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, 2025 (IFRS)

May 8, 2025

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

(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, 2025	**6,544,349**	**7.6**	**989,016**	**12.9**	**880,057**	**9.2**	**655,286**	**11.0**	**526,133**	**7.6**	**629,071**	**1.1**
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)

	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, 2025	**10.99**	**10.84**	**20.5**	**5.6**	**15.1**
Fiscal year ended March 31, 2024	10.32	10.12	21.3	5.3	14.4

Reference:
Share of losses of associates accounted for using the equity method is as follows:
Fiscal year ended March 31, 2025 ¥(9,650) million
Fiscal year ended March 31, 2024 ¥(22,198) million

Notes:
1. The Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares, with the effective date being October 1, 2024. "Basic earnings per share" and "Diluted earnings per share" are calculated assuming that the stock split had been carried out at the beginning of the previous fiscal year.
2. 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, 2025	**16,102,195**	**4,265,371**	**2,743,630**	**17.0**	**50.96**
As of March 31, 2024	15,521,906	3,935,647	2,377,074	15.3	47.97

Notes:
1. The Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares, with the effective date being October 1, 2024. "Equity per share attributable to owners of the Company" is calculated assuming that the stock split had been carried out at the beginning of the previous fiscal year.
2. "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, 2025	**1,367,871**	**(995,183)**	**(956,429)**	**1,435,525**
Fiscal year ended March 31, 2024	1,239,689	(927,607)	(357,098)	1,992,873

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, 2024	-	43.00	-	43.00	86.00	405,939	83.4	18.1
Fiscal year ended March 31, 2025	-	43.00	-	4.30	-	408,226	78.3	17.4
Fiscal year ending March 31, 2026 (Forecast)	-	4.30	-	4.30	8.60		76.7	

Notes:
1. The dividend for the fiscal year ended March 31, 2025 is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned for May 20, 2025.
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. The Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares, with the effective date being October 1, 2024. Regarding the abovementioned amount for the fiscal year ended March 31, 2025, 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 are not stated because the amounts cannot be simply combined due to the implementation of the stock split. If the stock split were not conducted, the annual dividends per share would be 86 yen.

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2026

(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, 2026	6,700,000	2.4	1,000,000	1.1	540,000	2.6	11.22

Notes:
1. For details of the above consolidated financial forecast, refer to "(5) Forecasts" under "1. Results of Operations."
2. The dividends related to Bond-Type Class Shares are deducted in the calculation of earnings per share.

* Notes

(1) Significant changes in scope of consolidation: None

Newly consolidated: None

Excluded from consolidation: None

(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 21 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, 2025	47,751,490,700	shares
As of March 31, 2024	47,562,007,700	shares

[2] Number of shares of treasury stock

As of March 31, 2025	184,234,180	shares
As of March 31, 2024	478,051,530	shares

[3] Average number of shares outstanding

Fiscal year ended March 31, 2025	47,312,471,615	shares
Fiscal year ended March 31, 2024	47,283,987,095	shares

Note: The Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares, with the effective date being October 1, 2024. "Number of shares issued," "Number of shares of treasury stock" and "Average number of shares outstanding" are calculated assuming that the stock split had been carried out at the beginning of the previous fiscal year.

*** 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 “(5) Forecasts” under “1. Results of Operations” on page 19 of the appendix to this consolidated financial report.

This document is intended to disclose the Company's financial results for the fiscal year ended March 31, 2025, and does not constitute a solicitation of an offer to sell or purchase any securities in Japan or any other jurisdictions.

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

On Thursday, May 8, 2025 (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.

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 ended March 31, 2025	-	50.00	-	50.00	100.00
Fiscal year ending March 31, 2026 (Forecast)	-	50.00	-	50.00	100.00

Note:

1. The dividend for the fiscal year ended March 31, 2025 is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned for May 20, 2025.

Series 2 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, 2025	-	-	-	126.24	126.24
Fiscal year ending March 31, 2026 (Forecast)	-	128.00	-	128.00	256.00

Note:

1. The dividend for the fiscal year ended March 31, 2025 is scheduled to be submitted for approval to the Board of Directors of the Company at a meeting planned for May 20, 2025.

Policy on acquisition of Series 1 Bond-Type Class Shares and Series 2 Bond-Type Class Share

Based on the clause for acquisition by the Company (call option), the Company may acquire the Series 1 Bond-Type Class Shares and the Series 2 Bond-Type Class Shares in exchange for cash after the elapse of five years from the issuances, etc. We will determine whether to acquire (call) these 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)

Contents

1. Results of Operations p.5

(1) Overview of Consolidated Results of Operations p.5

a. Management Environment and the Group’s Initiatives p.5

b. Consolidated Results of Operations p.8

c. Results by Segment p.9

(2) Overview of Consolidated Financial Position p.15

(3) Overview of Consolidated Cash Flows p.16

(4) Non-IFRS Financial Measures p.17

(5) Forecasts p.19

(6) Basic Policy on Profit Distribution and Dividends for the Current and Next Years.. p.20

2. Notes to Summary Information p.21

(1) Significant Changes in Scope of Consolidation for the Fiscal Year Ended March 31, 2025 .... p.21

(2) Changes in Accounting Policies and Accounting Estimates p.21

3. Condensed Interim Consolidated Financial Statements and Primary Notes p.22

(1) Condensed Interim Consolidated Statement of Financial Position p.22

(2) Condensed Interim Consolidated Statement of Income and Consolidated Statement of Comprehensive Income p.24

(3) Condensed Interim Consolidated Statement of Changes in Equity p.26

(4) Condensed Interim Consolidated Statement of Cash Flows p.28

(5) Notes on Going Concern Assumption p.30

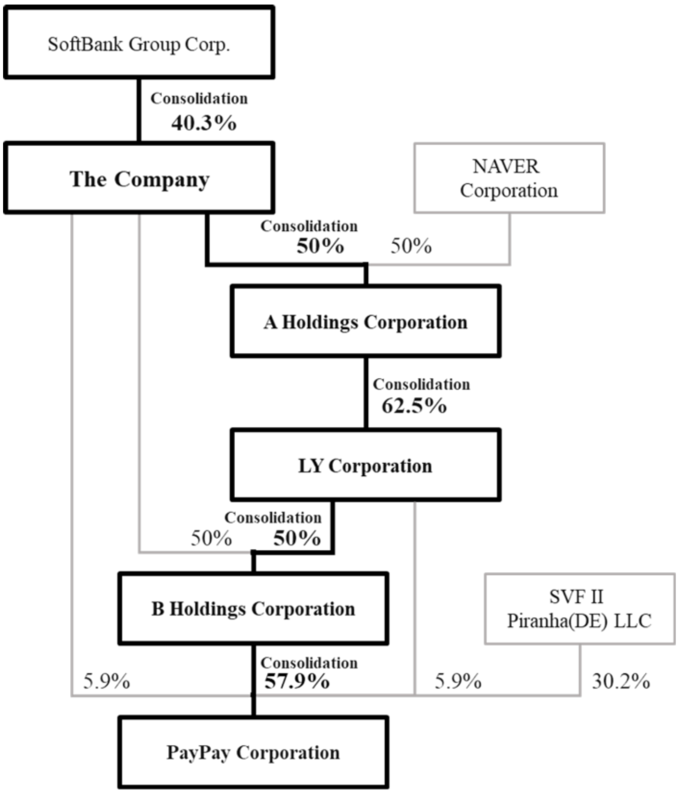
(6) Notes to Condensed Interim Consolidated Financial Statements p.30

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	LY Corporation (standalone basis)
LY Group	LY Corporation and its subsidiaries

The diagram below indicates ratio of voting rights as of March 31, 2025.



Reportable Segments

The Group has five reportable segments: the Consumer segment, the Enterprise segment, the Distribution segment, the Media & EC segment, and the Financial segment.

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 ・Provision of cloud services, security operation monitoring services, and IoT solutions ・Provision of IoT, Linux/OSS, and authentication and security services	The Company Wireless City Planning Inc. SB Engineering Corp. IDC Frontier Inc. eMnet Japan. co. ltd. Cubic Telecom Ltd. SB Technology Corp. [5] Cybertrust Japan Co., Ltd.[5]
Distribution segment	・Provision of products and services addressing ICT[6], 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[7]	・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[8]	LY Corporation ASKUL Corporation ZOZO, Inc. Ikyu Corporation PayPay Bank Corporation LINE Pay Corporation LINE Pay Taiwan Limited[9] LINE Financial Corporation LINE Plus Corporation LINE SOUTHEAST ASIA CORP.PTE.LTD. dely inc.[10]
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 securities trading service for smartphones	PayPay Corporation PayPay Card Corporation SB Payment Service Corp. PayPay Securities Corporation
Other[5]	・Planning and production of digital media and digital content ・Others	The Company ITmedia Inc.

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. From the fiscal year ended March 31, 2025, SB Technology Corp. and Cybertrust Japan Co., Ltd., which were previously classified under Other, have been transferred to the Enterprise segment.
6. ICT stands for Information Communication Technology.
7. 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.
8. 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.
9. LINE Pay Taiwan Limited was listed on the Taiwan Stock Exchange on December 5, 2024.
10. dely inc. was listed on the Tokyo Stock Exchange Growth Market on December 19, 2024.

