SB Sweden Aktiebolag
Org.nr / *Reg. No.* 556569-4410

20241018092418

ÅRSREDOVISNING
ANNUAL ACCOUNTS

för räkenskapsåret 1 april 2023 – 31 mars 2024
for the financial year 1 April 2023 – 31 March 2024

FASTSTÄLLELSEINTYG
CERTIFICATE OF ADOPTION RESOLUTION

Undertecknad styrelseledamot i SB Sweden Aktiebolag intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkningen fastställts på årsstämma den 30 september 2024. Stämman beslöt tillika att godkänna styrelsens förslag till resultatdisposition.

The undersigned member of the board of SB Sweden Aktiebolag hereby certifies that this copy of the annual accounts corresponds to the original and that the statement of operations and the balance sheet were adopted at the annual general meeting held on 30 September 2024. The annual general meeting resolved to approve the board's proposal regarding appropriation of the result.

30 September 2024, USA, Delaware

Ronald D. Fisher

20241018024406

Årsredovisning

för

SB Sweden AB

556569-4410

Räkenskapsåret

2023–04–01 – 2024–03–31

20241018024O7

Styrelsen för SB Sweden AB avger följande årsredovisning för räkenskapsåret 2023–04–01 – 2024–03–31.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i tusentals kronor (Tkr). Uppgifter inom parentes avser föregående år.

Förvaltningsberättelse

Information om verksamheten

SB Sweden AB ägs av Star Bright Holdings Inc. (f.d SoftBank Holdings Inc.) samt SoftBank Group Corp.

SB Sweden AB äger SoftBank Sweden Investors, LLC (100%) och kommanditbolaget SoftBank Sweden Investments LP (99,999%).

Genom sina placerare består SB Sweden AB:s verksamhet i första hand av utveckling och handel inom internetbranschen.

Företaget är moderföretag, men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning. Det överordnade moderföretaget SoftBank Goup Corp, organisationsnummer 333031-6484 med säte i Tokyo, Japan upprättar koncernredovisning. Detta företag upprättar sin koncernredovisning enligt IFRS och är upprättad på ett med EG:s sjunde bolagsdirektiv (83/349/EEC) enhetligt sätt. Koncernredovisningen för räkenskapsåret som avslutades 31 mars 2024 publicerades den 9 maj 2024.

Företaget har sitt säte i Stockholm.

Flerårsöversikt (Tkr)	**2023/24**	**2022/23**	**2021/22**	**2020/21**
Resultat efter finansiella poster	169 308	282 485	130 198	-239 151
Balansomslutning	2 254 232	2 123 294	1 840 827	1 710 517
Eget kapital	2 218 681	2 084 249	1 840 580	1 710 383

20241018024408

Förändring av eget kapital (Tkr)

	Aktie-kapital	Reserv-fond	Balanserat resultat	Årets resultat	Totalt
Belopp vid årets ingång	100	20	1 840 460	243 669	**2 084 249**
Disposition enligt beslut av årsstämman:					
Balanseras i ny räkning			243 669	-243 669	**0**
Årets resultat				134 431	**134 431**
Belopp vid årets utgång	**100**	**20**	**2 084 129**	**134 431**	**2 218 681**

Villkorade aktieägartillskott uppgår per balansdagen till 7 370 955 (7 370 955).

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	2 084 129 185
årets vinst	134 431 337
	2 218 560 522
disponeras så att	
i ny räkning överföres	2 218 560 522
	2 218 560 522

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

20241018024409

Resultaträkning
Tkr

	Not	2023-04-01 -2024-03-31	2022-04-01 -2023-03-31
Övriga rörelseintäkter		405	945
		405	**945**
Rörelsens kostnader			
Övriga externa kostnader		-447	-720
Rörelseresultat	1	**-42**	**225**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	2	165 211	275 993
Övriga ränteintäkter och liknande resultatposter	3	4 138	6 259
Räntekostnader och liknande resultatposter		0	8
		169 349	**282 260**
Resultat efter finansiella poster		**169 307**	**282 485**
Resultat före skatt		**169 307**	**282 485**
Skatt på årets resultat	4	-34 876	-38 816
Årets resultat		**134 431**	**243 669**

20241018024410

Balansräkning
Tkr

	Not	2024-03-31	2023-03-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	5, 6	2 238 593	2 073 383
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		357	1 025
Övriga fordringar		5	0
		362	**1 025**
Kassa och bank		15 278	48 886
Summa omsättningstillgångar		**15 640**	**49 911**
SUMMA TILLGÅNGAR		**2 254 233**	**2 123 294**

20241018024111

Balansräkning

Tkr

	Not	2024-03-31	2023-03-31
EGET KAPITAL OCH SKULDER			
Eget kapital	7, 8		
Bundet eget kapital			
Aktiekapital		100	100
Reservfond		20	20
		120	**120**
Fritt eget kapital			
Balanserad vinst eller förlust		2 084 129	1 840 460
Årets resultat		134 431	243 669
		2 218 560	**2 084 129**
Summa eget kapital		**2 218 680**	**2 084 249**
Kortfristiga skulder			
Leverantörsskulder		416	0
Aktuella skatteskulder		34 876	38 816
Upplupna kostnader och förutbetalda intäkter		261	229
Summa kortfristiga skulder		**35 553**	**39 045**
SUMMA EGET KAPITAL OCH SKULDER		**2 254 233**	**2 123 294**

20241018024412

Noter
Tkr

Redovisnings- och värderingsprinciper

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Då årsredovisningen är presenterad i Tkr kan avrundningsdifferenser mellan olika delar förekomma.

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Redovisningsprinciper för enskilda balansposter

Andelar i koncernföretag

Andelar i koncernföretag består av innehav i SB Sweden Investors, LLC och SoftBank Sweden Investments LP vilket ur svensk synvinkel är att betrakta som ett kommanditbolag

Andelar i innehaven redovisas enligt kapitalandelsmetoden. Vid tillämpning av kapitalandelsmetoden redovisas en investering inledningsvis till tillgångens anskaffningsvärde. Det redovisade värdet ökas eller minskas därefter för att beakta SB Swedens andel av innehavets resultat efter förvärvstidpunkten. Erhållna utdelningar från innehavet minskar investeringens redovisade värde. Det redovisade värdet justeras även för att återspegla andra förändringar innehavets eget kapital.

Om SB Swedens andel i ett innehavs förluster uppgår till eller överstiger det redovisade värdet på andelarna i innehavet minskas det redovisade värdet tills det redovisade värdet är noll. Ytterligare förluster redovisas som avsättning endast till den del ägarföretaget har en legal förpliktelse eller informell förpliktelse att täcka förlusterna eller om ägarföretaget gjort utbetalningar för innehavets räkning. Redovisar innehavet kommande räkenskapsår vinst ska ägarföretaget redovisa sin andel av vinster först när dessa överstiger andelen av de förluster som inte har redovisats av ägarföretaget.

Andel i innehavens resultat efter skatt redovisas som "Resultat från andelar i koncernföretag" i bolagets resultaträkning.

Inkomstskatter

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

20241018024113

Not 1 Anställda och personalkostnader

Bolaget har inte haft några anställda och några löner har ej utbetalats.

Not 2 Resultat från andelar i koncernföretag

	2023-04-01 -2024-03-31	2022-04-01 -2023-03-31
Verkligtvärdejustering av innehav i SoftBank Sweden Investments LP	165 210	275 992
Verkligtvärdejustering av innehav i SoftBank Sweden Investors, LLC	1	0
	165 211	**275 993**

Not 3 Övriga ränteintäkter och liknande resultatposter

	2023-04-01 -2024-03-31	2022-04-01 -2023-03-31
Övriga ränteintäkter	2 027	1 172
Kursdifferenser	2 111	5 087
	4 138	**6 259**

Not 4 Aktuell och uppskjuten skatt

	2023-04-01 -2024-03-31	2022-04-01 -2023-03-31
Skatt på årets resultat		
Aktuell skatt	-34 876	-38 816
Totalt redovisad skatt	**-34 876**	**-38 816**

Avstämning av effektiv skatt

	Procent	2023-04-01 -2024-03-31 Belopp	Procent	2022-04-01 -2023-03-31 Belopp
Redovisat resultat före skatt		169 308		282 485
Skatt enligt gällande skattesats	20,60	-34 877	20,60	-58 192
Ej skattepliktiga intäkter		1		0
Under året utnyttjande av tidigare års underskottsavdrag vars skattevärde ej redovisats som tillgång		0		20 023
Andra ej bokförda intäkter		0		-648
Redovisad effektiv skatt	**20,60**	**-34 876**	**13,74**	**-38 816**

EK

20241018024414

Not 5 Andelar i koncernföretag

	2024-03-31	2023-03-31
Ingående anskaffningsvärden	2 073 383	1 797 390
Verkligtvärdejustering	165 211	275 993
Utgående ackumulerade anskaffningsvärden	**2 238 593**	**2 073 383**
Utgående redovisat värde	**2 238 593**	**2 073 383**

Not 6 Specifikation andelar i koncernföretag

Namn	Kapital-andel	Bokfört värde
SoftBank Sweden Investments LP	99,999%	2 238 572
SoftBank Sweden Investors, LLC	100,00%	21
		2 238 593

	Säte
SoftBank Sweden Investments LP	Delaware, USA
SoftBank Sweden Investors, LLC	Delaware, USA

Not 7 Antal aktier och kvotvärde

Namn	Antal aktier	Kvot-värde
Antal Aktier	1 000	100
	1 000	

20241018024115

Not 8 Disposition av vinst eller förlust

2024-03-31

Förslag till vinstdisposition
Styrelsen föreslår att till förfogande stående vinstmedel:

balanserad vinst	2 084 129
årets vinst	134 431
	2 218 561
disponeras så att	
i ny räkning överföres	2 218 561
	2 218 561

Not 9 Uppgifter om moderföretag

Moderföretag i den koncern där företaget ingår och som upprättar koncernredovisning är SoftBank Group Corp. med organisationsnummer 333031-6484 med säte i Tokyo, Japan.

Not 10 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har inträffat efter räkenskapsårets slut.

E.K

20241018024l6

Stockholm 2024-09-24

Ronald D. Fisher
Ordförande

Sarah Taylor

Vår revisionsberättelse har lämnats 2024-09-30

Deloitte AB

Eva-Lena Fredriksson
Auktoriserad revisor

Fotokopians överensstämmelse
med originalet intygas:

20241018024117

Stockholm 2024-09-24

Ronald D. Fisher
Ordförande

Sarah Taylor

Vår revisionsberättelse har lämnats 2024-

Deloitte AB

Eva-Lena Fredriksson
Auktoriserad revisor

Fotokopians överensstämmelse
med originalet intygas:

20241018024 19

Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i SB Sweden Aktiebolag
organisationsnummer 556569-4410

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för SB Sweden Aktiebolag för räkenskapsåret 2023-04-01 - 2024-03-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av SB Sweden Aktiebolags finansiella ställning per den 31 mars 2024 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till SB Sweden Aktiebolag enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.

- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.

- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.

- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

20241018024220

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för SB Sweden Aktiebolag för räkenskapsåret 2023-04-01 - 2024-03-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till SB Sweden Aktiebolag enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Luleå, 30 september 2024

Deloitte AB

Eva-Lena Fredriksson
Auktoriserad revisor

Följekopians överensstämmelse med originalet intygas:

20241216000019

SoftBank

This translation of the financial report was prepared for reference purposes only. Should there be any inconsistency between the translation and the original Japanese document, the latter shall prevail.

Consolidated Financial Report
For the Fiscal Year Ended March 31, 2024 (IFRS)

May 9, 2024

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

(1) Consolidated operating results

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

	Revenue		Operating income		Profit before income taxes		Net income		Net income attributable to owners of the Company		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	**6,084,002**	**2.9**	**876,068**	**(17.4)**	**805,912**	**(6.6)**	**590,265**	**(9.8)**	**489,074**	**(8.0)**	**622,183**	**(26.3)**
Fiscal year ended March 31, 2023	5,911,999	3.9	1,060,168	9.8	862,868	0.6	654,125	13.7	531,366	2.8	844,222	40.0

	Basic earnings per share	Diluted earnings per share	Ratio of net income to equity attributable to owners of the Company	Ratio of profit before income taxes to total assets	Ratio of operating income to revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	**103.17**	**101.16**	**21.3**	**5.3**	**14.4**
Fiscal year ended March 31, 2023	112.53	111.00	25.4	6.2	17.9

Reference:

Share of losses of associates accounted for using the equity method is as follows:

Fiscal year ended March 31, 2024 ¥(22,198) million

Fiscal year ended March 31, 2023 ¥(53,218) million

Note: The dividends related to Bond-Type Class Shares are deducted in the calculation of earnings per share.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets	Equity per share attributable to owners of the Company
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	***15,521,906***	***3,935,647***	***2,377,074***	***15.3***	***479.72***
As of March 31, 2023	14,682,181	3,683,067	2,224,945	15.2	470.24

Note: Equity per share attributable to owners of the Company is based on Equity attributable to owners of the Company excluding the amount not attributable to common shareholders.

(3) Consolidated cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	**1,239,689**	**(927,607)**	**(357,098)**	**1,992,873**
Fiscal year ended March 31, 2023	1,155,750	(154,773)	(495,260)	2,059,167

2. Dividends

	Dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividend to equity attributable to owners of the Company (Consolidated)
	First quarter	Second quarter	Third quarter	Fourth quarter	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	-	43.00	-	43.00	86.00	406,700	76.4	19.4
Fiscal year ended March 31, 2024	-	43.00	-	43.00	86.00	405,939	83.4	18.1
Fiscal year ending March 31, 2025 (Forecast)	-	43.00	-	4.30	-		81.8	

Notes:

1. The dividend for the fiscal year ended March 31, 2024 is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned for May 17, 2024.
2. The abovementioned "Dividends" pertain to the dividends related to common shares. Please see the following "Dividends of Bond-Type Class Shares" for information on the dividends related to Bond-Type Class Shares.
3. Subject to approval of the proposal on the amendment to the Articles of Incorporation by the Company's 38th Annual General Meeting of Shareholders scheduled to be held on June 20, 2024, the Company plans to conduct a stock split whereby each share of the Company's common shares will be split into 10 shares, with the effective date being October 1, 2024. Regarding the abovementioned amount for the fiscal year ending March 31, 2025 (Forecast), the second-quarter dividend per share is before the stock split while the fourth-quarter dividend per share takes the stock split into account. The annual dividends per share forecast is not stated because the amounts cannot be simply combined due to the implementation of the stock split. If the stock split is not taken into account, the annual dividends per share would be 86 yen.

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2025

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

	Revenue		Operating income		Net income attributable to owners of the Company		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2025	6,200,000	1.9	900,000	2.7	500,000	2.2	10.51

Notes:

1. For details of the above consolidated financial forecast, refer to "(4) Forecasts" under "1. Results of Operations."
2. The dividends related to Bond-Type Class Shares are deducted in the calculation of earnings per share.
3. Subject to approval of the proposal on the amendment to the Articles of Incorporation by the Company's 38th Annual General Meeting of Shareholders scheduled to be held on June 20, 2024, the Company plans to conduct a stock split whereby each share of the Company's common shares will be split into 10 shares, with the effective date being October 1, 2024. The basic earnings per share takes this stock split into account. If the stock split is not taken into account, the basic earnings per share would be 105.11 yen.

