(147,220)
Derivative financial liabilities	195,090	982,519	787,429 A
Other financial liabilities	31,801	72,618	40,817
Income taxes payable	163,226	140,009	(23,217)
Provisions	44,704	42,593	(2,111)
Other current liabilities	801,285	549,016	(252,269)
Liabilities directly relating to assets classified as held for sale	9,561	-	(9,561)
Total current liabilities	14,020,295	15,162,879	1,142,584
Interest-bearing debt	12,296,381	10,502,224	(1,794,157)
Lease liabilities	644,706	729,950	85,244
Third-party interests in SVF	4,694,503	4,020,850	(673,653) B
Derivative financial liabilities	41,238	119,104	77,866
Other financial liabilities	57,017	105,363	48,346
Provisions	167,902	128,061	(39,841)
Deferred tax liabilities	1,253,039	1,479,502	226,463
Other non-current liabilities	311,993	291,790	(20,203)
Total non-current liabilities	19,466,779	17,376,844	(2,089,935)
Total liabilities	33,487,074	32,539,723	(947,351)

Reasons for changes by primary component

Components	Main reasons for changes from the previous fiscal year-end
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*See “Reference” on the following page for a breakdown of interest-bearing debt.

Current liabilities

A Derivative financial liabilities	<ul style="list-style-type: none"> · Derivative financial liabilities related to prepaid forward contracts using Alibaba shares increased by ¥841,421 million (\$5.92 billion), mainly due to an increase in the company’s share price. · Derivative financial liabilities decreased by ¥70,699 million (\$0.47 billion). This was due to the sale of 6.7 million T-Mobile shares as a partial exercise of call options on T-Mobile shares granted to Deutsche Telekom and the expiration of the remaining unexercised call options on June 22, 2024. · Derivative financial liabilities decreased by ¥28,257 million (\$0.19 billion) due to the cash settlement of all the prepaid forward contracts using T-Mobile shares.
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Non-current liabilities

B Third-party interests in SVF	The carrying amount decreased due to the distributions and repayments by SVF1 to third-party investors. For details, see “(2) Third-party interests in SVF” under “4. SoftBank Vision Funds business” in “(7) Notes to Condensed Interim Consolidated Financial Statements” in “2. Condensed Interim Consolidated Financial Statements and Primary Notes.”
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Reference: Interest-bearing debt and lease liabilities (current and non-current)

	(Millions of yen)		
	March 31, 2024	September 30, 2024	Change
Investment Business of Holding Companies segment^{*1}	14,265,108	13,220,335	(1,044,773)
SBG	6,796,406	7,419,156	622,750
Borrowings	462,977	891,376	428,399 A
Corporate bonds	6,147,578	6,321,123	173,545 B
Lease liabilities	9,351	8,657	(694)
Commercial paper	176,500	198,000	21,500
Wholly owned subsidiaries conducting fund procurement^{*2}	7,443,112	5,777,117	(1,665,995)
Borrowings	2,270,601	2,187,359	(83,242)
Financial liabilities relating to sale of shares by prepaid forward contracts	5,172,511	3,589,758	(1,582,753) C
Other	25,590	24,062	(1,528)
SoftBank Vision Funds segment	563,842	523,017	(40,825)
SVF2	547,894	508,082	(39,812)
Borrowings	547,894	508,082	(39,812)
SBIA, SBGA, SBLA Advisers Corp.	15,948	14,935	(1,013)
Lease liabilities	15,948	14,935	(1,013)
SoftBank segment	6,321,094	6,263,209	(57,885)
SoftBank Corp.	4,373,826	4,253,020	(120,806)
Borrowings	2,994,039	2,882,350	(111,689)
Corporate bonds	827,781	907,756	79,975
Lease liabilities	466,005	462,914	(3,091)
Commercial paper	86,001	-	(86,001)
LY Corporation	1,122,485	1,145,428	22,943
Borrowings	591,338	598,897	7,559
Corporate bonds	469,270	469,233	(37)
Lease liabilities	61,877	57,298	(4,579)
Commercial paper	-	20,000	20,000
PayPay Corporation, PayPay Bank Corporation,^{*3} PayPay Card Corporation	503,714	443,317	(60,397)
Other	321,069	421,444	100,375
Arm segment	34,630	39,822	5,192
Arm and its subsidiaries	34,630	39,822	5,192
Lease liabilities	34,630	39,822	5,192
Others^{*1}	177,357	280,698	103,341
Other interest-bearing debt	143,297	253,201	109,904
Lease liabilities	34,060	27,497	(6,563)
Total	21,362,031	20,327,081	(1,034,950)

Notes:

* The figures are after eliminations in consolidation.

1. From the fiscal year, items have been presented by reportable segment. A portion of the amounts previously included in "Others" at the bottom section of the table is now classified as "Others" in the Investment Business of Holding Companies segment.
2. The interest-bearing debt of wholly owned subsidiaries engaged in fund procurement is nonrecourse to SBG.
3. Deposits related to PayPay Bank Corporation's banking operations are not included in interest-bearing debt.

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

Components	Details
<u>Investment Business of Holding Companies segment</u>	
SBG	
A Borrowings	The Company borrowed \$2.9 billion through a term loan.
B Corporate bonds	<ul style="list-style-type: none"> · Domestic straight bonds of ¥650.0 billion were issued and ¥450.0 billion were redeemed upon maturity. · U.S. dollar-denominated senior notes of \$900 million and euro-denominated senior notes of 900 million euros were issued, and U.S. dollar-denominated senior notes of \$767 million were redeemed prior to maturity and euro-denominated senior notes of 638 million euros were redeemed upon maturity. All of the above amounts are stated at face value.
Wholly owned subsidiaries conducting fund procurement	
C Financial liabilities relating to sale of shares by prepaid forward contracts	<ul style="list-style-type: none"> · Financial liabilities relating to sale of shares by prepaid forward contracts of ¥964,550 million (\$6.26 billion) were derecognized in conjunction with the physical settlement of a portion of the prepaid forward contracts using Alibaba shares. · Financial liabilities relating to sale of shares by prepaid forward contracts decreased by ¥432,165 million (\$2.85 billion) due to the cash settlement of all the prepaid forward contracts using T-Mobile shares. With this, the balance of financial liabilities relating to sale of shares by prepaid forward contracts using T-Mobile shares of the second quarter-end became zero. · The carrying amount includes decreases due to a 5.7% appreciation of the yen against the U.S. dollar in exchange rates used for translation at the second quarter-end. For details, see “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “6. Interest-bearing debt” in “(7) Notes to Condensed Interim Consolidated Financial Statements” in “2. Condensed Interim Consolidated Financial Statements and Primary Notes.”

(c) Equity

	March 31, 2024	September 30, 2024	(Millions of yen) Change
Common stock	238,772	238,772	-
Capital surplus	3,326,093	3,385,885	59,792
Other equity instruments	193,199	193,199	-
Retained earnings	1,632,966	2,594,937	961,971 A
Treasury stock	(22,725)	(174,778)	(152,053) B
Accumulated other comprehensive income	5,793,820	4,508,619	(1,285,201) C
Total equity attributable to owners of the parent	11,162,125	10,746,634	(415,491)
Non-controlling interests	2,075,044	2,060,563	(14,481)
Total equity	13,237,169	12,807,197	(429,972)

Reasons for changes by primary component

Components	Main reasons for changes from the previous fiscal year-end
A Retained earnings	Net income attributable to owners of the parent of ¥1,005,319 million was recorded.
B Treasury stock	The Company acquired 19,117,700 of its own shares for ¥153,785 million in the period in accordance with a Board resolution on August 7, 2024 to repurchase up to ¥500.0 billion of its own shares.
C Accumulated other comprehensive income	Exchange differences from the translation of foreign operations, which arose from translating foreign subsidiaries and associates into yen, decreased by ¥1,308,691 million mainly due to the yen's appreciation against the U.S. dollar in exchange rates used for translation at the second quarter-end.

(3) Overview of Cash Flows

1. Cash flows from operating activities

Outlays for income taxes: ¥196.2 billion, income tax refunds: ¥163.1 billion

2. Cash flows from investing activities: ¥501.5 billion cash outflow (net)

- ◆ **Payments totaling ¥468.9 billion were made for investment acquisitions, reflecting investments by SBG and its wholly owned subsidiaries and an increase in investments in bonds and other asset management products by PayPay Bank.**
- ◆ **Proceeds of ¥299.6 billion from the sale and redemption of investments were primarily a result of the sale of 6.7 million T-Mobile shares in conjunction with the partial exercise of call options by Deutsche Telekom and the sale of U.S. Treasury Bonds**
- ◆ **Monetization and investments continued at SoftBank Vision Funds**
 - Payments for acquisition of investments by SVF: ¥188.6 billion
 - Proceeds from sales of investments by SVF: ¥230.9 billion
- ◆ **Outlays of ¥385.6 billion for the purchase of property, plant and equipment and intangible assets due to capital expenditure mainly at SoftBank**

3. Cash flows from financing activities: ¥1,341.4 billion cash outflow (net)

- ◆ **Bonds refinance and share repurchases were made at SBG and distributions and repayments to third-party investors were made at SVF1**
 - Proceeds from interest-bearing debt: ¥2,677.6 billion
 - Proceeds at SBG: ¥1,652.2 billion
(from issuance of domestic straight bonds of ¥650.0 billion, U.S. dollar-denominated senior notes of \$900 million, and euro-denominated senior notes of 900 million euros, as well as a term loan and short-term borrowings and others totaling ¥701.0 billion)
 - Repayment of interest-bearing debt: ¥2,570.7 billion
 - Outlays at SBG: ¥940.0 billion
(for redemption of domestic straight bonds of ¥450.0 billion and euro-denominated senior notes of 638 million euros upon maturity, redemption of U.S. dollar-denominated senior notes of \$767 million prior to maturity, and repayment of short-term borrowings and others totaling ¥263.7 billion)
 - Outlays at wholly owned subsidiaries conducting fund procurement: ¥484.7 billion
(for cash settlement of the prepaid forward contracts using T-Mobile shares, etc.)
 - Distributions and repayments to third-party investors at SVF: ¥844.9 billion
 - Outlays for share repurchase: ¥153.8 billion

4. Balance of cash and cash equivalents at the second quarter-end and its changes

- ◆ **The balance of cash and cash equivalents stood at ¥4,476.3 billion at the second quarter-end, a decrease of ¥1,710.6 billion from the previous fiscal year-end. This was the result of cash flows from operating, investing, and financing activities, together with an effect of exchange rate changes on cash and cash equivalents, etc. due to the yen's appreciation in exchange rates used for translation.**

SIGNIFICANT NON-CASH TRANSACTION

During the period, the Company settled a portion of the prepaid forward contracts using Alibaba shares in physical form. This was a non-cash transaction; therefore, it had no impact on the consolidated cash flows. For details, see “15. Supplemental information to the condensed interim consolidated statement of cash flows” under “(7) Notes to Condensed Interim Consolidated Financial Statements” in “2. Condensed Interim Consolidated Financial Statements and Primary Notes.”