1. Results of Operations

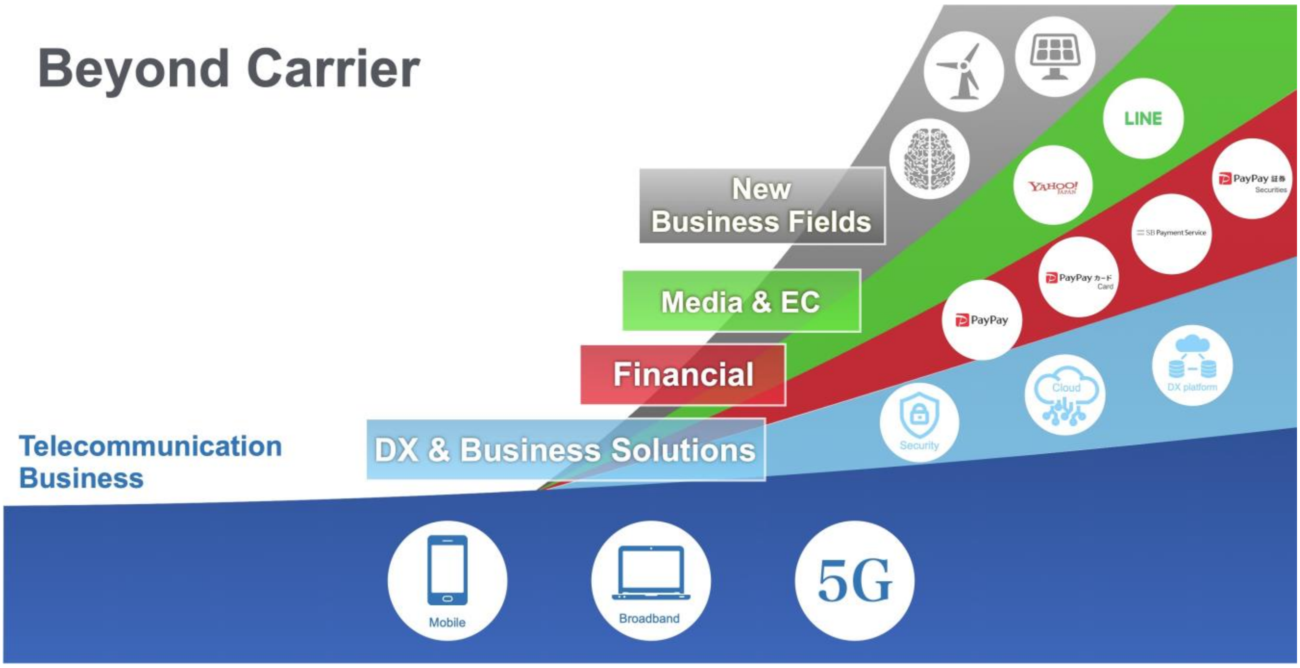
(1) Overview of Consolidated Results of Operations

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, 2025, despite a continued uncertain outlook due to geopolitical risks, inflation and pronounced currency volatility, Japan's economy followed a modest recovery trend driven by, among other factors, robust capital expenditure demand from large corporations. 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. 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. Furthermore, 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 are working to recover from the impact of mobile service price reduction and pursue record-high profit 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. In May 2023, the Company announced a forecast of ¥535.0 billion in net income attributable to owners of the Company for the fiscal year ending March 31, 2026. However, backed by strong performance, the forecast was revised upward to ¥540.0 billion in May 2025. 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.



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.

Major Initiatives

- In the telecommunications business, in May 2024, the Company and KDDI Corporation agreed to begin discussions to consider expanding the scope of their collaborative initiative for jointly building out 5G[3] networks in Japan. The companies agreed to consider expanding applicable coverage areas from rural areas to areas nationwide[4] and to explore the mutual utilization of 4G base station assets, in addition to the current scope of 5G assets, among other initiatives. Additionally, in November 2024, the Company announced "AITRAS", a solution integrating AI and RAN[5]. "AITRAS" not only provides a high-capacity, high-performance, and high-quality RAN on the NVIDIA AI computing infrastructure but also enables the simultaneous and efficient operation of various AI applications, including generative AI. Moving forward, the Company aims not only to introduce "AITRAS" into its own commercial network, but also to expand it to domestic and international telecommunications operators. Furthermore, to accommodate even faster mobile broadband speeds and the increased demand for traffic, the Company submitted its establishment plan for specified base stations using the 4.9 GHz band to the Ministry of Internal Affairs and Communications and received approval for the plan from the Minister of Internal Affairs and Communications in December 2024. The Company aims to establish specified base stations in all prefectures in Japan by the end of the fiscal year ending March 31, 2031, and begin service by the end of the fiscal year ending March 31, 2032.

- In the new field of generative AI and related areas, in May 2024, the Company received approval from the Ministry of Economy, Trade and Industry for "Plans for Ensuring a Stable Supply of Cloud Programs as Specified Critical Products" in accordance with the Economic Security Promotion Act. In order to further expand its AI computing platforms, the Company is making a capital expenditure of approximately ¥150 billion. From the fiscal year ending March 31, 2025 to the fiscal year ending March 31, 2026, the Company plans to build new AI computing platforms at multiple domestic sites. This expansion plan has been approved by the Ministry of Economy, Trade and Industry, and the Company is expected to receive a subsidy of up to ¥42.1 billion. Additionally, in February 2025, the Company, SoftBank Group Corp., and OpenAI announced a partnership to develop and market Advanced AI called "Cristal intelligence." "Cristal intelligence" will securely integrate all the systems and data of individual enterprises in a way that is customized specifically for each company. They agreed to establish a joint venture (JV) company called "SB OpenAI Japan." This JV will market "Cristal intelligence" exclusively to companies in Japan. Furthermore, in March 2025, the Company signed a sale and purchase agreement with Sharp Corporation to acquire the land, buildings and other assets associated with Sharp Corporation's LCD panel plant, which is located in Sakai City, Osaka Prefecture, for the construction of a large-scale AI data center. The Company aims to launch operations of the data center in 2026, with a power capacity of approximately 150 megawatts.

- In the Enterprise segment, in September 2024, the Company conducted a share consolidation to make SB Technology Corp. (the Group's core ICT services company and the Company's subsidiary) a wholly owned subsidiary. The conversion of SB Technology Corp. into a wholly owned subsidiary enables mutual utilization of SB Technology Corp.'s engineering and security cloud services and the Company's customer base, engineering, communication services including network, AI/IoT/5G/digital marketing services, and other management resources. The Group believes that both companies will be able to work together to provide effective IT services to customers who feel that DX[6] promotion is an issue, and that the Group as a whole will, by extension, be able to maintain and enhance its competitive advantage in the Japanese IT services market.

- In the Financial segment, in December 2024, a decision was made to transfer the shares of PayPay Bank Corporation[7] held by Z Financial Corporation, which is a subsidiary of LY Corporation, to PayPay Corporation. Additionally, in February 2025, PayPay Corporation resolved to acquire shares of PayPay Securities Corporation[7] held by the Company and LY Corporation, and to subscribe to new shares issued by PayPay Securities Corporation through a third-party allotment. PayPay Corporation will strengthen its connection with PayPay Bank Corporation and PayPay Securities Corporation by becoming their parent company and will aim to further improve the convenience and customer satisfaction of its financial services.

- The Company conducted a stock split whereby each share of the Company's common shares were split into 10 shares, with the effective date being October 1, 2024, and also established a new shareholder benefits program for common shares. Regarding the shareholder benefits program, PayPay Money Lite (¥1,000 worth)[9] will be presented to shareholders who have held the Company's common shares for 1 year or longer and hold 100 or more shares[8]. Through the stock split and the new shareholder benefits program, the Company will encourage new investors, including the young generation, to select the Company's shares 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. As a result of these initiatives, the number of shareholders has risen to approximately 1,360,000 as of March 31, 2025, an increase of about 500,000 compared to March 31, 2024.

- The Company issued Series 2 Bond-Type Class Shares with a payment date of October 3, 2024. Like the Series 1 Bond-Type Class Shares issued in November 2023, the Series 2 Bond-Type Class Shares have no rights to convert into Common Shares, offer cumulative dividends but no dividend payments beyond the preferred dividends initially set, and cause no dilution of the rights to vote. These features allow for an increase in equity capital while considering shareholders of Common Shares. Proceeds will be used to finance capital expenditures for growth investments that will contribute to the medium- to long-term enhancement of corporate value, such as the realization of services using generative AI, and the construction of Next-generation Social Infrastructure.

- In November 2024, the Company received the Grand Prize for the second consecutive year, a first in history, in the Sixth Nikkei SDGs Management Grand Prix, which selects companies that contribute to the United Nations' Sustainable Development Goals (SDGs). Additionally, we were selected as a "Prime Seat Company," which is a separate designation that recognizes companies that consistently achieve high evaluations. Furthermore, in December 2024, we were selected for the third consecutive year as a constituent of the World Index of the Dow Jones Sustainability Index (DJSI), one of the world's leading ESG indices.

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. 5G (5th Generation) refers to 5th generation mobile communication systems.
4. Excludes Okinawa Cellular
5. RAN (Radio Access Network) refers to a wireless access network.
6. DX (digital transformation) refers to using of digital technology to provide new value and experiences and transform society.
7. PayPay Securities Corporation and PayPay Bank Corporation became subsidiaries of PayPay Corporation on April 1, 2025 and April 11, 2025, respectively.
8. The holding period shall be from March 31 to March 31 of the following year, or from September 30 to September 30 of the following year, and the first period shall be from March 31, 2025 to March 31, 2026. This is based on the date on which the shareholder is entered or recorded in the Company's shareholder register, which may differ from dates on which shares are acquired, etc. Furthermore, the benefits are applicable to shareholders who are entered or recorded with the same shareholder number on the Company's final shareholder register on March 31 and September 30 at least 3 consecutive times.
9. PayPay Money Lite can be used for transfers and bill payments (excluding taxes), as well as on the official PayPay/PayPay Card stores. It cannot be used for withdrawals or bill payments to local governments (such as taxes).

b. Consolidated Results of Operations

(Billions of yen)

	Fiscal Year Ended March 31			
	2024	**2025**	Change	Change %
Revenue	6,084.0	**6,544.3**	460.3	7.6%
Operating income	876.1	**989.0**	112.9	12.9%
Profit before income taxes	805.9	**880.1**	74.1	9.2%
Income taxes	(215.6)	**(224.8)**	(9.1)	4.2%
Net income	590.3	**655.3**	65.0	11.0%
Net income attributable to:				
Owners of the Company	489.1	**526.1**	37.1	7.6%
Non-controlling interests	101.2	**129.2**	28.0	27.6%
Adjusted EBITDA[1]	1,667.7	**1,753.1**	85.5	5.1%

Note:
1. Adjusted EBITDA = operating income + depreciation and amortization (including loss on disposal of non-current assets) + stock compensation expenses ± other adjustments. For details, refer to "(4) Non-IFRS Financial Measures."

An overview of the consolidated results of operations for the fiscal year ended March 31, 2025 is as follows:

(a) Revenue

For the fiscal year ended March 31, 2025, revenue increased by ¥460.3 billion (7.6%) year on year to ¥6,544.3 billion, increasing across all reportable segments. Revenue increased by ¥242.9 billion[2] in the Distribution segment mainly due to solid increase in revenue from ICT related products and recurring revenue products for enterprise customers, as well as from the effect of inter-segment transactions related to AI computing infrastructure, by ¥130.3 billion in the Consumer segment mainly due to increases in revenues from sales of goods and others and mobile revenue, by ¥88.5 billion in the Enterprise segment mainly due to an increase in demand for solutions associated with digitalization, by ¥64.0 billion in the Media & EC segment mainly due to increased media revenue and commerce revenue, and by ¥44.5 billion in the Financial segment mainly due to an increase in gross merchandise value of QR code payments and credit card services conducted by PayPay Corporation and PayPay Card Corporation.