* Notes

(1) Significant changes in scope of consolidation (changes in scope of consolidation of specified subsidiaries): Yes

Newly consolidated: None

Excluded from consolidation: One Company

Company Name: Yahoo Japan Corporation

Note: For details, refer to "(1) Significant Changes in Scope of Consolidation for the Fiscal Year Ended March 31, 2024" under "3. Notes to Summary Information" on page 19 of the appendix to this consolidated financial report.

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(2) Changes in accounting policies and accounting estimates

[1] Changes in accounting policies required by IFRS: Yes

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

[3] Changes in accounting estimates: No

Note: For details, refer to "(2) Changes in Accounting Policies and Accounting Estimates" under "3. Notes to Summary Information" on page 19 of the appendix to this consolidated financial report.

(3) Number of issued shares (common stock)

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

As of March 31, 2024	4,756,200,770	shares
As of March 31, 2023	4,787,145,170	shares

[2] Number of shares of treasury stock

As of March 31, 2024	47,805,153	shares
As of March 31, 2023	55,596,343	shares

[3] Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	4,728,398,709	shares
Fiscal year ended March 31, 2023	4,721,966,921	shares

Reference: Outline of non-consolidated financial results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024

(1) Non-consolidated operating results (Percentages are shown as year-on-year changes)

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	**3,331,529**	**3.3**	**562,512**	**13.9**	**649,324**	**25.1**	**520,243**	**46.5**
Fiscal year ended March 31, 2023	3,226,319	(3.4)	493,900	(11.3)	518,944	(1.5)	355,094	(2.5)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2024	**109.76**	**108.75**
Fiscal year ended March 31, 2023	75.20	74.55

Note: The dividends related to Bond-Type Class Shares are deducted in the calculation of net income per share.

(2) Non-consolidated financial position

	Total assets	Total equity	Equity capital ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	**5,581,362**	**1,009,818**	**17.9**	**186.70**
As of March 31, 2023	5,181,126	839,657	16.0	175.21

Reference: Equity capital is as follows:

Fiscal year ended March 31, 2024 ¥1,000,296 million

Fiscal year ended March 31, 2023 ¥829,035 million

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

*** Explanation on the proper use of the forecast on financial results and other notes**

This document is based on the information available to SoftBank Corp. as of the time hereof and assumptions which it believes are reasonable. Statements contained herein that are not historical facts, including, without limitation, our plans, forecasts, strategies and beliefs about our business and financial prospects, are forward-looking statements. Forward-looking statements often include words such as "targets," "plans," "believes," "hopes," "continues," "expects," "aims," "intends," "will," "may," "should," "would," "could," "anticipates," "estimates," "projects" or words or terms of similar substance or the negative thereof. These forward-looking statements do not represent any guarantee by us or our management of future performance or of any specific outcome and are subject to various risks and uncertainties, including, without limitation, general economic conditions, conditions in the Japanese telecommunications market, our ability to adopt new technologies and business models, competition against competitors, our ability to improve and maintain our telecommunications network, our reliance on third parties in conducting our business, including SoftBank Group Corp. and its other subsidiaries and associates, our major vendors and suppliers, and other third parties, risks relating to M&A and other strategic transactions, risks relating to information security and handling of personally identifiable information, changes in the substance and interpretation of other laws and regulations and other important factors, which may cause actual results to differ materially from those expressed or implied in any forward-looking statement.

SoftBank Corp. expressly disclaims any obligation or responsibility to update, revise or supplement any forward-looking statement in any document or generally to the extent allowed by law or stock exchange rules. Use of or reliance on the information in this material is at your own risk.

For assumptions underlying forecasts, notes on the use of forecasts and related matters, please see "(4) Forecasts" under "1. Results of Operations" on page 17 of the appendix to this consolidated financial report.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Bond-Type Class Shares (the "Securities") referred to herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (hereinafter the "Securities Act"). Securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The Securities referred to above will not be publicly offered or sold in the United States.

(How to obtain supplementary financial materials and information on the earnings results briefing)

On Thursday, May 9, 2024 (JST), the Company will hold an earnings results briefing online for the media, institutional investors, and financial institutions. This earnings results briefing is scheduled to be broadcast on the Company's website in both Japanese and English at https://www.softbank.jp/en/corp/ir/documents/presentations. The Data Sheet is also scheduled to be posted on the Company's website concurrently with the earnings report, and the materials and videos to be used at the earnings results briefing, along with a summary of the main questions and answers, are scheduled to be posted on the Company's website promptly after the earnings results briefing.

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Dividends of Bond-Type Class Shares

The breakdown of dividends per share related to Bond-Type Class Shares, which have different rights and relationships compared to common shares, is as follows:

Series 1 Bond-Type Class Shares

	Dividends per share				
	First quarter	Second quarter	Third quarter	Fourth quarter	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	-	-	41.53	41.53
Fiscal year ending March 31, 2025 (Forecast)	-	50.00	-	50.00	100.00

Note:

1. The dividend for the fiscal year ended March 31, 2024 is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned for May 17, 2024.

Policy on acquisition of Series 1 Bond-Type Class Shares

Based on the clause for acquisition by the Company (call option), the Company may acquire in exchange for cash after the elapse of five years from the issuance, etc. We will determine whether to acquire (call) the Series 1 Bond-Type Class Shares in exchange for cash, taking into consideration our business and financial strategy, market conditions and other factors at the time.

We fully understand that, as is customary in the market for hybrid financing, many investors expect to be called when the dividend rate is stepped up.

(Appendix)

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Definition of Company Names and Abbreviations Used in this Appendix

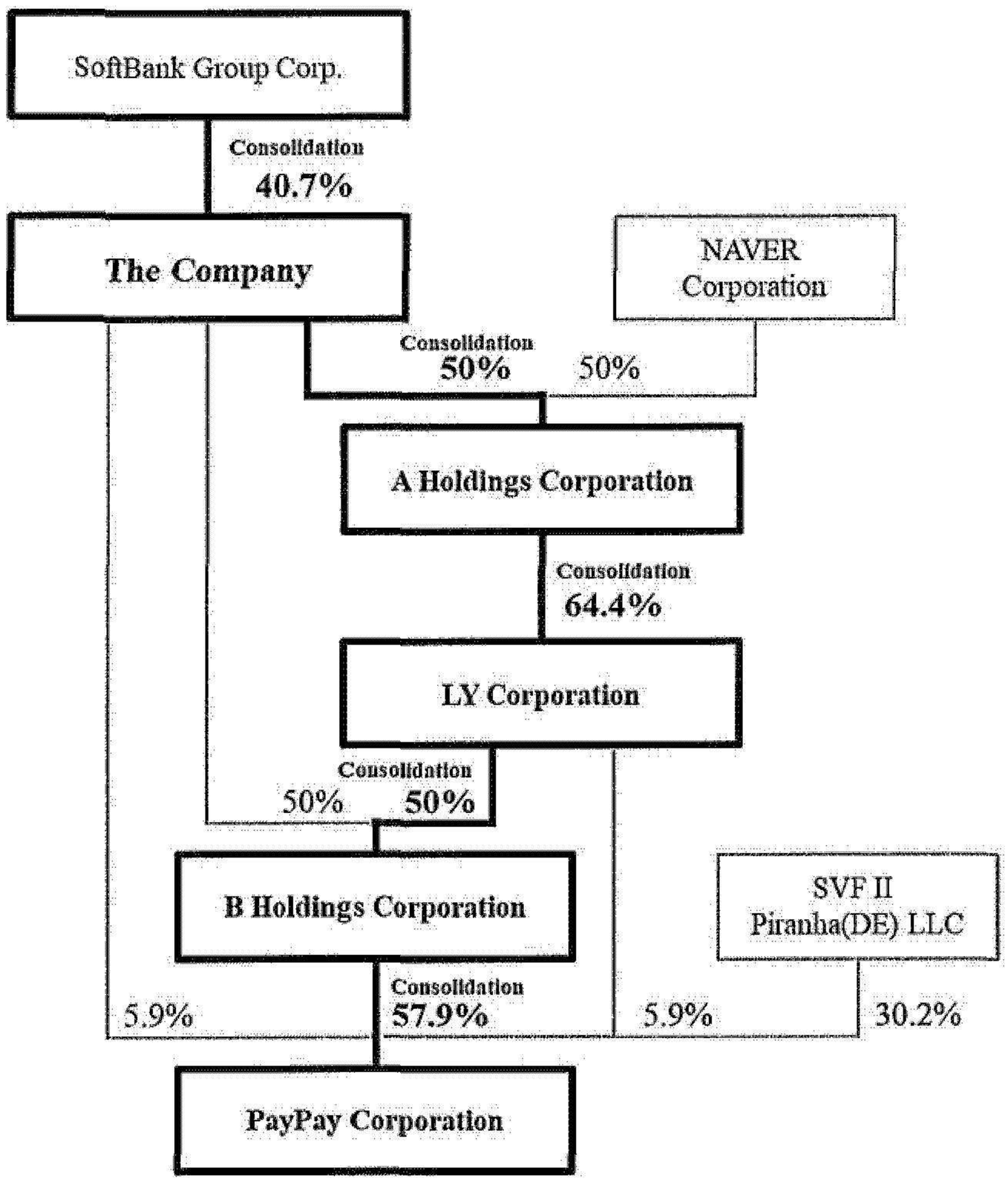
Company names and abbreviations used in this appendix, except as otherwise stated or interpreted differently in the context, are as follows:

Company names / Abbreviations	Definition
The Company	SoftBank Corp. (standalone basis)
The Group	SoftBank Corp. and its subsidiaries
SoftBank Group Corp.	SoftBank Group Corp. (standalone basis)
SoftBank Group	SoftBank Group Corp. and its subsidiaries
LY Corporation[1]	LY Corporation (standalone basis)
LY Group	LY Corporation and its subsidiaries

Note:

1. On October 1, 2023, Z Holdings Corporation, as the surviving company, completed an intra-group reorganization involving mainly itself and two of its core wholly owned subsidiaries, LINE Corporation and Yahoo Japan Corporation. On the same date, Z Holdings Corporation changed its trade name to LY Corporation.

The diagram below indicates ratio of voting rights as of March 31, 2024.



Reportable Segments

The Group changed the name of the Yahoo! JAPAN/LINE segment to the Media & EC segment from the three months ended June 30, 2023. Accordingly, the Group has five reportable segments: the Consumer segment, the Enterprise segment, the Distribution segment, the Media & EC segment, and the Financial segment. This change only pertains to the segment name, and there are no changes to the segment classification, scope, or measurement methods.

The main businesses and core companies of each reportable segment are as follows:

Segments	Main business	Core companies
Reportable segments		
Consumer segment	・Provision of mobile services to individual customers ・Provision of broadband services ・Sale of mobile devices ・Trading and supply of electric power and provision of electric power trading agency services	The Company Wireless City Planning Inc. SB Mobile Service Corp. SB Power Corp.
Enterprise segment	・Provision of mobile services to enterprise customers ・Provision of fixed-line communications services, such as data communications and fixed-line telephone services ・Provision of cloud, global, AI[2]/IoT,[3] and other solution services ・Provision of software-defined connected vehicles[4] solutions	The Company Wireless City Planning Inc. SB Engineering Corp. IDC Frontier Inc. eMnet Japan, co. ltd. Cubic Telecom Ltd.[5]
Distribution segment	・Provision of products and services addressing ICT, cloud services, IoT solutions, and other areas for enterprise customers ・Provision of mobile and PC peripherals, including accessories, as well as software, IoT products, and other items for individual customers	SB C&S Corp.
Media & EC segment[6]	・Provision of media-related services, such as media and advertising, search, marketing solutions, vertical, content, and stamps ・Provision of commerce-related services such as shopping services, including *Yahoo! JAPAN Shopping* and *ZOZOTOWN;* reuse services including *Yahoo! JAPAN Auction*; and O2O services. ・Provision of AI, healthcare, and other services centered on FinTech[7]	LY Corporation[6] ASKUL Corporation ZOZO, Inc. Ikyu Corporation ValueCommerce Co., Ltd.[8] PayPay Bank Corporation LINE Pay Corporation LINE Financial Corporation[9] LINE Plus Corporation LINE SOUTHEAST ASIA CORP.PTE.LTD.
Financial segment	・Development and provision of mobile payments and other electronic payment services ・Provision of credit card business ・Provision of payment processing services ・Provision of online security trading service for smartphones	PayPay Corporation PayPay Card Corporation SB Payment Service Corp. PayPay Securities Corporation
Other[10]	・Provision of cloud services, security operation monitoring services, and IoT solutions ・Provision of IoT, Linux/OSS, and authentication and security services ・Planning and production of digital media and digital content ・Others	The Company SB Technology Corp. Cybertrust Japan Co., Ltd. ITmedia Inc.

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Notes:

1. Segment income for reportable segments is calculated as follows:
   Segment income = (revenue – operating expenses (cost of sales + selling, general and administrative expenses) ± other operating income and loss) in each segment
2. AI stands for artificial intelligence.
3. IoT stands for Internet of Things, a technology that will enable communications between all manner of things via the Internet.
4. Software-defined connected vehicle is a term that describes a vehicle whose features and functions are primarily enabled through software connected to the Internet. Cubic Telecom Ltd.'s connectivity platform is embedded in vehicles at the point of manufacturing, enabling OEMs to leverage software-defined technologies.
5. On March 6, 2024, the Company acquired a 54.3% equity stake (ratio of voting rights) in Cubic Telecom Ltd.
6. On October 1, 2023, Z Holdings Corporation, as the surviving company, completed an intra-group reorganization involving mainly itself and two of its core wholly owned subsidiaries, LINE Corporation and Yahoo Japan Corporation. On the same day, Z Holdings Corporation and LINE Corporation changed their trade names to LY Corporation and Z Intermediate Global Corporation, respectively, and Yahoo Japan Corporation was extinguished. In addition, although Z Financial Corporation and the former LINE Financial Corporation (now Kioicho No.1 Corporation) had been operating as intermediate holding companies for the domestic financial business areas of the LY Group, the functions of these two intermediate holding companies were, as a result of the intra-group reorganization, concentrated in Z Financial Corporation.
7. FinTech is a term coined from the combination of finance and technology and refers to a variety of innovative services that combine financial services with information and communication technology.
8. Z Intermediate Holdings Corporation, a subsidiary of the Company, applied for a tender offer undertaken by ValueCommerce Co., Ltd., which aimed to repurchase its own shares through the tender offer. As a result, on May 2, 2024, ValueCommerce Co., Ltd. ceased to be a subsidiary of the Company and newly became its equity method affiliate.
9. On October 1, 2023, LINE Financial Plus Corporation changed its trade name to LINE Financial Corporation.
10. On October 1, 2023, the Company carried out an absorption-type merger of its wholly owned subsidiary, HAPSMobile Inc. Accordingly, HAPSMobile Inc. was dissolved.