(Millions of yen)

	Six months ended September 30		Change
	2023	2024	
Cash flows from operating activities	88,767	179,491	90,724
Cash flows from investing activities	(767,376)	(501,530)	265,846
Cash flows from financing activities	(12,667)	(1,341,446)	(1,328,779)
Effect of exchange rate changes on cash and cash equivalents, etc.	473,936	(47,089)	(521,025)
Decrease in cash and cash equivalents	(217,340)	(1,710,574)	(1,493,234)
Cash and cash equivalents at the beginning of the period	6,925,153	6,186,874	(738,279)
Cash and cash equivalents at the end of the period	6,707,813	4,476,300	(2,231,513)

(a) Cash Flows from Operating Activities

Cash flows from operating activities resulted in a net inflow of ¥179,491 million, despite SB Northstar's acquisition of corporate bonds (primarily short-maturity, investment-grade) for the purpose of investing surplus funds.

Income tax payments amounted to ¥196,219 million, while income tax refunds totaled ¥163,074 million. The former was primarily due to income tax payments by SoftBank Corp, while the latter was mainly due to SBG receiving a refund of ¥76,724 million from a prior interim tax payment of ¥118,026 million in the previous fiscal year.

(b) Cash Flows from Investing Activities

Primary components

Components	Primary details
Payments for acquisition of investments ¥(468,918) million	<ul style="list-style-type: none"> · SBG and its wholly owned subsidiaries acquired investments for ¥229,669 million (excluding investments in U.S. Treasury Bonds). This mainly included an investment in U.K. company Wayve Technologies Ltd., which develops autonomous driving platforms based on data learning using AI. · PayPay Bank Corporation acquired bonds and other asset management products for ¥159,680 million.
Proceeds from sales/redemption of investments ¥299,627 million	<ul style="list-style-type: none"> · The Company sold 6.7 million T-Mobile shares for \$670 million due to a partial exercise of the call options on T-Mobile shares granted to Deutsche Telekom. · SBG sold U.S. Treasury Bonds of ¥73,932 million. · PayPay Bank sold investments in bonds and other asset management products of ¥50,150 million.
Payments for acquisition of investments by SVF ¥(188,618) million	SoftBank Vision Funds invested \$1.23 billion in total.
Proceeds from sales of investments by SVF ¥230,925 million	SoftBank Vision Funds sold investments for a total of \$1.51 billion.

Components	Primary details
Payments (net) for acquisition of control over subsidiaries ¥(187,916) million	The Company acquired additional interests in SBE Global, a U.S. equity method associate that constructs and operates solar power plants, converting it into a subsidiary. The Company also completed the acquisition of U.K.-based Graphcore, a company that designs and develops semiconductor chips specialized for AI and machine learning, which also became a subsidiary. The amount of the item on the left is net of cash and cash equivalents held by acquired companies at the time control was obtained.
Purchase of property, plant and equipment, and intangible assets ¥(385,569) million	SoftBank Corp. purchased property, plant and equipment, such as telecommunications equipment, and intangible assets, such as software.
Collection of loan receivables ¥112,703 million	In the second quarter, the Company collected the full amount of loans that it had provided to its former management to acquire T-Mobile shares from T-Mobile in relation to the Company's sale of T-Mobile shares from June to August 2020.

(c) Cash Flows from Financing Activities

Primary components

Components	Primary details
Repayment of short-term interest-bearing debt, net ¥(53,870) million ^{*1} (Proceeds and payments for interest-bearing debt (current liabilities) with quick turnover and short maturities)	<ul style="list-style-type: none"> · Short-term borrowings and commercial paper increased by ¥9,712 million (net) at SoftBank Corp. · Short-term borrowings and commercial paper decreased by ¥84,582 million (net) at LY Corporation and its subsidiaries.
Proceeds from interest-bearing debt (total of A and B below) ¥2,677,648 million	
A Proceeds from borrowings ¥1,596,426 million ^{*2}	<ul style="list-style-type: none"> · SBG procured ¥700,957 million through a term loan, short-term borrowings, and commercial paper. · SoftBank Corp. procured ¥685,348 million, primarily through the securitization of installment sales receivable and sale-leaseback transactions.
B Proceeds from issuance of corporate bonds ¥1,081,222 million	<ul style="list-style-type: none"> · SBG issued domestic straight bonds totaling ¥100,000 million for the wholesale market and ¥550,000 million for the retail market, along with U.S. dollar-denominated senior notes of \$900 million, and euro-denominated senior notes of 900 million euros. · SoftBank Corp. issued domestic straight bonds totaling ¥80,000 million. · LY Corporation issued domestic straight bonds totaling ¥50,000 million. All of the above amounts are stated at face value.

Components	Primary details
Repayment of interest-bearing debt (total of A through C below) ¥(2,570,681) million	
A Repayment of borrowings ¥(1,359,738) million ^{*2}	<ul style="list-style-type: none"> · SBG repaid short-term borrowings and commercial paper amounting to ¥263,696 million. · SoftBank Corp. repaid ¥806,288 million in borrowings made primarily through the securitization of installment sales receivable and sale-leaseback transactions. It also repaid ¥86,000 million in commercial paper.
B Redemption of corporate bonds ¥(726,277) million	<ul style="list-style-type: none"> · SBG redeemed domestic straight bonds of ¥450,000 million and euro-denominated senior notes of 638 million euros upon maturity and redeemed U.S. dollar-denominated senior notes of \$767 million prior to maturity. · LY Corporation redeemed domestic straight bonds totaling ¥50,000 million. <p>All of the above amounts are stated at face value.</p>
C Payments for settlement of financial liabilities relating to sale of shares by prepaid forward contracts ¥(484,666) million	A wholly owned subsidiary conducting fund procurement paid ¥506,234 million (\$3.26 billion) to settle the prepaid forward contracts using T-Mobile shares in cash. Of this amount, ¥444,489 million (\$2.86 billion), corresponding to the settlement of financial liabilities relating to sale of shares by prepaid forward contracts, is included in this item. The remaining ¥61,745 million (\$0.40 billion), corresponding to the settlement of derivative financial liabilities, is included in “Other” of cash flows from financing activities.
Distribution/repayment from SVF to third-party investors ¥(844,944) million	SVF1 made distributions and repayments to third-party investors.
Purchase of treasury stock ¥(153,790) million	SBG acquired 19,117,700 of its own shares for ¥153,785 million in accordance with a Board resolution on August 7, 2024.
Cash dividends paid ¥(32,215) million	SBG paid dividends.
Cash dividends paid to non-controlling interests ¥(237,272) million	SoftBank Corp., LY Corporation, and other subsidiaries paid dividends to non-controlling interests.

Notes:

1. “Repayment of short-term interest-bearing debt, net” represents cash flows from financing activities that meet the requirement of “Reporting cash flows on a net basis” under IFRSs.
2. “Proceeds from borrowings” and “Repayment of borrowings” include proceeds of ¥391,851 million and outlays of ¥511,208 million related to borrowings with a contracted term of one year or less.

(4) Forecasts

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

Notes to “1. Results of Operations”

- 1 Interest expenses of SBG include interest expenses of its wholly owned subsidiaries conducting fund procurement.
- 2 Includes share exchanges, acquisitions, and disposals as a result of restructuring of portfolio companies
- 3 After deducting transaction fees, etc.
- 4 Drawn capital of SVF1 excludes the amount repaid to limited partners due to investment plan changes and other reasons after the capital was drawn.

2. Condensed Interim Consolidated Financial Statements and Primary Notes

(1) Condensed Interim Consolidated Statement of Financial Position

	(Millions of yen)	
	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and cash equivalents	6,186,874	4,476,300
Trade and other receivables	2,868,767	2,747,583
Derivative financial assets	852,350	300,924
Other financial assets	777,996	963,307
Inventories	161,863	198,330
Other current assets	550,984	422,232
Subtotal	11,398,834	9,108,676
Assets classified as held for sale	42,559	1,249,587
Total current assets	11,441,393	10,358,263
Non-current assets		
Property, plant and equipment	1,895,289	2,603,641
Right-of-use assets	746,903	843,315
Goodwill	5,709,874	5,605,437
Intangible assets	2,448,840	2,353,366
Costs to obtain contracts	317,650	334,322
Investments accounted for using the equity method	839,208	611,780
Investments from SVF (FVTPL)	11,014,487	10,923,295
Investment securities	9,061,972	8,751,145
Derivative financial assets	385,528	126,091
Other financial assets	2,424,282	2,474,911
Deferred tax assets	245,954	187,711
Other non-current assets	192,863	173,643
Total non-current assets	35,282,850	34,988,657
Total assets	46,724,243	45,346,920

	(Millions of yen)	
	As of March 31, 2024	As of September 30, 2024
Liabilities and equity		
Current liabilities		
Interest-bearing debt	8,271,143	8,935,772
Lease liabilities	149,801	159,135
Deposits for banking business	1,643,155	1,717,908
Trade and other payables	2,710,529	2,563,309
Derivative financial liabilities	195,090	982,519
Other financial liabilities	31,801	72,618
Income taxes payable	163,226	140,009
Provisions	44,704	42,593
Other current liabilities	801,285	549,016
Subtotal	<u>14,010,734</u>	<u>15,162,879</u>
Liabilities directly relating to assets classified as held for sale	9,561	-
Total current liabilities	<u>14,020,295</u>	<u>15,162,879</u>
Non-current liabilities		
Interest-bearing debt	12,296,381	10,502,224
Lease liabilities	644,706	729,950
Third-party interests in SVF	4,694,503	4,020,850
Derivative financial liabilities	41,238	119,104
Other financial liabilities	57,017	105,363
Provisions	167,902	128,061
Deferred tax liabilities	1,253,039	1,479,502
Other non-current liabilities	311,993	291,790
Total non-current liabilities	<u>19,466,779</u>	<u>17,376,844</u>
Total liabilities	<u>33,487,074</u>	<u>32,539,723</u>
Equity		
Equity attributable to owners of the parent		
Common stock	238,772	238,772
Capital surplus	3,326,093	3,385,885
Other equity instruments	193,199	193,199
Retained earnings	1,632,966	2,594,937
Treasury stock	(22,725)	(174,778)
Accumulated other comprehensive income	5,793,820	4,508,619
Total equity attributable to owners of the parent	<u>11,162,125</u>	<u>10,746,634</u>
Non-controlling interests	<u>2,075,044</u>	<u>2,060,563</u>
Total equity	<u>13,237,169</u>	<u>12,807,197</u>
Total liabilities and equity	<u><u>46,724,243</u></u>	<u><u>45,346,920</u></u>