Note:
2. Excluding the effect of inter-segment transactions related to AI computing infrastructure, the revenue increase was ¥162.1 billion.

(b) Operating income

For the fiscal year ended March 31, 2025, operating income increased by ¥112.9 billion (12.9%) year on year to ¥989.0 billion, increasing across all reportable segments. The Media & EC segment saw an increase of ¥69.3 billion in operating income mainly due to the recording of profits associated with the loss of control of subsidiaries in the LY Group and increase in media income. Furthermore, operating income increased by ¥38.2 billion in the Financial segment, by ¥35.2 billion in the Consumer segment, by ¥4.2 billion in the Distribution segment, and by ¥3.4 billion in the Enterprise segment. Notably, with an increase in gross merchandise value of QR code payments and credit card services conducted by PayPay Corporation and PayPay Card Corporation, the Financial segment has turned profitable in the fiscal year ended March 31, 2025.

(c) Net income

For the fiscal year ended March 31, 2025, net income increased by ¥65.0 billion (11.0%) year on year to ¥655.3 billion. This is mainly due to the aforementioned significant increase in operating income, while the increase was partly offset by losses on valuation of investment securities held, the absence of the gain on changes in equity interest associated with the change in the LY Group's equity interest in Webtoon Entertainment Inc., which had been recorded in the same period of the previous year, as well as the recording of loss on valuation of put options for equity method affiliates.

(d) Net income attributable to owners of the Company

For the fiscal year ended March 31, 2025, net income attributable to owners of the Company increased by ¥37.1 billion (7.6%) year on year to ¥526.1 billion. Net income attributable to non-controlling interests increased by ¥28.0 billion (27.6%) year on year to ¥129.2 billion, mainly due to an increase in net income at the LY Group.

(e) Adjusted EBITDA

For the fiscal year ended March 31, 2025, adjusted EBITDA increased by ¥85.5 billion (5.1%) year on year to ¥1,753.1 billion, mainly due to an increase in operating income.

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			
	2024	**2025**	Change	Change %
Revenue	2,822.6	**2,952.9**	130.3	4.6%
Operating expenses[1]	2,327.4	**2,422.4**	95.0	4.1%
Of which, depreciation and amortization	395.6	**378.8**	(16.8)	(4.2)%
Segment income	495.2	**530.4**	35.2	7.1%

Note:

* From the three months ended June 30, 2024, certain subsidiaries that were previously classified under the "Consumer segment" has been transferred to "Other." As a result, the figures for the fiscal year ended March 31, 2024 have been retrospectively adjusted.

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			
	2024	**2025**	Change	Change %
Service revenues	2,187.2	**2,239.0**	51.8	2.4%
Mobile	1,521.9	**1,574.5**	52.6	3.5%
Broadband	403.8	**408.8**	4.9	1.2%
Electricity	261.5	**255.8**	(5.7)	(2.2)%
Revenues from sales of goods and others	635.4	**713.9**	78.4	12.3%
Total revenue	2,822.6	**2,952.9**	130.3	4.6%

Note:

* From the three months ended June 30, 2024, certain subsidiaries that were previously classified under the "Consumer segment" has been transferred to "Other." As a result, the figures for Broadband, which included the subsidiaries, for the fiscal year ended March 31, 2024 have been retrospectively adjusted.

Consumer segment revenue increased by ¥130.3 billion (4.6%) year on year to ¥2,952.9 billion. Within Consumer segment revenue, service revenues increased by ¥51.8 billion (2.4%) year on year to ¥2,239.0 billion, and revenues from sales of goods and others increased by ¥78.4 billion (12.3%) year on year to ¥713.9 billion.

Within service revenues, mobile revenue increased by ¥52.6 billion (3.5%) year on year. The increase mainly reflected the decrease of customer acquisition measures, which are deducted from revenue, and the growth in smartphone subscribers, led primarily by the *Y!mobile* brand. Annual average revenue per user, which had decreased ¥120 in the previous fiscal year, was flat year on year in the current fiscal year. This was due to the downward pressure from the growing number of users on the low-priced *Y!mobile* brand being absorbed by the increased penetration of the new price plans introduced in October 2023. In addition, mobile revenue (excluding the impact of customer acquisition measures) has transitioned to year-on-year growth since the three months ended December 31, 2023.

(Billions of yen)

	Fiscal Year Ended March 31, 2024				Fiscal Year Ended March 31, 2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mobile revenue	384.6	392.0	374.8	370.4	392.3	396.5	388.2	397.5
Of which, the impact of customer acquisition measures[1]	–	–	(18.3)	(22.7)	–	–	(11.2)	(2.0)
Mobile revenue (excluding the impact of customer acquisition measures)	384.6	392.0	393.0	393.1	392.3	396.5	399.4	399.5
YoY change	(5.8)	(0.5)	4.9	6.4	7.6	4.5	6.3	6.4

Note:

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

Broadband revenue increased by ¥4.9 billion (1.2%) year on year. This increase was mainly due to an increase in subscribers of the *SoftBank Hikari* fiber-optic service[1].

Electricity revenue decreased by ¥5.7 billion (2.2%) year on year. This decrease was mainly due to decreases in subscribers of the *Ouchi Denki (Home Electricity)* service.

The increase in revenues from sales of goods and others was mainly due to an increase in unit prices of smartphones.

Operating expenses were ¥2,422.4 billion, an increase of ¥95.0 billion (4.1%) year on year. This increase was mainly due to increases in the cost of goods of smartphones, etc., and sales promotion expenses.

As a result, segment income increased by ¥35.2 billion (7.1%) year on year to ¥530.4 billion.

Note:

1. Includes subscribers of SoftBank Air

(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			
	2024	**2025**	Change	Change %
Revenue	833.9	**922.4**	88.5	10.6%
Operating expenses[1]	667.1	**752.1**	85.0	12.7%
Of which, depreciation and amortization	156.7	**166.3**	9.6	6.1%
Segment income	166.8	**170.3**	3.4	2.1%

Note:

* From the three months ended June 30, 2024, SB Technology Corp. and Cybertrust Japan Co., Ltd., etc., which were previously classified under "Other", have been transferred to the "Enterprise segment." As a result, the figures for the fiscal year ended March 31, 2024 have been retrospectively adjusted.

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			
	2024	**2025**	Change	Change %
Mobile	314.6	**315.9**	1.3	0.4%
Fixed-line	173.8	**169.3**	(4.4)	(2.6)%
Business solution and others	345.6	**437.2**	91.6	26.5%
Total revenue	833.9	**922.4**	88.5	10.6%

Note:

* From the three months ended June 30, 2024, the revenues of SB Technology Corp. and Cybertrust Japan Co., Ltd., etc., which have been transferred to the "Enterprise segment," have been included in "Business solution and others." Also, in the three months ended June 30, 2024, the Company has revised its business management categories and transferred certain products from "Mobile" and "Fixed-line" to "Business solution and others." Accordingly, the breakdown of all service categories in the "Enterprise segment" revenue for the fiscal year ended March 31, 2024 has been retrospectively adjusted.

Enterprise segment revenue increased by ¥88.5 billion (10.6%) year on year to ¥922.4 billion. Within Enterprise segment revenue, mobile revenue increased by ¥1.3 billion (0.4%) to ¥315.9 billion, fixed-line revenue decreased by ¥4.4 billion (2.6%) to ¥169.3 billion, and business solution and others revenue increased by ¥91.6 billion (26.5%) to ¥437.2 billion.

The increase in mobile revenue was mainly due to an increase in telecommunications revenue from a growth in the number of subscribers to mobile services.

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 mainly due to taking over the business of WeWork Japan GK, increased revenue mainly from cloud services, security solutions and IoT solutions as a result of capturing enterprise customers' demand for digitalization, and the effect of the consolidation of Cubic Telecom Ltd.

Operating expenses were ¥752.1 billion, an increase of ¥85.0 billion (12.7%) year on year. This increase was mainly due to the effect of the aforementioned business succession of WeWork Japan GK and the consolidation of Cubic Telecom Ltd., an increase in costs following the abovementioned increase in business solution and others revenue, and the absence of reversal of provisions for litigation recorded in the previous fiscal year.

As a result, segment income increased by ¥3.4 billion (2.1%) year on year to ¥170.3 billion.

(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			
	2024	**2025**	Change	Change %
Revenue	646.6	**889.5**	242.9	37.6%
Operating expenses[1]	620.4	**859.1**	238.7	38.5%
Of which, depreciation and amortization	4.4	**4.3**	(0.1)	(2.8)%
Segment income	26.2	**30.4**	4.2	16.0%

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 ¥242.9 billion (37.6%) year on year to ¥889.5 billion. This increase was mainly due to solid growth in ICT related products and recurring revenue products for enterprise customers such as cloud and SaaS, which have been strategic areas of focus, the effect of inter-segment transactions related to AI computing infrastructure[2], and increased sales of PCs due to migration from Windows 10, which is reaching the end of its support.

Operating expenses were ¥859.1 billion, an increase of ¥238.7 billion (38.5%) 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 ¥4.2 billion (16.0%) year on year to ¥30.4 billion.

Note:
2. These transactions refer to revenue to Other, resulting from SB C&S Corp.'s sale of AI computing infrastructure, which was purchased from NVIDIA, to SoftBank Corp.

(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			
	2024	**2025**	Change	Change %
Revenue	1,614.1	**1,678.1**	64.0	4.0%
Operating expenses[1]	1,416.2	**1,410.8**	(5.4)	(0.4)%
Of which, depreciation and amortization	161.3	**163.3**	2.1	1.3%
Segment income	198.0	**267.3**	69.3	35.0%

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			
	2024	**2025**	Change	Change %
Media	694.4	**723.9**	29.5	4.2%
Commerce	825.2	**846.1**	20.9	2.5%
Strategy	87.6	**100.3**	12.7	14.5%
Other	6.9	**7.7**	0.8	12.1%
Total revenue	1,614.1	**1,678.1**	64.0	4.0%

Note:

* In the three months ended December 31, 2024, the LY Group revised its management categories and transferred certain services previously categorized under “Media” to “Commerce.” Accordingly, the breakdown of “Media” and “Commerce” in the “Media & EC segment” revenue for the fiscal year ended March 31, 2024 has been restated to reflect these changes.