1. Results of Operations

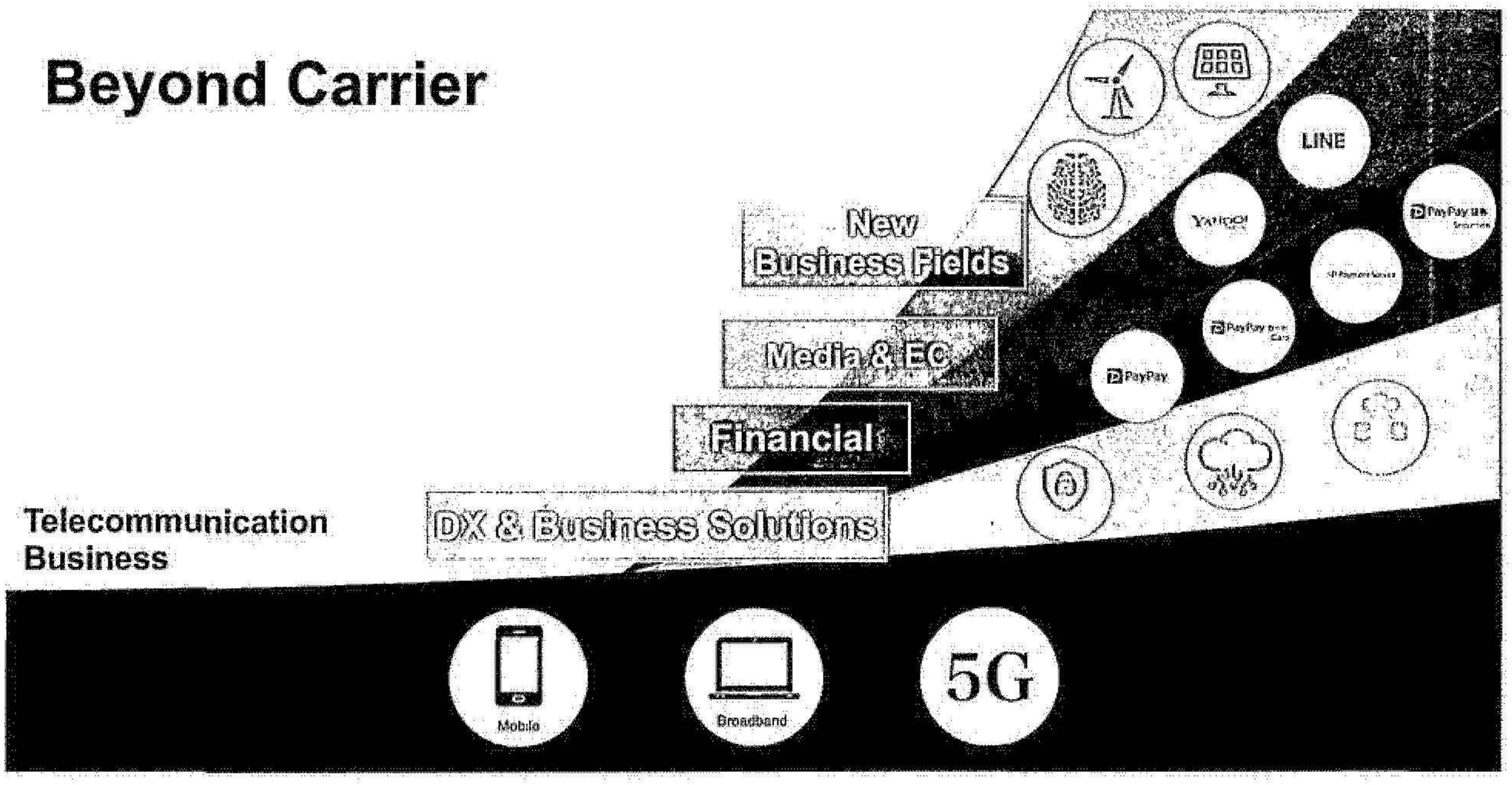
(1) Overview of Consolidated Results of Operations

a. Management Environment and the Group's Initiatives

Guided by its corporate philosophy of "Information Revolution—Happiness for everyone," the Group has been undertaking a wide range of businesses in the information and technology fields. The Group has embraced the vision of becoming "a corporate group needed most by people around the world" and has been working to maximize its corporate value. Moreover, the Group has identified six material issues[1] to be addressed and contributes to solving various social issues through its businesses.

In the fiscal year ended March 31, 2024, despite a continued uncertain outlook due to geopolitical risks and inflation, Japan's economy followed a modest recovery trend driven by, among other factors, the normalization of economic activity from the COVID-19 pandemic and a recovery in inbound tourism demand. Meanwhile, changes in people's lifestyles, such as telework, online shopping, and growing use of contactless payment, which were driven by the COVID-19 pandemic, as well as the worsening labor shortage have made the digitalization of companies and government essential. The Group believes that digitalization will become a driving force that will transform Japan's society in the future, by facilitating improvement in productivity and the creation of innovation, and furthermore that the emergence of generative AI, which can generate a variety of content such as text, images, and programming code, will accelerate the speed of this transformation. In this environment, the roles that the Group must fulfill as an operator of a wide range of businesses in the information and technology fields are growing increasingly important.

In May 2023, the Company announced that it will aim to be "a company that provides next-generation social infrastructure essential for development of a digital society" over the long term along with its three-year Medium-term Management Plan. With this vision, the Group's intention is to build infrastructure designed to meet the projected rapid increase in demand for data processing and electricity brought on by the accelerated evolution of AI, and to become an indispensable company that will support the future's vast array of digital services. Under the Medium-term Management Plan, the Group's goal is to steadily rebuild its business foundations to realize this long-term vision. By promoting the *Beyond Carrier* growth strategy, we will work to recover from the impact of mobile service price reduction and pursue record-high profit of ¥535.0 billion in terms of net income attributable to owners of the Company in the fiscal year ending March 31, 2026, which is the final year of the Plan. The *Beyond Carrier* growth strategy seeks to maximize corporate value by driving sustainable growth in the telecommunications business, the Group's core business, while going beyond the boundaries of a telecommunications carrier to actively expand the Group's businesses in a wide range of fields within the information and technology sectors. Furthermore, the Group will strengthen the competitiveness of the telecommunications business by enhancing collaboration between the telecommunications business and those Group businesses, while promoting the generation of synergies through such means as increasing the number of service users and enhancing user engagement in those Group businesses.



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Awareness of Business Environment

The main external environmental factors identified by the Group and its measures to address those factors are as follows:

Rising interest rates	The Company borrows approximately 90% of its long-term interest-bearing debt at fixed interest rates, so rising interest rates will have no immediate material effect[2].
Currency movements	Although its currency risk exposure is limited, the Company utilizes forward foreign exchange contracts to reduce its exposure to currency risk as necessary.
Surging fuel prices	The Company uses a significant amount of electricity at its base stations and network centers and is therefore affected by surging fuel prices. In the fiscal year ended March 31, 2024, the rise in fuel prices has been stabilizing, and its impact has been mitigated compared to the previous fiscal year. The Company will continue striving to reduce electricity consumption, such as by introducing energy-efficient equipment. The annual impact of an increase of ¥1 in the price of electricity per kWh would be approximately ¥2.3 billion[3].
Semiconductor shortage	The impacts of the semiconductor shortage have been reduced, and the issue of longer lead times for the delivery of telecommunications equipment and other facilities to the Company has largely been resolved. Some impacts are still improving, but there is no significant effect on the build out of 5G networks.

Major Initiatives

- In June 2023, the Company announced that it is expanding the scope of its 'Net Zero' commitment to its group companies. This 'Net Zero' initiative by the Company signifies its commitment to eliminate greenhouse gas (GHG) emissions from its own business processes and energy consumption (Scope 1 and Scope 2) and GHG emissions generated by its supply chain (Scope 3) to achieve virtually Net Zero GHG emissions by 2050. To achieve this 'Net Zero' commitment, the Group implements various initiatives including procurement of sufficient electricity from renewable energy for total future telecommunication business needs (approx. 2 billion kWh) by signing contracts for procurement of renewable energy with renewable energy power producers.

- Responding swiftly to increasing needs for generative AI, the Company has initiated a project aimed at building next-generation social infrastructure that involves constructing 'distributed AI data centers' in collaboration with NVIDIA and working to provide computing platform services that will be needed by a future society that co-exists with AI. In July 2023, these efforts were certified by Japan's Ministry of Economy, Trade and Industry as a plan to secure the supply of "Cloud Programs," a specified critical product under the Economic Security Promotion Act. Furthermore, by harnessing this computing platform, which will be built as one of the largest in Japan, the Company aims to develop its own homegrown generative AI. Additionally, in August 2023, the Company agreed on a strategic alliance with Microsoft Japan Co., Ltd., which is focused on cloud services and the generative AI domain, with the aim of accelerating the digital transformation (DX) of companies and local governments in the Japanese market together with Microsoft Japan Co., Ltd. In these ways, the Company will provide solutions that meet various needs of companies through a "multi-generative AI system," in which the Company utilizes multiple generative AIs developed by partner companies, while working on in-house development of its own homegrown generative AI. The Company plans to use a portion of the proceeds from the issuance of the Series 1 Bond-Type Class Shares, which were issued on the payment date of November 1, 2023, to meet the funding requirements for investments in the realization of generative AI services and the construction of next-generation social infrastructure. The Bond-Type Class Shares have no rights to convert into common shares, no dividend payments beyond the preferred dividends initially set, and no dilution of the rights to vote. With these features, this financing method was designed to increase equity capital while considering the interests of shareholders of common shares.

- For the Consumer segment, in October 2023, the Company started offering new mobile service price plans for both the *SoftBank* and *Y!mobile* brands. For the *SoftBank* brand, as an initiative leveraging group synergy, the Company launched three different *Pay-toku* plans, with varying point award rates depending on the usage status of *PayPay* and different data allowances. For the *Y!mobile* brand, in response to the needs of customers who want to enjoy more high-speed data, the Company launched *Simple 2 S / M / L*, with each plan offering a larger data allowance than the previous plan.

- For the Media & EC segment, in October 2023, Z Holdings Corporation, the Company's subsidiary, completed an intra-group reorganization involving mainly itself as the surviving company and two of its core wholly owned subsidiaries, LINE Corporation and Yahoo Japan Corporation. On the same day, Z Holdings Corporation and LINE Corporation changed their trade names to LY Corporation and Z Intermediate Global Corporation, respectively, and Yahoo Japan Corporation was extinguished. Through the intra-group reorganization, LY Corporation will accelerate the pace of synergy creation, pursue improvements in product creation and profitability, and take on the challenge of creating new value.

- For the Enterprise segment, in March 2024, the Company acquired a 54.3% equity stake (ratio of voting rights) in Cubic Telecom Ltd., a leading global provider of software-defined connected vehicle solutions (hereinafter, the "investment"). Through the investment, both companies will work together to build connectivity platforms important for next-generation social infrastructure and lead the global business to pioneer the future of connected cars, software-defined connected vehicles, and other high-value IoT assets[4].

Notes:

1. For details on the material issues, please see the Company's website:
   https://www.softbank.jp/en/corp/sustainability/materiality/
2. Long-term interest-bearing debt refers to interest-bearing debt (bank loans, bonds, lease obligations, and securitization of receivables) excluding short-term borrowings and the impact of adopting IFRS 16 "Leases." Borrowings at fixed interest rates include certain borrowings with floating interest rates for which a fixed interest expense is obtained through interest rate swap transactions and others.
3. This figure is an estimate based on the electricity consumption of 2,278,902 MWh in the Company and its main subsidiaries for the fiscal year ended March 31, 2023
4. Other high-value IoT assets include motorcycles, heavy goods vehicles, commercial fleets, agriculture vehicles, heavy machinery, and drones.

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b. Consolidated Results of Operations

(Billions of yen)

	Fiscal Year Ended March 31			
	2023	**2024**	Change	Change %
Revenue	5,912.0	**6,084.0**	172.0	2.9%
Operating income	1,060.2	**876.1**	(184.1)	(17.4)%
Profit before income taxes	862.9	**805.9**	(57.0)	(6.6)%
Income taxes	(208.7)	**(215.6)**	(6.9)	3.3%
Net income	654.1	**590.3**	(63.9)	(9.8)%
Net income attributable to:				
Owners of the Company	531.4	**489.1**	(42.3)	(8.0)%
Non-controlling interests	122.8	**101.2**	(21.6)	(17.6)%
Adjusted EBITDA[1]	1,566.4	**1,667.7**	101.2	6.5%

Note:
1. Adjusted EBITDA = operating income + depreciation and amortization (including loss on disposal of non-current assets) + stock compensation expenses ± other adjustments

An overview of the consolidated results of operations for the fiscal year ended March 31, 2024 is as follows:

(a) Revenue

For the fiscal year ended March 31, 2024, revenue increased by ¥172.0 billion (2.9%) year on year to ¥6,084.0 billion. Revenue increased by ¥90.5 billion in the Financial segment, mainly due to the consolidation of PayPay Corporation in October 2022, by ¥56.6 billion in the Distribution segment, mainly due to a solid increase in revenue from ICT (Information and Communication Technology) related products and subscription services, by ¥52.4 billion in the Media & EC segment, mainly due to increased commerce revenue associated with the growth of the ASKUL Group (ASKUL Corporation and its subsidiaries) and the ZOZO Group (ZOZO, Inc. and its subsidiaries), as well as increased media revenue associated with the growth of account advertising, and by ¥37.2 billion in the Enterprise segment, mainly due to an increase in demand for solutions associated with digitalization. On the other hand, revenue decreased by ¥59.1 billion in the Consumer segment due to a decrease in electricity revenue, while there were increases in revenues from sales of goods and others, broadband revenue, and mobile revenues. For the fiscal year ended March 31, 2024, mobile revenue in the Consumer segment increased by ¥8.3 billion year on year, marking a turnaround from a year-on-year decrease of ¥94.5 billion in the previous fiscal year mainly due to the reduced impact of the mobile service price reduction in spring 2021 and an increase in smartphone subscribers.

(b) Operating income

For the fiscal year ended March 31, 2024, operating income decreased by ¥184.1 billion (17.4%) year on year to ¥876.1 billion. This mainly reflected the absence of ¥294.8 billion associated with a gain on step acquisition in connection with the consolidation of PayPay Corporation that had been recorded in the previous fiscal year. On the other hand, operating income increased by ¥38.2 billion in the Media & EC segment, by ¥33.1 billion in the Consumer segment, by ¥26.5 billion in the Enterprise segment, by ¥7.4 billion in the Financial segment, and by ¥2.0 billion in the Distribution segment. Excluding the impact of the aforementioned gain on step acquisition, operating income for the fiscal year ended March 31, 2024 increased by ¥110.7 billion (14.5%) year on year.

(c) Net income

For the fiscal year ended March 31, 2024, net income decreased by ¥63.9 billion (9.8%) year on year to ¥590.3 billion. This mainly reflected a decrease in operating income due to the aforementioned factors. On the other hand, the decrease was partly offset by, among other factors, the absence of losses on valuation of investment securities held that had been recorded in the previous fiscal year, a reversal of provisions for litigation that had been recorded in the previous fiscal year, and the recording of a gain on changes in equity interest associated with the change in the LY Group's equity interest in Webtoon Entertainment Inc. in the fiscal year ended March 31, 2024.

(d) Net income attributable to owners of the Company

For the fiscal year ended March 31, 2024, net income attributable to owners of the Company decreased by ¥42.3 billion (8.0%) year on year to ¥489.1 billion. Excluding the impact of the aforementioned gain on step acquisition that had been recorded in the previous fiscal year, net income attributable to owners of the Company for the fiscal year ended March 31, 2024 increased by ¥152.9 billion (45.5%) year on year. Net income attributable to non-controlling interests decreased by ¥21.6 billion (17.6%) year on year to ¥101.2 billion, mainly due to a decrease in net income at the LY Group.