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

Condensed Interim Consolidated Statement of Profit or Loss

(Millions of yen)

	Six-month period ended September 30, 2023	Six-month period ended September 30, 2024
Net sales	3,227,060	3,469,922
Cost of sales	(1,494,743)	(1,618,778)
Gross profit	1,732,317	1,851,144
Gain on investments		
Gain (loss) on investments at Investment Business of Holding Companies	(413,530)	2,116,759
Gain (loss) on investments at SoftBank Vision Funds	(583,282)	599,778
Gain (loss) on other investments	33,257	(65,511)
Total gain on investments	(963,555)	2,651,026
Selling, general and administrative expenses	(1,354,072)	(1,433,070)
Finance cost	(295,184)	(283,710)
Foreign exchange gain (loss)	(648,086)	289,044
Derivative gain (loss) (excluding gain (loss) on investments)	701,718	(1,477,966)
Change in third-party interests in SVF	(226,265)	(421,217)
Other gain	145,702	285,892
Income before income tax	(907,425)	1,461,143
Income taxes	(197,728)	(223,777)
Net income	(1,105,153)	1,237,366
Net income attributable to		
Owners of the parent	(1,408,727)	1,005,319
Non-controlling interests	303,574	232,047
Net income	(1,105,153)	1,237,366
Earnings per share		
Basic earnings per share (Yen)	(971.65)	680.70
Diluted earnings per share (Yen)	(974.03)	679.37

Condensed Interim Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Six-month period ended September 30, 2023	Six-month period ended September 30, 2024
Net income	(1,105,153)	1,237,366
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Equity financial assets at FVTOCI	10,059	(639)
Share of other comprehensive income of associates	-	80
Total items that will not be reclassified to profit or loss	10,059	(559)
Items that may be reclassified subsequently to profit or loss		
Debt financial assets at FVTOCI	(1,220)	329
Cash flow hedges	(4,755)	17,863
Exchange differences on translating foreign operations	1,775,444	(1,316,379)
Share of other comprehensive income of associates	(5,216)	(462)
Total items that may be reclassified subsequently to profit or loss	1,764,253	(1,298,649)
Total other comprehensive income, net of tax	1,774,312	(1,299,208)
Total comprehensive income	669,159	(61,842)
Total comprehensive income attributable to		
Owners of the parent	377,178	(281,127)
Non-controlling interests	291,981	219,285
Total comprehensive income	669,159	(61,842)

For the three-month period ended September 30

Condensed Interim Consolidated Statement of Profit or Loss

(Millions of yen)

	Three-month period ended September 30, 2023	Three-month period ended September 30, 2024
Net sales	1,669,553	1,768,175
Cost of sales	(769,311)	(837,652)
Gross profit	900,242	930,523
Gain on investments		
Gain on investments at Investment Business of Holding Companies	276,167	1,548,826
Gain (loss) on investments at SoftBank Vision Funds	(570,239)	567,392
Gain (loss) on other investments	29,474	(24,904)
Total gain on investments	(264,598)	2,091,314
Selling, general and administrative expenses	(705,992)	(713,384)
Finance cost	(155,583)	(146,106)
Foreign exchange gain (loss)	(183,444)	732,951
Derivative loss (excluding gain (loss) on investments)	(147,911)	(1,538,470)
Change in third-party interests in SVF	(168,184)	(215,963)
Other gain (loss)	(5,761)	94,580
Income before income tax	(731,231)	1,235,445
Income taxes	(57,728)	(8,544)
Net income	(788,959)	1,226,901
Net income attributable to		
Owners of the parent	(931,111)	1,179,600
Non-controlling interests	142,152	47,301
Net income	(788,959)	1,226,901
Earnings per share		
Basic earnings per share (Yen)	(638.70)	804.72
Diluted earnings per share (Yen)	(639.90)	803.25

Condensed Interim Consolidated Statement of Comprehensive Income

	(Millions of yen)	
	Three-month period ended September 30, 2023	Three-month period ended September 30, 2024
Net income	(788,959)	1,226,901
Other comprehensive income, net of tax		
Items that will not be reclassified to profit or loss		
Equity financial assets at FVTOCI	1,753	306
Share of other comprehensive income of associates	-	80
Total items that will not be reclassified to profit or loss	1,753	386
Items that may be reclassified subsequently to profit or loss		
Debt financial assets at FVTOCI	(1,488)	1,029
Cash flow hedges	1,052	12,632
Exchange differences on translating foreign operations	522,600	(2,439,004)
Share of other comprehensive income of associates	(1,660)	72
Total items that may be reclassified subsequently to profit or loss	520,504	(2,425,271)
Total other comprehensive income, net of tax	522,257	(2,424,885)
Total comprehensive income	(266,702)	(1,197,984)
Total comprehensive income attributable to		
Owners of the parent	(402,575)	(1,231,611)
Non-controlling interests	135,873	33,627
Total comprehensive income	(266,702)	(1,197,984)

(3) Condensed Interim Consolidated Statement of Changes in Equity

For the six-month period ended September 30, 2023

(Millions of yen)

	Equity attributable to owners of the parent						Total
	Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Accumulated other comprehensive income	
As of April 1, 2023	238,772	2,652,790	414,055	2,006,238	(38,791)	3,756,785	9,029,849
Comprehensive income							
Net income	-	-	-	(1,408,727)	-	-	(1,408,727)
Other comprehensive income	-	-	-	-	-	1,785,905	1,785,905
Total comprehensive income	-	-	-	(1,408,727)	-	1,785,905	377,178
Transactions with owners and other transactions							
Cash dividends	-	-	-	(32,187)	-	-	(32,187)
Distribution to owners of other equity instruments	-	-	-	(16,708)	-	-	(16,708)
Redemption and cancellation of other equity instruments	-	(823)	(220,856)	(56,081)	-	-	(277,760)
Transfer of accumulated other comprehensive income to retained earnings	-	-	-	(926)	-	926	-
Purchase and disposal of treasury stock	-	823	-	-	14,896	-	15,719
Changes from loss of control	-	-	-	-	-	-	-
Changes in interests in subsidiaries	-	673,405	-	-	-	-	673,405
Changes in interests in associates' capital surplus	-	(91)	-	-	-	-	(91)
Share-based payment transactions	-	(6,618)	-	-	-	-	(6,618)
Other	-	-	-	-	-	-	-
Total transactions with owners and other transactions	-	666,696	(220,856)	(105,902)	14,896	926	355,760
As of September 30, 2023	<u>238,772</u>	<u>3,319,486</u>	<u>193,199</u>	<u>491,609</u>	<u>(23,895)</u>	<u>5,543,616</u>	<u>9,762,787</u>

(Millions of yen)

	Non- controlling interests	Total equity
As of April 1, 2023	1,619,366	10,649,215
Comprehensive income		
Net income	303,574	(1,105,153)
Other comprehensive income	(11,593)	1,774,312
Total comprehensive income	291,981	669,159
Transactions with owners and other transactions		
Cash dividends	(145,267)	(177,454)
Distribution to owners of other equity instruments	-	(16,708)
Redemption and cancellation of other equity instruments	-	(277,760)
Transfer of accumulated other comprehensive income to retained earnings	-	-
Purchase and disposal of treasury stock	-	15,719
Changes from loss of control	(5,216)	(5,216)
Changes in interests in subsidiaries	81,160	754,565
Changes in interests in associates' capital surplus	-	(91)
Share-based payment transactions	63,384	56,766
Other	3,074	3,074
Total transactions with owners and other transactions	(2,865)	352,895
As of September 30, 2023	1,908,482	11,671,269

For the six-month period ended September 30, 2024

(Millions of yen)

	Equity attributable to owners of the parent						Total
	Common stock	Capital surplus	Other equity instruments	Retained earnings	Treasury stock	Accumulated other comprehensive income	
As of April 1, 2024	238,772	3,326,093	193,199	1,632,966	(22,725)	5,793,820	11,162,125
Comprehensive income							
Net income	-	-	-	1,005,319	-	-	1,005,319
Other comprehensive income	-	-	-	-	-	(1,286,446)	(1,286,446)
Total comprehensive income	-	-	-	1,005,319	-	(1,286,446)	(281,127)
Transactions with owners and other transactions							
Cash dividends	-	-	-	(32,250)	-	-	(32,250)
Distribution to owners of other equity instruments	-	-	-	(9,475)	-	-	(9,475)
Transfer of accumulated other comprehensive income to retained earnings	-	-	-	(1,245)	-	1,245	-
Purchase and disposal of treasury stock	-	-	-	(378)	(152,053)	-	(152,431)
Changes from loss of control	-	-	-	-	-	-	-
Changes in interests in subsidiaries	-	58,216	-	-	-	-	58,216
Share-based payment transactions	-	(381)	-	-	-	-	(381)
Other	-	1,957	-	-	-	-	1,957
Total transactions with owners and other transactions	-	59,792	-	(43,348)	(152,053)	1,245	(134,364)
As of September 30, 2024	238,772	3,385,885	193,199	2,594,937	(174,778)	4,508,619	10,746,634

(Millions of yen)

	Non- controlling interests	Total equity
As of April 1, 2024	2,075,044	13,237,169
Comprehensive income		
Net income	232,047	1,237,366
Other comprehensive income	(12,762)	(1,299,208)
Total comprehensive income	219,285	(61,842)
Transactions with owners and other transactions		
Cash dividends	(237,384)	(269,634)
Distribution to owners of other equity instruments	-	(9,475)
Transfer of accumulated other comprehensive income to retained earnings	-	-
Purchase and disposal of treasury stock	-	(152,431)
Changes from loss of control	(26,378)	(26,378)
Changes in interests in subsidiaries	17,510	75,726
Share-based payment transactions	12,330	11,949
Other	156	2,113
Total transactions with owners and other transactions	(233,766)	(368,130)
As of September 30, 2024	<u>2,060,563</u>	<u>12,807,197</u>