Media & EC segment revenue increased by ¥64.0 billion (4.0%) year on year to ¥1,678.1 billion. Within Media & EC segment revenue, media revenue increased by ¥29.5 billion (4.2%) to ¥723.9 billion, commerce revenue increased by ¥20.9 billion (2.5%) to ¥846.1 billion, strategy revenue increased by ¥12.7 billion (14.5%) to ¥100.3 billion, and other revenue increased by ¥0.8 billion (12.1%) to ¥7.7 billion.

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

The increase in commerce revenue was mainly due to an increase in transaction value of the ZOZO Group (ZOZO, Inc. and its subsidiaries) and the ASKUL Group (ASKUL Corporation and its subsidiaries), as well as a strong performance by service e-commerce, which handles travel and restaurant booking.

The increase in strategy revenue mainly reflected an increase in revenue in the FinTech field such as PayPay Bank Corporation.

Operating expenses were ¥1,410.8 billion, a decrease of ¥5.4 billion (0.4%) year on year. This decrease mainly reflected the recording of gain on loss of control over subsidiaries for IPX Corporation, LINE NEXT Corporation, and ValueCommerce Co., Ltd. and decrease in impairment losses in companies such as LY Corporation, while there were increases in sales promotion expenses, expenses for security measures, and cost of sales associated with the increase in revenue.

As a result, segment income increased by ¥69.3 billion (35.0%) year on year to ¥267.3 billion.

(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			
	2024	**2025**	Change	Change %
Revenue	232.8	**277.3**	44.5	19.1%
Operating expenses[1]	237.8	**244.1**	6.3	2.7%
Of which, depreciation and amortization	20.9	**23.5**	2.6	12.4%
Segment income	(5.0)	**33.2**	38.2	–

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 ¥44.5 billion (19.1%) year on year to ¥277.3 billion. This increase was mainly due to an increase in gross merchandise value of QR code payments and credit card services conducted by PayPay Corporation and PayPay Card Corporation.

Operating expenses were ¥244.1 billion, an increase of ¥6.3 billion (2.7%) year on year. This increase was mainly due to an increase in sales promotion expenses related to point rewards, etc., due to the aforementioned increase in gross merchandise value of QR code payments and credit card services conducted by PayPay Corporation and PayPay Card Corporation, while there were cost reductions associated with optimizing fixed costs.

As a result, segment income increased by ¥38.2 billion year on year to ¥33.2 billion, transitioning this segment to profitability.

(2) Overview of Consolidated Financial Position

(Billions of yen)

	March 31, 2024	**March 31, 2025**	Change	Change %
Current assets	5,268.0	**4,858.7**	(409.4)	(7.8)%
Non-current assets	10,253.9	**11,243.5**	989.7	9.7%
Total assets	15,521.9	**16,102.2**	580.3	3.7%
Current liabilities	7,085.3	**6,835.2**	(250.1)	(3.5)%
Non-current liabilities	4,501.0	**5,001.6**	500.6	11.1%
Total liabilities	11,586.3	**11,836.8**	250.6	2.2%
Total equity	3,935.6	**4,265.4**	329.7	8.4%

(Billions of yen)

	Fiscal Year Ended March 31		
	2024	**2025**	Change
Capital expenditures[1]	650.9	**912.8**	261.9
Of which, capital expenditures in the Consumer segment and Enterprise segment[2]	312.8	**321.8**	9.0

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), establishment license fee for specified base stations using the 4.9GHz band, and the impact of adopting IFRS 16 "Leases."

ASSETS

Total assets amounted to ¥16,102.2 billion as of March 31, 2025, an increase of ¥580.3 billion (3.7%) from the previous fiscal year-end. This was mainly due to an increase of ¥374.4 billion in other financial assets, an increase of ¥224.8 billion in investment securities in banking business, an increase of ¥198.2 billion in property, plant and equipment, an increase of ¥144.6 billion in trade and other receivables, and an increase of ¥87.0 billion in right-of-use assets, while there was a decrease of ¥557.3 billion in cash and cash equivalents. The increase in property, plant and equipment was due to the acquisition of the land and buildings of Sharp Corporation's Sakai Plant and AI computing infrastructure. The increase in right-of-use assets was due to the effect of the business succession of WeWork Japan GK, as the future facility usage rights specified in the succeeded real estate lease contracts was recognized as assets.

LIABILITIES

Total liabilities amounted to ¥11,836.8 billion as of March 31, 2025, an increase of ¥250.6 billion (2.2%) from the previous fiscal year-end. This mainly reflected an increase of ¥293.6 billion in trade and other payables and an increase of ¥152.8 billion in deposits for banking business, while there was a decrease of ¥358.7 billion in interest-bearing debt. Interest-bearing debt decreased mainly due to the contractual repayment of various loans, despite increases from the issuance of corporate bonds and the recording of lease liabilities due to the effect of the business succession of WeWork Japan GK.

EQUITY

Total equity amounted to ¥4,265.4 billion as of March 31, 2025, an increase of ¥329.7 billion (8.4%) from the previous fiscal year-end. Equity attributable to owners of the Company increased by ¥366.6 billion. This mainly reflected an increase of ¥526.1 billion due to the recording of net income for the fiscal year ended March 31, 2025 and an increase of ¥223.8 billion due to the issuance of new shares including Series 2 Bond-Type Class Shares, while there was a decrease of ¥408.9 billion due to payment of cash dividends.

CAPITAL EXPENDITURES

In the fiscal year ended March 31, 2025, capital expenditures were ¥912.8 billion, an increase of ¥261.9 billion year on year. This increase was mainly due to increased investments in AI computing infrastructure and AI data centers, as well as increased capital expenditures by the LY Group. Additionally, during the three months ended December 31, 2024, ¥66.5 billion[3] was recorded under intangible assets as the establishment license fee for specified base stations using the 4.9 GHz band.

Note:

3. The payment period for the establishment license fee for specified base stations is 16 years. The fee is calculated at present value, considering that it is a long-term payment over the certification period.

(3) Overview of Consolidated Cash Flows

(Billions of yen)

	Fiscal Year Ended March 31		
	2024	**2025**	Change
Cash flows from operating activities	1,239.7	**1,367.9**	128.2
Cash flows from investing activities	(927.6)	**(995.2)**	(67.6)
Cash flows from financing activities	(357.1)	**(956.4)**	(599.3)
Cash and cash equivalents at the end of the period	1,992.9	**1,435.5**	(557.3)
Free cash flow[1]	312.1	**372.7**	60.6
Adjusted free cash flow (excluding LY Group and PayPay, etc.)[1,2]	532.8	**436.5**	(96.3)
Primary free cash flow[1,3]	607.7	**603.3**	(4.3)

Notes:

1. Refer to "(4) Non-IFRS Financial Measures" for calculation methods of free cash flow, adjusted free cash flow (excluding LY Group and PayPay, etc.) and primary free cash flow.
2. Adjusted free cash flow (excluding LY Group and PayPay, etc.) = free cash flow + (proceeds from the securitization of installment sales receivables – repayments thereof) - free cash flow of the LY Group and PayPay, etc. + other items such as dividends received from A Holdings Corporation and investment in PayPay Securities Corporation. "LY Group and PayPay, etc." refers to A Holdings Corporation, LY Corporation and its subsidiaries (LY Group), B Holdings Corporation, PayPay Corporation, PayPay Card Corporation, PayPay Securities Corporation, etc.
3. Primary free cash flow is a measure calculated by adding back the amounts spent as long-term growth investments to adjusted free cash flow (excluding LY Group and PayPay, etc.). Long-term growth investments include investments in AI computing infrastructure, AI data centers, and Cubic Telecom Ltd.

a. Cash flows from operating activities

In the fiscal year ended March 31, 2025, net cash inflow from operating activities was ¥1,367.9 billion, an increase of ¥128.2 billion in cash inflow year on year. This increase mainly reflected an increase in EBITDA, a decrease in income taxes paid, and an increase in income taxes refunded.

b. Cash flows from investing activities

In the fiscal year ended March 31, 2025, net cash outflow from investing activities was ¥995.2 billion, an increase of ¥67.6 billion in cash outflow year on year. This was mainly due to the acquisition of the land and buildings of Sharp Corporation's Sakai Plant and AI computing infrastructure, which more than offset the acquisition of shares for the consolidation of Cubic Telcom Ltd. in the previous fiscal year and lower expenditures in the telecommunications business for the current fiscal year.

Cash flows from investing activities include an expenditure of ¥166.9 billion related to long-term growth investments.

c. Cash flows from financing activities

In the fiscal year ended March 31, 2025, net cash outflow from financing activities was ¥956.4 billion. While there were cash inflows of ¥1,894.3 billion from fund procurement, including bank loans, leases, corporate bonds, the securitization of receivables, and issuance of Series 2 Bond-Type Class Shares, there were cash outflows of ¥2,850.7 billion for factors including the contractual repayment of loans, payment of cash dividends, and acquisition of shares in subsidiaries.

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

As a result of (a) through (c) above and others, cash and cash equivalents as of March 31, 2025 were ¥1,435.5 billion, a decrease of ¥557.3 billion year on year.

e. Primary free cash flow

In the fiscal year ended March 31, 2025, primary free cash flow was positive ¥603.3 billion, a decrease of ¥4.3 billion year on year. This increase mainly reflected the dividends received by the Company from A Holdings Corporation in connection with proceeds from its sale of LY Corporation shares during the three months ended September 30, 2024, while there was a decrease in income from the securitization of installment sales receivables.

(4) Non-IFRS Financial Measures

The Group uses financial indicators that are not defined or recognized by IFRS. The indicators are used by management to enhance understanding of the Group's performance and to serve as important measures for evaluating current performance. Since these measures are not defined by IFRS, they may be calculated differently or used for different purposes by other companies, which restricts their usefulness in terms of comparability.

a. Adjusted EBITDA

Adjusted EBITDA is calculated by adding and subtracting "Depreciation and amortization (including loss on disposal of non-current assets)", "Stock compensation expenses" and "Other adjustments" that do not occur in normal business activities, to operating income. "Other adjustments" include "Other operating income" and "Other operating expenses" presented in the Consolidated Statement of Income. The Groups uses adjusted EBITDA as a measure for evaluating performance excluding the impact of non-cash transactions. The Group believes that adjusted EBITDA is a useful and necessary indicator to appropriately evaluate performance.