(e) Adjusted EBITDA

For the fiscal year ended March 31, 2024, adjusted EBITDA increased by ¥101.2 billion (6.5%) year on year to ¥1,667.7 billion. This mainly reflected an increase in operating income excluding a gain on step acquisition in connection with the consolidation of PayPay Corporation that was recorded in the previous fiscal year.

c. Results by Segment

(a) Consumer Segment

OVERVIEW

In the Consumer segment, the Group provides services, such as mobile services, broadband services, and electricity services, including the *Ouchi Denki (Home Electricity)* service, to individual customers in Japan. The Company procures mobile devices from mobile device manufacturers and sells the mobile devices to distributors operating SoftBank shops, etc. and individual customers.

FINANCIAL RESULTS

(Billions of yen)

	Fiscal Year Ended March 31			
	2023	**2024**	Change	Change %
Revenue	2,883.1	**2,823.9**	(59.1)	(2.1)%
Operating expenses[1]	2,420.7	**2,328.4**	(92.2)	(3.8)%
Of which, depreciation and amortization	427.5	**395.9**	(31.6)	(7.4)%
Segment income	462.4	**495.5**	33.1	7.2%

Note:

1. Operating expenses include cost of sales, selling, general and administrative expenses, other operating income, and other operating expenses.

Breakdown of Revenue

(Billions of yen)

	Fiscal Year Ended March 31			
	2023	**2024**	Change	Change %
Service revenues	2,303.3	**2,188.5**	(114.8)	(5.0)%
Mobile	1,513.5	**1,521.9**	8.3	0.6%
Broadband	396.8	**405.1**	8.3	2.1%
Electricity	393.0	**261.5**	(131.5)	(33.5)%
Revenues from sales of goods and others	579.8	**635.4**	55.7	9.6%
Total revenue	2,883.1	**2,823.9**	(59.1)	(2.1)%

Consumer segment revenue decreased by ¥59.1 billion (2.1%) year on year to ¥2,823.9 billion. Within Consumer segment revenue, service revenues decreased by ¥114.8 billion (5.0%) year on year to ¥2,188.5 billion, and revenues from sales of goods and others increased by ¥55.7 billion (9.6%) year on year to ¥635.4 billion.

Within service revenues, mobile revenue increased by ¥8.3 billion (0.6%) year on year. The increase mainly reflected a slowdown of the decline in ARPU due to the mobile service price reduction implemented in spring 2021, as well as an increase in smartphone subscribers mainly led by the *Y!mobile* brand. The decline in ARPU due to mobile service price reduction was mainly because of the penetration of price plans introduced in spring 2021 under the *SoftBank* and *Y!mobile* brands and further switching of subscribers from the *SoftBank* brand to the *Y!mobile* brand. While the year-on-year decrease in mobile revenue (excluding the impact of customer acquisition measures) had been contracting in each quarter, the fiscal year ended March 31, 2024 saw a turnaround to an increase for the full year, due to a transition to year-on-year growth from the third quarter.

(Billions of yen)

	Fiscal Year Ended March 31, 2023				Fiscal Year Ended March 31, 2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mobile revenue	390.4	392.5	372.3	358.3	384.6	392.0	374.8	370.4
Of which, the impact of customer acquisition measures[1]	-	-	(15.9)	(28.4)	-	-	(18.3)	(22.7)
Mobile revenue (excluding the impact of customer acquisition measures)	390.4	392.5	388.2	386.7	384.6	392.0	393.0	393.1
YoY change	(17.7)	(11.3)	(11.7)	(9.5)	(5.8)	(0.5)	4.9	6.4

Note:

1. Based on IFRS 15 "Revenue from Contracts with Customers", certain customer acquisition measures are deducted from mobile revenue.

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Broadband revenue increased by ¥8.3 billion (2.1%) year on year. This increase was mainly due to an increase in subscribers of the *SoftBank Hikari* fiber-optic service.

Electricity revenue decreased by ¥131.5 billion (33.5%) year on year. This decrease was mainly due to a decrease in transactions in the electricity market.

The increase in revenues from sales of goods and others was mainly due to an increase in unit prices of smartphones, etc. and an increase in the number of units sold.

Operating expenses were ¥2,328.4 billion, a decrease of ¥92.2 billion (3.8%) year on year. This decrease was mainly due to a decrease in the cost of service of electricity and a decrease in depreciation and amortization, while there was an increase in the cost of goods of smartphones, etc.

As a result, segment income increased by ¥33.1 billion (7.2%) year on year to ¥495.5 billion.

(b) Enterprise Segment

OVERVIEW

In the Enterprise segment, the Group provides a wide range of services for enterprise customers. These include mobile services such as mobile lines and mobile device rental, fixed-line communications services such as fixed-line telephones and data communications, as well as various solution services for enterprises such as data center, cloud, security, global, AI, IoT, and digital marketing services.

FINANCIAL RESULTS

(Billions of yen)

	Fiscal Year Ended March 31			
	2023	**2024**	*Change*	*Change %*
Revenue	750.3	**787.5**	37.2	5.0%
Operating expenses[1]	615.2	**625.9**	10.7	1.7%
Of which, depreciation and amortization	154.0	**154.8**	0.8	0.5%
Segment income	135.1	**161.5**	26.5	19.6%

Note:

1. Operating expenses include cost of sales, selling, general and administrative expenses, other operating income, and other operating expenses.

Breakdown of Revenue

(Billions of yen)

	Fiscal Year Ended March 31			
	2023	**2024**	Change	Change %
Mobile	320.0	**324.9**	4.9	1.5%
Fixed-line	182.1	**175.4**	(6.7)	(3.7)%
Business solution and others	248.2	**287.1**	39.0	15.7%
Total revenue	750.3	**787.5**	37.2	5.0%

Enterprise segment revenue increased by ¥37.2 billion (5.0%) year on year to ¥787.5 billion. Within Enterprise segment revenue, mobile revenue increased by ¥4.9 billion (1.5%) to ¥324.9 billion, fixed-line revenue decreased by ¥6.7 billion (3.7%) to ¥175.4 billion, and business solution and others revenue increased by ¥39.0 billion (15.7%) to ¥287.1 billion.

The increase in mobile revenue was due to increases in mobile device sales and telecommunications revenue.

The decrease in fixed-line revenue was mainly due to a decrease in the number of subscribers to telephone services.

The increase in business solution and others revenue was from increased revenue mainly from cloud services and security solutions as a result of capturing enterprise customers' demand for digitalization.

Operating expenses were ¥625.9 billion, an increase of ¥10.7 billion (1.7%) year on year. This increase mainly reflected an increase in costs following the abovementioned increase in business solution and others revenue and the absence of a gain on step acquisition in connection with the consolidation of HEALTHCARE TECHNOLOGIES Corp. that had been recorded in the previous fiscal year, while there was a reversal of provisions for litigation that had been recorded in the previous fiscal year.

As a result, segment income increased by ¥26.5 billion (19.6%) year on year to ¥161.5 billion.

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(c) Distribution Segment

OVERVIEW

In the Distribution segment, the Group provides cutting-edge products and services that quickly capture the ever-changing market environment. For enterprise customers, the Group offers products and services primarily addressing cloud services and advanced technologies including AI. For individual customers, the Group undertakes the planning and provision of products and services across a wide range of areas such as software, mobile accessories, and IoT products, as a manufacturer and a distributor.

FINANCIAL RESULTS

(Billions of yen)

	Fiscal Year Ended March 31			
	2023	**2024**	Change	Change %
Revenue	590.0	**646.6**	56.6	9.6%
Operating expenses[1]	565.8	**620.4**	54.6	9.7%
Of which, depreciation and amortization	4.1	**4.4**	0.3	7.3%
Segment income	24.3	**26.2**	2.0	8.1%

Note:

1. Operating expenses include cost of sales, selling, general and administrative expenses, other operating income, and other operating expenses.

Distribution segment revenue increased by ¥56.6 billion (9.6%) year on year to ¥646.6 billion. This increase was mainly due to solid growth in ICT (Information and Communication Technology) related products for enterprise customers and subscription services such as cloud and SaaS, which are also for enterprise customers and have been strategic areas of focus.

Operating expenses were ¥620.4 billion, an increase of ¥54.6 billion (9.7%) year on year. This increase was mainly due to an increase in cost of sales associated with the increase in revenue.

As a result, segment income increased by ¥2.0 billion (8.1%) year on year to ¥26.2 billion.

(d) Media & EC Segment

OVERVIEW

In the Media & EC segment, the Group offers services that center on media and commerce, covering online to offline services in a comprehensive manner. In the media field, the Group provides advertising-related services on its comprehensive Internet service, *Yahoo! JAPAN*, and communication app, *LINE*. In the commerce field, the Group provides online shopping services such as *Yahoo! JAPAN Shopping* and *ZOZOTOWN*, and reuse services such as *Yahoo! JAPAN Auction*. In the strategy field, the Group provides services centered on FinTech, which the Group is working to develop into new drivers of earnings alongside media and commerce.

FINANCIAL RESULTS

(Billions of yen)

	Fiscal Year Ended March 31			
	2023	**2024**	Change	Change %
Revenue	1,561.7	**1,614.1**	52.4	3.4%
Operating expenses[1]	1,401.9	**1,416.2**	14.2	1.0%
Of which, depreciation and amortization	159.9	**161.3**	1.3	0.8%
Segment income	159.7	**198.0**	38.2	23.9%

Note:

1. Operating expenses include cost of sales, selling, general and administrative expenses, other operating income, and other operating expenses.

Breakdown of Revenue

(Billions of yen)

	Fiscal Year Ended March 31			
	2023	**2024**	Change	Change %
Media[1]	686.5	**699.9**	13.5	2.0%
Commerce[1]	791.0	**819.7**	28.7	3.6%
Strategy[1]	78.5	**87.6**	9.1	11.6%
Other[1]	5.7	**6.9**	1.2	20.6%
Total revenue	1,561.7	**1,614.1**	52.4	3.4%

Note:

1. In the three months ended June 30, 2023, the LY Group revised its management categories and reclassified the categories of certain services of Media and Other. In addition, in the three months ended December 31, 2023, the LY Group reclassified the categories of certain services in connection with the intra-group reorganization involving mainly Z Holdings Corporation, LINE Corporation, and Yahoo Japan Corporation. Accordingly, the breakdown of all service categories in the Media & EC segment revenue for the fiscal year ended March 31, 2023 has been restated to reflect these changes.

Media & EC segment revenue increased by ¥52.4 billion (3.4%) year on year to ¥1,614.1 billion. Within Media & EC segment revenue, media revenue increased by ¥13.5 billion (2.0%) to ¥699.9 billion, commerce revenue increased by ¥28.7 billion (3.6%) to ¥819.7 billion, strategy revenue increased by ¥9.1 billion (11.6%) to ¥87.6 billion, and other revenue increased by ¥1.2 billion (20.6%) to ¥6.9 billion.

The increase in media revenue mainly reflected an increase in revenue from account advertising.

The increase in commerce revenue is mainly due to an increase in revenue of the ASKUL Group and the ZOZO Group.

The increase in strategy revenue mainly reflected an increase in revenue in the FinTech field.

Operating expenses were ¥1,416.2 billion, an increase of ¥14.2 billion (1.0%) year on year. This increase mainly reflected an increase in cost of sales at the ASKUL Group and an increase in depreciation and amortization, while there was a decrease in sales promotion expenses and advertising expenses.

As a result, segment income increased by ¥38.2 billion (23.9%) year on year to ¥198.0 billion.

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(e) Financial Segment

OVERVIEW

In the Financial segment, the Group provides cashless payment services such as QR code payments and credit card services, development and provision of marketing solutions for merchants, financial services such as asset management, and provision of payment processing services offering one-stop payment solutions for diversified payment methods including credit cards, electronic money, and QR codes.

FINANCIAL RESULTS

(Billions of yen)

	Fiscal Year Ended March 31			
	2023	**2024**	Change	Change %
Revenue	142.3	**232.8**	90.5	63.6%
Operating expenses[1]	154.7	**237.8**	83.1	53.7%
Of which, depreciation and amortization	13.1	**20.9**	7.8	59.2%
Segment income	(12.4)	**(5.0)**	7.4	(59.7)%

Note:

1. Operating expenses include cost of sales, selling, general and administrative expenses, other operating income, and other operating expenses.

Financial segment revenue increased by ¥90.5 billion (63.6%) year on year to ¥232.8 billion. This increase was mainly due to the consolidation of PayPay Corporation in October 2022 and an increase in its revenue.

Operating expenses were ¥237.8 billion, an increase of ¥83.1 billion (53.7%) year on year. This increase was mainly due to the effects of the abovementioned consolidation of PayPay Corporation.

As a result, segment income increased by ¥7.4 billion year on year to negative ¥5.0 billion.

(2) Overview of Consolidated Financial Position

(Billions of yen)

	March 31, 2023	**March 31, 2024**	Change	Change %
Current assets	4,948.1	**5,268.0**	319.9	6.5%
Non-current assets	9,734.1	**10,253.9**	519.8	5.3%
Total assets	14,682.2	**15,521.9**	839.7	5.7%
Current liabilities	6,372.6	**7,085.3**	712.6	11.2%
Non-current liabilities	4,626.5	**4,501.0**	(125.5)	(2.7)%
Total liabilities	10,999.1	**11,586.3**	587.1	5.3%
Total equity	3,683.1	**3,935.6**	252.6	6.9%

(Billions of yen)

	Fiscal Year Ended March 31		
	2023	**2024**	Change
Capital expenditures[1]	788.6	**650.9**	(137.8)
Of which, capital expenditures in the Consumer segment and Enterprise segment[2]	407.5	**312.8**	(94.8)

Notes:

1. Acceptance basis.
2. Capital expenditures in the Consumer segment and the Enterprise segment exclude investments in devices for rental services, shared equipment (contributions by other operators), and the impact of adopting IFRS 16 "Leases."

ASSETS

Total assets amounted to ¥15,521.9 billion as of March 31, 2024, an increase of ¥839.7 billion (5.7%) from the previous fiscal year-end. This mainly reflected an increase of ¥271.3 billion in trade and other receivables, an increase of ¥233.4 billion in investment securities in banking business, and an increase of ¥227.0 billion in other financial assets.

LIABILITIES

Total liabilities amounted to ¥11,586.3 billion as of March 31, 2024, an increase of ¥587.1 billion (5.3%) from the previous fiscal year-end. This increase was mainly due to an increase of ¥217.7 billion in trade and other payables, an increase of ¥186.4 billion in interest-bearing debt, and an increase of ¥170.9 billion in deposits for banking business. The increase in interest-bearing debt mainly reflected various types of fund procurement at the Company.

EQUITY

Total equity amounted to ¥3,935.6 billion as of March 31, 2024, an increase of ¥252.6 billion (6.9%) from the previous fiscal year-end. Equity attributable to owners of the Company increased by ¥152.1 billion. This mainly reflected an increase of ¥489.1 billion due to the recording of net income for the fiscal year ended March 31, 2024 and an increase of ¥137.3 billion due to the issuance of new shares including the Series 1 Bond-Type Class Shares. On the other hand, the increase in,equity attributable to owners of the Company was partly offset mainly by a decrease of ¥406.9 billion due to payment of cash dividends and a decrease of ¥100.0 billion due to share buybacks.