(4) Condensed Interim Consolidated Statement of Cash Flows

	(Millions of yen)	
	Six-month period ended September 30, 2023	Six-month period ended September 30, 2024
Cash flows from operating activities		
Net income	(1,105,153)	1,237,366
Depreciation and amortization	421,554	418,240
Loss (gain) on investments at Investment Business of Holding Companies	392,379	(2,103,529)
Loss (gain) on investments at SoftBank Vision Funds	583,282	(599,778)
Finance cost	295,184	283,710
Foreign exchange loss (gain)	648,086	(289,044)
Derivative (gain) loss (excluding (gain) loss on investments)	(701,718)	1,477,966
Change in third-party interests in SVF	226,265	421,217
(Gain) loss on other investments and other gain	(178,959)	(220,381)
Income taxes	197,728	223,777
Decrease (increase) in investments from asset management subsidiaries	19,764	(281,388)
Increase in trade and other receivables	(119,623)	(1,757)
Increase in inventories	(3,493)	(38,973)
Increase (decrease) in trade and other payables	24,883	(152,435)
Other	(86,014)	(57,930)
Subtotal	614,165	317,061
Interest and dividends received	144,548	127,434
Interest paid	(231,216)	(231,859)
Income taxes paid	(506,154)	(196,219)
Income taxes refunded	67,424	163,074
Net cash provided by operating activities	88,767	179,491

	(Millions of yen)	
	Six-month period ended September 30, 2023	Six-month period ended September 30, 2024
Cash flows from investing activities		
Payments for acquisition of investments	(547,838)	(468,918)
Proceeds from sales/redemption of investments	84,929	299,627
Payments for acquisition of investments by SVF	(187,324)	(188,618)
Proceeds from sales of investments by SVF	279,288	230,925
Payments for acquisition of investments by asset management subsidiaries	(76,877)	-
Payments (net) for acquisition of control over subsidiaries	(34,589)	(187,916)
Proceeds (net) from loss of control over subsidiaries	96,333	94,863
Purchase of property, plant and equipment, and intangible assets	(361,042)	(385,569)
Payments for loan receivables	(68,728)	(7,202)
Collection of loan receivables	75,594	112,703
Payments into time deposits	(65,192)	(24,931)
Proceeds from withdrawal of time deposits	39,286	41,304
Other	(1,216)	(17,798)
Net cash used in investing activities	(767,376)	(501,530)
Cash flows from financing activities		
Proceeds in (repayment of) short-term interest-bearing debt, net	297,584	(53,870)
Proceeds from interest-bearing debt	3,443,973	2,677,648
Repayment of interest-bearing debt	(3,694,465)	(2,570,681)
Repayment of lease liabilities	(115,010)	(96,899)
Distribution/repayment from SVF to third-party investors	(239,971)	(844,944)
Proceeds from the partial sales of shares of subsidiaries to non-controlling interests	745,082	-
Redemption of other equity instruments	(277,760)	-
Distribution to owners of other equity instruments	(16,708)	(9,475)
Purchase of treasury stock	(2)	(153,790)
Cash dividends paid	(32,144)	(32,215)
Cash dividends paid to non-controlling interests	(144,092)	(237,272)
Other	20,846	(19,948)
Net cash used in financing activities	(12,667)	(1,341,446)
Effect of exchange rate changes on cash and cash equivalents	473,936	(80,100)
Increase in cash and cash equivalents relating to transfer of assets classified as held for sale	-	33,011
Decrease in cash and cash equivalents	(217,340)	(1,710,574)
Cash and cash equivalents at the beginning of the period	6,925,153	6,186,874
Cash and cash equivalents at the end of the period	6,707,813	4,476,300

(5) Definitions of Company Names and Abbreviations Used in Condensed Interim Consolidated Financial Statements and Primary Notes

Company names and abbreviations used in the condensed interim consolidated financial statements and primary notes, unless otherwise stated or interpreted differently in the context, are as follows:

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

Note:

* A corporate reorganization was undertaken in August 2023, pursuant to which Arm Holdings Limited, a former subsidiary of Arm Limited, acquired all the issued ordinary shares of Arm Limited, thereby making it a wholly-owned subsidiary. Subsequently, Arm Holdings Limited changed its name to Arm Holdings plc and was listed on the Nasdaq Global Select Market through an initial public offering on September 14, 2023.

(6) Significant Doubt about Going Concern Assumption

There are no applicable items.

(7) Notes to Condensed Interim Consolidated Financial Statements

1. Changes in presentation

(Condensed interim consolidated statement of cash flows)

Cash flows from financing activities

Proceeds from (repayment of) borrowings with short maturities and quick turnover in some subsidiaries were previously presented on a gross basis and included in “Proceeds from interest-bearing debt” and “Repayment of interest-bearing debt” and they are presented on a net basis and included in “Proceeds in (repayment of) short-term interest-bearing debt, net” for the six-month period ended September 30, 2024.

In order to reflect the change in presentation, for the six-month period ended September 30, 2023, “Proceeds from interest-bearing debt” of ¥339,700 million and “Repayment of interest-bearing debt” of ¥(328,800) million are reclassified as “Proceeds in (repayment of) short-term interest-bearing debt, net” of ¥10,900 million.

2. Material accounting policies

Material accounting policies applied to the condensed interim consolidated financial statements are consistent with the accounting policies applied to the consolidated financial statements for the fiscal year ended March 31, 2024. In addition, income taxes for the six-month period ended September 30, 2024, are calculated based on the estimated effective tax rate for the fiscal year.

Material accounting policies for the SoftBank Vision Funds segment are consistent with the accounting policies applied to the consolidated financial statements for the fiscal year ended March 31, 2024. The details are described as follows.

(Material accounting policies for the SoftBank Vision Funds segment)

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

(1) Consolidation of SVF1, SVF2, and LatAm Funds by the Company

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

As of September 30, 2024, SVF1 and SVF2 are managed by SBIA and SBGA, respectively, which are wholly-

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

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

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

(2) Portfolio company investments made by SVF1, SVF2, and LatAm Funds

a. Investments in subsidiaries

Of the portfolio company investments made by SVF1, SVF2, and LatAm Funds, the portfolio companies that the Company is deemed to control under IFRS 10 “Consolidated Financial Statements” are subsidiaries of the Company. Accordingly, their results of operations, assets, and liabilities are included in the Company’s condensed interim 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 condensed interim 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 condensed interim 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 condensed interim 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 “Other gain (loss)” in the condensed interim 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 condensed interim consolidated statement of financial position and the condensed interim consolidated statement of cash flows is the same as the above “b. Investments in associates and joint ventures.”

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

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

The interests attributable to Third-Party Investors in SVF1, SVF2, and LatAm Funds are classified as financial liabilities, “Third-party interests in SVF” in the condensed interim 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 September 30, 2024, the Company has recognized receivables from Third-Party Investor. The receivables are included in “Other financial assets (non-current)” in the condensed interim consolidated statement of financial position.

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

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 September 30, 2024.

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

b. Contribution from the Company

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

3. Segment information

(1) Description of reportable segments

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

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

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

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

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

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

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

"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 others, which are included in segment income of the SoftBank Vision Funds segment.

Note:

* For the six-month period ended September 30, 2024, all interests in Fortress held by a subsidiary of the Company, were sold to a subsidiary of Mubadala Investment Company PJSC. Upon completion of the transaction, Fortress is no longer a subsidiary of the Company.

(2) Net sales and income of reportable segments

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

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

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

For the six-month period ended September 30, 2023

(Millions of yen)

	Reportable segments			
	Investment Business of Holding Companies	SoftBank Vision Funds	SoftBank	Arm
Net sales				
Customers	-	-	2,932,294	205,797
Intersegment	-	-	1,747	-
Total	-	-	2,934,041	205,797
Segment income	(543,252)	(197,823)	515,232	(8,439)
Depreciation and amortization	(1,584)	(1,050)	(362,898)	(45,630)
Gain (loss) on investments	(413,530)	181,136	8,622	405
Finance cost	(209,642)	(52,532)	(33,021)	(679)
Foreign exchange gain (loss)	(650,131)	(649)	(1,238)	3,546
Derivative gain (excluding gain (loss) on investments)	700,386	-	1,222	110
	Total	Other	Reconciliations	Consolidated
Net sales				
Customers	3,138,091	88,969	-	3,227,060
Intersegment	1,747	7,493	(9,240)	-
Total	3,139,838	96,462	(9,240)	3,227,060
Segment income	(234,282)	84,337	(757,480)	(907,425)
Depreciation and amortization	(411,162)	(10,392)	-	(421,554)
Gain (loss) on investments	(223,367)	18,713	(758,901)	(963,555)
Finance cost	(295,874)	(7,805)	8,495	(295,184)
Foreign exchange gain (loss)	(648,472)	386	-	(648,086)
Derivative gain (excluding gain (loss) on investments)	701,718	-	-	701,718

For the six-month period ended September 30, 2024

(Millions of yen)

	Reportable segments			
	Investment Business of Holding Companies	SoftBank Vision Funds*	SoftBank	Arm
Net sales				
Customers	-	-	3,151,049	267,230
Intersegment	-	-	1,328	6,577
Total	-	-	3,152,377	273,807
Segment income	664,366	168,841	539,892	3,824
Depreciation and amortization	(1,518)	(1,175)	(358,023)	(49,672)
Gain (loss) on investments	2,116,759	610,388	(16,843)	275
Finance cost	(270,408)	(20,671)	(41,124)	(1,099)
Foreign exchange gain (loss)	289,539	680	2,336	(1,751)
Derivative loss (excluding gain (loss) on investments)	(1,472,334)	-	(858)	-
	Total	Other	Reconciliations	Consolidated
Net sales				
Customers	3,418,279	51,643	-	3,469,922
Intersegment	7,905	5,814	(13,719)	-
Total	3,426,184	57,457	(13,719)	3,469,922
Segment income	1,376,923	44,130	40,090	1,461,143
Depreciation and amortization	(410,388)	(7,852)	-	(418,240)
Gain (loss) on investments	2,710,579	(46,694)	(12,859)	2,651,026
Finance cost	(333,302)	(6,060)	55,652	(283,710)
Foreign exchange gain (loss)	290,804	(1,760)	-	289,044
Derivative loss (excluding gain (loss) on investments)	(1,473,192)	(4,774)	-	(1,477,966)