Operating income is reconciled to adjusted EBITDA as follows.

(Billions of yen)

	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025
Operating income	876.1	989.0
(Add) Depreciation and amortization[1]	769.1	770.0
(Add) Stock compensation expenses	23.0	19.3
(Add (subtract)) Other adjustments: Impairment loss	14.7	13.8
(Add (subtract)) Other adjustments: Gain on loss of control over subsidiaries	(4.8)	(39.0)
(Add (subtract)) Other adjustments: Gain on sale of businesses	(10.5)	—
Adjusted EBITDA	1,667.7	1,753.1

Note:

1. "Depreciation and amortization" in the table above includes Depreciation and amortization (¥743.8 billion for the fiscal year ended March 31, 2024 and ¥748.0 billion for the fiscal year ended March 31, 2025) and Loss on disposal of property, plant and equipment and intangible assets (¥25.3 billion for the fiscal year ended March 31, 2024 and ¥22.0 billion for the fiscal year ended March 31, 2025) stated in "4. Consolidated Financial Statements and Primary Notes, (4) Consolidated Statement of Cash Flows."

b. Free Cash Flow, Adjusted Free Cash Flow (excluding LY Group and PayPay, etc.), and Primary Free Cash Flow

Free cash flow is a measure calculated by adding cash flows from operating activities and cash flows from investing activities.

Adjusted free cash flow (excluding LY Group and PayPay, etc.) is calculated by adding the proceeds from the securitization of installment sales receivables for devices, subtracting the repayments thereof, as well as adding the dividend payments received from A Holdings Corporation, and excluding the free cash flow of LY Group and PayPay, etc.

Primary free cash flow is a measure that excludes strategic investments which contribute to mid- to long-term growth, such as the construction of AI computing infrastructure, from adjusted free cash flow (excluding LY Group and PayPay, etc.). The Group believes this is a useful indicator for evaluating ongoing cash generating ability i.e., debt repayment ability and dividend paying ability, mainly in existing businesses of the Company and its wholly owned subsidiaries.

On the consolidated statement of cash flows, the proceeds and repayments from the securitization of installment sales receivables are included in the cash flows from financing activities. Given that said receivables arise in the course of operating activities, the Group believes that an indicator that would more appropriately represent the Group's ordinary cash generating capacity would add or subtract the cash flow from the securitization of said receivables to or from the cash flows from operating activities. Therefore, in the process of calculating adjusted free cash flow (excluding LY Group and PayPay, etc.) and primary free cash flow, we add and subtract the proceeds and repayments from the securitization of installment sales receivables as adjustments to free cash flow.

Adjustment items and adjustment amounts for free cash flow, adjusted free cash flow (excluding LY Group and PayPay, etc.), and primary free cash flow are as follows.

(Billions of yen)

	Fiscal Year Ended March 31, 2024	Fiscal Year Ended March 31, 2025
Cash flows from operating activities	1,239.7	1,367.9
Cash flows from investing activities (capital expenditures)[1]	(552.2)	(743.5)
Cash flows from investing activities (others)[2]	(375.4)	(251.7)
Free cash flow	312.1	372.7
Effect of securitization of installment sales receivables	77.9	(8.6)
Securitization of installment sales receivables: Proceeds[3]	458.8	370.6
Securitization of installment sales receivables: Repayments[3]	(380.9)	(379.2)
Free cash flow from LY Group and PayPay, etc.[4]	130.8	(15.2)
Others[5]	12.0	87.7
Adjusted free cash flow (excluding LY Group and PayPay, etc.)	532.8	436.5
Long-term growth investments[6]	(74.9)	(166.9)
Primary free cash flow	607.7	603.3

Notes:

1. Cash flows from investing activities (capital expenditures) is the net amount of "Purchases of property, plant and equipment and intangible assets" and "Proceeds from sales of property, plant and equipment and intangible assets" included in Cash flows from investing activities on the Consolidated Statement of Cash Flows.
2. Cash flows from investing activities (others) is the net amount of "Payments for acquisition of investments," "Proceeds from sales/redemption of investments," "Purchase of investment securities in banking business," "Proceeds from sales/redemption of investment securities in banking business," "Proceeds from (payments for) obtaining control of subsidiaries," "Proceeds from (payments for) loss of control over subsidiaries," and "Other" included in Cash flows from investing activities on the Consolidated Statement of Cash Flows.
3. Securitization of installment sales receivables: Proceeds and Securitization of installment sales receivables: Repayments are mainly included in "Increase (decrease) in short-term interest-bearing debt, net," "Proceeds from interest-bearing debt" and "Repayment of interest-bearing debt" included in Cash flows from financing activities on the Consolidated Statement of Cash Flows. Proceeds and repayments of short-term installment sales receivables transactions are netted.
4. "LY Group and PayPay, etc." refers to A Holdings Corporation, LY Corporation and its subsidiaries (LY Group), B Holdings Corporation, PayPay Corporation, PayPay Card Corporation, PayPay Securities Corporation, etc.
5. Includes items such as dividends received from A Holdings Corporation (including the dividends received from A Holdings Corporation in connection with proceeds from its sale of LY Corporation shares during the three months ended September 30, 2024) and investment in PayPay Securities Corporation.
6. Includes investments in AI computing infrastructure, AI data centers, and Cubic Telecom Ltd.

(5) Forecasts

Forecasts for the consolidated results for the fiscal year ending March 31, 2026

(Billions of yen)

	Fiscal Year Ended March 31, 2025 (Actual)	Fiscal Year Ending March 31, 2026 (Forecast)	Change	Change %
Revenue	6,544.3	6,700.0	155.7	2.4%
Operating income	989.0	1,000.0	11.0	1.1%
Net income attributable to owners of the Company	526.1	540.0	13.9	2.6%

Forecasts for operating income by segment for the fiscal year ending March 31, 2026

(Billions of yen)

	Fiscal Year Ended March 31, 2025 (Actual)	Fiscal Year Ending March 31, 2026 (Forecast)	Change	Change %
Consumer segment	530.4	550.0	19.6	3.7%
Enterprise segment	170.3	188.0	17.7	10.4%
Distribution segment	30.4	32.0	1.6	5.1%
Media & EC segment[1,2]	258.8	330.0	29.5	9.8%
Financial segment[1,2]	41.7			
Subtotal	1,031.6	1,100.0	68.4	6.6%
Other[3]	(42.6)	(100.0)	(57.4)	-
Total	989.0	1,000.0	11.0	1.1%

Notes:

1. From the fiscal year ending March 31, 2026, PayPay Bank Corporation, which was previously classified under the “Media & EC segment,” will be transferred to the “Financial segment.” As a result, the figures for the “Media & EC segment” and the “Financial segment” for the fiscal year ended March 31, 2025 have been retrospectively adjusted. Note that these retrospectively adjusted figures are currently under review.
2. As PayPay Corporation, which is classified under the “Financial segment,” is preparing for an initial public offering (IPO), the operating income forecasts of the “Media & EC segment” and “Financial segment” for the fiscal year ending March 31, 2026 are disclosed as a combined total.
3. 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.

In the fiscal year ending March 31, 2026, which is the final year of the current Medium-term Management Plan, the Company expects to post its second consecutive year of revenue and profit growth on a consolidated basis. Backed by strong performance, the Company raised the forecast it announced in May 2023, adding ¥200.0 billion to revenue, ¥30.0 billion to operating income, and ¥5.0 billion to net income attributable to owners of the Company. Operating income is forecast to rise in all reportable segments, led by the Consumer, Media & EC, and Financial segments. While working to achieve the targets of the current Medium-term Management Plan, the Company will also pursue growth investments such as generative AI to aim for further business expansion during the next Medium-Term Management Plan that begins in the fiscal year ending March 31, 2027.

In the Consumer segment, the Company expects an increase in profits mainly due to higher telecommunications revenue driven by an increase in the number of subscribers. In the Enterprise segment, the Company expects higher profits from solution services such as cloud services, driven by customers' increasing demand for digitalization. In the Media & EC and the Financial segment, the Company expects to see profit growth through the enhancement of product capabilities. Additionally, "Others" is expected to see increased growth investments in areas such as generative AI.

(6) 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 such as building AI computing infrastructure. Our basic policy is to distribute surplus twice a year as interim and year-end dividends, and 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, 2025, the year-end dividend per share is planned to be ¥4.30[1,2] for common shares, ¥50.00[1] for the Series 1 Bond-Type Class Shares and ¥126.24[1,3] for the Series 2 Bond-Type Class Shares.

For the fiscal year ending March 31, 2026, the annual dividend per share is planned to be ¥8.60 (of which, the interim and year-end dividends per share are planned to be ¥4.30 and ¥4.30, respectively)[2] for common shares, and a prescribed amount of dividend is planned for the Series 1 Bond-Type Class Shares and the Series 2 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 20, 2025.
2. The Company conducted 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 ended March 31, 2025 and the annual dividend per share for the fiscal year ending March 31, 2026 takes this stock split into account.
3. The year-end dividend per share is calculated by multiplying the issuance price of ¥8,000 per share by the fixed annual dividend rate of 3.200% and applying daily proration based on a 365-day year.

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, 2025

There are no applicable items.

(2) Changes in Accounting Policies and Accounting Estimates

(Changes in accounting policies required by IFRS)

The Group has applied the following standards from the fiscal year ended March 31, 2025.

IFRS	Title	Outline of amendments
IAS 1 (Revised)	Presentation of Financial Statements (Revised in October 2022)	1. Clarify the classification of liabilities as current or non-current 2. Amendments to require information disclosure regarding non-current liabilities with covenants
IAS 7 IFRS 7 (Revised)	Statement of Cash Flows Financial Instruments: Disclosures (Revised in May 2023)	Disclosure requirements to enhance the transparency of supplier finance arrangements

There were no significant impacts on the consolidated financial statements from the application of the above standards.