CAPITAL EXPENDITURES

In the fiscal year ended March 31, 2024, capital expenditures were ¥650.9 billion, a decrease of ¥137.8 billion year on year. This decrease was mainly due to a decrease in capital expenditures associated with the completion of 5G coverage deployment and a decrease in capital expenditures by the LY Group, while investments were made in the generative AI platform.

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(3) Overview of Consolidated Cash Flows

(Billions of yen)

	Fiscal Year Ended March 31		
	2023	2024	Change
Cash flows from operating activities	1,155.8	1,239.7	83.9
Cash flows from investing activities	(154.8)	(927.6)	(772.8)
Cash flows from financing activities	(495.3)	(357.1)	138.2
Cash and cash equivalents at the end of the period	2,059.2	1,992.9	(66.3)
Free cash flow[1]	1,001.0	312.1	(688.9)
Effect of securitization of installment sales receivables	19.6	77.9	58.3
Adjusted free cash flow[2]	1,020.6	390.0	(630.6)
Adjusted free cash flow (excluding LY Group and PayPay, etc.)[3]	618.6	532.8	(85.8)

Notes:
1. Free cash flow = cash flows from operating activities + cash flows from investing activities
2. Adjusted free cash flow = free cash flow + (proceeds from the securitization of installment sales receivables – repayments thereof)
3. Excludes free cash flow of the LY Group and PayPay, etc., and loans to board directors, etc., and includes dividend payments received from A Holdings Corporation. PayPay, etc. includes A Holdings Corporation, B Holdings Corporation, PayPay Corporation, PayPay Card Corporation, PayPay Securities Corporation, and PPSC Investment Service Corporation.

a. Cash flows from operating activities

In the fiscal year ended March 31, 2024, net cash inflow from operating activities was ¥1,239.7 billion, an increase of ¥83.9 billion in cash inflow year on year. This increase mainly reflected an increase in adjusted EBITDA and an increase in cash inflow associated with changes in deposits and loans in banking business, while there was an increase in cash outflow associated with an increase in trade and other receivables.

b. Cash flows from investing activities

In the fiscal year ended March 31, 2024, net cash outflow from investing activities was ¥927.6 billion, an increase of ¥772.8 billion in cash outflow year on year. This increase mainly reflected the absence of a one-time cash inflow of ¥397.3 billion from the acceptance of the balance of cash and cash equivalents resulting from the consolidation of PayPay Corporation that had been recorded in the previous fiscal year, as well as an increase in a cash outflow associated with purchase of investment securities in banking business in the fiscal year ended March 31, 2024.

c. Cash flows from financing activities

In the fiscal year ended March 31, 2024, net cash outflow from financing activities was ¥357.1 billion. While there were cash inflows of ¥2,973.6 billion from fund procurement, including bank loans, leases, corporate bonds, the securitization of receivables, and issuance of the Series 1 Bond-Type Class Shares, there were cash outflows of ¥3,330.7 billion for factors including the repayment of loans, payment of cash dividends, and share buybacks.

d. Cash and cash equivalents at the end of the period

As a result of (a) through (c) above, cash and cash equivalents as of March 31, 2024 were ¥1,992.9 billion, a decrease of ¥66.3 billion year on year.

e. Adjusted free cash flow

In the fiscal year ended March 31, 2024, adjusted free cash flow was positive ¥390.0 billion, a decrease of ¥630.6 billion year on year. This decrease reflected, as described above, the increase in net cash outflow from investing activities, while there were increases in net cash inflow from operating activities and cash inflow from securitization of installment sales receivables.

(4) Forecasts

Forecasts for the consolidated results for the fiscal year ending March 31, 2025

(Billions of yen)

	Fiscal Year Ended March 31, 2024 (Actual)	Fiscal Year Ending March 31, 2025 (Forecast)	Change	Change %
Revenue	6,084.0	6,200.0	116.0	1.9%
Operating income	876.1	900.0	23.9	2.7%
Net income attributable to owners of the Company	489.1	500.0	10.9	2.2%

Forecasts for operating income by segment for the fiscal year ending March 31, 2025

(Billions of yen)

	Fiscal Year Ended March 31, 2024 (Actual)	Fiscal Year Ending March 31, 2025 (Forecast)	Change	Change %
Consumer segment	495.5	530.0	34.5	7.0%
Enterprise segment[1]	167.2	170.0	2.8	1.7%
Distribution segment	26.2	28.0	1.8	6.9%
Media & EC segment	198.0	230.0	32.0	16.2%
Financial segment	(5.0)	3.0	8.0	—
Other[1,2]	(5.8)	(61.0)	(55.2)	—
Total	876.1	900.0	23.9	2.7%

Notes:

1. From the fiscal year ending March 31, 2025, SB Technology Corp. and Cybertrust Japan Co., Ltd., etc., which were previously classified as Other, will be transferred to the Enterprise segment. As a result, the figures for the Enterprise segment and Other for the fiscal year ended March 31, 2024 have been retrospectively adjusted. Please note that these retrospectively adjusted figures are currently under review.
2. Other includes operating income and loss not included in any of the Consumer, Enterprise, Distribution, Media & EC, and Financial segments, and adjustments including eliminations of intersegment transactions and expenses not allocated to each reportable segment.

For the consolidated results forecasts for the fiscal year ending March 31, 2025, the Company expects increases in revenue, operating income, and net income attributable to owners of the Company. In terms of operating income, the Company forecasts increased profits across all reportable segments, primarily the Consumer and Media & EC segments, with the policy to pursue the achievement of the current Medium-term Management Plan and, concurrently, growth investments in areas such as generative AI, to facilitate business growth during the next Medium-term Management Plan period commencing from the fiscal year ending March 31, 2027.

In the Consumer segment, the Company expects an increase in operating income mainly due to increases in telecommunications revenue and mobile device sales, along with a decrease in sales commissions. In the Enterprise segment, the Company expects an increase in operating income related to mobile, cloud and other solution services through promoting digitalization of enterprise customers. Excluding the one-time impact (¥9.0 billion) of a reversal recorded in the fiscal year ended March 31, 2024 of provisions for litigation that had been recorded in the previous fiscal year, the segment's operating income is forecast to increase by 7.4%. In the Media & EC segment, the Company will strengthen its security measures as its utmost priority. Along with this, it will also aim to increase revenue and income by reinforcing products in key growth domains through disciplined cost allocation. In the Financial segment, the Company aims for a favorable balance between growth and profitability and expects the segment to become profitable in the fiscal year ending March 31, 2025. Furthermore, Other is expected to report a decrease in operating income, due to increased growth investments such as investments in generative AI.

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(5) Basic Policy on Profit Distribution and Dividends for the Current and Next Years

The Company considers the return of profits to shareholders to be an important goal for our management along with increasing medium to long term corporate value. To increase corporate value, the Company will make capital investments efficiently to further raise the sophistication of 5G, as well as continuing investments in new businesses.

Our basic policy is to distribute surplus twice a year as interim and year-end dividends. Our dividend policy is to pay attention to the stability and sustainability of dividends while considering factors such as performance trends, financial condition, and cash flow position on a comprehensive basis. In the fiscal year ended March 31, 2024, the year-end dividend per share is planned to be ¥43[1] for common shares and ¥41.53[1,2] for the Series 1 Bond-Type Class Shares.

For the fiscal year ending March 31, 2025, the annual dividend per share is planned to be ¥86 (of which, the interim and year-end dividends per share are planned to be ¥43 and ¥43[3], respectively) for common shares, and a prescribed amount of dividend is planned for the Series 1 Bond-Type Class Shares.

The Company will continue to grow both telecommunications business and new businesses, striving to increase its corporate value and deliver stable returns of profit to shareholders.

Notes:

1. This is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned for May 17, 2024.
2. The year-end dividend per share is calculated by multiplying the issuance price of ¥4,000 per share by the fixed annual dividend rate of 2.500% and applying daily proration based on a 366-day year.
3. Subject to approval of the proposal on the amendment to the Articles of Incorporation by the Company's 38th Annual General Meeting of Shareholders scheduled to be held on June 20, 2024, the Company plans to conduct a stock split whereby each share of the Company's common shares will be split into 10 shares, with the effective date being October 1, 2024. The above year-end dividend per share for the fiscal year ending March 31, 2025 does not take this stock split into account. If the stock split is taken into account, the figure would be ¥4.30.

2. Basic Approach to the Selection of Accounting Standards

The Group has adopted International Financial Reporting Standards ("IFRS") to increase the international comparability of its financial information and to improve the convenience in capital markets.

3. Notes to Summary Information

(1) Significant Changes in Scope of Consolidation for the Fiscal Year Ended March 31, 2024

(Specified subsidiary (one company) excluded from the scope of consolidation)

On October 1, 2023, Z Holdings Corporation, a subsidiary of the Company, as the surviving company, completed an intra-group reorganization involving mainly itself and two of its core wholly owned subsidiaries, LINE Corporation and Yahoo Japan Corporation. On the same date, Z Holdings Corporation and LINE Corporation changed their trade names to LY Corporation and Z Intermediate Global Corporation, respectively, and Yahoo Japan Corporation was extinguished and excluded from the scope of consolidation.

(2) Changes in Accounting Policies and Accounting Estimates

(Changes in accounting policies required by IFRS)

The Group has applied the following standard from the fiscal year ended March 31, 2024.

IFRS	Title	Outline of amendments
IAS 12 (Revised)	Income taxes (Revised in May 2021)	Clarification for accounting treatment of deferred tax related to assets and liabilities arising from a single transaction

There were no significant impacts on the consolidated financial statements for the fiscal years ended March 31, 2023 and 2024 from the application of IAS 12 (Revised) "Income Taxes."

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4. Consolidated Financial Statements and Primary Notes

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	2,059,167	1,992,873
Trade and other receivables	2,389,731	2,660,995
Other financial assets	194,924	229,715
Inventories	159,139	155,059
Other current assets	145,134	186,810
Subtotal	4,948,095	5,225,452
Assets classified as held for sale	-	42,577
Total current assets	4,948,095	5,268,029
Non-current assets		
Property, plant and equipment	1,673,705	1,768,812
Right-of-use assets	763,598	662,183
Goodwill	1,994,298	2,049,404
Intangible assets	2,529,116	2,505,511
Contract costs	334,345	319,140
Investments accounted for using the equity method	218,170	251,488
Investment securities	241,294	272,788
Investment securities in banking business	288,783	522,232
Other financial assets	1,528,650	1,755,627
Deferred tax assets	59,608	46,529
Other non-current assets	102,519	100,163
Total non-current assets	9,734,086	10,253,877
Total assets	14,682,181	15,521,906

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
LIABILITIES AND EQUITY		
Current liabilities		
Interest-bearing debt	2,064,154	2,381,632
Trade and other payables	2,317,402	2,535,072
Contract liabilities	116,213	128,307
Deposits for banking business	1,472,260	1,643,155
Other financial liabilities	6,729	1,722
Income taxes payable	116,220	125,933
Provisions	63,642	33,287
Other current liabilities	216,018	226,596
Subtotal	6,372,638	7,075,704
Liabilities directly associated with assets classified as held for sale	-	9,582
Total current liabilities	6,372,638	7,085,286
Non-current liabilities		
Interest-bearing debt	4,070,347	3,939,255
Other financial liabilities	30,236	45,312
Provisions	94,084	99,491
Deferred tax liabilities	341,170	301,852
Other non-current liabilities	90,639	115,063
Total non-current liabilities	4,626,476	4,500,973
Total liabilities	10,999,114	11,586,259
Equity		
Equity attributable to owners of the Company		
Common stock	204,309	214,394
Capital surplus	685,066	736,052
Retained earnings	1,392,043	1,475,775
Treasury stock	(74,131)	(75,822)
Accumulated other comprehensive income (loss)	17,658	26,675
Total equity attributable to owners of the Company	2,224,945	2,377,074
Non-controlling interests	1,458,122	1,558,573
Total equity	3,683,067	3,935,647
Total liabilities and equity	14,682,181	15,521,906

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(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Revenue	5,911,999	6,084,002
Cost of sales	(3,194,085)	(3,150,653)
Gross profit	2,717,914	2,933,349
Selling, general and administrative expenses	(1,964,580)	(2,081,765)
Other operating income	321,422	30,172
Other operating expenses	(14,588)	(5,688)
Operating income	1,060,168	876,068
Gain on changes in equity interest	5,343	20,435
Share of losses of associates accounted for using the equity method	(53,218)	(22,198)
Financing income	11,905	12,921
Financing costs	(117,212)	(61,415)
Gain on sales of equity method investments	1,109	5,227
Impairment loss on equity method investments	(45,227)	(25,126)
Profit before income taxes	862,868	805,912
Income taxes	(208,743)	(215,647)
Net income[1]	654,125	590,265
Net income attributable to		
Owners of the Company	531,366	489,074
Non-controlling interests	122,759	101,191
	654,125	590,265
Earnings per share attributable to owners of the Company		
Basic earnings per share (Yen)	112.53	103.17
Diluted earnings per share (Yen)	111.00	101.16

Note:

1. All net income of SoftBank Corp. and its subsidiaries for the fiscal years ended March 31, 2023 and 2024 were generated from continuing operations.