Note:

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

For the three-month period ended September 30, 2023

(Millions of yen)

	Reportable segments			
	Investment Business of Holding Companies	SoftBank Vision Funds	SoftBank	Arm
Net sales				
Customers	-	-	1,503,176	117,295
Intersegment	-	-	798	-
Total	-	-	1,503,974	117,295
Segment income	(148,712)	(258,864)	260,245	1,069
Depreciation and amortization	(794)	(558)	(181,322)	(23,417)
Gain (loss) on investments	276,167	21,363	6,405	319
Finance cost	(112,386)	(28,904)	(16,881)	(365)
Foreign exchange gain (loss)	(184,024)	(574)	(997)	2,393
Derivative gain (loss) (excluding gain (loss) on investments)	(148,389)	-	398	80
	Total	Other	Reconciliations	Consolidated
Net sales				
Customers	1,620,471	49,082	-	1,669,553
Intersegment	798	3,478	(4,276)	-
Total	1,621,269	52,560	(4,276)	1,669,553
Segment income	(146,262)	(4,625)	(580,344)	(731,231)
Depreciation and amortization	(206,091)	(5,603)	-	(211,694)
Gain (loss) on investments	304,254	17,233	(586,085)	(264,598)
Finance cost	(158,536)	(4,192)	7,145	(155,583)
Foreign exchange gain (loss)	(183,202)	(242)	-	(183,444)
Derivative gain (loss) (excluding gain (loss) on investments)	(147,911)	-	-	(147,911)

For the three-month period ended September 30, 2024

(Millions of yen)

	Reportable segments			
	Investment Business of Holding Companies	SoftBank Vision Funds	SoftBank	Arm
Net sales				
Customers	-	-	1,616,042	120,227
Intersegment	-	-	693	6,577
Total	-	-	1,616,735	126,804
Segment income	626,397	373,142	259,977	(6,336)
Depreciation and amortization	(765)	(571)	(175,705)	(24,072)
Gain (loss) on investments	1,548,826	608,477	(6,733)	203
Finance cost	(134,333)	(10,147)	(20,488)	(599)
Foreign exchange gain (loss)	732,107	481	2,291	(1,905)
Derivative loss (excluding gain (loss) on investments)	(1,531,112)	-	(2,584)	-
	Total	Other	Reconciliations	Consolidated
Net sales				
Customers	1,736,269	31,906	-	1,768,175
Intersegment	7,270	3,229	(10,499)	-
Total	1,743,539	35,135	(10,499)	1,768,175
Segment income	1,253,180	(657)	(17,078)	1,235,445
Depreciation and amortization	(201,113)	(5,103)	-	(206,216)
Gain (loss) on investments	2,150,773	(19,548)	(39,911)	2,091,314
Finance cost	(165,567)	(5,577)	25,038	(146,106)
Foreign exchange gain (loss)	732,974	(23)	-	732,951
Derivative loss (excluding gain (loss) on investments)	(1,533,696)	(4,774)	-	(1,538,470)

4. SoftBank Vision Funds business

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

a. Overview

Segment income arising from the SoftBank Vision Funds business (income before income tax) represents the net profits of the SoftBank Vision Funds business, after deducting the net profits attributable to Third-Party Investors. The net profits attributable to Third-Party Investors are the amount allocated to Third-Party Investors based on proportion of their respective equity contributions, calculated by deducting management fees, performance-linked management fees, and performance fees payable to the fund managers, as well as operating expense and other expenses of SVF from the gains or losses on investments at SVF1, 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)	
	Six-month period ended September 30, 2023	Six-month period ended September 30, 2024
Gain on investments at SoftBank Vision Funds		
Gain on investments at SVF1, SVF2, and LatAm Funds		
Realized gain (loss) on investments ^{*1,2,3}	855,769	(1,298,092)
Unrealized gain (loss) on valuation of investments		
Change in valuation for the fiscal year ^{*4}	(633,520)	583,014
Reclassified to realized gain (loss) recorded in the past fiscal years ^{*3,5}	(662)	1,089,291
Interest and dividend income from investments	20,812	6,937
Derivative gain on investments	4,427	13,418
Effect of foreign exchange translation ^{*3,6}	(78,360)	244,532
Subtotal	168,466	639,100
Gain (loss) on other investments	12,670	(28,712)
Total gain on investments at SoftBank Vision Funds	181,136	610,388
Selling, general and administrative expenses	(44,688)	(36,065)
Finance cost (interest expenses)	(52,532)	(20,671)
Change in third-party interests in SVF	(226,265)	(421,217)
Other gain (loss) ^{*7}	(55,474)	36,406
Segment income arising from the SoftBank Vision Funds business (income before income tax)	(197,823)	168,841

Notes:

1. The amount of realized gain and loss on investments is the exit price net of the investment cost. In addition to the realized gain and loss on sales by cash consideration, the realized gain and loss by disposals as a result of share exchange and restructuring of portfolio companies are included.
2. In August 2023, SVF1 sold Arm shares for \$16.1 billion (the “Transaction Consideration”) to a wholly-owned subsidiary of the Company (the “Transaction”). In relation to the Transaction, the proceeds of the sale will be paid in four installments, with the first installment having been paid upon completion of the Transaction, with the remaining three installments to be paid over a two-year period through August 2025. At the date of sale, “Realized gain (loss) on investments” was recorded as the discounted present value of the Transaction Consideration (\$15.1 billion) net of the investment cost (\$8.2 billion). The difference between the Transaction Consideration and the discounted present value of the Transaction Consideration is recognized as income over the two years after the date of sale and recorded in “Realized gain (loss) on investments.” As a result of the Transaction, for the six-month period ended September 30, 2024, ¥51,527 million of the realized gain is included in “Gain on investments at SoftBank Vision Funds” in the above-mentioned segment income. However, these are eliminated in consolidation due to inter-company transactions relating to shares of a subsidiary.
3. On May 30, 2024, the Bankruptcy court entered an order approving the reorganization plan of WeWork. On June 11, 2024 (the Emergence Date), WeWork emerged from Chapter 11 of the United States Bankruptcy Code (“Chapter 11”). Under the reorganization plan of WeWork, the preexisting Chapter 11 equity in SVF 1 and SVF2 was cancelled pursuant to Restructuring Support Agreement. In addition, a portion of the pre-petition claims was cancelled and the remaining portion was converted into new WeWork equity. Accordingly, SVF1 and SVF2 derecognized WeWork shares, warrants and notes and SVF2 recognized the shares newly issued by WeWork. As a result, for the six-month period ended September 30, 2024, ¥1,050,033 million of the realized loss, ¥848,458 million of the unrealized gain on valuation (reclassified to realized gain (loss) recorded in the past fiscal years), and ¥201,994 million of gain arising from the foreign exchange translation effects were recorded. The effect on gain and loss on investments at SoftBank Vision Funds was a gain of ¥419 million. The Company transferred WeWork shares to SVF2 in August 2021. Investment gain and loss on the shares recorded until the transfer is described in “Notes 2” in “(1) Gain and loss on investments at Investment Business of Holding Companies” under “Note 10. Gain on investments.”
4. For the six-month period ended September 30, 2024, ¥42,360 million of the unrealized loss (net) on valuation arising from shares of the Company’s subsidiaries held by SVF1 and SVF2 (mainly PayPay Corporation) is included in “Gain on investments at SoftBank Vision Funds” (in Change in valuation for the fiscal year under Unrealized gain (loss) on valuation of investments) in the above-mentioned segment income. However, the unrealized loss on valuation arising from shares of the Company’s subsidiaries is eliminated in consolidation.

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

5. It represents the unrealized gain and loss on valuation of investments recorded as “Gain on investments at SoftBank Vision Funds” in the past fiscal years, which are reclassified to “Realized gain (loss) on investments” due to the realization for the six-month period ended September 30, 2024.
6. 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” arises from the different foreign currency exchange rates used for unrealized gain and loss on valuation and realized gain and loss.
7. Following WeWork’s emergence from Chapter 11 on June 11, 2024, given the approved plan of reorganization, out of a portion of the Junior TLC facility, which has been recognized as loan receivables was repaid in cash given over collateral, and the drawn amounts up to date of emergence were converted into new WeWork equity as described above. The carrying amounts (recoverable amounts) of such loan receivables in the consolidated statement of financial position as of March 31, 2024, were zero. However, the collectability of the remaining loan receivables was reassessed and as a result, for the six-month period ended September 30, 2024, ¥22,216 million of gain was recorded.

(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 “(1) Co-investment program with restricted rights to receive distributions” under “Note 16. Related party transactions.” There are no Third-Party Investors who contributed to Preferred Equity in SVF2 and LatAm Funds.

Hereafter, 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 condensed interim consolidated statement of financial position) are as follows:

		(Millions of yen)	
		(For reference purposes only) Links with the condensed interim consolidated financial statements	
	Third-party interests in SVF1 (Total of current liabilities and non-current liabilities)	Consolidated statement of profit or loss (Negative figures represent expenses)	Consolidated statement of cash flows (Negative figures represent payments)
	(Breakdown)		
As of April 1, 2024	4,680,417		
Changes in third-party interests	424,981	(424,981)	-
Attributable to investors entitled to fixed distribution	61,852		
Attributable to investors entitled to performance-based distribution	363,129		
Distribution/repayment to Third-Party Investors	(844,944)	-	(844,944)
Exchange differences on translating third-party interests*	(249,508)	-	-
As of September 30, 2024	<u>4,010,946</u>		

Note:

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

(b) Third-party interests in SVF2 and receivables

There is no balance of interests attributable to Third-Party Investor in SVF2 (included in “Third-party interests in SVF” in the condensed interim consolidated statement of financial position) as of March 31, 2024 and September 30, 2024. There are no changes in interests attributable to Third-Party Investor in SVF2 for the six-month period ended September 30, 2024. Third-Party Investor in SVF2 is the investor entitled to performance-based distribution.

The Company has receivables from Third-Party Investor in SVF2. The changes in the receivables from Third-Party Investor in SVF2 (included in “Other financial assets (non-current)” in the condensed interim 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 “(1) Co-investment program with restricted rights to receive distributions” under “Note 16. Related party transactions.”