4. Consolidated Financial Statements and Primary Notes

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	1,992,873	1,435,525
Trade and other receivables	2,660,995	2,805,640
Other financial assets	229,715	260,236
Inventories	155,059	191,451
Other current assets	186,810	165,803
Subtotal	5,225,452	4,858,655
Assets classified as held for sale	42,577	-
Total current assets	5,268,029	4,858,655
Non-current assets		
Property, plant and equipment	1,768,812	1,966,995
Right-of-use assets	662,183	749,157
Goodwill	2,049,404	2,068,492
Intangible assets	2,505,511	2,531,480
Contract costs	319,140	384,500
Investments accounted for using the equity method	251,488	273,148
Investment securities	272,788	255,068
Investment securities in banking business	522,232	747,056
Other financial assets	1,755,627	2,099,465
Deferred tax assets	46,529	65,128
Other non-current assets	100,163	103,051
Total non-current assets	10,253,877	11,243,540
Total assets	15,521,906	16,102,195

	As of March 31, 2024	As of March 31, 2025
	(Millions of yen)	
LIABILITIES AND EQUITY		
Current liabilities		
Interest-bearing debt	2,381,632	1,646,524
Trade and other payables	2,535,072	2,828,640
Contract liabilities	128,307	137,223
Deposits for banking business	1,643,155	1,795,965
Other financial liabilities	1,722	2,742
Income taxes payable	125,933	122,844
Provisions	33,287	52,932
Other current liabilities	226,596	248,336
Subtotal	7,075,704	6,835,206
Liabilities directly associated with assets classified as held for sale	9,582	-
Total current liabilities	7,085,286	6,835,206
Non-current liabilities		
Interest-bearing debt	3,939,255	4,315,628
Other financial liabilities	45,312	104,741
Provisions	99,491	142,392
Deferred tax liabilities	301,852	322,232
Other non-current liabilities	115,063	116,625
Total non-current liabilities	4,500,973	5,001,618
Total liabilities	11,586,259	11,836,824
Equity		
Equity attributable to owners of the Company		
Common stock	214,394	228,162
Capital surplus	736,052	927,067
Retained earnings	1,475,775	1,594,862
Treasury stock	(75,822)	(29,221)
Accumulated other comprehensive income (loss)	26,675	22,760
Total equity attributable to owners of the Company	2,377,074	2,743,630
Non-controlling interests	1,558,573	1,521,741
Total equity	3,935,647	4,265,371
Total liabilities and equity	15,521,906	16,102,195

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

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Revenue	6,084,002	6,544,349
Cost of sales	(3,150,653)	(3,384,115)
Gross profit	2,933,349	3,160,234
Selling, general and administrative expenses	(2,081,765)	(2,200,591)
Other operating income	30,172	43,195
Other operating expenses	(5,688)	(13,822)
Operating income	876,068	989,016
Gain on changes in equity interest	20,435	4,564
Share of losses of associates accounted for using the equity method	(22,198)	(9,650)
Financing income	12,921	11,676
Financing costs	(61,415)	(117,352)
Gain on sales of equity method investments	5,227	3,713
Impairment loss on equity method investments	(25,126)	(1,910)
Profit before income taxes	805,912	880,057
Income taxes	(215,647)	(224,771)
Net income[1]	590,265	655,286
Net income attributable to		
Owners of the Company	489,074	526,133
Non-controlling interests	101,191	129,153
	590,265	655,286
Earnings per share attributable to owners of the Company[2]		
Basic earnings per share (Yen)	10.32	10.99
Diluted earnings per share (Yen)	10.12	10.84

Notes:

1. All net income of SoftBank Corp. and its subsidiaries for the fiscal years ended March 31, 2024 and 2025 were generated from continuing operations.
2. The Company conducted a stock split whereby each share of the Company’s common shares was split into 10 shares, with the effective date being October 1, 2024. “Basic earnings per share” and “Diluted earnings per share” are calculated assuming that the stock split had been carried out at the beginning of the previous fiscal year.

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net income	590,265	655,286
Other comprehensive income (loss), net of tax		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plan	(308)	2,707
Changes in the fair value of equity instruments at FVTOCI	2,651	(3,424)
Share of other comprehensive income (loss) of associates accounted for using the equity method	479	97
Total items that will not be reclassified to profit or loss	2,822	(620)
Items that may be reclassified subsequently to profit or loss		
Changes in the fair value of debt instruments at FVTOCI	(1,071)	(3,805)
Cash flow hedges	(132)	7,219
Exchange differences on translation of foreign operations	20,545	(14,846)
Share of other comprehensive income (loss) of associates accounted for using the equity method	9,754	(14,163)
Total items that may be reclassified subsequently to profit or loss	29,096	(25,595)
Total other comprehensive income (loss), net of tax	31,918	(26,215)
Total comprehensive income	622,183	629,071
Total comprehensive income attributable to		
Owners of the Company	499,960	524,159
Non-controlling interests	122,223	104,912
	622,183	629,071

(3) Consolidated Statement of Changes in Equity

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 accumulated other comprehensive income (loss) 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

For the fiscal year ended March 31, 2025

(Millions of yen)

	Equity attributable to owners of the Company							
	Common stock	Capital surplus	Retained earnings	Treasury stock	Accumulated other comprehensive income (loss)	Total	Non-controlling interests	Total equity
As of April 1, 2024	214,394	736,052	1,475,775	(75,822)	26,675	2,377,074	1,558,573	3,935,647
Comprehensive income								
Net income	-	-	526,133	-	-	526,133	129,153	655,286
Other comprehensive income (loss)	-	-	-	-	(1,974)	(1,974)	(24,241)	(26,215)
Total comprehensive income	-	-	526,133	-	(1,974)	524,159	104,912	629,071
Transactions with owners and other transactions								
Cash dividends	-	-	(408,894)	-	-	(408,894)	(124,638)	(533,532)
Issuance of new shares	113,768	109,985	-	-	-	223,753	-	223,753
Transfer from common stock to capital surplus	(100,000)	100,000	-	-	-	-	-	-
Purchase of treasury stock	-	-	-	(0)	-	(0)	-	(0)
Disposal of treasury stock	-	(22,610)	-	46,601	-	23,991	-	23,991
Cancellation of treasury stock	-	-	-	-	-	-	-	-
Changes from business combinations	-	-	-	-	-	-	-	-
Changes from loss of control	-	4,831	-	-	-	4,831	(12,034)	(7,203)
Changes in interests in existing subsidiaries	-	(17)	-	-	-	(17)	(4,931)	(4,948)
Share-based payment transactions	-	(1,050)	-	-	-	(1,050)	-	(1,050)
Transfer from accumulated other comprehensive income (loss) to retained earnings	-	-	1,941	-	(1,941)	-	-	-
Other	-	(124)	(93)	-	-	(217)	(141)	(358)
Total transactions with owners and other transactions	13,768	191,015	(407,046)	46,601	(1,941)	(157,603)	(141,744)	(299,347)
As of March 31, 2025	228,162	927,067	1,594,862	(29,221)	22,760	2,743,630	1,521,741	4,265,371

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Net income	590,265	655,286
Depreciation and amortization	743,808	748,014
Loss on disposal of property, plant and equipment and intangible assets	25,321	21,978
Gain relating to loss of control over subsidiaries	(10,284)	(43,195)
Financing income	(12,921)	(11,676)
Financing costs	61,415	117,352
Share of (income) losses of associates accounted for using the equity method	22,198	9,650
Gain on sales of equity method investments	(5,227)	(3,713)
Impairment loss on equity method investments	25,126	1,910
Gain on changes in equity interest	(20,435)	(4,564)
Income taxes	215,647	224,771
(Increase) decrease in trade and other receivables	(325,141)	(321,107)
(Increase) decrease in inventories	2,744	(39,375)
Purchases of mobile devices leased to enterprise customers	(49,164)	(49,462)
Increase (decrease) in trade and other payables	284,461	290,076
Increase (decrease) in consumption taxes payable	8,090	(4,899)
Increase (decrease) in deposits in banking business	170,895	152,810
(Increase) decrease in loans in banking business	(135,185)	(194,654)
Other	(14,363)	72,936
Subtotal	1,577,250	1,622,138
Interest and dividends received	6,543	11,789
Interest paid	(62,922)	(78,451)
Income taxes paid	(321,493)	(243,266)
Income taxes refunded	40,311	55,661
Net cash inflow from operating activities	1,239,689	1,367,871
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(554,074)	(746,657)
Proceeds from sales of property, plant and equipment and intangible assets	1,838	3,125
Payments for acquisition of investments	(96,062)	(86,700)
Proceeds from sales/redemption of investments	23,601	59,395
Purchase of investment securities in banking business	(328,014)	(344,567)
Proceeds from sales/redemption of investment securities in banking business	127,586	123,714
Proceeds from (payments for) obtaining control of subsidiaries	(67,528)	(350)
Proceeds from (payments for) loss of control over subsidiaries	(6,890)	(21,909)
Other	(28,064)	18,766
Net cash outflow from investing activities	(927,607)	(995,183)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
		(Millions of yen)
Cash flows from financing activities		
Increase (decrease) in short-term interest-bearing debt, net	181,328	(417,203)
Proceeds from interest-bearing debt	1,905,910	1,649,994
Repayment of interest-bearing debt	(2,064,536)	(1,872,502)
Proceeds from issuance of shares	136,233	221,055
Proceeds from stock issuance to non-controlling interests	34,202	23,249
Payments for purchase of treasury stock	(100,000)	(0)
Cash dividends paid	(406,752)	(408,836)
Cash dividends paid to non-controlling interests	(45,697)	(124,909)
Other	2,214	(27,277)
Net cash inflow (outflow) from financing activities	(357,098)	(956,429)
Effect of exchange rate changes on cash and cash equivalents	11,733	(6,618)
Increase (decrease) in cash and cash equivalents relating to transfer of assets classified as held for sale	(33,011)	33,011
Increase (decrease) in cash and cash equivalents	(66,294)	(557,348)
Cash and cash equivalents at the beginning of the year	2,059,167	1,992,873
Cash and cash equivalents at the end of the year	1,992,873	1,435,525

(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.

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 6. Segment information."

2. Changes in presentation

(Consolidated Statement of Cash Flows)

a. "Proceeds from (payments for) loss of control over subsidiaries," which was included in "Other" under cash flows from investing activities for the fiscal year ended March 31, 2024, has been presented as a separate item for the fiscal year ended March 31, 2025 as the amount became material. In order to reflect this change, reclassification has been made in the consolidated statement of cash flows for the fiscal year ended March 31, 2024.