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income	654,125	590,265
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	3,240	(308)
Changes in the fair value of equity instruments at FVTOCI	170,427	2,651
Share of other comprehensive income (loss) of associates accounted for using the equity method	146	479
Total items that will not be reclassified to profit or loss	173,813	2,822
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	(598)	(1,071)
Cash flow hedges	822	(132)
Exchange differences on translation of foreign operations	14,921	20,545
Share of other comprehensive income (loss) of associates accounted for using the equity method	1,139	9,754
Total items that may be reclassified subsequently to profit or loss	16,284	29,096
Total other comprehensive income (loss), net of tax	190,097	31,918
Total comprehensive income	844,222	622,183
Total comprehensive income attributable to		
Owners of the Company	654,503	499,960
Non-controlling interests	189,719	122,223
	844,222	622,183

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(3) Consolidated Statement of Changes in Equity

For the fiscal year ended March 31, 2023

(Millions of yen)

	Equity attributable to owners of the Company							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehen-sive income (loss)	Total	Non-controlling interests	Total equity
As of April 1, 2022	204,309	688,030	1,131,391	(106,462)	43,353	1,960,621	1,252,110	3,212,731
Comprehensive income								
Net income	-	-	531,366	-	-	531,366	122,759	654,125
Other comprehensive income (loss)	-	-	-	-	123,137	123,137	66,960	190,097
Total comprehensive income	-	-	531,366	-	123,137	654,503	189,719	844,222
Transactions with owners and other transactions								
Cash dividends	-	-	(405,658)	-	-	(405,658)	(47,200)	(452,858)
Issuance of new shares	-	-	-	-	-	-	-	-
Transfer from common stock to capital surplus	-	-	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	(0)	-	(0)	-	(0)
Disposal of treasury stock	-	(13,909)	-	32,331	-	18,422	-	18,422
Cancellation of treasury stock	-	-	-	-	-	-	-	-
Changes from business combinations	-	(3,730)	-	-	-	(3,730)	36,672	32,942
Changes from loss of control	-	-	-	-	-	-	609	609
Changes in interests in existing subsidiaries	-	(709)	-	-	-	(709)	26,275	25,566
Share-based payment transactions	-	1,438	-	-	-	1,438	-	1,438
Transfer from retained earnings to capital surplus	-	13,966	(13,966)	-	-	-	-	-
Transfer from accumulated other comprehensive income to retained earnings	-	-	148,832	-	(148,832)	-	-	-
Other	-	(20)	78	-	-	58	(63)	(5)
Total transactions with owners and other transactions	-	(2,964)	(270,714)	32,331	(148,832)	(390,179)	16,293	(373,886)
As of March 31, 2023	204,309	685,066	1,392,043	(74,131)	17,658	2,224,945	1,458,122	3,683,067

For the fiscal year ended March 31, 2024

(Millions of yen)

	Equity attributable to owners of the Company							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehen-sive income (loss)	Total	Non-controlling interests	Total equity
As of April 1, 2023	204,309	685,066	1,392,043	(74,131)	17,658	2,224,945	1,458,122	3,683,067
Comprehensive income								
Net income	-	-	489,074	-	-	489,074	101,191	590,265
Other comprehensive income (loss)	-	-	-	-	10,886	10,886	21,032	31,918
Total comprehensive income	-	-	489,074	-	10,886	499,960	122,223	622,183
Transactions with owners and other transactions								
Cash dividends	-	-	(406,935)	-	-	(406,935)	(45,589)	(452,524)
Issuance of new shares	70,085	67,180	-	-	-	137,265	-	137,265
Transfer from common stock to capital surplus	(60,000)	60,000	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	(100,000)	-	(100,000)	-	(100,000)
Disposal of treasury stock	-	(12,535)	-	27,175	-	14,640	-	14,640
Cancellation of treasury stock	-	(71,134)	-	71,134	-	-	-	-
Changes from business combinations	-	-	-	-	-	-	13,528	13,528
Changes from loss of control	-	-	-	-	-	-	(6,490)	(6,490)
Changes in interests in existing subsidiaries	-	8,600	-	-	-	8,600	16,989	25,589
Share-based payment transactions	-	(1,009)	-	-	-	(1,009)	-	(1,009)
Transfer from retained earnings to capital surplus	-	-	-	-	-	-	-	-
Transfer from accumulated other comprehensive income to retained earnings	-	-	1,869	-	(1,869)	-	-	-
Other	-	(116)	(276)	-	-	(392)	(210)	(602)
Total transactions with owners and other transactions	10,085	50,986	(405,342)	(1,691)	(1,869)	(347,831)	(21,772)	(369,603)
As of March 31, 2024	214,394	736,052	1,475,775	(75,822)	26,675	2,377,074	1,558,573	3,935,647

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(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Net income	654,125	590,265
Depreciation and amortization	764,210	743,808
Loss on disposal of property, plant and equipment and intangible assets	30,927	25,321
Remeasurement gain on step acquisition	(310,084)	-
Gain relating to loss of control over subsidiaries	(8,655)	(10,284)
Financing income	(11,905)	(12,921)
Financing costs	117,212	61,415
Share of losses of associates accounted for using the equity method	53,218	22,198
Gain on sales of equity method investments	(1,109)	(5,227)
Impairment loss on equity method investments	45,227	25,126
Gain on changes in equity interest	(5,343)	(20,435)
Income taxes	208,743	215,647
(Increase) decrease in trade and other receivables	(125,607)	(325,141)
(Increase) decrease in inventories	(21,331)	2,744
Purchases of mobile devices leased to enterprise customers	(49,799)	(49,164)
Increase (decrease) in trade and other payables	269,806	284,461
Increase (decrease) in consumption taxes payable	11,079	8,090
Increase (decrease) in deposits in banking business	66,055	170,895
(Increase) decrease in loans in banking business	(229,913)	(135,185)
Other	18,665	(14,363)
Subtotal	1,475,521	1,577,250
Interest and dividends received	7,253	6,543
Interest paid	(61,362)	(62,922)
Income taxes paid	(287,741)	(321,493)
Income taxes refunded	22,079	40,311
Net cash inflow from operating activities	1,155,750	1,239,689
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(609,222)	(554,074)
Proceeds from sales of property, plant and equipment and intangible assets	1,676	1,838
Payments for acquisition of investments	(64,894)	(96,062)
Proceeds from sales/redemption of investments	17,090	23,601
Purchase of investment securities in banking business	(166,222)	(328,014)
Proceeds from sales/redemption of investment securities in banking business	209,247	127,586
Proceeds from (payments for) obtaining control of subsidiaries	382,455	(67,528)
Other	75,097	(34,954)
Net cash outflow from investing activities	(154,773)	(927,607)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Increase (decrease) in short-term interest-bearing debt, net	54,550	162,128
Proceeds from interest-bearing debt	2,087,121	2,638,810
Repayment of interest-bearing debt	(2,223,935)	(2,778,236)
Proceeds from issuance of shares	-	136,233
Proceeds from stock issuance to non-controlling interests	30,907	34,202
Payments for purchase of treasury stock	(0)	(100,000)
Cash dividends paid	(405,559)	(406,752)
Cash dividends paid to non-controlling interests	(47,212)	(45,697)
Other	8,868	2,214
Net cash inflow (outflow) from financing activities	(495,260)	(357,098)
Effect of exchange rate changes on cash and cash equivalents	6,658	11,733
Decrease in cash and cash equivalents relating to transfer of assets classified as held for sale	-	(33,011)
Increase (decrease) in cash and cash equivalents	512,375	(66,294)
Cash and cash equivalents at the beginning of the year	1,546,792	2,059,167
Cash and cash equivalents at the end of the year	2,059,167	1,992,873

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(5) Notes on Going Concern Assumption

There are no applicable items.

(6) Notes to Consolidated Financial Statements

1. Reporting entity

SoftBank Corp. (the "Company") is a corporation (kabushiki kaisha) under the Companies Act of Japan and is domiciled in Japan. The registered address of its head office is 7-1 Kaigan 1-chome, Minato-ku, Tokyo, Japan. These consolidated financial statements are comprised of the Company and its subsidiaries (the "Group"). The parent of the Company is SoftBank Group Japan Corporation. The ultimate parent company of the Company is SoftBank Group Corp.

In addition, LY Corporation, a subsidiary of the Company, has implemented an intra-group reorganization involving mainly Z Holdings Corporation, LINE Corporation and Yahoo Japan Corporation, effective October 1, 2023, and changed its trade name from Z Holdings Corporation.

The Group is engaged in a variety of businesses in the information and technology fields centering on its Consumer, Enterprise, Distribution, Media & EC and Financial businesses. For details, refer to "(1) Summary of reportable segments" under "Note 5. Segment information."

2. Material accounting policies

(1) Adoption of new accounting standards and interpretations

There are no significant impacts from the adoption of new accounting standards and interpretations.

(2) Material accounting policies changed due to the adoption of new accounting standards and interpretations

The Group has applied the following standard from the fiscal year ended March 31, 2024.

IFRS	Title	Outline of amendments
IAS 12 (Revised)	Income taxes (Revised in May 2021)	Clarification for accounting treatment of deferred tax related to assets and liabilities arising from a single transaction

There were no significant impacts on the consolidated financial statements for the fiscal years ended March 31, 2023 and 2024 from the application of IAS 12 (Revised) "Income Taxes."

3. Significant judgments and estimates

In preparing the consolidated financial statements under IFRS, management makes judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities in the consolidated statement of financial position, revenue and expenses in the consolidated statement of income, or contingent liabilities and assets to be disclosed.

These estimates and underlying assumptions are based on management's best judgments, through their evaluation of various factors that were considered reasonable as of the respective period end, based on historical experience and by collecting available information.

The following items require management's significant judgements and estimates for the purpose of recognition and measurement.

(1) Significant judgments

Significant judgments that affect the amounts recognized in the Group's consolidated financial statements are as follows:

a. Judgments of whether an entity is controlled by the Company in determining the scope of consolidation

The Company assesses whether or not it has the ability to control subsidiaries based on whether the Company has the practical ability to direct the relevant activities of the subsidiary unilaterally. In making this judgment, the Company considers the absolute size of its equity share, voting interest, contractual rights, and any other factors that may indicate the Company's ability to direct the relevant activities of the entity. Upon completion of the assessment, the Company will then determine if the subsidiary should be consolidated, accounted for using the equity method, or accounted for as an investment.

b. Judgments for accounting treatment of contracts including leases

Determining whether an arrangement contains a lease

At inception of a contract, the Group assesses whether contractual arrangements are, or contain, a lease. It is determined that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In determining whether the right to control the use of an identified asset is conveyed, the Group assesses the following:

(a) The contract includes the use of an identified asset and the lessor does not have the substantive right to substitute the asset.

(b) The lessee has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

(c) The lessee has the right to direct the use of the asset. If the decisions about how and for what purpose the asset is used are predetermined, it is determined that the customer has the right to direct the use of the asset if either of the following is satisfied:

i. the customer has the right to operate the asset; or

ii. the customer designed the asset in a way that predetermines how and for what purpose the asset will be used.

Lease classification

The Group, as a lessor, also applies judgment in determining the classification of a lease as either a finance lease or operating lease. In determining whether a lease is a finance lease, the Group assesses the following:

(a) if the lease transfers all the risks and rewards associated with the ownership of the asset;

(b) if ownership of the asset will transfer to the lessee at the conclusion of the lease;

(c) whether the lessee will have the ability to purchase the leased asset at a cost significantly below the asset's fair value;

(d) whether the term of the lease is for a major part of the asset's useful economic life; and

(e) the level of risk that the Group retains in relation to the asset.

If one or a combination of the above is present in relation to the lease, the Group classifies the lease as a finance lease, and all other leases are classified as operating leases.

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c. Judgments for accounting for revenue recognition

Principal versus agent considerations

Gross versus net presentation

When the Group sells goods or services as a principal, income and payments to suppliers are reported on a gross basis in revenue and operating expenses. If the Group sells goods or services as an agent, revenue and payments to suppliers are recorded in revenue on a net basis, representing the margin earned. Whether the Group is considered to be a principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Group and its business partners; such judgments impact the amount of reported revenue and operating expenses but do not impact reported assets, liabilities, or cash flows.

Timing of revenue recognition for indirect sales

When the Group enters into indirect sales, management determines whether a dealer acts as either an agent or principal. When a dealer acts as a principal for the Group, revenue is recognized when control of the underlying inventory has been transferred to the dealer. When a dealer acts as an agent, revenue is recognized when control of the underlying inventory is transferred to the customer that the dealer has sold to. In performing its assessment, management considers whether control is transferred upon delivery of inventory to the dealer. Where management determines that a dealer acts as a principal, revenue is recognized upon delivery of inventory to the dealer. Alternatively, where the dealer is determined to be acting as an agent, revenue is recognized when goods or services are received by the customer.

Judgements for determining "contractual period" and whether an arrangement contains a "material right"

The Group determines the duration of a contract (i.e., contractual period) during which the parties to the contract have their current enforceable rights and obligations based on the terms and conditions of the contract with the customer.

In addition, the Group determines whether the option will provide a "material right" to the customer if the customer has the option to renew the contract based on the terms and conditions of the contract with the customer and if the customer may receive a discount for future telecommunications services by exercising the option. If the Group determines that the option provides a "material right" to the customer, it identifies the option as a separate performance obligation. As a practical alternative to estimating the stand-alone selling price of the option, the Group allocates the transaction price to the telecommunications services pertaining to the option by reference to the telecommunications services that are expected to be provided and the corresponding amount of consideration expected to be received from the customer.

(2) Significant estimates

Uncertainties involved in estimates and assumptions made by management with the risk of significant adjustments to the carrying amounts of assets and liabilities during the next fiscal year are summarized as follows:

a. Estimated fair value measurement and impairment loss of intangible assets and goodwill acquired from business combinations

The Group recognizes intangible assets and goodwill acquired from business combinations at fair value as of the acquisition date. When allocating the consideration transferred from business combinations, management's judgements and estimates may have a material impact on the consolidated financial statements of the Group. Intangible assets, such as customer relationships and trademarks, and goodwill recognized from business combinations are measured based on assumptions such as estimated future cash flow, discount rate, attrition rate of existing customers, future sales forecast generated by trademarks, and royalty rate.

In assessing intangible assets and goodwill for impairment, the Group needs to estimate the recoverable amount of the cash-generating unit and the recoverable amount is measured based on assumptions such as the useful lives of assets, estimated future cash flows expected to be generated by the cash-generating unit, expected market growth rate, expected market share and discount rate.

These assumptions determined by management's best estimates may be affected by uncertainties in future economic conditions and may have a material impact on the consolidated financial statements of the Group if the assumptions were revised.

b. Estimated residual values and useful lives of property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets represent a significant portion of the total assets of the Group. Estimates and assumptions made may have a material impact on their carrying amounts and related depreciation and amortization.

The depreciation charge for an asset is derived using estimates of its expected useful life and in the case of property, plant and equipment, expected residual value. The expected useful life and residual value of the asset are estimated when they are acquired or generated, and are reviewed at the end of each fiscal year. Changes to an asset's expected useful life or residual value could result in material adjustments to the consolidated financial statements. Management determines the useful lives and residual values of these assets when assets are acquired or generated or the useful lives and residual values for assets are reviewed based on experience with similar assets, taking into account other relevant factors such as expected changes in technology, expected costs to be incurred upon disposal, expected availability period, estimated attrition rate of existing customers, number of production or similar units expected to be obtained from the asset and any related contractual arrangements that would be indicative of the useful life of an asset.

c. Fair value measurement of financial instruments

In evaluating the fair value of certain financial instruments, the Group uses valuation techniques that use unobservable inputs in the market. Unobservable inputs may be affected by the consequences of uncertain changes in economic conditions in the future and may have a material impact on the consolidated financial statements if any revaluation is required.

d. Estimated amortization period of contract acquisition costs

Contract acquisition costs are amortized on a straight-line basis over the period during which goods or services directly related to such costs are expected to be provided. The amortization period is determined taking into account relevant factors such as churn rate and estimated period until the customer trades in their used handset to upgrade to a designated new model based on conditions of contracts and past performance data.

Changes in the amortization period of contract acquisition costs may have a material impact on the consolidated financial statements of the Group.

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4. Business combinations

Fiscal year ended March 31, 2023

Conversion of PayPay Corporation into a subsidiary

(1) Summary of the Transactions

The Company converted PayPay Corporation (hereinafter, "PayPay") into a subsidiary through a series of transactions based on a transaction agreement between the Company and LY Corporation[1], a subsidiary of the Company, concluded on July 27, 2022 (hereinafter, the "Transaction Agreement"). The conversion was intended to maximize the corporate value of the Company and its subsidiaries, and the Group will work towards improving revenue opportunities in PayPay, expanding the PayPay ecosystem and reinforcing group synergy by jointly operating B Holdings Corporation, which became the parent company of PayPay, with LY Corporation.

Pursuant to the Transaction Agreement, PayPay Class A preferred shares held by the Company and Z Intermediate Holdings Corporation, a wholly-owned subsidiary of LY Corporation, were converted into PayPay common shares. Consequently, the Group acquired a majority of the voting rights in PayPay, and PayPay became a subsidiary of the Company on October 1, 2022. As a result of the series of transactions, the Group's voting rights in PayPay reached 69.8%.