	(Millions of yen)
	Receivables from Third-Party Investor in SVF2
As of April 1, 2024	448,931
Increase in receivables from accrued premiums charged to Third-Party Investor	6,345
Exchange differences on receivables	(26,177)
As of September 30, 2024	429,099

(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 condensed interim 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 condensed interim 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, 2024	14,086		
Changes in third-party interests	(3,764)	3,764	-
Exchange differences on translating third-party interests*	(418)	-	-
As of September 30, 2024	9,904		

Note:

* Exchange differences were included in “Exchange differences on translating foreign operations” in the condensed interim 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 condensed interim 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 “(1) Co-investment program with restricted rights to receive distributions” under “Note 16. Related party transactions.”

	(Millions of yen)
	Receivables from Third-Party Investor in LatAm Funds
As of April 1, 2024	105,278
Increase in receivables from accrued premiums charged to Third-Party Investor	1,492
Exchange differences on receivables	(6,139)
As of September 30, 2024	100,631

c. Uncalled committed capital from Third-Party Investors

Uncalled committed capital from SVF1’s Third-Party Investors as of September 30, 2024 was \$8.2 billion.

(3) Management fees and performance fees

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

a. Management fees and performance fees in SVF1

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

Same as the performance-based distributions, the amount of the performance fees to SBIA from SVF1 is calculated using the allocation method as specified in the limited partnership agreement. SBIA is entitled to receive the performance fees when SVF1 receives cash through disposition, dividend, and monetization of an investment. The performance fees received are subject to clawback provisions which are triggered under certain conditions based on future investment performance.

From the inception of SVF1, the cumulative amount of performance fees paid to SBIA was \$454 million. For the three-month period ended June 30, 2023, the performance fee (net of tax) was distributed to the limited partners in accordance with the clawback provisions.

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

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

The amount of the performance-linked management fees to SBGA from SVF2 is determined, based on the

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

From the inception of SVF2 to September 30, 2024, no performance-linked management fees were paid to SBGA.

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

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

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 September 30, 2024, neither performance-linked management fees nor performance fees were paid to SBGA.

5. Disposal group classified as held for sale

For certain prepaid forward contracts using Alibaba shares, which mature after October 2024, the Company determined, by September 30, 2024, to settle the contracts by Alibaba shares. Subsequently, ¥1,249,587 million (\$8.8 billion) of Alibaba shares were transferred from “Investment securities” to “Assets classified as held for sale” in the condensed interim consolidated statement of financial position as of September 30, 2024.

Certain prepaid forward contracts, which were determined to settle by shares and described above, matured and were settled by Alibaba shares by November 12, 2024. As a result, ¥764,899 million (\$5.4 billion) of Alibaba shares recognized as “Assets classified as held for sale” and ¥503,744 million (\$3.5 billion) of “Current portion of financial liabilities relating to sale of shares by prepaid forward contracts” in the condensed interim consolidated statement of financial position as of September 30, 2024 were derecognized on the settlement date.

6. Interest-bearing debt

(1) Components of interest-bearing debt

The components of interest-bearing debt are as follows:

	(Millions of yen)	
	As of March 31, 2024	As of September 30, 2024
Current		
Short-term borrowings	1,100,158	1,090,749
Commercial paper	363,501	350,000
Current portion of long-term borrowings	1,787,792	2,780,940
Current portion of corporate bonds	824,791	1,124,160
Current portion of financial liabilities relating to sale of shares by prepaid forward contracts ^{*1,2}	4,194,733	3,589,758
Current portion of installment payables	168	165
Total	8,271,143	8,935,772
Non-current		
Long-term borrowings	4,698,657	3,928,227
Corporate bonds	6,619,839	6,573,952
Financial liabilities relating to sale of shares by prepaid forward contracts ^{*2}	977,778	-
Installment payables	107	45
Total	12,296,381	10,502,224

Notes:

- For the six-month period ended September 30, 2024, prepaid forward contracts using T-Mobile shares matured and were settled by cash and “Current portion of financial liabilities relating to sale of shares by prepaid forward contracts” decreased by ¥432,165 million.
- These are primarily financial liabilities relating to sale of shares by prepaid forward contracts using Alibaba shares. The details are described in “(2) Transactions for sale of Alibaba shares by prepaid forward contracts.”

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

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

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

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

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

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

For the six-month period ended September 30, 2024, certain prepaid forward contracts matured, and Entities for fund procurement using Alibaba shares settled them by Alibaba shares. As a result, ¥964,550 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts, ¥201,745 million of derivative financial assets (net), and ¥762,805 million of Alibaba shares were derecognized as of the settlement date.

In addition, all of the call spread contracts relating to sale of shares by prepaid forward contracts were terminated as of September 30, 2024.

As of September 30, 2024, the Company pledged ¥4,266,782 million of Alibaba shares as collateral for ¥3,566,213 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts. Alibaba shares pledged as collateral were recorded for ¥1,249,587 million as “Assets classified as held for sale” and for ¥3,017,195 million as “Investment securities” in the condensed interim consolidated statement of financial position.

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

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

	(Millions of yen)	
	Six-month period ended September 30, 2023	Six-month period ended September 30, 2024
Net increase (decrease) in short-term borrowings	170,584	(130,870)
Net increase in commercial paper	127,000	77,000
Total	<u>297,584</u>	<u>(53,870)</u>

(4) Components of proceeds from interest-bearing debt

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

	(Millions of yen)	
	Six-month period ended September 30, 2023	Six-month period ended September 30, 2024
Proceeds from borrowings	2,496,346	1,596,426
Proceeds from issuance of corporate bonds	342,000	1,081,222
Proceeds from procurement by prepaid forward contracts using shares	605,627	-
Total	<u>3,443,973</u>	<u>2,677,648</u>

(5) Components of repayment of interest-bearing debt

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

	(Millions of yen)	
	Six-month period ended September 30, 2023	Six-month period ended September 30, 2024
Repayment of borrowings	(3,421,212)	(1,359,738)
Redemption of corporate bonds	(270,708)	(726,277)
Payments for settlement of financial liabilities relating to sale of shares by prepaid forward contracts *	(2,545)	(484,666)
Total	<u>(3,694,465)</u>	<u>(2,570,681)</u>

Note:

* The amount was primarily settled by cash due to the maturity of prepaid forward contracts using T-Mobile shares. The details are described in “Notes 1” under “(1) Components of interest-bearing debt.”

7. Financial instruments

The details of derivative contracts are mainly as follows:

	(Millions of yen)			
	As of March 31, 2024		As of September 30, 2024	
	Carrying amount (fair value)		Carrying amount (fair value)	
	Assets	Liabilities	Assets	Liabilities
Prepaid forward contracts using Alibaba shares (Option contracts) ^{*1}	394,972	-	182,885	-
Call spread contracts relating to prepaid forward contracts using Alibaba shares ^{*1}	1	-	-	-
Prepaid forward contracts using Alibaba shares (Forward contracts) ^{*1}	514,848	54,688	-	896,109
Short call option for T-Mobile shares to Deutsche Telekom ^{*2}	-	70,699	-	-

Notes:

- The details of prepaid forward contracts using Alibaba shares and call spread contracts relating to prepaid forward contracts using Alibaba shares are described in “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “Note 6. Interest-bearing debt.”
- On June 7, 2024, Deutsche Telekom partially exercised options to purchase T-Mobile shares granted by the Company and the Company sold 6,728,701 shares of T-Mobile. All remaining short call options expired on June 22, 2024.

8. Foreign currency exchange rates

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

(1) Rate at the end of the period

	As of March 31, 2024	As of September 30, 2024
USD	151.41	142.73

(Yen)

(2) Average rate for the quarter

For the six-month period ended September 30, 2023

	Three-month period ended June 30, 2023	Three-month period ended September 30, 2023
USD	138.11	145.44

(Yen)

For the six-month period ended September 30, 2024

	Three-month period ended June 30, 2024	Three-month period ended September 30, 2024
USD	156.53	150.26

(Yen)

9. Equity

(1) Other equity instruments

On July 19, 2017, SoftBank Group Corp. issued \$2.75 billion of USD-denominated Undated Subordinated Non-Call 6 years Resetable Notes and \$1.75 billion of USD-denominated Undated Subordinated Non-Call 10 years Resetable Notes (collectively, the “Hybrid Notes”). In addition, by July 19, 2023, the first optional redemption date, SoftBank Group Corp. fully redeemed the USD-denominated Undated Subordinated Non-Call 6 years Resetable Notes.

The Hybrid Notes are classified as equity instruments in accordance with IFRS because SoftBank Group Corp. has the option to defer interest payments, the notes have no maturity date, and SoftBank Group Corp. has an unconditional right to avoid delivering cash or another financial asset except for distribution of residual assets on liquidation.

(2) Treasury stock

Changes in treasury stock are as follows:

	(Thousands of shares)	
	Six-month period ended September 30, 2023	Six-month period ended September 30, 2024
Balance at the beginning of the period	6,948	4,070
Increase during the period*	0	19,118
Decrease during the period	(2,668)	(256)
Balance at the end of the period	<u>4,280</u>	<u>22,932</u>

Note:

* For the six-month period ended September 30, 2024, due to purchases of treasury stock under the resolutions passed at the Board of Directors meeting held on August 7, 2024, the number of treasury stock increased by 19,118 thousand shares (the amount purchased is ¥153,785 million).

(3) Accumulated other comprehensive income

The components of accumulated other comprehensive income are as follows:

	(Millions of yen)	
	As of March 31, 2024	As of September 30, 2024
Equity financial assets at FVTOCI	46,425	50,314
Debt financial assets at FVTOCI	924	110
Cash flow hedges	(48,030)	(27,615)
Exchange differences on translating foreign operations*	5,794,501	4,485,810
Total	<u>5,793,820</u>	<u>4,508,619</u>

Note:

* The decrease was primarily due to a stronger yen against the U.S. dollar compared with the exchange rate as of March 31, 2024.