As a result, in the consolidated statement of cash flows for the fiscal year ended March 31, 2024, "Other" of ¥(34,954) million under cash flows from investing activities has been reclassified as "Proceeds from (payments for) loss of control over subsidiaries" of ¥(6,890) million and "Other" of ¥(28,064) million under cash flows from investing activities.

b. For the fiscal year ended March 31, 2024, proceeds from and repayments of borrowings in certain subsidiary have been presented on a gross basis in "Proceeds from interest-bearing debt" and "Repayment of interest-bearing debt" under cash flows from financing activities. For the fiscal year ended March 31, 2025, proceeds from and repayments of borrowings have been presented on a net basis in "Increase (decrease) in short-term interest-bearing debt, net" under cash flows from financing activities. This change is due to a change in the cash management policy, which centers on the continuous refinancing of short-term borrowings, in response to the subsidiary's business expansion. From the perspective of clarity, cash transactions, which were previously presented on a gross basis, have been reclassified to a net basis.

As a result, in the consolidated statement of cash flows for the fiscal year ended March 31, 2024, "Proceeds from interest-bearing debt" of ¥732,900 million and "Repayment of interest-bearing debt" of ¥(713,700) million under cash flows from financing activities have been reclassified as "Increase (decrease) in short-term interest-bearing debt, net" of ¥19,200 million under cash flows from financing activities.

3. 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 standards from the fiscal year ended March 31, 2025.

IFRS	Title	Outline of amendments
IAS 1 (Revised)	Presentation of Financial Statements (Revised in October 2022)	1. Clarify the classification of liabilities as current or non-current 2. Amendments to require information disclosure regarding non-current liabilities with covenants
IAS 7 IFRS 7 (Revised)	Statement of Cash Flows Financial Instruments: Disclosures (Revised in May 2023)	Disclosure requirements to enhance the transparency of supplier finance arrangements

There were no significant impacts on the consolidated financial statements from the application of the above standards.

4. 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

Identifying a lease

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

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

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

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

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

ii. the lessee 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.

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, 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.

5. Business combinations

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 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. Correction of provisional amounts

Consideration transferred is allocated to assets acquired and liabilities assumed based on their fair value as of the acquisition date. The allocation of the consideration transferred was completed during the three months ended June 30, 2024. There are no significant changes between the initial provisional and final amounts.

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 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.

Fiscal year ended March 31, 2025

There are no significant business combinations to be disclosed.

6. 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. 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" 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 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.

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.

In addition, the Group reevaluated the management business categories to reinforce group synergy. As a result, from the three months ended June 30, 2024, the reportable segments of SB Technology Corp., Cybertrust Japan Co., Ltd., and others, which were included in the "Other" segment, have been changed to the "Enterprise" segment. In addition, the reportable segment of certain subsidiaries, which were included in the "Consumer" segment, has been changed to the "Other" segment. As a result, the figures for the fiscal year ended March 31, 2024, have been retrospectively adjusted.

(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, 2024

(Millions of yen)

	Reportable segments								
	Consumer	Enterprise	Distribution	Media & EC	Financial	Total	Other	Adjustments	Consolidated
Revenue									
Sales to external customers	2,805,628	802,803	569,076	1,586,072	215,987	5,979,566	104,436	-	6,084,002
Intersegment revenue or transferred revenue	16,991	31,125	77,533	28,031	16,814	170,494	12,017	(182,511)	-
Total	2,822,619	833,928	646,609	1,614,103	232,801	6,150,060	116,453	(182,511)	6,084,002
Segment income	495,193	166,822	26,245	197,950	(4,984)	881,226	(10,076)	4,918	876,068
Depreciation and amortization[1]	395,631	156,706	4,419	161,262	20,861	738,879	9,496	(4,567)	743,808

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable segments								
	Consumer	Enterprise	Distribution	Media & EC	Financial	Total	Other	Adjustments	Consolidated
Revenue									
Sales to external customers	2,933,387	888,160	705,700	1,649,946	255,887	6,433,080	111,269	-	6,544,349
Intersegment revenue or transferred revenue	19,489	34,247	183,804	28,132	21,394	287,066	12,173	(299,239)	-
Total	2,952,876	922,407	889,504	1,678,078	277,281	6,720,146	123,442	(299,239)	6,544,349
Segment income	530,437	170,267	30,434	267,294	33,186	1,031,618	(36,501)	(6,101)	989,016
Depreciation and amortization[1]	378,826	166,291	4,297	163,329	23,452	736,195	14,711	(2,892)	748,014

Note:

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.

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

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Segment income	876,068	989,016
Gain on changes in equity interest	20,435	4,564
Share of losses of associates accounted for using the equity method	(22,198)	(9,650)
Financing income	12,921	11,676
Financing costs	(61,415)	(117,352)
Gain on sales of equity method investments	5,227	3,713
Impairment loss on equity method investments	(25,126)	(1,910)
Profit before income taxes	805,912	880,057

7. 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.

8. Investments accounted for using the equity method

For the fiscal year ended March 31, 2024, an impairment loss of ¥22,345 million was 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%. The impairment loss is included in "Impairment loss on equity method investments" in the consolidated statement of income.

9. Interest-bearing debt

The components of interest-bearing debt are as follows:

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Current		
Short-term borrowings	767,265	353,233
Commercial paper	187,001	108,000
Current portion of long-term borrowings	1,202,649	811,447
Current portion of lease liabilities	139,657	153,782
Current portion of corporate bonds	84,991	219,992
Current portion of installment payables	69	70
Total	2,381,632	1,646,524
Non-current		
Long-term borrowings	2,167,081	2,429,362
Lease liabilities	560,046	638,581
Corporate bonds	1,212,060	1,247,664
Installment payables	68	21
Total	3,939,255	4,315,628

10. Equity

(1) Common stock and capital surplus

a. Common shares

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.

Fiscal year ended March 31, 2025

For the six months ended September 30, 2024, due to the issuance of new shares upon exercise of stock acquisition rights, the number of shares issued increased by 11,737 thousand shares.

In addition, based on the resolution of the Board of Directors meeting held on April 25, 2024, the Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares, with the effective date being October 1, 2024. As a result of the stock split, the number of shares issued increased by 42,911,435 thousand shares.

Furthermore, after the stock split, due to the issuance of new shares upon exercise of stock acquisition rights, the number of shares issued increased by 72,118 thousand shares for the six months ended March 31, 2025.

As a result of these issuances of the shares, "Common stock" and "Capital surplus" increased by ¥13,769 million each under the Companies Act of Japan.

b. Class shares

Fiscal year ended March 31, 2024

The Company issued 30 million shares of Series 1 Bond-Type Class Shares on the payment date of November 1, 2023.

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 Series 1 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 Series 1 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 Series 1 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 Series 1 Bond-Type Class shares were deducted from capital surplus.

Fiscal year ended March 31, 2025

The Company issued 25 million shares of Series 2 Bond-Type Class Shares on the payment date of October 3, 2024.

Although dividends whose record date falls in fiscal year ending on or before March 31, 2030 are fixed dividends (floating dividends thereafter) and any unpaid dividends shall be carried over to subsequent fiscal years, the Series 2 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 Series 2 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 Series 2 Bond-Type Class Shares, “Common stock” and “Capital surplus” increased by ¥100,000 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 ¥3,784 million relating to the issuance of the Series 2 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, 2024	Fiscal year ended March 31, 2025
Balance at the beginning of the year	55,596	47,805
Increase[1]	56,179	279,316
Decrease[2,3]	(63,970)	(142,887)
Balance at the end of the year	47,805	184,234

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.)
   In addition, for the fiscal year ended March 31, 2025, based on the resolution of the Board of Directors meeting held on April 25, 2024, the Company conducted a stock split whereby each share of the Company’s common shares was split into 10 shares, with the effective date being October 1, 2024. As a result of this stock split, the number of “treasury stock” increased by 279,316 thousand shares.
2. 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.”
   In addition, for the fiscal year ended March 31, 2025, due to the exercise of stock acquisition rights, the number of treasury stock decreased by 142,887 thousand shares. As a result, “Treasury stock” decreased by ¥46,601 million and a loss on disposal of

treasury stock of ¥22,610 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."

11. Dividends

Dividends paid are as follows:

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:

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 the 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 the Series 1 Bond-Type Class Shares with a record date of March 31, 2024 was calculated based on actual day counts on a 366-day year basis.

Fiscal year ended March 31, 2025

(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 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
Board of Directors meeting held on October 21, 2024	Common stock	43.00	203,687	September 30, 2024	December 6, 2024
Board of Directors meeting held on October 21, 2024	Series 1 Bond-Type Class Shares	50.00	1,500	September 30, 2024	December 6, 2024

Notes:

1. The Company conducted a stock split whereby each share of the Company’s common shares was split into 10 shares, with the effective date being October 1, 2024. Dividends per share reflects the actual dividend amount before this stock split.
2. If the record date falls in a fiscal year ending on or before March 31, 2029, the annual dividend rate for the 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 (Annual Rate Quotation Date) in which the record date falls plus 3.182%.
3. The amount of the Preferred Dividend to the 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.