Note:

1. Z Holdings Corporation changed its trade name to LY Corporation on October 1, 2023.

(2) Summary of the acquiree

Name PayPay Corporation

Business Development and provision of e-payment services, including mobile payments

(3) Acquisition date

October 1, 2022

(4) Consideration and its breakdown

(Millions of yen)

		Acquisition Date (October 1, 2022)
Fair value of PayPay common shares held as of the acquisition date		273,900
Fair value of PayPay common shares acquired due to conversion from PayPay Class A preferred shares as of the acquisition date		359,700
Total consideration	A	633,600

As a result of remeasurement of the Group's previously held interests in PayPay to the fair value as of the acquisition date, positive difference arising from the step acquisition of ¥294,843 million was recognized. This amount is included in "Other operating income" in the consolidated statement of income.

(5) The table below shows the fair value of assets and liabilities, non-controlling interests, and goodwill as of the acquisition date[1]:

(Millions of yen)

	Acquisition Date (October 1, 2022)
Cash and cash equivalents	397,292
Trade and other receivables	267,586
Other current assets	65,451
Intangible assets[2]	60,774
Other non-current assets	2,957
Total assets	794,060
Trade and other payables	622,455
Other current liabilities	12,950

Deferred tax liabilities		15,729
Other non-current liabilities		848
Total liabilities		651,982
Net assets	B	142,078
Non-controlling interests[3]	C	43,101
Goodwill[4]	A-(B-C)	534,623

Notes:

1. Consideration transferred is allocated to assets acquired and liabilities assumed based on their fair value as of the acquisition date. Allocation of the consideration transferred was completed during the fiscal year ended March 31, 2023. There are no significant changes between the initial provisional and final amounts for the respective totals of assets acquired and liabilities assumed.
2. The amount of intangible assets includes ¥51,368 million of customer relationships as identifiable assets and the estimated useful life is 10 years. The amount of intangible assets recognized from business combinations is measured based on assumptions such as estimated future cash flows, discount rate, future sales forecast generated by attrition rate of existing customers, and royalty rate.
3. Non-controlling interests are measured at the fair values of the acquiree's identifiable net assets as of the acquisition date, multiplied by the ratio of the non-controlling interests.
4. Goodwill reflects the ability to generate excess earnings resulting from expected future business development and synergies between the Group and the acquiree.

(6) The table below shows proceeds from obtaining control of the subsidiary:

(Millions of yen)

	Acquisition Date (October 1, 2022)
Cash and cash equivalents held by the acquiree at the time of obtaining control	397,292
Cash proceeds from obtaining control of the subsidiary	397,292

(7) Revenue and net loss of the acquiree

The revenue and net loss (before elimination of intercompany transactions) of the acquiree recorded in the consolidated statement of income on and after the acquisition date are ¥66,233 million and ¥15,971 million, respectively.

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Fiscal year ended March 31, 2024

Acquisition of Cubic Telecom Ltd.

(1) Summary of the Transactions

In order to form a strategic global partnership to pioneer the future of software-defined connected vehicles[1] and other high-value Internet-of-Things (IoT) assets by harnessing the power of global connectivity platforms, the Company acquired Cubic Telecom Ltd.'s shares in cash from existing shareholders and accepted the company's third-party allocation of capital on March 6, 2024. Consequently, the Company acquired a 54.3% equity stake in Cubic Telecom Ltd., and Cubic Telecom Ltd. became a subsidiary of the Company.

Cubic Telecom Ltd. is a leading global provider of connectivity solutions to automotive, transportation and agriculture original equipment manufacturers (OEMs).

Note:

1. Software-defined connected vehicle: Software-defined connected vehicle is a term that describes a vehicle whose features and functions are primarily enabled through software connected to the Internet.

(2) Summary of the acquiree

Name Cubic Telecom Ltd.

Business Provision of global connectivity platforms

(3) Acquisition date

March 6, 2024

(4) Consideration and its breakdown

(Millions of yen)

		Acquisition Date (March 6, 2024)
Consideration paid in cash		76,142
Total consideration	A	76,142

Acquisition-related costs incurred for this business combination were ¥2,445 million, which is included in "Selling, general and administrative expenses."

(5) The table below shows the fair value of assets and liabilities, non-controlling interests, and goodwill as of the acquisition date[1]:

(Millions of yen)

		Acquisition Date (March 6, 2024)
Cash and cash equivalents		8,614
Trade and other receivables		3,677
Other current assets		612
Intangible assets[2]		26,402
Other non-current assets		211
Total assets		39,516
Trade and other payables		2,903
Other current liabilities		5,377
Deferred tax liabilities		3,902
Total liabilities		12,182
Net assets	B	27,334

Non-controlling interests[3]	C	13,528
Goodwill[4]	A-(B-C)	62,336

Notes:

1. As the recognition of identifiable assets acquired and liabilities assumed as of the acquisition date and measurement of their fair values were not complete as of March 31, 2024, the above amounts are provisional based on the best estimate at present. Accordingly, the allocation of the consideration transferred to assets acquired, liabilities assumed and resulting goodwill may change in a year from the acquisition date when additional information related to facts and circumstances that existed as of the acquisition date are obtained and evaluated.
2. The amount of intangible assets includes ¥17,280 million of customer relationships and ¥8,733 million of technology relationships as identifiable assets, and their estimated useful lives are 16 years and 14 years, respectively. The amount of intangible assets recognized from business combinations is measured based on assumptions such as estimated future cash flows, discount rate, future sales forecast generated by attrition rate of existing customers, and royalty rate.
3. Non-controlling interests are measured at the fair values of the acquiree's identifiable net assets as of the acquisition date, multiplied by the ratio of the non-controlling interests.
4. Goodwill reflects the ability to generate excess earnings resulting from expected future business development and synergies between the Group and the acquiree.

(6) The table below shows payments for obtaining control of the subsidiary:

	(Millions of yen) Acquisition Date (March 6, 2024)
Consideration paid in cash	(76,142)
Cash and cash equivalents held by the acquiree at the time of obtaining control	8,614
Cash paid for obtaining control of the subsidiary	(67,528)

(7) Revenue and net income of the acquiree

The revenue and net income of the acquiree on and after the acquisition date have been omitted as the impact is immaterial.

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5. Segment information

(1) Summary of reportable segments

The reportable segments of the Group are based on operating segments for which separate financial information is available, and which the Board of Directors (the Group's chief operating decision maker) regularly reviews to determine the allocation of management resources and evaluate their performance. The Group has "Consumer," "Enterprise," "Distribution," "Media & EC" and "Financial" as its reportable segments. From the three months ended June 30, 2023, these reportable segments have been partially renamed, and the "Yahoo! JAPAN/LINE" segment has been changed to the "Media & EC" segment. No operating segments have been aggregated in arriving at the reportable segments of the Group.

In the "Consumer" segment, the Group provides services, such as mobile services, broadband services and electricity services, including the *Ouchi Denki* service, mainly to individual customers in Japan. The Company procures mobile devices from mobile device manufacturers and sells the mobile devices to distributors operating SoftBank shops, etc. and individual customers.

In the "Enterprise" segment, the Group provides a wide range of services for enterprise customers. These include mobile services such as mobile lines and mobile device rental, fixed-line communications services such as fixed-line telephones and data communications, as well as various solutions for enterprises such as data center, cloud, security, global, AI, IoT, and digital marketing services.

In the "Distribution" segment, the Group offers products and services primarily addressing cloud services and advanced technologies including AI for enterprise customers and products and services such as software, mobile accessories, and IoT products for individual customers.

In the "Media & EC (formerly Yahoo! JAPAN/LINE)" segment, the Group offers services that center on media and commerce, covering online to offline services in a comprehensive manner. In the "media" field, the Group provides advertising-related services on its comprehensive Internet service, *Yahoo! JAPAN*, and communication app, *LINE*. In the "commerce" field, the Group provides online shopping services such as *Yahoo! JAPAN* Shopping and *ZOZOTOWN*, and reuse services such as *Yahoo! JAPAN Auction*. In the "strategy" field, the Group provides services centered on FinTech, which the Group is working to develop into new drivers of earnings alongside media and commerce.

In the "Financial" segment, the Group provides cashless payment services such as QR code payment and credit card services, development and provision of marketing solutions for merchants, financial services such as deferred payment and asset management, as well as payment agency services that provide a comprehensive range of diversified payments such as credit cards, electronic money and QR codes. Effective October 1, 2022, the reportable segments were revised and the "Financial" segment was added following the conversion of PayPay into a subsidiary. The main subsidiaries that constitute the "Financial" segment are PayPay, PayPay Card Corporation, SB Payment Service Corp. and PayPay Securities Corporation. PayPay Card Corporation was transferred from "Media & EC" to "Financial," and SB Payment Service Corp. and PayPay Securities Corporation were transferred from "Other" to "Financial." As a result, the figures for the fiscal year ended March 31, 2023, have been restated.

Information not included in the preceding reportable segments is summarized in "Other." "Adjustments" includes eliminations of intersegment transactions and expenses not allocated to any reportable segment.

(2) Segment revenue, income, and other information of reportable segments

Income of reportable segments is defined as "Operating income." Intersegment transaction prices are determined by taking into consideration the equivalent prices for an arm's length transaction or gross costs after price negotiation.

Income and loss which are not attributable to operating income and loss, such as financing income, financing costs, and income and loss on equity method investments, are not managed by each reportable segment and therefore these income and losses are excluded from segment income. Assets and liabilities are not allocated to reportable segments and are not monitored by the Board of Directors.

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segments								
	Consumer	Enterprise	Distribution	Media & EC	Financial	Total	Other[2]	Adjustments	Consolidated
Revenue									
Sales to external customers	2,872,423	732,644	516,636	1,532,998	125,816	5,780,517	131,482	-	5,911,999
Intersegment revenue or transferred revenue	10,660	17,680	73,401	28,689	16,503	146,933	33,258	(180,191)	-
Total	2,883,083	750,324	590,037	1,561,687	142,319	5,927,450	164,740	(180,191)	5,911,999
Segment income	462,432	135,089	24,274	159,748	(12,363)	769,180	292,565	(1,577)	1,060,168
Depreciation and amortization[1]	427,478	153,982	4,118	159,919	13,106	758,603	7,879	(2,272)	764,210

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segments								
	Consumer	Enterprise	Distribution	Media & EC	Financial	Total	Other	Adjustments	Consolidated
Revenue									
Sales to external customers	2,810,132	763,194	569,076	1,586,072	215,987	5,944,461	139,541	-	6,084,002
Intersegment revenue or transferred revenue	13,815	24,299	77,533	28,031	16,814	160,492	29,120	(189,612)	-
Total	2,823,947	787,493	646,609	1,614,103	232,801	6,104,953	168,661	(189,612)	6,084,002
Segment income	495,508	161,549	26,245	197,950	(4,984)	876,268	(4,793)	4,593	876,068
Depreciation and amortization[1]	395,869	154,807	4,419	161,262	20,861	737,218	11,202	(4,612)	743,808

Notes:

1. Depreciation and amortization includes amortization of long-term prepaid expenses which are presented as "Other non-current assets" in the consolidated statement of financial position.
2. "Segment income" of "Other" includes the gain on step acquisition of ¥294,843 million associated with the conversion of PayPay into a subsidiary. For details, refer to "Conversion of PayPay Corporation into a subsidiary" under "Note 4. Business combinations."

Reconciliations of segment income to consolidated profit before income taxes are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Segment income	1,060,168	876,068
Gain on changes in equity interest	5,343	20,435
Share of losses of associates accounted for using the equity method	(53,218)	(22,198)
Financing income	11,905	12,921
Financing costs	(117,212)	(61,415)
Gain on sales of equity method investments	1,109	5,227
Impairment loss on equity method investments	(45,227)	(25,126)
Profit before income taxes	862,868	805,912

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6. Disposal group classified as held for sale

The disposal group classified as held for sale as of March 31, 2024 consists primarily of the assets and liabilities of ValueCommerce Co., Ltd. (hereinafter "ValueCommerce"), a subsidiary of the Company, and ValueCommerce's subsidiary.

At its Board of Directors meeting held on March 11, 2024, ValueCommerce passed a resolution to repurchase its own shares and implement a tender offer (hereinafter the "Tender Offer") as the specific method for this repurchase. In addition, Z Intermediate Holdings Corporation (hereinafter "ZHD Intermediate"), a subsidiary of the Company and owner of ValueCommerce's shares, concluded a tender offer agreement on the same date with ValueCommerce to tender a partial number of its ValueCommerce common shares in the Tender Offer. After the conclusion of the Tender Offer, ValueCommerce will cease to be a subsidiary of the Company, and accordingly the assets and liabilities of ValueCommerce and its subsidiary have been classified as a disposal group classified as held for sale as of March 31, 2024.

The disposal group classified as held for sale is measured at its carrying amount because its fair value less costs to sell (estimated sales price) exceeds its carrying amount. The carrying amounts of assets and liabilities in ValueCommerce and its subsidiary as of March 31, 2024 were ¥25,636 million and ¥4,985 million, respectively.

On May 2, 2024, the Tender Offer was settled, and ValueCommerce ceased to be a subsidiary of the Company and newly became its equity method associate.

7. Investments accounted for using the equity method

For the fiscal years ended March 31, 2023 and 2024, impairment losses of ¥31,304 million and ¥22,345 million, respectively, were recorded on the equity method investment in Demae-can Co., Ltd. to the extent that the carrying amount was reduced to the recoverable amount. The recoverable amount is measured based on value in use. Value in use is assessed by discounting the estimated future cash flows using a pre-tax discount rate of 34.2% (12.0% for the fiscal year ended March 31, 2023). A discount rate for the fiscal year ended March 31, 2024 is assessed taking into account uncertainties to forecasts on the assessment date. The impairment loss is included in "Impairment loss on equity method investments" in the consolidated statement of income.

8. Interest-bearing debt

The components of interest-bearing debt are as follows:

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Current		
Short-term borrowings	599,353	767,265
Commercial paper	122,001	187,001
Current portion of long-term borrowings	1,051,131	1,202,649
Current portion of lease liabilities	171,682	139,657
Current portion of corporate bonds	119,987	84,991
Current portion of installment payables	-	69
Total	2,064,154	2,381,632
Non-current		
Long-term borrowings	2,470,314	2,167,081
Lease liabilities	562,350	560,046
Corporate bonds	1,037,683	1,212,060
Installment payables	-	68
Total	4,070,347	3,939,255

9. Equity

(1) Common stock and capital surplus

a. Common shares

Fiscal year ended March 31, 2023

There are no significant equity transactions to be disclosed.

Fiscal year ended March 31, 2024

Due to the issuance of new shares upon exercise of stock acquisition rights, the number of shares issued increased by 13,905 thousand shares. As a result of the issuance of the shares, common stock and capital surplus increased by ¥10,085 million each under the Companies Act of Japan.

Due to the cancellation of 44,850 thousand shares of treasury stock on March 29, 2024 under the resolution passed at the Board of Directors meeting held on March 25, 2024, the number of shares issued decreased by 44,850 thousand shares. As a result, capital surplus and treasury stock decreased by ¥71,134 million each.

b. Class shares

Due to the issuance of Series 1 Bond-Type Class Shares (hereafter, "Bond-Type Class Shares") with a payment date of November 1, 2023, the number of shares issued increased by 30 million shares.