10. Gain on investments

(1) Gain and loss on investments at Investment Business of Holding Companies

The components of gain and loss on investments at Investment Business of Holding Companies are as follows:

	(Millions of yen)	
	Six-month period ended September 30, 2023	Six-month period ended September 30, 2024
Realized gain (loss) on investments at asset management subsidiaries	(88,342)	355
Unrealized gain on valuation of investments at asset management subsidiaries	30,003	7,965
Realized gain (loss) on investments ^{*1,2,3}	75,585	(678,502)
Unrealized gain (loss) on valuation of investments ^{*1,2,3}	(364,545)	2,559,815
Derivative loss on investments ^{*3}	(66,495)	(8,453)
Effect of foreign exchange translation ^{*2,3,4}	-	191,082
Other	264	44,497
Total	(413,530)	2,116,759

Notes:

- For the six-month period ended September 30, 2024, ¥109,504 million of realized loss on investments and ¥207,113 million of unrealized gain on valuation of investments (reclassified to realized gain and loss recorded in the past fiscal years) were recognized due to the physical settlement of prepaid forward contracts using Alibaba shares. In addition, ¥1,182,447 million of unrealized gain on valuation of investments was recognized due to the stock price changes for Alibaba shares held as of September 30, 2024.
- For the six-month period ended September 30, 2024, ¥649,975 million of realized loss on WeWork shares, ¥447,483 million of unrealized gain on valuation of investments (reclassified to realized gain and loss recorded in the past fiscal years), and ¥202,492 million of gain arising from the foreign exchange translation effects were recognized due to the completion of the procedures under Chapter 11 for WeWork. The gain and loss were recognized as a result of unrealized loss on valuation of investments recorded in the period prior to the transfer of WeWork shares by the Company to SVF2 in August 2021, which were reclassified to realized loss on investments for the six-month period ended September 30, 2024, and therefore, the effect on the total amount of “Gain and loss on investments at Investment Business of Holding Companies” for the six-month period ended September 30, 2024, is zero. The details are described in “b. Segment income arising from the SoftBank Vision Funds business” in “(1) Income and loss arising from the SoftBank Vision Funds business” under “Note 4. SoftBank Vision Funds business.”
- On June 7, 2024, Deutsche Telekom partially exercised options to purchase T-Mobile shares granted by the Company and the Company sold 6,728,701 shares of T-Mobile. As a result, for the six-month period ended September 30, 2024, ¥78,277 million of realized gain on investments, ¥50,043 million of unrealized loss on valuation of investments (reclassified to realized gain and loss recorded in the past fiscal years), ¥17,753 million of derivative loss on investments, and ¥11,066 million of loss arising from the foreign exchange translation effects were recognized. In addition, ¥560,265 million of unrealized gain on valuation of investments was recognized due to the stock price changes for T-Mobile shares held as of September 30, 2024.
- 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” arises from the different foreign currency exchange rates used for unrealized gain and loss on valuation and realized gain and loss.

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

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

11. Finance cost

The components of finance cost are as follows:

	(Millions of yen)	
	Six-month period ended September 30, 2023	Six-month period ended September 30, 2024
Interest expenses	<u>(295,184)</u>	<u>(283,710)</u>

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

For the six-month period ended September 30, 2024, derivative loss of ¥1,405,393 million was recorded for the prepaid forward contracts using Alibaba shares and the call spread contracts relating to prepaid forward contracts using Alibaba shares. The details of the contracts are described in “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “Note 6. Interest-bearing debt.”

13. Other gain

The components of other gain and loss are as follows:

	(Millions of yen)	
	Six-month period ended September 30, 2023	Six-month period ended September 30, 2024
Interest income	112,808	70,679
Loss on equity method investments	(34,620)	(1,824)
Gain relating to loss of control over subsidiaries ^{*1}	117,471	136,211
Gain arising from the remeasurement relating to business combination ^{*2}	-	55,553
Gain (loss) from financial instruments at FVTPL ^{*3}	(2,329)	19,956
Provision for allowance for financial guarantee contract losses	(42,072)	-
Loss on derecognition of unsecured notes issued by WeWork	(21,579)	-
Other	16,023	5,317
Total	145,702	285,892

Notes:

- For the six-month period ended September 30, 2024, as a result of the sale of all interests in Fortress held by a subsidiary of the Company, to a subsidiary of Mubadala Investment Company PJSC, ¥93,139 million of gain arising from the loss of control over Fortress is included.
- On July 2, 2024, interests in SBE Global, which was previously an equity method associate of the Company, were additionally acquired and SBE Global became a wholly-owned subsidiary of the Company. Subsequently, the existing investment interests were measured at fair value and ¥55,553 million of gain arising from the remeasurement relating to business combination was recorded.
- Following WeWork's emergence from Chapter 11 on June 11, 2024, given the approved plan of reorganization, out of a portion of the Junior TLC facility, which has been recognized as loan receivables was repaid in cash given over collateral, and the drawn amounts up to date of emergence were converted into new WeWork equity as described above. The carrying amounts (recoverable amounts) of such loan receivables in the consolidated statement of financial position as of March 31, 2024, were zero. However, the collectability of the remaining loan receivables was reassessed and as a result, for the six-month period ended September 30, 2024, ¥22,216 million of gain was recorded.

14. Earnings per share

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

For the six-month period ended September 30

(1) Basic earnings per share

	Six-month period ended September 30, 2023	Six-month period ended September 30, 2024
Net income attributable to ordinary shareholders of the parent (Millions of yen)		
Net income attributable to owners of the parent	(1,408,727)	1,005,319
Net income not-attributable to ordinary shareholders of the parent ^{*1}	(13,890)	(9,267)
Net income used in the calculation of basic earnings per share	(1,422,617)	996,052
Weighted-average number of ordinary shares (Thousands of shares)	1,464,122	1,463,280
Basic earnings per share (Yen)	(971.65)	680.70

(2) Diluted earnings per share

	Six-month period ended September 30, 2023	Six-month period ended September 30, 2024
Diluted net income attributable to ordinary shareholders of the parent (Millions of yen)		
Net income used in the calculation of basic earnings per share	(1,422,617)	996,052
Effect of dilutive securities issued by subsidiaries and associates	(3,484)	(1,140)
Total	(1,426,101)	994,912
Weighted-average number of ordinary shares used in the calculation of diluted earnings per share (Thousands of shares)		
Weighted-average number of ordinary shares	1,464,122	1,463,280
Adjustments:		
Stock acquisition rights ^{*2}	-	1,183
Total	1,464,122	1,464,463
Diluted earnings per share (Yen)	(974.03)	679.37

Notes:

1. Net income not-attributable to ordinary shareholders of the parent represents net income attributable to owners of other equity instruments issued by SoftBank Group Corp.

2. For the six-month period ended September 30, 2023, stock acquisition rights are not included in the calculation for "Diluted earnings per share," as it has an antidilutive effect for the calculation.

For the three-month period ended September 30

(1) Basic earnings per share

	Three-month period ended September 30, 2023	Three-month period ended September 30, 2024
Net income attributable to ordinary shareholders of the parent (Millions of yen)		
Net income attributable to owners of the parent	(931,111)	1,179,600
Net income not-attributable to ordinary shareholders of the parent ^{*1}	(4,628)	(4,189)
Net income used in the calculation of basic earnings per share	(935,739)	1,175,411
Weighted-average number of ordinary shares (Thousands of shares)	1,465,056	1,460,642
Basic earnings per share (Yen)	(638.70)	804.72

(2) Diluted earnings per share

	Three-month period ended September 30, 2023	Three-month period ended September 30, 2024
Diluted net income attributable to ordinary shareholders of the parent (Millions of yen)		
Net income used in the calculation of basic earnings per share	(935,739)	1,175,411
Effect of dilutive securities issued by subsidiaries and associates	(1,758)	(1,231)
Total	(937,497)	1,174,180
Weighted-average number of ordinary shares used in the calculation of diluted earnings per share (Thousands of shares)		
Weighted-average number of ordinary shares	1,465,056	1,460,642
Adjustments:		
Stock acquisition rights ^{*2}	-	1,154
Total	1,465,056	1,461,796
Diluted earnings per share (Yen)	(639.90)	803.25

Notes:

1. Net income not-attributable to ordinary shareholders of the parent represents net income attributable to owners of other equity instruments issued by SoftBank Group Corp.

2. For the three-month period ended September 30, 2023, stock acquisition rights are not included in the calculation for "Diluted earnings per share," as it has an antidilutive effect for the calculation.

15. Supplemental information to the condensed interim consolidated statement of cash flows

(1) Payments (net) for acquisition of control over subsidiaries

For the six-month period ended September 30, 2024

The amount is mainly due to the acquisition of Graphcore Limited and SBE Global as subsidiaries.

(2) Significant non-cash transactions

For the six-month period ended September 30, 2024

As certain prepaid forward contracts matured, ¥964,550 million of current portion of financial liabilities relating to sale of shares by prepaid forward contracts and ¥201,745 million of derivative financial assets (net) were settled by Alibaba shares. The details of the transaction are described in “(2) Transactions for sale of Alibaba shares by prepaid forward contracts” under “Note 6. Interest-bearing debt.”

16. Related party transactions

(1) Co-investment program with restricted rights to receive distributions

MgmtCo, which is the investor in SVF2 LLC (a subsidiary of the Company under SVF2) and the investor in SLA LLC (a subsidiary of the Company under the LatAm Funds), is a company controlled by Masayoshi Son, Representative Director, Corporate Officer, Chairman & CEO of SoftBank Group Corp., and a related party of the Company. The co-investment program with restricted rights to receive distributions to SVF2 and LatAm Funds has been introduced from the three-month period ended September 30, 2021 for the purpose of enabling Masayoshi Son to make a co-investment in SVF2 and LatAm Funds with the Company, sharing risk of losses as well as benefit of profits in the success of SVF2 and LatAm Funds, and leading to enhanced focus on the management of investments held by them, which in turn is intended to contribute to increases in the Company’s earnings. In making a co-investment in SVF2 and LatAm Funds under the terms of the program, MgmtCo both receives the benefit of profits and assumes the risk of losses from SVF2 and LatAm Funds, and MgmtCo’s right to receive distributions from its investment is subject to certain restrictions.

Contributions to SVF2 LLC and SLA LLC are classified as “Equity” and “Preferred Equity” depending on the terms and conditions of distribution. SVF2 LLC and SLA LLC each have issued Equity entitled to performance-based distributions that are allocated to the Company and MgmtCo based on the proportion of their respective contributions. The Company’s Equity interest in each of SVF2 LLC and SLA LLC is 82.75%, and MgmtCo’s Equity interest in each of SVF2 LLC and SLA LLC is 17.25%. The Company’s investment in SVF2 LLC is made through SoftBank Vision Fund II-2 L.P. and its subsidiaries, and its investment in SLA LLC is made through SBLA Latin America Fund LLC and its subsidiaries.