(2) Dividends whose record date is in the fiscal year ended March 31, 2025, but whose effective date is after March 31, 2025 are as follows:

The following resolution is scheduled for the Board of Directors meeting held on May 20, 2025

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, 2025	Common stock	4.30	204,539	March 31, 2025	June 12, 2025
Board of Directors meeting held on May 20, 2025	Series 1 Bond-Type Class Shares	50.00	1,500	March 31, 2025	June 12, 2025
Board of Directors meeting held on May 20, 2025	Series 2 Bond-Type Class Shares	126.24	3,156	March 31, 2025	June 12, 2025

Notes:

1. The Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares, with the effective date being October 1, 2024. Dividends per share reflects the actual dividend amount after this stock split.
2. If the record date falls in a fiscal year ending on or before March 31, 2029, the annual dividend rate for the 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 (Annual Rate Quotation Date) in which the record date falls plus 3.182%.
3. If the record date falls in a fiscal year ending on or before March 31, 2030, the annual dividend rate for the Series 2 Bond-Type Class Shares is 3.200% per annum. If the record date falls in a fiscal year ending on or after April 1, 2030 and before March 31, 2050, the annual dividend rate is the interest rate of One-Year Japanese government bonds (JGBs) as of the Annual Rate Quotation Date in which the record date falls plus 2.960%. If the record date falls in a fiscal year ending on or after April 1, 2050, the annual dividend rate is the interest rate of One-Year Japanese government bonds (JGBs) as of the Annual Rate Quotation Date in which the record date falls plus 3.710%

12. Revenue

The components of revenue are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Consumer[4]		
Service revenues		
Mobile	1,508,264	1,555,584
Broadband	400,261	408,247
Electricity	261,666	255,694
Revenues from sales of goods and others	635,437	713,862
Subtotal	2,805,628	2,933,387
Enterprise[5]		
Mobile[3]	305,528	299,314
Fixed-line	162,578	162,715
Business solution and others[3]	334,697	426,131
Subtotal	802,803	888,160
Distribution	569,076	705,700
Media & EC		
Media[6]	674,042	703,881
Commerce[6]	822,124	844,232
Strategy	84,395	97,785
Other	5,511	4,048
Subtotal	1,586,072	1,649,946
Financial	215,987	255,887
Other[4,5]	104,436	111,269
Total	6,084,002	6,544,349

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 year ended March 31, 2024 and 2025 were ¥196,943 million and ¥202,785 million, respectively.
3. “Mobile” and “Business solution and others” under “Enterprise” include service revenues and revenues from sales of goods and others. Service revenues for the year ended March 31, 2024 and 2025 were ¥493,959 million and ¥559,582 million, respectively. Revenues from sales of goods and others for the fiscal years ended March 31, 2024 and 2025 were ¥146,266 million and ¥165,864 million, respectively.
4. Effective for the three months ended June 30, 2024, certain subsidiaries categorized as “Consumer” were transferred to “Other.” As a result, all components of revenue under “Consumer” and “Other” for the fiscal year ended March 31, 2024, have been retrospectively adjusted.
5. Effective for the three months ended June 30, 2024, the business categories of “Enterprise” have been reevaluated and some services included in “Enterprise” were transferred between the business categories. In addition, SB Technology Corp., Cybertrust Japan Co., Ltd., and others were transferred from “Other” to “Enterprise” in order to reinforce group synergy. As a result, all components of revenue under “Enterprise” and “Other” for the fiscal year ended March 31, 2024, have been retrospectively adjusted.
6. Effective for the three months ended December 31, 2024, the business categories of “Media & EC” have been reevaluated and some services categorized as “Media” were transferred to “Commerce.” As a result, all components of revenue under “Media” and “Commerce” for the fiscal year ended March 31, 2024, have been retrospectively adjusted.

13. 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, 2024	Fiscal year ended March 31, 2025
Net income attributable to common shareholders of the Company (Millions of yen)		
Net income attributable to owners of the Company	489,074	526,133
Net income not-attributable to common shareholders of the Company[2]	(1,246)	(6,156)
Net income used in the calculation of basic earnings per share	487,828	519,977
Weighted-average number of shares of common stock outstanding (Thousands of shares)[1]	47,283,987	47,312,472
Basic earnings per share (Yen)	10.32	10.99

(2) Diluted earnings per share

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Diluted net income attributable to common shareholders (Millions of yen)		
Net income used in the calculation of basic earnings per share	487,828	519,977
Effect of dilutive securities issued by subsidiaries and associates	(5,057)	(3,724)
Total	482,771	516,253
Weighted-average number of shares of common stock used in the calculation of diluted earnings per share[1] (Thousands of shares)		
Weighted-average number of shares of common stock outstanding	47,283,987	47,312,472
Increase in the number of shares of common stock due to stock acquisition rights	433,990	332,966
Total	47,717,977	47,645,438
Diluted earnings per share (Yen)	10.12	10.84

Notes:

1. The Company conducted a stock split whereby each share of the Company's common shares was split into 10 shares, with the effective date being October 1, 2024. "Basic earnings per share" and "Diluted earnings per share" are calculated assuming that the stock split had been carried out at the beginning of the previous fiscal year.
2. The amount represents dividends to be paid to class shareholders in connection with the Bond-Type Class Shares.

14. Other operating income and other operating expenses

The components of "other operating income" and "other operating expenses" are as follows:

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Other operating income		
Gain on loss of control over subsidiaries	10,284	43,195
Gain on sale of businesses	10,462	-
Compensation for damage income	9,426	-
Total	30,172	43,195
Other operating expenses		
Impairment loss	(14,672)	(13,822)
Provision for loss relating to litigation[1]	8,984	-
Total	(5,688)	(13,822)

Note:

1. For the fiscal year ended March 31, 2024, the amount represents a reversal of the estimated loss related to the litigation with Japan Post Information Technology Co., Ltd. For details, refer to "Note 17. Contingencies."

15. Supplemental information to the consolidated statement of cash flows

Significant non-cash transactions

Significant non-cash transactions (investing and financing activities that do not require the use of "Cash and cash equivalents") are as follows:

(1) Lease transactions

The increases in "Right-of-use assets" on the lease transactions (excluding lease payments and initial direct costs paid before the lease commencement date) for the fiscal years ended March 31, 2024 and 2025, were ¥181,812 million and ¥194,673 million, respectively, and are non-cash transactions.

(2) Other non-cash transactions

The total amount of increase in "Trade and other payables" and "Other financial liabilities" related to the acquisition of "Intangible assets" for the 4.9GHz specified base station establishment for the fiscal year ended March 31, 2025 was ¥65,047 million and is non-cash transaction.

16. Related party transactions

Fiscal year ended March 31, 2024

Significant related party transactions of the Group are as follows:

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2024 Amount of transaction	As of March 31, 2024 Balance at period-end
Yasuyuki Imai	Director of the Company	Lending of loans[1,2,3]	-	860
		Receipt of interest on loans receivable	9	-
Junichi Miyakawa	Director of the Company	Lending of loans[1,2,3,4]	-	19,930
		Receipt of interest on loans receivable	220	-
Kazuhiko Fujihara	Director of the Company	Lending of loans[1,2,3]	-	640
		Receipt of interest on loans receivable	7	-
		Refund of deposits[1]	190	
		Receipt of deposits[1]	210	
		Offset of deposit[1]	3	207
		Payment of interest on deposits	1	-

The terms and conditions of transactions and policy on how to determine those terms and conditions:

1. The lending rate was set from 1.03% to 1.10% (fixed rate) as reasonably determined in consideration of the borrowing rate actually borne by the Company, which is on a level similar to market rates on similar terms, with both interest and principal repayable in one lump-sum at the end of the fiscal year five years after the loan date, allowing a five-year extension of the repayment period subject to mutual agreement, or optional prepayment at borrower's discretion. Borrowers are entitled to deposit the funds not exceeding the balance of this loan to the Company, in which case the interest rate applicable to such borrowings is the same as the abovementioned lending rate. Decrease in the amount of deposits is offset against loan interest.
2. In this transaction, the Company's shares purchased by the borrower using the loan have been provided as security.
3. In the event that the fair value of the security falls below a certain percentage of the loan balance prior to the due date, the Company shall be entitled to request a pledge of additional security from the borrowers. In such case, the Company shall be entitled to reserve part of the remuneration, etc. the Group will pay to the borrowers within certain limitation, and to use it for the repayment of the loan (hereinafter the "Additional Entitlement").
4. Of the total amount due, the remaining shortfall, if any, after the enforcement of security and execution of the Additional Entitlement shall be fully guaranteed by Board Director, Mr. Masayoshi Son.

Fiscal year ended March 31, 2025

Significant related party transactions of the Group are as follows:

(Millions of yen)

Name of the company or individual	Nature of relationship	Nature of transaction	Fiscal year ended March 31, 2025 Amount of transaction	As of March 31, 2025 Balance at period-end
Yasuyuki Imai	Director of the Company	Collection of loans receivable[1,2,3]	430	430
		Receipt of interest on loans receivable	9	-
Junichi Miyakawa	Director of the Company	Lending of loans[1,2,3,4]	-	19,930
		Receipt of interest on loans receivable	219	-
Kazuhiko Fujihara	Director of the Company	Collection of loans receivable[1,2,3]	320	320
		Receipt of interest on loans receivable	6	-
		Receipt of deposits[1]	200	
		Refund of deposits[1]	207	
		Offset of deposits[1]	200	-
		Payment of interest on deposits	0	-

The terms and conditions of transactions and policy on how to determine those terms and conditions:

1. The lending rate was set from 1.03% to 1.10% (fixed rate) as reasonably determined in consideration of the borrowing rate actually borne by the Company, which is on a level similar to market rates on similar terms, with both interest and principal repayable in one lump-sum at the end of the fiscal year five years after the loan date, allowing a five-year extension of the repayment period subject to mutual agreement, or optional prepayment at borrower's discretion. Borrowers are entitled to deposit the funds not exceeding the balance of this loan to the Company, in which case the interest rate applicable to such borrowings is the same as the abovementioned lending rate. Decrease in the amount of deposits is offset against loan.
2. In this transaction, the Company's shares purchased by the borrower using the loan have been provided as security.
3. In the event that the fair value of the security falls below a certain percentage of the loan balance prior to the due date, the Company shall be entitled to request a pledge of additional security from the borrowers. In such case, the Company shall be entitled to reserve part of the remuneration, etc. the Group will pay to the borrowers within certain limitation, and to use it for the repayment of the loan (hereinafter the "Additional Entitlement").
4. Of the total amount due, the remaining shortfall, if any, after the enforcement of security and execution of the Additional Entitlement shall be fully guaranteed by Board Director, Mr. Masayoshi Son.

17. 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, including the following lawsuit, provisions have not been recorded. 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.

18. Subsequent events

(Conversion of LINE Bank Taiwan Limited into a subsidiary through capital increase)

(1) Summary of the Transactions

LINE Yahoo Corporation (“LY”), a subsidiary of the Company, has decided on April 10, 2025, to increase the capital by 2.745 billion Taiwan dollars and acquire additional 274,500 thousand common shares of LINE Bank Taiwan Limited (“LBT”), an associate of LY, through its subsidiary LINE Financial Taiwan Limited (“LFT”).

The purpose of this capital increase is to promote the banking services operated by LBT in Taiwan under the “LINE Bank” brand and to further strengthen collaboration with the Group. The capital increase is scheduled to be completed in June 2025.

Upon completion of the capital increase, the number of LBT common shares held by LFT will be 1,023,000 thousand shares and the voting rights of LFT in LBT will reach 51.2%, thereby exceeding a majority. As a result, LY will acquire control over LBT, and LBT will become the Group’s subsidiary.

(2) Summary of the acquiree

Name	LINE Bank Taiwan Limited
Business	Internet-only bank

(3) Acquisition date

During June 2025 (planned)

The Group is currently evaluating the impact of this matter.