Although dividends whose record date falls in fiscal year ending on or before March 31, 2029 are fixed dividends (floating dividends thereafter) and any unpaid dividends shall be carried over to subsequent fiscal years, the Bond-Type Class Shares are classified as equity instruments because the Company has the option to defer dividend payments, has no obligation to repurchase the Bond-Type

Class Shares and has unconditional right to avoid delivering cash or another financial asset except for the distribution of residual assets on liquidation.

As a result of the issuance of the Bond-Type Class Shares, common stock and capital surplus increased by ¥60,000 million each under the Companies Act of Japan. On the same day, the amount of common stock was decreased by the same amount and transferred to capital surplus.

In addition, direct issuance costs of ¥2,905 million relating to the issuance of the Bond-Type Class shares were deducted from capital surplus.

(2) Treasury stock

Changes in treasury stock are as follows:

(Thousands of shares)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Balance at the beginning of the year	79,843	55,596
Increase[1]	0	56,179
Decrease[2,3]	(24,247)	(63,970)
Balance at the end of the year	55,596	47,805

Notes:

1. For the fiscal year ended March 31, 2024, due to the purchase of treasury stock under the resolution passed at the Board of Directors meeting held on May 10, 2023, the number of treasury stock increased by 56,179 thousand shares (amount purchased ¥100,000 million).
2. For the fiscal year ended March 31, 2023, due to the exercise of stock acquisition rights, the number of treasury stock decreased by 24,247 thousand shares. As a result, "Treasury stock" decreased by ¥32,331 million and a loss on disposal of treasury stock of ¥13,909 million was recognized as a decrease in "Capital surplus," of which ¥13,966 million was transferred from "Retained earnings." In addition, for the fiscal year ended March 31, 2024, due to the exercise of stock acquisition rights, the number of treasury stock decreased by 19,120 thousand shares. As a result, "Treasury stock" decreased by ¥27,175 million and a loss on disposal of treasury stock of ¥12,535 million was recognized as a decrease in "Capital surplus."
3. For the fiscal year ended March 31, 2024, due to the cancellation of treasury stock under the resolution passed at the Board of Directors meeting held on March 25, 2024, the number of treasury stock decreased by 44,850 thousand shares on March 29, 2024. As a result, "Treasury stock" decreased by ¥71,134 million and a loss on disposal of treasury stock of ¥71,134 million was recognized as a decrease in "Capital surplus."

10. Dividends

Dividends paid are as follows:

Fiscal year ended March 31, 2023

(1) Dividends paid

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Board of Directors meeting held on May 20, 2022	Common stock	43.00	202,414	March 31, 2022	June 9, 2022
Board of Directors meeting held on October 20, 2022	Common stock	43.00	203,244	September 30, 2022	December 6, 2022

(2) Dividends whose record date is in the fiscal year ended March 31, 2023, but whose effective date is after March 31, 2023 are as follows:

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Board of Directors meeting held on May 24, 2023	Common stock	43.00	203,457	March 31, 2023	June 6, 2023

Fiscal year ended March 31, 2024

(1) Dividends paid

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Board of Directors meeting held on May 24, 2023	Common stock	43.00	203,457	March 31, 2023	June 6, 2023
Board of Directors meeting held on October 23, 2023	Common stock	43.00	203,478	September 30, 2023	December 6, 2023

(2) Dividends whose record date is in the fiscal year ended March 31, 2024, but whose effective date is after March 31, 2024 are as follows:

The following resolution is scheduled for the Board of Directors meeting held on May 17, 2024.

Resolution	Class of shares	Dividends per share (Yen)	Total dividends (Millions of yen)	Record date	Effective date
Board of Directors meeting held on May 17, 2024	Common stock	43.00	202,461	March 31, 2024	June 6, 2024
Board of Directors meeting held on May 17, 2024	Series 1 Bond-Type Class Shares	41.53	1,246	March 31, 2024	June 6, 2024

Notes:

1. If the record date falls in a fiscal year ending on or before March 31, 2029, the annual dividend rate for Series 1 Bond-Type Class Shares is 2.500% per annum. If the record date falls in a fiscal year ending on or after April 1, 2029, the annual dividend rate is the interest rate of One-Year Japanese government bonds (JGBs) as of the date two business days before the last day of the fiscal year before the fiscal year in which the record date falls plus 3.182%.
2. The amount of the Preferred Dividend to Series 1 Bond-Type Class Shares with a record date of March 31, 2024 will be calculated based on actual day counts on a 366-day year basis.

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11. Revenue

The components of revenue are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Consumer		
Service revenues		
Mobile	1,503,360	1,508,264
Broadband	396,746	404,765
Electricity	392,550	261,666
Revenues from sales of goods and others	579,767	635,437
Subtotal	2,872,423	2,810,132
Enterprise		
Mobile[3]	313,845	315,877
Fixed-line	174,033	164,229
Business solution and others[3]	244,766	283,088
Subtotal	732,644	763,194
Distribution	516,636	569,076
Media & EC[4,5]		
Media	665,652	679,570
Commerce	788,781	816,596
Strategy	74,285	84,395
Other	4,280	5,511
Subtotal	1,532,998	1,586,072
Financial	125,816	215,987
Other	131,482	139,541
Total	5,911,999	6,084,002

Notes:

1. The components of revenue represent sales to external customers.
2. The components of revenue include revenues from other sources, excluding those arising from IFRS 15 "Revenue from Contracts with Customers" (mainly from PayPay Card Corporation's financial business included in "Financial" and lease transactions included in "Enterprise"). Revenues from other sources for the fiscal years ended March 31, 2023 and 2024 were ¥148,111 million and ¥196,943 million, respectively.
3. "Mobile" and "Business solution and others" under "Enterprise business" include telecommunications service revenues and revenues from sales of goods and others. Telecommunications service revenues for the fiscal year ended March 31, 2023 and 2024 were ¥429,424 million and ¥452,684 million, respectively. Revenues from sales of goods and others for the fiscal years ended March 31, 2023 and 2024 were ¥129,187 million and ¥146,281 million, respectively.
4. From the three months ended June 30, 2023, the reportable segments have been partially renamed, and the "Yahoo! JAPAN/LINE" segment has been changed to the "Media & EC" segment.
5. Effective for the three months ended June 30, 2023, the business categories of "Media & EC (formerly Yahoo! JAPAN/LINE)" have been reevaluated and some services included in "Media" and "Other" were transferred between the business categories. In addition, effective for the three months ended December 31, 2023, some services were transferred between the business categories due to an intra-group reorganization involving mainly Z Holdings Corporation, LINE Corporation and Yahoo Japan Corporation. As a result, all components of revenue under "Media & EC" for the fiscal year ended March 31, 2023, have been restated.

12. Earnings per share

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

(1) Basic earnings per share

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income used in the calculation of basic earnings per share (Millions of yen)		
Net income attributable to owners of the Company	531,366	489,074
Net income not-attributable to ordinary shareholders of the Company[1]	-	(1,246)
Net income used in the calculation of basic earnings per share	531,366	487,828
Weighted-average number of shares of common stock outstanding (Thousands of shares)	4,721,967	4,728,399
Basic earnings per share (Yen)	112.53	103.17

(2) Diluted earnings per share

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net income used in the calculation of diluted earnings per share (Millions of yen)		
Net income from continuing operations used in the calculation of basic earnings per share	531,366	487,828
Effect of dilutive securities issued by subsidiaries and associates	(2,655)	(5,057)
Total	528,711	482,771
Weighted-average number of shares of common stock used in the calculation of diluted earnings per share (Thousands of shares)		
Weighted-average number of shares of common stock outstanding	4,721,967	4,728,399
Increase in the number of shares of common stock due to stock acquisition rights	41,384	43,802
Total	4,763,351	4,772,201
Diluted earnings per share (Yen)	111.00	101.16

Note:

1. The amount represents dividends to be paid to class shareholders in connection with the Bond-Type Class Shares.

13. Contingencies

The Group is a party to several pending legal and administrative proceedings. When it is difficult to reasonably estimate the outcomes of such matters, provisions have not been recorded except for the following lawsuit. Based on the information currently available, management does not expect that the results of these proceedings will have a material adverse effect on the Group's financial position or results of operations.

a. On April 30, 2015, the Company filed a lawsuit with the Tokyo District Court against Japan Post Information Technology Co., Ltd. ("JPiT"), claiming for payment of remuneration for additional services provided in connection with the installation of telecommunications lines, as well as other items, that were ordered by JPiT in relation to a project to migrate the communications network connecting approximately 27,000 sites (post offices, etc.) countrywide to a new network, the 5th PNET.

Pursuant to a contract dated February 7, 2013, the Company was requested by JPiT to carry out, among other services, installation services for telecommunications lines for Japan Post Group's business sites existing countrywide. The Company performed such services, and upon JPiT's request, the Company also performed services that exceeded the scope of services stipulated in the contract.

Although the Company negotiated with JPiT over an extended period regarding the remuneration for these additional services, the Company and JPiT were unable to arrive at a settlement. Accordingly, the Company duly filed the lawsuit, claiming for payment of remuneration for such additional services.

b. On April 30, 2015, JPiT filed a lawsuit against the Company and Nomura Research Institute, Ltd. ("NRI") as co-defendants.

In this lawsuit, JPiT alleges that the Company and NRI delayed performance of the ordered services related to the project for migration to the 5th PNET mentioned in a. above and alleges that such delay caused damages to JPiT. JPiT made joint and several claims against both the Company and NRI for the alleged damages.

The order to consolidate lawsuit (b) above with lawsuit (a) above was made on July 29, 2015.

Subsequently, on September 9, 2022, the Tokyo District Court rendered a judgment ordering JPiT to pay ¥1,921 million as remuneration for the additional services and delay damages, and the Company to pay JPiT ¥10,854 million in damages and delay damages. The Company and JPiT appealed the judgment to the Tokyo High Court, and on March 21, 2024, the Court rendered a judgment ordering JPiT to pay ¥65 million as remuneration for the additional services and delay damages and dismissing all claims by JPiT.

The Company and JPiT appealed to the Supreme Court and filed a petition for acceptance of appeal regarding the judgment.

Based on the judgment of the Tokyo District Court, the Company reversed a total of ¥19,176 million, consisting of ¥8,984 million in damages and ¥10,192 million in delay damages in "Provisions (current liabilities)" in the consolidated statement of financial position. For the fiscal year ended March 31, 2024, in the consolidated statement of income, the damages amount of ¥8,984 million and the delay damages amount of ¥10,192 million were reversed in "Other operating expenses" and "Financing costs," respectively.

14. Subsequent events

Stock Split

The Company passed a resolution at its Board of Directors meeting held on April 25, 2024 to conduct a stock split of common shares and to propose a partial amendment to the Articles of Incorporation to the 38th Annual General Meeting of Shareholders scheduled to be held on June 20, 2024.

1. Purpose of the Stock Split

The Company considers the return of profits to shareholders to be an important goal for our management along with increasing medium to long term corporate value. Following its listing in December 2018 and its share offering in September 2020, the Company had approximately 860,000 shareholders as of March 31, 2024, and is supported by shareholders across a wide range of age groups.

In addition, in 2024, the New NISA (Nippon Individual Savings Account) program (a tax exemption program for small investments) was launched in Japan to encourage people to shift from savings to investment in order to build wealth for the future.

The Company aims to grow its investor base by encouraging new investors, including the young generation, to select the Company's stock as their first investment and hold it for the medium and long term. Furthermore, the Company would like investors to increase their understanding of its business by using services associated with the Company. For this purpose, the Company will conduct a stock split of common shares to reduce the amount of investment per share.

2. Stock Split

(1) Method of the Stock Split

The record date of the stock split will be September 30, 2024. Each share of the Company's common stock held by shareholders entered or recorded on the final shareholder register on the record date will be split into 10 shares. The Company's Series 1 Bond-Type Class Shares are not subject to this stock split.

(2) Number of shares to be increased by the stock split

Total number of shares issued before the stock split	4,756,200,770 shares
Number of shares to be increased by the stock split	42,805,806,930 shares
Total number of shares issued after the stock split	47,562,007,700 shares
Total number of shares authorized to be issued after the stock split	80,109,603,000 shares

* The total number of shares issued and the number of shares to be increased above may change due to factors such as the exercise of stock acquisition rights up until the record date of the stock split.

(3) Schedule of the stock split

Date of public notice of record date	September 13, 2024 (planned)
Record date of stock split	September 30, 2024
Effective date of stock split	October 1, 2024

(4) Conditions for the stock split

The stock split is conditional upon approval of the proposal on the amendment to the Articles of Incorporation by the Company's 38th Annual General Meeting of Shareholders scheduled to be held on June 20, 2024.

(5) Adjustment of exercise price of stock acquisition rights

The exercise price per share of the shares underlying the stock acquisition rights will be adjusted in connection with the stock split from October 1, 2024, as described below:

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	Exercise Price (JPY)	
	Before adjustment	After adjustment
March 2018 stock acquisition rights	623	63
July 2020 stock acquisition rights	1	1*
January 2021 stock acquisition rights	1,366	137
July 2021 stock acquisition rights	1	1*
July 2021 stock acquisition rights	1,497	150
July 2022 stock acquisition rights	1	1*
July 2023 stock acquisition rights	1	1*

Note: *There were no adjustments to these exercise prices.

3. Impact on per share information

Per share information, assuming the stock split had been carried out at the beginning of the fiscal year ended March 31, 2023, is as follows:

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Earnings per share attributable to owners of the Company (Yen)	47.02	47.97
Basic earnings per share (Yen)	11.25	10.32
Diluted earnings per share (Yen)	11.10	10.12
Annual Dividends per Share (Yen)	8.60	8.60

4. Partial Amendment to Articles of Incorporation

(1) Reason for the Amendment

In connection with the stock split described above, the Company will amend the total number of authorized shares described in Article 6 of its Articles of Incorporation.

(2) Details of the Amendment

The details of the amendment are as follows: (Underlined sections indicated proposed amendments)

Current Articles of Incorporation	Articles of Incorporation after proposed amendment
Article 6 (Total number of authorized shares) The total number of shares authorized to be issued by the Company shall be 8,010,960,300 shares. The total number of shares authorized to be issued for each type of share shall be as follows: Common shares: 8,010,960,300 shares Series 1 Bond-Type Class Shares 30,000,000 shares Series 2 Bond-Type Class Shares 30,000,000 shares Series 3 Bond-Type Class Shares 30,000,000 shares Series 4 Bond-Type Class Shares 30,000,000 shares Series 5 Bond-Type Class Shares 30,000,000 shares	Article 6 (Total number of authorized shares) The total number of shares authorized to be issued by the Company shall be 80,109,603,000 shares. The total number of shares authorized to be issued for each type of share shall be as follows: Common shares: 80,109,603,000 shares Series 1 Bond-Type Class Shares 30,000,000 shares Series 2 Bond-Type Class Shares 30,000,000 shares Series 3 Bond-Type Class Shares 30,000,000 shares Series 4 Bond-Type Class Shares 30,000,000 shares Series 5 Bond-Type Class Shares 30,000,000 shares

(3) Schedule of the Amendment to the Articles of Incorporation

Date of Annual General Meeting of Shareholders to amend the Articles of Incorporation: June 20, 2024 (planned)

Effective date for amendment to the Articles of Incorporation: October 1, 2024 (planned)