Related party transactions of the Company are as follows:

a. Transactions between SVF2 and related parties

Name of the company or individual	Nature of relationship	Nature of transaction	For the six-month period ended	(Millions of yen)
			September 30, 2024	As of September 30, 2024
			Amount of transaction	Balance at period end
Masayoshi Son (MASA USA LLC (MgmtCo))	Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Receipt of capital contribution in SVF2 LLC and related adjustments ^{*1,2}	-	429,099 ^{*3,4} (\$3,006 million)
		The premium received on SVF2 LLC's receivables	6,345 ^{*3} (\$41 million)	
		MgmtCo's Equity interests in SVF2 LLC ^{*5,6}	-	-
		Net balance at period end (Receivables in SVF2 LLC less MgmtCo's Equity interests in SVF2 LLC) ^{*7}		429,099 (\$3,006 million)

Notes:

1. Restrictions on rights of MgmtCo to receive distributions

MgmtCo's right to receive distributions from its investment is subject to certain restrictions. Distributions from SVF2 LLC to MgmtCo are fully restricted and are not paid until the sum of proceeds received by SVF2 LLC from realized investments plus the aggregate fair value of all of SVF2 LLC's unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SVF2 LLC's investments. After the ratio exceeds 130%, restrictions on distributions to MgmtCo are released proportionately in increments of 10%, and when the ratio reaches 200%, all restrictions are released and MgmtCo is entitled to receive the full amount of the distribution. In the event that, upon the liquidation of SVF2 LLC, the amount of the distributions received by MgmtCo exceeds the amount that would have been distributed to MgmtCo if the ratio in effect at the time of liquidation was applied throughout the life of SVF2 LLC, then any such excess amounts will be subject to clawback from MgmtCo.

2. Nature of the Equity contribution by MgmtCo

The Equity interests contributed by the Company and MgmtCo are subordinated to the Preferred Equity contributed separately by the Company to SVF2 LLC. If there is a shortfall in the amount of return of Preferred Equity contributions and the amount of fixed distributions to be received by the Preferred Equity holders at the time of the final profit distribution by SVF2 LLC, then MgmtCo is obligated to pay the shortfall proportional to Equity interests' ratio up to the total amount of return of Equity contributions and the distributions received by MgmtCo.

3. Balance at period end of receivables from MgmtCo for receipt of capital contribution and related adjustments

Balance at period end is the balance of SVF2 LLC's receivables which consists of the balance related to receipt of capital contribution, related adjustments, and premiums received from MgmtCo, less any decrease in receivables due to offsetting settlement with distributions to MgmtCo. The amount of the transaction for "Receipt of capital contribution in SVF2 LLC and related adjustments" at the inception of the program is MgmtCo's Equity Acquisition Amount in SVF2 LLC, which consists of the amount calculated based on MgmtCo's Equity interests of 17.25% in the SVF2's initial acquisition costs of the relevant portfolio companies held by SVF2 LLC and related adjustments calculated based on 17.25% interest in the increase in the portfolio companies' fair value from the initial acquisition costs at SVF2 to June 30, 2021, and the adjustment equivalent to

interests for the period from the Company's contribution to SVF2 until June 30, 2021.

MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time, at its discretion, from the date it became an investor in SVF2 LLC to the end of the company life of SVF2 LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. "The premium received on SVF2 LLC's receivables" refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion, on the same terms and conditions as Equity Acquisition Amount.

Any distributable amount from SVF2 LLC to MgmtCo is offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until the SVF2 LLC's receivables are paid in full.

4. Collateral and other credit protection for receivables

In order to secure the receivables of SVF2 LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SVF2 LLC held by MgmtCo are pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SVF2 LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceed the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of September 30, 2024, 8,897,100 shares of SoftBank Group Corp. are deposited in SVF2 LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only when the entire amount of receivables is settled. SVF2 LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SVF2 LLC after the enforcement of the collateral and personal guarantees by SVF2 LLC.

5. MgmtCo's Equity interest in SVF2 LLC

The amount represents SVF2 LLC's net assets attributable to MgmtCo (before deduction of receivables), which is included in "Third-party interests in SVF" in the condensed interim consolidated statement of financial position.

6. Management fee and performance-linked management fees to be charged to MgmtCo

The terms of the management fee and performance-linked management fee to be charged to MgmtCo are the same as those to be charged to the Company as an Equity investor in SVF2 LLC.

7. Net balance at period end

Net balance at period end is the balance of receivables held by SVF2 LLC less MgmtCo's Equity interest in SVF2 LLC.

b. Transactions between LatAm Funds and related parties

Name of the company or individual	Nature of relationship	Nature of transaction	(Millions of yen)	
			For the six-month period ended September 30, 2024	As of September 30, 2024
			Amount of transaction	Balance at period end
Masayoshi Son (MASA USA LLC (MgmtCo))	Chairman & CEO of SoftBank Group Corp. and related entities of which he holds more than one-half of the voting rights	Receipt of capital contribution in SLA LLC and related adjustments ^{*1,2}	-	100,631 ^{*3,4} (\$705 million)
		The premium received on SLA LLC's receivables	1,492 ^{*3} (\$10 million)	
		MgmtCo's Equity interests in SLA LLC ^{*5,6}	-	9,904 (\$69 million)
		Net balance at period end (Receivables in SLA LLC less MgmtCo's Equity interests in SLA LLC) ^{*7}		90,727 (\$636 million)

Notes:

1. Restrictions on rights of MgmtCo to receive distributions

MgmtCo's right to receive distributions from its investment is subject to certain restrictions. Distributions from SLA LLC to MgmtCo are fully restricted and are not paid until the sum of proceeds received by SLA LLC from realized investments plus the aggregate fair value of all of SLA LLC's unrealized investments (net of borrowings) exceeds 130% of the aggregate acquisition cost of all of SLA LLC's investments. After the ratio exceeds 130%, restrictions on distributions to MgmtCo are released proportionately in increments of 10%, and when the ratio reaches 200%, all restrictions are released and MgmtCo is entitled to receive the full amount of the distribution. In the event that, upon the liquidation of SLA LLC, the amount of the distributions received by MgmtCo exceeds the amount that would have been distributed to MgmtCo if the ratio in effect at the time of liquidation was applied throughout the life of SLA LLC, then any such excess amounts will be subject to clawback from MgmtCo.

2. Nature of the Equity contribution by MgmtCo

The Equity interests contributed by the Company and MgmtCo are subordinated to the Preferred Equity contributed separately by the Company to SLA LLC. If there is a shortfall in the amount of return of Preferred Equity contributions and the amount of fixed distributions to be received by the Preferred Equity holders at the time of the final profit distribution by SLA LLC, then MgmtCo is obligated to pay the shortfall proportional to Equity interests' ratio up to the total amount of return of Equity contributions and the distributions received by MgmtCo.

3. Balance at period end of receivables from MgmtCo for receipt of capital contribution and related adjustments

Balance at period end is the balance of SLA LLC's receivables which consists of the balance related to receipt of capital contribution, related adjustments, and premiums received. The amount of the transaction for "Receipt of capital contribution in SLA LLC and related adjustments" at the inception of the program is MgmtCo's Equity Acquisition Amount in SLA LLC, which consists of the amount calculated based on MgmtCo's Equity interests of 17.25% in the LatAm Funds' initial acquisition costs of the portfolio companies held by LatAm Funds and related adjustments calculated based on 17.25% interest in the increase in the portfolio companies' fair value from the initial acquisition costs at LatAm Funds to June 30, 2021, and the adjustment equivalent to interests for the period from the Company's contribution to LatAm Funds until June 30, 2021.

MgmtCo is entitled to make full or partial payment of its Equity Acquisition Amount at any point in time, at its discretion, from the date it became an investor in SLA LLC to the end of the company life of SLA LLC. MgmtCo is required to pay a premium of 3% per annum on the unpaid Equity Acquisition Amount until the unpaid amount is paid in full. “The premium received on SLA LLC’s receivables” refers to the amount of such premium accrued in the current period. MgmtCo is also entitled to make full or partial payment of the premium at any point in time, at its discretion, on the same terms and conditions as Equity Acquisition Amount.

Any distributable amounts from SLA LLC to MgmtCo are offset against the receivables at the time of the distribution notice and no distribution payments to MgmtCo are made until the SLA LLC’s receivables are paid in full.

4. Collateral and other credit protection for receivables

In order to secure the receivables of SLA LLC related to Equity Acquisition Amount and the premium thereon, all of the Equity interests in SLA LLC held by MgmtCo are pledged as collateral. In the event that MgmtCo pays into the receivables or offsets such receivables with distributions due to it from SLA LLC, the collateral is released to the extent that the cumulative amounts of payments and offsets exceed the balance of the receivables after deduction of such cumulative amounts. Masayoshi Son also provides a personal guarantee to the receivables up to the balance of the receivables. In addition, as of September 30, 2024, 2,168,500 shares of SoftBank Group Corp. are deposited in SLA LLC by Masayoshi Son. The deposited shares of SoftBank Group Corp. will be released only when the entire amount of receivables is settled. SLA LLC may acquire the deposited SoftBank Group Corp. shares without consideration where there are any unpaid receivables in SLA LLC after the enforcement of the collateral and personal guarantees by SLA LLC.

5. MgmtCo’s Equity interest in SLA LLC

The amount represents SLA LLC’s net assets attributable to MgmtCo (before deduction of receivables), which is included in “Third-party interests in SVF” in the condensed interim consolidated statement of financial position.

6. Management fee, performance-linked management fees, and performance fees to be charged to MgmtCo

The terms of the management fee, performance-linked management fees, and performance fee to be charged to MgmtCo are the same as those to be charged to the Company as an Equity investor in SLA LLC.

7. Net balance at period end

Net balance at period end is the balance of receivables held by SLA LLC less MgmtCo’s Equity interest in SLA LLC.

(2) Other related party transactions

Related party transactions of the Company were as follows:

Name of the company or individual	Nature of relationship	Nature of transaction	(Millions of yen)	
			For the six-month period ended September 30, 2024	As of September 30, 2024
			Amount of transaction	Balance at period end
The EDGE of Korea Co., Ltd. (Taizo Son)	Related entities of which Relative of Representative Director of SoftBank Group Corp. holds more than one-half of the voting rights	Collection of loans receivable*	1,297	5,371
		Interest receipt	153	28

Note:

* The repayment date for the loan is June 14, 2028. Prior to the maturity date, the borrower may prepay all or any portion of the outstanding principal amount of the loan, along with any accrued but unpaid interest on such principal amount at any time.